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SEVENTY-FIFTH CONGRESS, FIRST SESSION

SENATE

SATURDAY, AUGUST 7, 1937

(Legislative day of Thursday, July 22, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 6, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Radcliffe
Andrews	Dieterich	Lee	Reynolds
Ashurst	Donahey	Lewis	Schwartz
Austin	Ellender	Lodge	Schwellenbach
Bailey	Frazier	Logan	Sheppard
Barkley	George	Lonergan	Shipstead
Bilbo	Gerry	Lundeen	Smith
Black	Gillette	McAdoo	Steiwer
Bone	Glass	McCarran	Thomas, Okla.
Borah	Green	McGill	Thomas, Utah
Bridges	Guffey	McKellar	Townsend
Brown, Mich.	Hale	McNary	Truman
Brown, N. H.	Harrison	Maloney	Vandenberg
Bulkley	Hatch	Minton	Van Nuys
Bulow	Herring	Murray	Wagner
Burke	Hitchcock	Nye	Walsh
Byrnes	Holt	O'Mahoney	Wheeler
Capper	Hughes	Overton	White
Chavez	Johnson, Calif.	Pepper	
Clark	Johnson, Colo.	Pittman	
Connally	King	Pope	

Mr. LEWIS. I announce for the RECORD that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official business as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from Arkansas [Mrs. CARAWAY] is unavoidably detained.

The Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family.

The Senator from Tennessee [Mr. BERRY], the Senator from Virginia [Mr. BYRD], the Senator from New York [Mr. COPELAND], the Senator from Delaware [Mr. HUGHES], the Senator from West Virginia [Mr. NEELY], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the performance of official duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

ORDINANCES, ETC., OF COUNCIL OF ST. THOMAS AND ST. JOHN, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of ordinances, resolutions, etc., adopted by the Municipal Council of St. Thomas and St. John and approved by the Governor of the Virgin Islands, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

LOANS ON ARIZONA COTTON

Mr. ASHURST. Mr. President, I have not very often sought the privilege of inserting telegrams in the RECORD, but I have one from Mr. M. A. Anderson, president of the Pinal County (Ariz.) Farm Bureau, on a very important subject, and I ask that it be inserted in the RECORD.

The VICE PRESIDENT. Without objection, the telegram will be printed in the RECORD.

The telegram referred to is as follows:

CASA GRANDE, ARIZ., *August 7, 1937.*

Hon. HENRY ASHURST,
United States Senate, Washington, D. C.:

News articles here indicate possibility of 12-cent loan cotton this year. Wish to remind you again of awful whipping the State of Arizona and particularly Pinal County has taken on all other measures of this kind as compared to older sections. If loan is made as under previous programs the very best a Pinal County cotton farmer cooperating 100 percent with present program could expect would be approximately 65-percent coverage. Sentiment of A. A. A. Administration tends to charge this State with new development, particularly cotton production, because of increase price caused by A. A. A. programs. This very definitely not the case. Practically all lands now in cultivation and some lands not yet developed are the direct result of bond issues sold or signed contracts dated in the early twenties, at least several years prior to any A. A. A. program. Interest bond redemption and high taxes make the cultivation of these lands an economic necessity. In all fairness may we again ask that you make every effort possible to the end that this acreage and present yields be given equal recognition with old producing sections of the Nation in any legislation tending to regulate agricultural production.

M. A. ANDERSON,
President, Pinal County Farm Bureau.

REPORT OF A COMMITTEE

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the joint resolution (S. J. Res. 161) authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons, reported it without amendment and submitted a report (No. 1146) thereon.

BENEFITS TO WORLD WAR VETERANS

Mr. GEORGE. From the Committee on Finance I report back favorably, without amendment, the bill (H. R. 6384) to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes, and I submit a report (No. 1147) thereon.

This is a bill which amends the provisions of existing law giving additional benefits to service-connected World War veterans and their dependents. I had thought I would ask for the immediate consideration of the bill, but I shall not do so, but merely report it for the calendar.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. LONERGAN, from the Committee on Enrolled Bills, reported that that committee presented to the President of

the United States the following enrolled bills and joint resolution:

On August 5, 1937:

S. 176. An act for the relief of George Smith and Ketha Smith;

S. 184. An act for the relief of Josephine M. Scott;

S. 1044. An act for the relief of Thomas W. Seay;

S. 1129. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes;

S. 1266. An act to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak., to operate and maintain a tourist camp and certain amusement and recreational facilities on such island, to make charges in connection therewith, and for other purposes;

S. 1822. An act for the relief of Harry Burnett;

S. 1881. An act for the relief of the Consolidated Aircraft Corporation;

S. 2334. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; and

S. 2399. An act for the relief of R. L. McLachlan.

On August 6, 1937:

S. 191. An act for the relief of Orson Thomas;

S. 449. An act for the relief of the estate of Charles Pratt;

S. 792. An act for the relief of Margaret Larson, a minor;

S. 893. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Jack Wade, Perry Shilton, Louie Hess, Owen Busch, and William W. McGregor;

S. 972. An act for the relief of Ethel Smith McDaniel;

S. 1047. An act to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes;

S. 1379. An act to authorize the Five Civilized Tribes, in suits heretofore filed under their original jurisdictional acts, to present claims to the United States Court of Claims by amended petitions to conform to the evidence, and to authorize said court to adjudicate such claims upon their merits as though filed within the time limitation fixed in said original jurisdictional acts;

S. 1401. An act for the relief of Willard Collins;

S. 1453. An act for the relief of Maude P. Gresham and Agnes M. Driscoll;

S. 1935. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of disbursing officers or agents of the Government for payments made pursuant to certain adjustments and increases in compensations of Government officers and employees; and

S. J. Res. 171. Joint resolution relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BULOW:

A bill (S. 2926) to amend section 13 of the Classification Act of 1923, as amended; to the Committee on Civil Service.

By Mr. THOMAS of Oklahoma:

A bill (S. 2927) to regulate the times and places of holding court in Oklahoma; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 2928) granting a pension to Creed M. Click (with accompanying papers); to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 2929) granting a pension to Lottie B. Smith; to the Committee on Pensions.

By Mr. HERRING:

A bill (S. 2930) for the relief of Ray C. McMillen; to the Committee on Claims.

LEASE OF AMERICAN DESTROYERS TO BRAZIL

Mr. WALSH. Mr. President, I ask permission to introduce a joint resolution of a somewhat unusual character. It is entitled "A joint resolution authorizing the President to lease destroyers to the American republics." I present this joint resolution by request of the State and other departments, and I desire to have it printed in the RECORD in connection with a letter addressed to me by the State Department, a similar letter having been addressed to the chairman of the Committee on Foreign Relations and to the corresponding committees of the House.

Mr. President, briefly, as I interpret the Secretary's letter, the Brazilian Government has requested the United States Government to loan them six American destroyers in order that the Brazilian Government may train officers and men to man the new vessels that they are purchasing and constructing.

The Brazilian Government is concerned with certain tendencies of the world political situation, especially the desire on the part of some nations for access to raw materials, and the forceful action taken by those nations to consummate these desires. They are, therefore, building up their very modest national defense.

If the joint resolution is agreed to, the American Government would loan them some of our overage destroyers now out of commission.

The resolution has the approval of the President, the State Department, and the Navy Department.

The Secretary of State states:

> If the government of the other countries of this hemisphere find it necessary to turn to foreign governments for assistance in a matter of this character, it would be preferable, for obvious reasons, that such assistance be extended by the United States rather than by some other foreign government.

The Secretary of State requests that the resolution be adopted at this session of the Congress.

The resolution includes other countries of this hemisphere.

I submit the resolution for appropriate reference and without any personal opinion on the subject at this time ask unanimous consent that the letter from the Secretary of State be printed in the RECORD at this point, together with the resolution.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. I ask to what committee the communications and the resolution presented by the Senator from Massachusetts are to be referred?

The VICE PRESIDENT. The Chair understands they are to be referred to the Committee on Naval Affairs.

Mr. LEWIS. I respectfully urge that inasmuch as the resolution is one touching upon the relations of the United States with the Republic of Brazil, the subject matter ought to go to the Committee on Foreign Relations. I make that statement because the matter calls for consideration by that committee.

Mr. WALSH. I request that the resolution be referred to the Committee on Foreign Relations, as the subject matter deals with our relations with foreign countries. It is clearly a foreign-relations question and the Navy is only interested in the national defense aspect of the proposal.

The joint resolution (S. J. Res. 200) authorizing the President to lease destroyers to the American republics was read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

> *Resolved, etc.*, That the President of the United States be, and he is hereby, authorized, upon application from the foreign governments concerned, and whenever in his discretion the public interests render such a course advisable, to lease destroyers to the governments of the American republics under such terms and conditions as he may prescribe.
>
> SEC. 2. As consideration for such lease the United States shall be paid an amount equivalent to the total cost of marine insurance

on the vessels involved for the entire period of the lease, which amount shall not be covered into the Treasury of the United States but shall under the direction of the President of the United States be expended for the purpose of obtaining such insurance.

Mr. WALSH. I also request that the letter addressed to me by the Secretary of State be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, August 5, 1937.

The Honorable DAVID I. WALSH,
Chairman, Senate Committee on Naval Affairs,
United States Senate.

MY DEAR SENATOR WALSH: During the last 4½ years the administration has been making a determined effort to place the relations of the United States with the other American Republics on a solid basis of friendship, mutual respect, and fruitful cooperation. The result of this effort has been extremely gratifying. The American Republics which heretofore have viewed the United States with suspicion and even distrust today hold the United States as a friend and real neighbor, sensitive to their rights and interests and desirous of cooperating with them to the fullest measure.

Indicative of this growing friendship, which is one of the most heartening developments in our foreign relations, have been the numerous requests for friendly assistance which have been received from the American Republics. We have been requested to loan the services of technical experts or to give technical advice regarding a wide range of subjects, such as highway construction, education, agriculture, government finance, sanitation, aviation, etc., and whenever appropriate we have been glad to comply with these requests. In the present letter I should like to present you with information regarding a somewhat different type of request and to lay before you the views of the President and bespeak for them your interest and cooperation.

Recently the Government of Brazil has informed this Government of its increasing concern with certain tendencies of the world political situation. The desire on the part of some nations for access to raw materials and the forceful action taken by those nations to consummate these desires has made Brazil, a country of vast territory and relatively small population, particularly apprehensive. The Government, therefore, has thought it the part of prudence to improve its relatively modest national defense, but, being deficient in trained military or naval personnel and equipment, it finds its task a considerable one.

With respect to naval defense, the Brazilian Government is constructing certain vessels and purchasing others abroad. Upon the construction or delivery of these vessels, the Government will be the possessor of what it considers to be necessary naval material, but, unless steps are taken meanwhile, there will be a dearth of trained personnel to operate its ships. In order to remedy this deficiency the Government of Brazil has inquired whether the Government of the United States would be disposed to lease six of its decommissioned destroyers until its own vessels are ready.

This request of the Government of Brazil has had the very careful consideration of the President, of the Navy Department, and of this Department. The President believes, and his views are shared by the two executive departments concerned, that there are two weighty reasons which commend the proposal. In the first place, if the governments of the other countries of this hemisphere find it necessary to turn to foreign governments for assistance in a matter of this character, it would be preferable, for obvious reasons, that such assistance be extended by the United States rather than by some other foreign government. Secondly, it would appear to be in the interest of this country were its overage vessels now decommissioned because of the expense involved to be kept in running order and available for instant use, which would be the case if they were leased under the proper terms and conditions to other countries of this hemisphere. These overage vessels are being retained by the Navy Department at the present time only because of their value in case of an emergency, but their value is greatly lessened because it requires approximately 2 months working at top speed 24 hours a day properly to recommission vessels which have been retired from active service. For these principal reasons the President is disposed to consider favorably the Brazilian request, it being understood, of course, that no such equipment would be loaned by this Government except when the public interests rendered such a course advisable, and when the equipment in question could be spared without any impairment of the defense requirements of the United States.

In order that this Government may be in a position to take such action as that indicated above, the President has requested me to submit for the consideration and study of your committee a draft resolution which will authorize him under certain conditions to loan destroyers to the American republics. You will observe that such action would be predicated upon the application of the foreign government concerned, and would be authorized whenever, in the discretion of the President, the public interests rendered such a course advisable. In section 2 of the draft resolution it is provided that there shall be received as consideration for the lease of such vessels an amount equivalent to the total cost of marine insurance on the vessels for the entire period of the lease. It is understood, of course, that this Government would not proceed to make available any of its naval vessels to Brazil without making a similar offer to the other countries of this hemisphere.

At the President's direction I am addressing similar letters to the chairmen of the House Committee on Foreign Affairs, the Senate Committee on Foreign Relations, and the House Committee on Naval Affairs. The President would appreciate your conferring with the chairmen of these other committees, and if you concur in his views, to arrange for immediate consideration by the Congress of the attached resolution, which it is hoped may be adopted at this session of Congress.

Sincerely yours,

CORDELL HULL.

THE ARMY AIR CORPS TODAY—ADDRESS BY SECRETARY WOODRING

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD a radio address on the subject The Army Air Corps Today, delivered by Hon. Harry H. Woodring, Secretary of War, on Aug. 6, 1937, which appears in the Appendix.]

POLITICAL CONTRIBUTIONS—ARTICLE BY FRANKLYN WALTMAN

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article by Franklyn Waltman on the subject of Contributions for Political Purposes, published in the Washington Post of June 29, 1937, which appears in the Appendix.]

SALE OF POLITICAL CAMPAIGN BOOKS

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article from the New York Daily News of Aug. 7, 1937, entitled "Both Sides Paid Same Man for Campaign Books", which appears in the Appendix.]

FARM RELIEF—ARTICLE FROM THE MISSOURI FARMER

[Mr. CLARK asked and obtained leave to have printed in the RECORD an article relating to farm relief, written by William Hirth, editor and publisher, and printed in the Missouri Farmer, which appears in the Appendix.]

ANTILYNCHING LEGISLATION—EDITORIAL FROM BRISTOL (VA.) HERALD-COURIER

[Mr. CLARK asked and obtained leave to have printed in the RECORD an editorial from the Bristol (Va.) Herald-Courier entitled "Southern Press on Lynch Law", which appears in the Appendix.]

CONSIDERATION OF UNOBJECTED-TO BILLS ON THE CALENDAR

The VICE PRESIDENT. Under a previous order made by the Senate the clerk will call the calendar, beginning at the point where its consideration was left off yesterday, for the consideration of unobjected-to bills.

HAWAII NATIONAL PARK

The Senate proceeded to consider the bill (H. R. 1995) to add certain lands on the Island of Hawaii to the Hawaii National Park, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

The amendments were, on page 10, to strike out section 3, as follows:

SEC. 3. (a) That the Secretary of the Interior is authorized to lease, under such rules and regulations as he may deem proper, land ascertained by him to be suitable for home-site purposes in the Kalapana extension as described herein, to native Hawaiians when such occupancy does not encroach on or prevent free access to any points of historic, scientific, or scenic interest or in any manner obstruct or interfere with protection and preservation of said area as a part of the Hawaii National Park: *Provided, however,* That occupants of home sites shall reside on the land not less than 6 months in any one year: *Provided further,* That on all construction projects within said area preference shall be given in employment of labor, first to native Hawaiian occupants of home sites provided for in this section, and, second, to other native Hawaiians living in the vicinity: *And provided further,* That fishing shall be permitted in said area only by native Hawaiian residents of said area or of adjacent villages and by visitors under their guidance.

(b) The term "native Hawaiian", as used in this section, means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.

And in line 23 to renumber the section.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COLUMBIA NATIONAL FOREST, WASH.

The bill (H. R. 3866) to add certain lands to the Columbia National Forest in the State of Washington was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to any valid existing claim or entry, all lands of the United States within the areas hereinafter described be, and the same are hereby, added to and made parts of the Columbia National Forest, in the State of Washington, to be hereinafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (U. S. C., title 16, secs. 486, 487), as amended, are hereby extended and made applicable to all other lands within the said described area.

Sections 1 to 3, inclusive, and 11 and 12, township 2 north, range 4 east; sections 1 to 3, inclusive, 6 to 8, inclusive, and 10 to 36, inclusive, township 3 north, range 4 east; sections 1 to 28, inclusive, 34 to 36, inclusive, township 4 north, range 4 east; all of township 5 north, range 4 east; sections 1, 2, 11 to 15, inclusive, 22 to 27, inclusive, and 33 to 36, inclusive, township 6 north, range 4 east; sections 4 to 9, inclusive, 16 to 21, inclusive, 28 to 33, inclusive, township 6 north, range 5 east, all in the State of Washington, Willamette meridian.

FRED P. HALBERT

The bill (H. R. 827) for the relief of Fred P. Halbert was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 992) to make electricians licensed officers after an examination was announced as next in order.

Mr. KING. Mr. President, I observe that the Director of the Bureau of Marine Inspection suggests an amendment, and that with such an amendment he has no objection. I do not believe the amendment has been made. Therefore, I suggest the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

REPORT ON INVESTIGATION OF POTASH INDUSTRY

The Senate proceeded to consider the resolution (S. Res. 148) extending the time for submittal of a report of an investigation of the domestic potash industry and matters relating thereto.

Mr. PITTMAN. Mr. President, the title of the resolution as it appears on the printed calendar reads "potatoes" instead of "potash." The committee merely asks further time to submit its report. It has made a considerable investigation and wishes further time to submit its report.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the report required to be made by the Committee on Public Lands and Surveys pursuant to Senate Resolution 274, Seventy-fourth Congress, second session, agreed to June 18, 1936, may be made at any time prior to the expiration of the Seventy-fifth Congress.

PROTECTION OF PROPERTY OWNED BY FOREIGN GOVERNMENTS

The joint resolution (S. J. Res. 191) to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Nevada [Mr. PITTMAN] give us an explanation?

Mr. PITTMAN. I should be glad to do so.

Mr. LA FOLLETTE. Mr. President, I shall be delighted to have the Senator from Nevada explain the joint resolution, but I shall ask that it may go over until I have further time to look into it. I shall withhold my objection until the Senator makes his explanation.

Mr. PITTMAN. Mr. President, I ask that the joint resolution may be read.

The VICE PRESIDENT. Without objection, the joint resolution will be read.

The joint resolution (S. J. Res. 191), which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert, was read, as follows:

That it shall be unlawful to display any flag, banner, or device designed or adapted to bring into public notice any party, organization, or movement, or the political, social, or economic acts, views, or purposes of any individual, party, group, or organization within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this resolution; and any person convicted of violating any of the provisions of this resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Mr. PITTMAN. Mr. President, the committee has substituted an amendment for the text of the original joint resolution as introduced. Senators will note that it is very short. It simply provides—

That it shall be unlawful to display any flag, banner, or device or design adapted to bring into public notice any party, organization, or movement, or the political, social, or economic acts, views, or purposes of any individual, party, group, or organization within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes, except by and in accordance with the permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises and refuse to disperse after having notice so to do by the police authorities of the said District.

It will be observed that the joint resolution has nothing to do with streets or alleys. It merely prohibits the display of flags or banners within 500 feet of an embassy or legation or consulate when the flags or banners or devices are intended to bring into public notice an organization or party or group.

Mr. McKELLAR. Mr. President, I have read the joint resolution and heard the Senator's explanation, and I am entirely willing that it should pass. I have no objection.

Mr. PITTMAN. Let me finish my statement for the benefit of the Senator from Wisconsin.

It will be observed that such parties or groups may go within 500 feet of an embassy with any banner or flag or device they wish, provided they have the permission of the chief of police. The reason for that is obvious. There might be a perfectly peaceful parade down the street past an embassy, having nothing to do whatever with the embassy or the ambassador or the country which he represents. On the other hand, the very purpose of the parade might be to criticize the ruler of some government or its ambassador or minister, in which case I personally believe it should not be permitted.

As to congregating near an embassy, there is no punishment provided except and unless the parties refuse to disperse when so ordered.

I realize there has been considerable opposition manifested to this character of legislation and to this particular joint resolution from certain sources. The opposition is based upon the theory of certain societies that the restrictions infringe upon their constitutional right of peaceful assemblage and petition. Certainly I have never made any opposition that I know of, at any rate, not on this floor, in 24 years, against the right of peaceful assemblage and petition. I think these are rights, and yet they must be reasonably exercised, so as not to nullify other rights nor to obstruct the other constitutional functions of our Government.

Let us see the situation in which some of our citizens find themselves today throughout the world. In Peiping, China, which is several hundred miles from the coast, there are 500 men, women, and children who are American citizens. They are in a little compound of probably 10 acres in extent. It is not protected by high walls. There is a wall in front and a small wall around the sides, over which anyone could climb. We have there probably three or four hundred marines.

In Tientsin we have congregated 700 men, women, and children, citizens of the United States, whom we are trying to protect. There the situation is possibly even worse than in Peiping, because we have no compound in Tientsin, but we have a place allotted to us across which anyone may easily run.

Away back in Hankow, several hundred miles up the Yangtze River, we have 200 men, women, and children, mostly, of course, missionaries and their families.

They have been gathered together in Hankow. We have no compound there. There are probably not to exceed 25 or 30 marines in that place. The press tells us that the Japanese are sending their fleet up there to protect their own nationals and that they have landed several hundred Japanese marines. On one side of a street are the Japanese soldiers and on the other side are several thousand Chinese soldiers facing them. The Japanese contend they are there for the purpose of evacuating the Japanese subjects. Be that as it may, a conflict may occur at any moment.

So far as Peiping is concerned there has not only been fighting around the city, which has a population of two or three million people, but there has been hand-to-hand fighting inside the city. The Japanese, I believe, are now in control of Peiping, in a military sense, and yet while they were in control the other day in Tientsin what happened? There was twenty or thirty thousand Chinese soldiers in civil uniforms who were not recognized as soldiers, and suddenly the battle broke out in Tientsin. The French have a compound there. They had the French citizens in that compound and a fight nearly ensued because some Japanese attempted to enter the French compound.

The situation with regard to our citizens in that country is extremely delicate. We cannot evacuate them now. It is out of the question. We have to keep them in the compounds in these places until some arrangement is made by which we may safely transport them to the coast.

We are not afraid of the armies on either side. The armies are under the control of officers, and recognize discipline. But in a city of 3,000,000 people, such as Peiping—and there are probably the same number in Tientsin—there are camp followers. They exist in China the same as in every other country. There are guerillas that hang on the outskirts of the fighting forces only for the purpose of murder and loot. Those are the persons that we are afraid of.

Let me say that our Government has been striving for over a month in every possible way to get the warring factions there—the Japanese officers on one side and the Chinese officers on the other side—to give us safe conduct out of the country for our citizens. We have not been able to accomplish that, because the fighting is so intense all around those cities that the combatants will not stop the fighting long enough to give safe conduct; but we have begged them and urged them to aid our small forces in those places to keep mobs at a reasonable distance away from the compounds.

If a mob of 10,000 angry persons, no matter what nation it belongs to, sweeps across one of the compounds, the few marines we have there will be swept off the face of the earth, and the men, women, and children will go with them. We are appealing to the Ambassador of Japan and the Ambassador of China here to communicate to their governments in Japan and China, and through them to communicate to their generals in the field—and they are a long way from their headquarters—and give instructions to protect our embassies, our legations, and our consulates; not only to keep their soldiers away from them, but to keep mobs, which are the chief source of danger, away from those compounds.

That is our situation all over China. It is a desperate situation. I wish to say that so far, both the Japanese Government and the Chinese Government apparently have done everything in their power to protect our embassies and our legations and our consulates against attack. They have even attempted to keep their forces from bombing anywhere in the vicinity. In the very nature of things, however, those who are conducting war with airplanes sometimes cannot be controlled.

In this situation, when we are appealing to the justice and the humanity of other governments to protect our embassies and our legations and our consulates, at least we must show some intent upon our part to treat their embassies and their legations and their consulates in our country in the same way.

Those who communicate with me say, "Why are we paying so much attention to foreigners?" As a matter of fact, the motive that actuates us today is to have the foreigners upon whom we must depend for the protection of our citizens friendly to us. The action that is proposed in this bill is not for the purpose of suppressing or subduing any expressions on the part of any of our people; but I say to you that in a city as large as this, where we have such numerous parks and so many places in which societies may express their opinions, with the conditions that exist, and which at any time may be just as bad in other parts of Asia and Europe as they are in China today, when we have 435 legations and consulates where our people may assemble, it is unreasonable to give consideration for a single moment to a matter of so little moment as the demand of persons to be allowed to go up to the door of an embassy or a legation or a consulate for the purpose of putting up and displaying signs in criticism or condemnation of the country there represented.

That is our situation, and it is a most serious situation. No foreigners in our country have any reason to fear, but we are the ones who have reason to fear for the safety of our citizens in many countries. I think it would be unfortunate if such a simple resolution as this were not allowed to pass, I will say to the Senator from Wisconsin, but to compel us to wait until later on to take it up.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the present consideration of the resolution?

Mr. LA FOLLETTE. Mr. President, I have listened with a great deal of interest to the statement of the Senator from Nevada [Mr. PITTMAN]. I wish to say, however, that while his statement concerning the situation confronting our nationals abroad is accurate, and all of us are concerned about this situation, I cannot see the force of his statement that the protection of our nationals is dependent upon the passage of this resolution.

We have been established as a government for a long time, and this is the first time so far as I know that any such proposal as this has ever been suggested. I am sure the Senator from Nevada did not desire to leave the impression that the efforts of the Chinese and Japanese Governments to protect American nationals in the critical situation in China are dependent upon the adoption of this resolution.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. No; I do not think so. I think the Japanese Ambassador here and the Chinese Ambassador, no matter whether or not we protect them against insults and annoyance and possibly riot and physical injury, will do what they can to protect our citizens in their countries; but there is danger of physical injury when great and angry crowds meet in the way that has been referred to. Insults to the representatives of a foreign government anger the nationals of such government, engender hatred, and induce acts of reprisal and violence.

Mr. LA FOLLETTE. Is the Senator contending that anything has happened in the city of Washington which has threatened or endangered the life of any of the representatives of other governments who are accredited to this Government?

Mr. PITTMAN. Yes; I do.

Mr. LA FOLLETTE. I am unaware of it. I wish the Senator would give us some of the facts.

Mr. PITTMAN. Mr. President, I should like to have read the report of the District police department, which I send to the desk. It is very brief.

The PRESIDING OFFICER. Without objection, the report will be read.

Mr. McNARY. Mr. President, I did not state my objection to the way in which the rule of the Senate is being disregarded. We all know that when objection is made to the consideration of a bill, it goes over. We know that 5

minutes is the entire time allotted to any one Senator to address himself to a bill. If objection has been made to this joint resolution, the Senator from Nevada has occupied considerable time on a joint resolution which cannot be considered at this time; and for that reason I think no more time should be taken until we reach the joint resolution for consideration.

Mr. PITTMAN. I ask unanimous consent to have the report, and a letter from the Secretary of State, printed in the RECORD in connection with my remarks. I had intended to speak of the duty—yes, necessity—of governments protecting foreign diplomats against insults, the threat of mob violence, and intimidation. I shall do so later.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? The Chair hears none.

The report and letter are as follows:

STATEMENT CONCERNING PICKETING MADE TO MR. HOLMES BY INSPECTOR KELLY, OF THE POLICE DEPARTMENT

About 3 weeks ago at the Italian Embassy for 3 different days there were three or four people from an organization known as the American Friends of Spanish Democracy. They picketed in front of the Italian Embassy on the Sixteenth Street side, carrying banners. They picketed between 8 and 9 in the morning, 12 and 1 and 4 and 5:30 in the afternoon. When they first started out they carried banners saying "Mussolini murders babies." We took this up with the corporation counsel, who said it was an offensive sign. We made them do away with it. The other signs were just political slogans. They did not obstruct the sidewalk, but walked up and down slowly, saying nothing to anyone.

Several days after there were 85 persons, consisting of men, women, and children. They picketed in front of the Italian Embassy from about 4:30 in the afternoon for about 35 or 40 minutes. Several banners were carried. The organization was also known as the American Friends of Spanish Democracy. After they had walked back and forth, making a circle, they started to chant, "Down with Mussolini", "Keep Mussolini out of Spain", "Keep Hitler out of Spain", etc. That large group sounded very loud and was annoying. We would have had to convict every individual if it went to court, so we couldn't take them in as a whole. Nothing could be done about it at the time, even though it was annoying and should have been broken up.

Several months before at the Polish Embassy, Sixteenth and Fuller Streets, there were 150 persons picketing that. The organization consisted of Communists, members of the Workers' Alliance, and friends of the people in Poland who were being persecuted. They continued that picketing about 20 minutes and then dispersed and went on the opposite side of the street on a vacant lot. Once before in the past year there was a demonstration at the Italian Embassy. They wanted to go on the steps of the embassy and make a speech, but we refused to allow it.

I was not at the German Embassy, but about the same thing happened. About 150 arrests were made at the German Embassy. At the German Embassy there were 48 persons arrested for picketing a few months ago—on May 8, 1937, at 12:45 p. m.

Captain Sheetz, of the tenth precinct, says that this same group went to the Spanish Embassy. There were some gentlemen inside the embassy, and one came out and spoke to the crowd that had formed and they dispersed.

It is a regular nuisance and should be broken up.

DEPARTMENT OF STATE,
Washington, August 3, 1937.

The Honorable KEY PITTMAN,
Chairman, Committee on Foreign Relations,
United States Senate.

MY DEAR SENATOR PITTMAN: I refer to Joint Resolution No. 191 to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes and to express my approval of the resolution.

As you know, diplomatic officers are clothed with certain immunities under international law to enable them to transact in countries to which they are accredited or assigned the business of their respective governments. The immunity, therefore is for a practical purpose, i. e., to allow governments to transact official business free from interruption which might flow from molestation of or interference with their representatives. Governments also send to foreign countries representatives who are not clothed with diplomatic immunity in the strict sense of the word but who are, because of their representative status, entitled to certain special protection under the local law, as, for example, consuls, trade commissions, etc.

The United States with its 338 diplomatic missions and consulates is, perhaps more than any other country, interested in obtaining for its representatives the protection which they must have if they are to function effectively.

If we are to obtain for our representatives in foreign countries that degree of protection to which they are entitled, we should be in a position to show a like consideration for representatives of other governments in this country. Unless we extend such reasonable protection to representatives of other governments, we cannot hope to receive protection for our representatives abroad.

It is extremely embarrassing to the Department to be reminded by representatives of foreign governments in the United States that their missions are being interfered with by individuals or groups, particularly when existing domestic law does not seem to cover the situations of which complaint is made. By the comity of nations, representatives of foreign governments in countries where law and order are supposed to prevail are entitled to freedom from any attempted intimidation or coercion.

I therefore trust that you may find no difficulty in procuring passage of the resolution.

Sincerely yours,

CORDELL HULL.

The PRESIDING OFFICER. At the request of the Senator from Wisconsin [Mr. LA FOLLETTE], the joint resolution will be passed over.

PRESLY HOLLIDAY

The bill (S. 1451) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MINTON subsequently said: Mr. President, I ask unanimous consent to revert to and take up for consideration Calendar No. 1120, Senate bill 1451. At the time this bill was reached on the calendar the Senator from Utah [Mr. KING] entered an objection to it. Since that time I have spoken to the Senator from Utah and have furnished him with some facts concerning the case which did not appear in the report. With those facts I hope the Senator from Utah may see fit to withdraw his objection.

Mr. KING. Mr. President, the facts to which the Senator refers were not included in the report; and they are of sufficient merit to justify the passage of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana?

There being no objection, the Senate proceeded to consider the bill (S. 1451) for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes, which had been reported from the Committee on Military Affairs with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the provisions of the act of Congress approved June 4, 1920, giving to soldiers placed on the retired list prior to or during the World War, who had had active service therein as commissioned officers, the pay and allowances of retired warrant officers of the Army, and the amendments thereto, be, and the same are hereby, extended to and to include Presly Holliday, who was commissioned a captain, Quartermaster Corps, in August 1917, and held such commission while on the retired list as an enlisted man in 1920: *Provided*, That no back pay, compensation, allowance, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAN AMERICAN EXPOSITION, TAMPA, FLA.

The Senate proceeded to consider the joint resolution (S. J. Res. 166) providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes, which had been reported from the Committee on Foreign Relations with an amendment, in section 6, page 4, line 18, after the words "sum of", to strike out "$350,000" and insert "$100,000", so as to read:

The sum of $100,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, etc.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite all foreign countries and nations to an exposition to be held in Tampa, Fla., to be known as the Pan American Exposition, in commemoration of the four hundredth anniversary of the landing of Her-

nando De Soto in Tampa Bay, under the auspices and on the grounds of the Florida Fair and Gasparilla Association, Inc., in the year 1939, with a request that they participate therein.

SEC. 2. That there is hereby created a Federal commissioner for such Pan American Exposition, said commissioner to be appointed by the President upon the nomination of the Secretary of Commerce, who shall select for this purpose an official of his Department who has had experience in and is familiar with the preparation and management of exhibitions, and who will serve in this capacity without additional salary. That the expenses of the Federal commissioner and such staff as he may require will be met out of the funds provided for the purposes of the Government participation in the exposition.

SEC. 3. The Secretary of Commerce shall prescribe the duties of the Federal commissioner and shall delegate such powers and functions to him as he shall deem advisable, in order that there may be exhibited at the said Pan American Exposition by the Government of the United States, its executive department, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government in the advancement of industry, the arts, and peace, demonstrating the nature of our institutions particularly as regards their adaptation to the wants of the people.

SEC. 4. The commissioner may employ such clerks, stenographers, and other assistants as may be necessary, and fix their reasonable compensation within the grades and rates of compensation fixed by the Classification Act of 1923, as amended; purchase such material, contract for such labor and other services, and exercise such powers as are delegated to him by the Secretary of Commerce as hereinbefore provided, and in order to facilitate the functioning of his office may subdelegate such powers (authorized or delegated) to officers and employees as may be deemed advisable by the Secretary of Commerce.

SEC. 5. The heads of the various executive departments, independent offices, and establishments of the Government are authorized to cooperate with the commissioner in the procurement, installation, and display of exhibits; to lend to the Pan American Exposition, with the knowledge and consent of the commissioner, such articles, specimens, and exhibits which the commissioner shall deem to be in the interest of the United States to place with the science or other exhibits to be shown under the auspices of the Florida Fair and Gasparilla Association, Inc.; to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments or branches to assist the commissioner. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, the commissioner shall cause all such property to be returned to the respective departments and branches from which taken and any expenses incident to the restoration, modification, and revision of such property to a condition which will permit its use at subsequent expositions and fairs, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the appropriation provided; and if the return of such property is not practicable, he may, with the consent of the department or branch from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

SEC. 6. The sum of $100,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, parts of which sum may be expended for the erection of a building or buildings and/or for the rental of such space, as the Secretary of Commerce may deem adequate to carry out effectively the provisions of this resolution; for the decoration of such structure or structures; for the proper maintenance of such buildings, site, and grounds during the period of the exposition. The Secretary of Commerce may contract with the Florida Fair and Gasparilla Association, Inc., for the designing and erection of such building or buildings and/or for the rental of such space as shall be deemed proper. The remaining portion of the appropriation authorized under this resolution shall be available for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safekeeping, exhibition, demonstration, and return of such articles and materials as the Secretary of Commerce may decide shall be included in such Government exhibit and in the exhibits of the Pan American Exposition; for the compensation of the employees of the Secretary of Commerce in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government, employed by or detailed for duty with the Secretary of Commerce, and for their actual traveling expenses and subsistence at not to exceed $6 per day: *Provided*, That no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed plus such reasonable allowance for subsistence expenses as may be deemed proper by the commissioner; for telephone service, purchase of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uniforms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other publications, ice and drinking water for office purposes: *Provided further*, That payment for telephone service, rents, subscriptions to newspapers and periodicals, and other similar purposes may be made in advance; for the hire of a passenger-carrying automobile, its maintenance, repair, and operation, for the official use of the commissioner; for printing and binding; for entertainment of distinguished visitors, and all other expenses as may be deemed necessary by the Secretary of Commerce, to fulfill properly the purposes of this resolution. All purchases, expenditures, and disbursements, under any appropriations which may be provided by authority of this resolution, shall be made under the direction of the Secretary of Commerce: *Provided further*, That the Secretary of Commerce, as hereinbefore stipulated, may delegate these powers and functions to the commissioner, and the commissioner, with the consent of the Secretary of Commerce, may subdelegate them: *Provided further*, That the Secretary of Commerce or his delegated representative may authorize the allotment of funds to any executive department, independent office, or establishment of the Government with the consent of the heads thereof for direct expenditure by said executive department, independent office, or establishment for the purpose of defraying any expenditure which may be incurred by said executive department, independent office, or establishment in executing the duties and functions delegated to said office by the Secretary of Commerce; and all accounts and vouchers covering the expenditures under these appropriations shall be approved by the commissioner or such assistants as he may delegate, except for such allotments as may be made to the various executive departments and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit or permit any obligations to be incurred in excess of the amount authorized to be appropriated: *And provided further*, That in the construction of buildings or exhibits requiring skilled and unskilled labor, the prevailing rate of wages, then existing, shall be paid.

SEC. 7. The commissioner, with the approval of the Secretary of Commerce, may receive contributions in funds or materials or borrow materials or exhibits to aid in carrying out the general purposes of this resolution, and shall have the right to return borrowed property, and dispose of such other property under the direction of the Secretary of Commerce and to account therefor, the proceeds of such sales shall be covered into the Treasury of the United States.

SEC. 8. It shall be the duty of the Secretary of Commerce to transmit to Congress, within 6 months after the close of the Pan American Exposition, a detailed statement of all expenditures, and such other reports as may be deemed proper which reports shall be prepared and arranged with a view to concise statement and convenient reference.

AMENDMENT OF TRADING WITH THE ENEMY ACT

The Senate proceeded to consider the bill (S. 2901) to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended, which was read, as follows:

Be it enacted, etc., That subsection (e) of section 9 of the Trading With the Enemy Act, as amended, is amended by inserting after the words "unless such nation in like case extends reciprocal rights to citizens of the United States", a colon and the following: "*Provided*, That any arrangement made by a foreign nation for the release of money and other property of American citizens and certified by the Secretary of State to the Attorney General as fair and the most advantageous arrangement obtainable shall be regarded as meeting this requirement."

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. PITTMAN. Mr. President, we passed a law with regard to the Alien Property Custodian providing for turning over to foreign nationals their property upon proof of ownership, with the proviso that the governments associated with us in the war should deal on reciprocal terms with property of our citizens which they had possessed.

We settled with France, for instance, three-hundred-and some-odd claims out of 500, and, in addition to the principal, paid the interest that had accrued. France, on the other hand, did not place the funds of our citizens at interest, and the claims that she did pay were paid to our citizens without interest. The Attorney General held that that was not reciprocal, and therefore that there would have to be a statute to deal with the matter; and the proposed statute is that notwithstanding the prior act, which requires reciprocal treatment, if the State Department finds that what has been offered is substantially reciprocal or fair it shall be accepted.

Mr. McKELLAR. As I understand, the bill has the approval of both the State Department and the Attorney General.

Mr. PITTMAN. That is correct.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FISH-CULTURAL STATIONS—OREGON, WASHINGTON, AND IDAHO

The Senate proceeded to consider the bill (S. 2307) to provide for the establishment, operation, and maintenance of one

or more fish-cultural stations in each of the States of Oregon, Washington, and Idaho, which had been reported from the Committee on Commerce, with amendments.

Mr. WHITE. Mr. President, I am not going to voice an objection to the consideration and passage of this bill. I recognize that the Columbia River has been one of the great salmon rivers of the world. I think I also appreciate that the construction now going on upon the river, and other conditions, may well jeopardize fish life in the river. There is a peculiar situation which perhaps calls for peculiar and unusual action on our part. It may be altogether necessary that we should build there these additional hatcheries and that we should make the studies that are contemplated.

But, Mr. President, in 1930, I think, Congress passed a 5-year construction program looking to the enlargement of the activities of the Bureau of Fisheries of the United States. In that bill provision was made for a construction program. That construction program recognized priorities; it recognized and made effective the sound and considered judgment of the fishery authorities of the United States as to the needs of construction and where construction should first be undertaken. I think the bringing in of individual bills like that now before us is a practice which ought not to be tolerated; and unless there are unusual circumstances, I shall object to further bills of this type. I do recognize that this bill touches a peculiar situation.

Mr. KING. Mr. President, I should like to inquire why such a large appropriation is required. It seems to me that the numerous fish hatcheries we are establishing are imposing a great burden upon the Government. Of course, the $500,000 carried in the pending bill is merely a beginning. There will be an annual appropriation of no one knows how much for the maintenance and expansion of the organizations which will be established under the bill.

Mr. McNARY. Mr. President, the bill was introduced by my colleague the junior Senator from Oregon [Mr. STEIWER] and the Senator from Washington [Mr. SCHWELLENBACH]. I reported it from the Committee on Commerce. I presume, from the attitude of the Senator from Maine, that he has objection to the bill, and therefore I do not desire to press it.

Mr. WHITE. I do not object to the bill, Mr. President. I think the situation in the Columbia River is of such consequence—I think it is so vital that the run of salmon be preserved in that river—that an expenditure of even $500,000 is altogether justifiable, because that is the one great river left in the United States on which salmon run.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. I should like to have an explanation.

Mr. SCHWELLENBACH. Mr. President, I think the Senator from Maine has very definitely and properly stated a policy which, under all ordinary circumstances, should be followed—that of having the development of fish hatcheries in accordance with the plans and under the supervision of the Bureau of Fisheries without special legislation. However, there are two facts which, in the opinion of the Senator from Oregon and myself, made it necessary to secure special legislation in this particular case.

As the Senator from Maine has said, the Columbia River is and for some time has been the last great source of salmon supply so far as the rivers of the United States are concerned. A dam is being constructed on that river at Bonneville, which will be completed in December of this year. There is a very serious question as to whether or not the salmon will be able to go up the river beyond the Bonneville Dam. The Army engineers, in their plans for the dam, working in cooperation with the Bureau of Fisheries, are providing ladders. It is hoped and desired that with those fish ladders it will be possible to obviate the danger which we fear. However, certainly since there is a danger created by the activity upon the part of the Federal Government, and since it is necessary that the salmon life in that stream be preserved, in our opinion this is an exception to the rule, because of the fact that the Federal Government itself has gone in and constructed a dam which we fear may result in the destruction of the salmon life in the river.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. McKELLAR. I am not very familiar with the methods by which the salmon go up the river, although I have seen moving pictures of them. They have to go up to spawn, I understand, but they come from the ocean, do they not?

Mr. SCHWELLENBACH. Yes.

Mr. McKELLAR. In other words, it is not necessary to have a fish hatchery in order to produce the fish, but they come from the sea, and at a certain time in the life of the fish they go up the stream and spawn, and there they die, I understand.

Mr. SCHWELLENBACH. They come back to the stream in which they were hatched.

Mr. McKELLAR. They are hatched in the lower part of the river?

Mr. SCHWELLENBACH. The salmon are hatched in the river. They then go out to sea for a period of 4 years, then come back to spawn and die. It is an interesting thing that, no matter how far into the ocean they go, they always come back to where they were hatched.

Mr. McKELLAR. But they are hatched in the river?

Mr. SCHWELLENBACH. Yes.

Mr. McKELLAR. So the purpose of the bill is to increase the production of the young fish, which go first to sea, and then come back?

Mr. WHITE. I think it is more important in other respects than from the standpoint of the mere hatching of fish. If the Senator will observe the bill, he will find that this is not a bill to erect fish hatcheries but to erect fish-cultural stations.

Mr. McKELLAR. I note that.

Mr. WHITE. That contemplates a station where there may be carried on all the biological and scientific investigations which are not involved in the mere hatching of the fish at all. It is a more comprehensive undertaking than the mere hatching of the fish. I think I am correct in that statement.

Mr. SCHWELLENBACH. The Senator is correct.

The PRESIDING OFFICER. The clerk will state the first amendment of the Committee on Commerce.

The first amendment of the committee was, on page 1, line 4, after the word "more", to strike out "fish-cultural stations" and to insert "salmon-cultural stations in the Columbia River Basin"; on page 2, to strike out section 2, as follows:

SEC. 2. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to establish the stations provided for by this act.

And to insert in lieu thereof the following:

SEC. 2. The Secretary of Commerce is further authorized and directed (1) to conduct such investigations, and such engineering and biological surveys and experiments, as may be necessary to direct and facilitate conservation of the fishery resources of the Columbia River and its tributaries; (2) to construct, install, and maintain devices in the Columbia River Basin for the improvement of feeding and spawning conditions for fish, for the protection of migratory fish from irrigation projects, and for facilitating free migration of fish over obstructions; and (3) to perform all other activities necessary for the conservation of fish in the Columbia River Basin in accordance with law.

On page 2, after line 20, to insert a new section, as follows:

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to carry out the purposes of this act.

So as to make the bill read:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to establish one or more salmon-cultural stations in the Columbia River Basin in each of the States of Oregon, Washington, and Idaho. Any sums appropriated for the purpose of establishing such stations may be expended, and such stations shall be established, operated, and maintained, in accordance

with the provisions of the act entitled "An act to provide for a 5-year construction and maintenance program for the United States Bureau of Fisheries", approved May 21, 1930, insofar as the provisions of such act are not inconsistent with the provisions of this act.

SEC. 2. The Secretary of Commerce is further authorized and directed (1) to conduct such investigations, and such engineering and biological surveys and experiments, as may be necessary to direct and facilitate conservation of the fishery resources of the Columbia River and its tributaries; (2) to construct, install, and maintain devices in the Columbia River Basin for the improvement of feeding and spawning conditions for fish, for the protection of migratory fish from irrigation projects, and for facilitating free migration of fish over obstructions; and (3) to perform all other activities necessary for the conservation of fish in the Columbia River Basin in accordance with law.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to carry out the purposes of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stocking operations for these purposes."

LABOR STANDARDS FOR APPRENTICES

The bill (H. R. 7274) to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this.

Mr. KING. Let the bill go over.

Mr. LA FOLLETTE. Will not the Senator withhold his objection?

Mr. KING. I withhold it temporarily. I have received a letter in connection with this bill, and there will be another call of the calendar, when we can take it up. I should like to look into it.

Mr. LA FOLLETTE. If the Senator is positive that I cannot persuade him that this is a very meritorious bill, I shall not take the time of the Senate now to debate it, but I hope I can convince the Senator that he should give the bill his most ardent support.

Mr. KING. I do not think the Senator can persuade me today, although he is very persuasive. I received a letter in connection with the bill, and I shall be glad to have the bill taken up at the next call of the calendar.

Mr. LA FOLLETTE. Mr. President, I hope it may be passed over without prejudice.

Mr. KING. I assent to that.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent that the bill be passed over without prejudice.

Mr. McNARY. Mr. President, there is no point in that. Any bill that goes over under objection is called automatically on the next call of the calendar.

The PRESIDING OFFICER. The Chair agrees with the Senator from Oregon, but the Senator from Wisconsin made a request, and the Chair was submitting the request to the Senate.

Mr. McNARY. I am raising the point that there is no point in it.

Mr. LA FOLLETTE. Mr. President, I hope the Senator from Oregon will not object to my occasionally making a facetious remark, because I am not very often guilty of it.

ESCHEAT TO THE UNITED STATES

The bill (H. R. 7741) to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. GEORGE. Mr. President, under the Adjusted Compensation Payment Act, it will be recalled, payment of the certificates is made in bonds of the denomination of $50, and any difference less than $50 is paid in cash.

It is believed that under the act, where the veteran dies intestate and without next of kin or heirs at law, any uncalled-for and any unused payment made by virtue of the issuance of bonds will escheat to the State of the residence of the veteran. The bill before us is simply for the purpose of making it clear that in such cases as those to which I have referred the amount would escheat to the Federal Treasury.

Mr. McKELLAR. The bill is recommended by the Administration?

Mr. GEORGE. It is recommended by the Treasury very strongly, and it is estimated that some $150,000 is involved.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ADMINISTRATION OF OATHS IN THE PHILIPPINE ISLANDS

The bill (H. R. 7727) to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the Office of the United States High Commission to the Philippine Islands, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION FROM DUTY OF ARTICLES FOR EXHIBITION AT THE NEW YORK WORLD'S FAIR

The joint resolution (H. J. Res. 288) to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted, without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF VESSELS FROM FORMAL ENTRY REQUIREMENT

The bill (H. R. 4543) to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF STATE LIQUOR DISPENSING SYSTEMS

The bill (H. R. 7949) to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits, was announced as next in order.

Mr. McNARY. Mr. President, this touches a very important subject concerning the disposition and sale of liquor, and therefore I desire to look into the matter; so I object at this time.

Mr. GUFFEY. Mr. President, I should like to make a statement with reference to the bill.

The PRESIDING OFFICER. Will the Senator from Oregon withhold his objection?

Mr. McNARY. I will not withhold my objection. I am positive in my objection. However, I have no objection to the Senator making a statement.

Mr. GUFFEY. Mr. President, House bill 7949 makes provision to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits.

The purpose of this bill is to exempt State agencies from the requirement of section 3318 of the Revised Statutes, as amended, that wholesale liquor dealers and rectifiers shall keep certain records of distilled spirits received and disposed of by them, and render monthly transcripts and summaries of such records to the collector of internal revenue of the district in which they are located.

The bill provides that the provisions of section 3318 shall not apply to States and commonwealths, and liquor stores operated by States and Commonwealths which maintain and make available to inspection by internal-revenue officers such records as will enable those officers readily to trace all distilled spirits received and disposed of by them. The

bill also contains a proviso requiring the States and Commonwealths, and liquor stores operated by them, to furnish the Commissioner of Internal Revenue, upon his request, such transcripts, summaries, and copies of records as he shall require.

The bill is drafted in accordance with suggestions made by the Treasury Department. The Treasury advises that the bill will not only give the States the relief desired by them, but will also fully protect the revenue. The Treasury Department has no objection to the enactment of this bill.

Mr. President, this bill affects the State liquor-dispensing systems of 16 States. If it is passed, it will mean a saving of $516,000 per year to the State of Pennsylvania.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 3426) for the relief of Rose McGirr was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

MARGARET VOORHEES, A MINOR

The Senate proceeded to consider the bill (H. R. 615) for the relief of Margaret Voorhees, a minor, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$5,000" and insert "$3,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 to the legal guardian of Margaret Voorhees, a minor, of Fonda, N. Y., in full settlement of all claims against the Government of the United States for injuries sustained on July 2, 1935, at Fonda, N. Y., by Margaret Voorhees, as the result of the explosion of a torpedo firecracker thrown by a member of Company H, Sixty-sixth Regiment United States Infantry: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ROBERT COATES

The bill (H. R. 854) for the relief of Robert Coates was considered, ordered to a third reading, read the third time, and passed.

Mr. KING subsequently said: Mr. President, I ask that the Senate recur to Calendar No. 1133, House bill 854. I notice that the Senator from Wyoming [Mr. SCHWARTZ] reported the bill. I should like an explanation of that bill. So far as the bill itself is concerned, it affords no information as to the character of the claim or the amount of damages desired.

Mr. SCHWARTZ. Mr. President, this bill merely provides for waiving the statute of limitations to enable Robert Coates to present his claim for consideration. The record shows that while in the Government employ he developed tuberculosis. At that time he was not advised and did not know, as a matter of fact, that he was entitled to consideration. In fact, he did not know of the existence of such a statute. The only purpose of the bill is to permit him to present his claim and have it considered by the Employees' Compensation Commission. It does not award him anything. It simply gives him the right to present his claim and have it considered, the statute of limitations notwithstanding.

Mr. KING. I ask that the vote by which the bill was considered be reconsidered, and that the bill be passed over.

The PRESIDING OFFICER. Without objection, the vote by which the bill was passed is reconsidered and the bill will be passed over.

JOHN N. BROOKS

The bill (H. R. 2740) for the relief of John N. Brooks was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 3058) for the relief of former employees of the Federal Subsistence Homesteads Corporation was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill? If we cannot have an explanation at this time, let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

LAKE SPENCE

The bill (H. R. 4526) for the relief of Lake Spence was considered, ordered to a third reading, read the third time, and passed.

SHERM SLETHOLM AND OTHERS

The Senate proceeded to consider the bill (S. 2644) for the relief of Sherm Sletholm, Loneata Sletholm, Lulu Yates, Madeline Yates, and the estate of Ella A. Morris, which had been reported from the Committee on Claims with an amendment, on page 2, line 3, after the words "sum of", to strike out "$5,360.25" and insert "$2,844.55", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to the following-named persons, all of Portland, Oreg., the sums hereinafter specified, in full satisfaction of all their claims against the United States for damages resulting from a collision on October 11, 1936, at the intersection of Union and Denver Avenues, Portland, Oreg., between the car in which they were riding and a War Department ambulance: Sherm Sletholm, $3,299.65; Loneata Sletholm, $315.70; Lulu Yates, $1,206.55; Madeline Yates, $536.40; and (2) to the estate of Ella A. Morris, late of Portland, Oreg., the sum of $2,844.55, in full satisfaction of all its claims against the United States for damages resulting from the death of said Ella A. Morris in such collision: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amounts appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1375) for the relief of Wayne M. Cotner was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GEORGE R. BROWN

The bill (H. R. 4156) for the relief of George R. Brown was considered, ordered to a third reading, read the third time, and passed.

J. ROY WORKMAN AND OTHERS

The bill (H. R. 1869) for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor, was announced as next in order.

Mr. KING. Mr. President——

Mr. DAVIS. Mr. President, I ask for an explanation of that bill.

Mr. ELLENDER. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ELLENDER subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 1140, being House bill 1869, for the relief of J. Roy Workman and others. I understand the Senator from Pennsylvania and the Senator from Utah desired an explanation of the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana to return to House bill 1869?

There being no objection, the Senate proceeded to consider the bill (H. R. 1869) for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor.

Mr. ELLENDER. Mr. President, this bill is for the relief of Mr. Workman, his wife, and child. They were driving along the road and were struck by a W. P. A. truck. There is no question of the liability on the part of the Government. The W. P. A. Administration has admitted liability.

I will state the nature of the injuries caused to the persons named. Mr. Workman suffered a fractured jaw and contusion of the back. He was confined to the hospital for some days. Mrs. Workman suffered a good deal from concussion of the brain and bruises, and the son, who was 11 years old, suffered a fracture at the base of the skull.

It was felt by the committee that the amount fixed by the bill was very reasonable. The hospital bill alone was in excess of $400. We felt that the amount provided was in line with other cases of similar character.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Roy Workman, of Clinton, S. C., the sum of $1,000; to Adelaide W. Workman, of the same city, the sum of $1,000; and to the legal guardian of J. Roy Workman, Jr., of the same city, the sum of $1,500. Said sums to be in full settlement of all claims against the United States for expenses incurred and injuries received when the car in which they were riding was struck by a truck in the use of the Works Progress Administration on December 4, 1935, near Clinton, S. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTATE OF COL. C. J. BARTLETT, UNITED STATES ARMY

The bill (H. R. 3987) for the relief of the estate of Col. C. J. Bartlett, United States Army, was considered, ordered to a third reading, read the third time, and passed.

ESTATES OF MARSHALL CAMPBELL AND RAYMOND O'NEAL

The Senate proceeded to consider the bill (H. R. 1207) conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of the estate of Marshall Campbell, and the estate of Raymond O'Neal, of Greene County, Ga., for damages resulting from the deaths of said Marshall Campbell and Raymond O'Neal by reason of an automobile collision involving a Civilian Conservation Corps truck on August 30, 1935, on the highway between Greensboro and Union Point, Ga.: *Provided*, That the judgment, if any, shall not exceed, in the case of the estate of Marshall Campbell, $5,000; and in the case of the estate of Raymond O'Neal, $5,000.

SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

Mr. KING. Mr. President, I do not see why the matter should be referred to the court, when the amount of the damage is provided in the bill itself.

Mr. GEORGE. Mr. President, the amount of recovery is limited in the bill to $5,000 to each estate involved. The facts are somewhat peculiar in this case, and the House committee, after a very careful examination of the bill and all of the evidence, seems to have accepted the suggestion of the present Secretary of War that the matter should be referred to the court for final determination, although no express recommendation is made that the cause be referred to a court. However, it is stated by the Secretary that if the Congress sees fit to refer it to a court for determination of the question of liability, the War Department would interpose no objection.

Mr. President, this was a case in which a C. C. C. truck struck and killed two young men riding in a car in the evening, and the evidence touching the question of negligence is highly conflicting. However, the preponderance of the evidence seems to disprove the reports made to the War Department, which undertook to fix liability upon the citizens who lost their lives because they were driving on the wrong side of the road, whereas highly creditable evidence from very worthy citizens indicates that the truck was itself on the wrong side of the road at the time of the accident.

All the bill provides is simply to permit the United States to be sued in court, but limits the liability to a recovery of not exceeding $5,000 in each case.

The House committee points out in its report, which is very full, that the committee had been loath to confer jurisdiction upon the court in cases of this kind, but in this particular case the committee believed that jurisdiction should be conferred.

I think an examination of all the facts in the case justifies the conclusion reached by the House committee and the House in passing the bill.

Mr. KING. Mr. President, I notice that the late Secretary of War, former Governor Dern, states:

Since it appears from all the above that the accident was caused solely by the negligence and fault of Marshall Campbell, deceased, and that no moral or legal liability on the part of the Government exists, the War Department is constrained to recommend that favorable consideration be not given to the proposed legislation.

Mr. GEORGE. That was a bill to make direct compensation, I will state to the Senator, and the House committee went into that bill. While the War Department did make an adverse report, the committee heard the report made by those who were sent down to make inspection. The evidence submitted on the other side of the question very clearly tended to disprove the War Department's contention, and in the opinion of the House committee did disprove it. The report made by Secretary Dern, however, was made upon a bill to grant compensation in a stated sum. Secretary Woodring, it will be noted, in the latest report upon the bill, suggested, without specifically recommending, that the proper course was to refer the controversy to the court having jurisdiction, if the United States was suable, and that if the committee saw fit so to amend the bill, that no objection would be interposed by the War Department.

Mr. KING. May I ask the Senator whether he regards it as wise and safe legislation now to open the door to suits for torts in local courts. As the bill would authorize suit for a tort in a local Federal court, there is no reason why demand should not be made for suits to be brought in State courts.

I ask the Senator again if it would not be opening the door of courts to many claims against the United States and litigation in the courts, growing out of torts, because now with the thousands and tens of thousands—indeed, hundreds of thousands—of automobiles, and nearly 1,500,000 Federal employees riding around in their automobiles, the Senator will see that there is danger of many suits being brought against the Government in the courts throughout the United States.

Mr. GEORGE. Mr. President, I shall not attempt to controvert that statement, but the recommendation is that the suits be brought only in the Federal district court having jurisdiction.

Mr. McKELLAR. Mr. President, as I understand, in this case the question of negligence is disputed.

Mr. GEORGE. It is sharply disputed.

Mr. McKELLAR. And all that this bill does is to waive the statute of limitations and allow that question to be decided by a Federal court?

Mr. GEORGE. That is correct.

Mr. McKELLAR. Under those circumstances, it seems to me it ought to be done.

Mr. GEORGE. The distinguished Senator from Washington [Mr. SCHWELLENBACH] submitted the report upon this bill, and he probably is very familiar with it.

Mr. SCHWELLENBACH. I should like to answer the question raised by the Senator from Utah [Mr. KING]. It is true that there is danger if we open up these cases in the courts. During the 3 years I have been here and have been a member of the Committee on Claims this is the first time it has been done. I say that in order to show that we are careful in protecting against that danger. In the other two cases, as in the present case, there was a serious dispute as to the facts, the governmental departments saying that they were not liable. We cannot sit here and pass upon that question. In this case there were 30 affidavits by reputable citizens indicating liability on the part of the Government truck. The claimants have a right to present that evidence to some tribunal. We cannot sit here and take a review by the Secretary of War, on the one hand, and 30 witnesses, on the other, without any right or opportunity being afforded both sides to cross-examine the witnesses and to have a court see the witnesses and decide a dispute such as this. In the very extreme cases in which we feel that it is not possible for us to arrive at a decision, we refer the questions to the district court. That has been done only three times during the 3 years that I have been a member of the Committee on Claims.

Mr. KING. I may make one suggestion as the basis for the apprehension which I have expressed. In many of these cases it is requested that the statute of limitations be waived. Perhaps the witnesses for the Government have passed away or they have gone to other parts of the United States. They were perhaps only temporary employees of the United States Government. So that the Government is at a very great disadvantage when suits are brought 4 years after the alleged tort.

Mr. SCHWELLENBACH. I will say to the Senator that certainly the Senate committee will not refer any such cases where the statute of limitations has run.

Mr. KING. I thought it had run in this case.

Mr. SCHWELLENBACH. No; that is the reason it is referred for a finding of the facts.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

SAM ROMACK

The bill (H. R. 1734) for the relief of Sam Romack was considered, ordered to a third reading, read the third time, and passed.

EDITH JORDAN

The bill (H. R. 6059) for the relief of Edith Jordan was considered, ordered to a third reading, read the third time, and passed.

VINCENT FORD

The bill (S. 2866) for the relief of Vincent Ford was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vincent Ford, second lieutenant, Inactive Reserve, of Alhambra, Calif., the sum of $943.67 in full satisfaction of his claim against the United States for a continuation of his pay and allowances as such officer from October 16, 1933, to April 15, 1934, alleged by the War Department to be due him for personal injuries sustained in line of active duty, under the provisions of the act of April 26, 1928 (45 Stat. 461), claim therefor having been disallowed by the Comptroller General of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MRS. J. H. M'CLARY

The bill (S. 283) for the relief of Mrs. J. H. McClary was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Mrs. J. H. McClary the sum of $5,000; the death of J. H. McClary, husband of claimant, having been caused by an accident on the night of October 31, 1935, through the negligence of a Government automobile from the Fort Knox Military Reservation and while driven on business of the Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAX D. ORDMANN

The Senate proceeded to consider the bill (S. 2699) for the relief of Max D. Ordmann, which had been reported from the Committee on Claims with amendments.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? It seems that the Attorney General has made an investigation of this matter and reports the bill favorably.

Mr. SCHWELLENBACH. That is correct. It is to pay an attorney for legal services rendered in connection with a claim against the Alien Property Custodian. The Attorney General reports favorably on the bill and has no objection to it. The money is in the Alien Property Custodian's office.

Mr. McKELLAR. Very well.

The PRESIDENT pro tempore. The amendments reported by the committee will be stated.

The amendments were, on page 1, line 12, after the numerals "1934", to insert "Max D. Ordmann", and on page 2, line 6, after the word "deceased", to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the moneys held in the Treasury of the United States in alien property trust no. 39868, in the name of "Robert Zahn, deceased, Reichtsenwalt Rietzel, executor, and Vogtlandische Machinen Fabrik", otherwise known as Vogtlandische Maschinen-Fabrik and Alfred Rietzsch, as administrator of Robert Zahn, deceased, the sum of $6,587.60, together with interest thereon at the rate of 6 percent per annum from and after September 18, 1934, to Max D. Ordmann, in full settlement of all claims against the United States for legal services rendered to the said Robert Zahn, deceased, Reichtsenwalt Rietzel, executor, and Vogtlandische Machinen Fabrik, otherwise known as Vogtlandische Maschinen-Fabrik and Alfred Rietzsch, as administrator of Robert Zahn, deceased: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROMOTION SYSTEM IN THE COAST GUARD

Mr. CLARK. Mr. President, I ask unanimous consent to return to Calendar No. 942, being the bill (S. 2575) to increase the efficiency of the Coast Guard, which was passed over yesterday by reason of the absence of the Senator from New York [Mr. COPELAND], chairman of the Committee on Commerce, when an explanation was asked concerning it.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2575) to increase the efficiency of the Coast Guard, which was read, as follows:

Be it enacted, etc., That any commissioned officer of the Coast Guard, who, in accordance with regulations prescribed by the

Secretary of the Treasury, heretofore has been or hereafter may be placed out of the line of promotion, may, at his own request (a) if his commissioned service is 10 years or more, be placed upon the retired list with retired pay as prescribed by section 3 hereof, or (b) if his commissioned service is less than 10 years, resign from the Coast Guard with 1 year's pay computed at the rate of pay he was receiving on the date of his resignation.

SEC. 2. The Secretary of the Treasury, at the direction of the President, shall assemble annually a Coast Guard Personnel Board, to be composed of not less than three commissioned officers on the active list of the Coast Guard, to select the officers, if any, whom the board determines should be retired or placed out of the line of promotion, and to make recommendations with respect thereto. The proceedings and decisions of the Personnel Board shall be transmitted to the Commandant of the Coast Guard for review. If the Commandant shall approve the recommendation of the Personnel Board, the officer concerned shall be notified in writing of the action taken in his case, and he shall be entitled to have his case reconsidered by such board, if, within 30 days after he receives notice as aforesaid, he files with the Commandant a written protest of the action taken, or appears, either in person or by counsel, before the Personnel Board: *Provided*, That no case shall be twice reconsidered by the Personnel Board. If the Commandant shall disapprove the recommendation of the Personnel Board, he shall transmit the same with his recommendation to the Secretary of the Treasury for final action. If the Secretary of the Treasury shall concur in the decision of the Commandant, the case shall be terminated, and the officer concerned shall retain his status in the Coast Guard to the same extent as if his case had not been considered. If the Secretary of the Treasury shall disapprove the recommendation of the Commandant and approve that of the board, the officer concerned shall be notified as aforesaid, and shall be entitled to have his case reconsidered by the Personnel Board, subject to the same conditions as hereinbefore provided. At the expiration of 30 days after receipt of any officer concerned of notice of the action taken in his case, in the event no protest is filed or appearance made as provided in this section, the recommendation of the Personnel Board, as approved by the Commandant or by the Secretary of the Treasury, as the case may be, shall be laid before the President by the latter with his recommendation. In the event of the reconsideration of the case of any officer, the Personnel Board shall, after carefully considering additional evidence, if any, submit its supplemental report and final recommendation in the case to the Commandant, who shall transmit the same with his recommendations to the Secretary of the Treasury. The Secretary of the Treasury shall lay the same before the President accompanied by his recommendation in the case. When considering the record of any officer of the Coast Guard, the Personnel Board shall give major importance to reports upon the officer made, in accordance with regulations prescribed by the Secretary of the Treasury, by his seniors. The President may, in any calendar year, pursuant to any recommendation so laid before him:

(a) Place out of the line of promotion such number of lieutenant commanders on the active list as will not exceed the whole number nearest to 2 percent of the officers in that grade as of January 1 of such year; except that such limitation shall not be construed to limit the number of lieutenant commanders who may be placed out of the line of promotion, in accordance with regulations prescribed by the Secretary of the Treasury, for failing to establish their mental, moral, and professional fitness for promotion, as required by existing law.

(b) Place upon the retired list such number of commissioned officers who have had 30 or more years of service as will not exceed the whole number nearest to 5 percent of the number of officers falling within that classification on January 1 of such year.

(c) Place upon the retired list any officer who has been placed out of the line of promotion and who has had 10 years or more of commissioned service.

SEC. 3. The annual pay of any officer who is retired under the provisions of this act shall be 2½ percent of his active-duty pay at the time of his retirement, multiplied by the number of years of his service: *Provided*, That the retired pay of any officer retired pursuant to this act shall not exceed 75 percent of his active-duty pay at the time of his retirement. Years of service, for the purpose of computing retirement pay under the provisions of this act, shall be computed in the same manner as is now or may hereafter be provided by law for the computation of years of service for voluntary retirement.

SEC. 4. The total number of officers retired involuntarily in any one calendar year pursuant to this act shall not exceed the whole number nearest to 1 percent of the total number of commissioned officers. The total number of officers who are permitted to resign from the Coast Guard with 1 year's pay or retire voluntarily pursuant to this act shall not exceed in any one calendar year the whole number nearest to 2 percent of the total number of commissioned officers.

SEC. 5. The provisions of this act shall be supplementary to, but shall not be construed to limit or supersede, existing laws relating to retirement, examination for promotion, and promotion of Coast Guard officers.

SEC. 6. The provisions of this act shall not apply to chief warrant officers.

Mr. CLARK. Mr. President, this measure provides for the installation in the Coast Guard of a somewhat similar system of selective promotion to that which has been in effect in the Army and Navy and the Marine Corps of the United States, although the provisions of the bill as to selection are by no means so drastic as those affecting either the Army, the Navy, or the Marine Corps.

At the present time, when a man becomes an officer in the Coast Guard, it is substantially like entering a mule chute. Unless he falls into ill health and so is retired for physical disability or unless he is guilty of an offense triable by court martial or unless he fails to pass the routine examination for promotion, he is ultimately sure of becoming a captain, which is the highest grade in the Coast Guard Service. Obviously from the standpoint of efficiency this situation offers no incentive for industry and efficiency but puts a premium on inefficiency. This bill simply provides for the selection of a certain number of officers for retirement on the basis set up in the bill.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WALSH. I am very much interested in the Senator's observations, because the Naval Affairs Committees of both the House and the Senate are considering proposals for additional legislation with regard to the selection system for the Navy. The present selection system in the Navy is not in all respects satisfactory. One of the reasons why it is not satisfactory is that just pointed out by the Senator, namely that it sometimes operates to protect the inefficient officer as adequate as the efficient officer.

There seems to be no way after a man gets a commission in the Navy—and I assume it is also true of the Coast Guard—to separate him from the service unless he commits a major offense that results in a court-martial finding of guilt.

Mr. CLARK. Unless he commits an offense triable by court martial or suffers such disability that he can be found by a physical board eligible for retirement.

Mr. WALSH. Will the Senator inform me if there is a period of probation for officers when they first enter the Coast Guard. In the Navy the period of probation is 2 years. Some are proposing that it be made 7 years so that there will be ample opportunity in the early years of service to detect the lack of leadership qualities and inefficiency and bring about the separation of such officers from the service.

Mr. CLARK. My understanding is, although I cannot answer with certainty, that in the Coast Guard there is no period of probation. In other words, under the present system, when a man once becomes an officer in the Coast Guard, failing the commission of some offense for which he is punishable by court martial, he goes automatically up to the point where he becomes a captain. There is no chance on earth for rewarding the efficient and to some extent penalizing the inefficient.

Mr. WALSH. That is equivalent in civil life, is it not, to saying that every man or woman who graduates from a normal school or a law school or medical school or dental school or any other professional school will always be a success and should be given a permanent status in their profession?

Mr. CLARK. That is exactly true. It removes the incentive on the part of the officer to strive for efficiency and to improve himself in the service.

Mr. WALSH. I wish the bill the Senator is advocating fixed the period of probation in the Coast Guard. The Senator will be interested to know that the Navy believes in such a period and, in fact, increasing it.

Mr. CLARK. I am very much in sympathy with what the Senator is saying.

Mr. WALSH. When a young man graduates from the Naval Academy, although the members of the faculty may consider him inadept, yet if he has the physical requirements and has met the scholastic requirements, a commission is given him, and he is protected all the years of his life if he gets by the 2-year probation period. There is no opportunity of eliminating him after 2 years even when

his inaptitude becomes more evident when he came under the observation of superior officers in his actual service, except through physical unfitness and court martial. It seems to me the period of probation ought to be 7 years. We ought to eliminate the men who are inefficient because the question of building up a large retirement fund is getting to be serious. Certainly officers of the Coast Guard, the Army, and the Navy who are inefficient ought not to be rewarded by a pension the rest of their lives after they have served a few years, if they are inefficient. Retirement pay should only be granted to those of long and efficient service and those incapacitated.

Mr. CLARK. It certainly has a tendency to destroy the efficiency of the organization. I must say, however, that I think, by and large, the Coast Guard has been a most efficient organization and that the overwhelming majority of its personnel, both officers and men, have been extremely efficient.

Mr. WALSH. I wish the Senator could tell us if there is a period of probation in the pending bill.

Mr. CLARK. I am uninformed as to that, but I do not believe there is a period of probation in the Coast Guard.

Mr. WALSH. Would the Senator be willing to let the measure remain on the calendar until he can look into that?

Mr. CLARK. I would be willing to have the bill passed over, but the Treasury Department is extremely anxious to have the measure considered, if possible, at the present session.

Mr. WALSH. To me it is unthinkable that a young man who graduates from the Coast Guard Academy or from the Naval Academy or from the Military Academy at West Point is assumed, unless he shall be court-martialed, to be entitled all the rest of his life to draw active-service pay or retired-service pay without a rigid period of probation to determine his fitness.

Mr. CLARK. In the Coast Guard promotion is absolutely on the basis of seniority without any reference to efficiency reports or anything of that kind.

Mr. WALSH. That is all wrong.

Mr. CLARK. I agree with the Senator. This bill provides that the President shall have authority in any year to place a certain number of officers, not exceeding 2 percent in any grade, as I recall, on a nonpromotion basis.

Mr. WALSH. I assume from what the Senator says that the proposal is a move in the right direction and that this bill is an improvement over the present system. It is my opinion that the bill is similar to the promotion system in the Navy prior to 1916, namely, selection-out system, which system has been greatly improved since that time and is now being studied again for the purpose of further improvement. I was wondering if the committee had considered what we are considering now—the importance of a probation period, so as to get and keep the best officers in the service.

Mr. CLARK. I agree about the desirability of a probation period, but I do not think that would in any way conflict with this measure. I ask the Senator to permit the bill to be considered and passed, and then the other matter can be taken up later.

Mr. WALSH. I shall do that. May I ask the Senator to cooperate in an effort at the next session of Congress to get the Committee on Military Affairs, the Committee on Commerce which has control of legislation affecting the Coast Guard, and the Committee on Naval Affairs to adopt if possible a uniform policy with reference to selections and retirements? It may not be possible for one system to fix all these units but some basic standards could be agreed upon.

Mr. CLARK. I am very much in sympathy with such a movement.

Mr. WALSH. I shall not press the objection now.

There being no objection the bill (S. 2575) to increase the efficiency of the Coast Guard was considered, ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF LIGHTHOUSE SITES, HAWAII

Mr. O'MAHONEY. Mr. President, yesterday when Calendar No. 1080, House bill 7714, was called on the calendar, I objected. Since that time I have read the report of the committee. I find no objection to the bill and therefore desire to withdraw my objection and ask unanimous consent to recur to that number on the calendar and for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 7714) to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the Kahului Railroad Co. all that piece or parcel known as lot no. 16, block T, of Kahului town site, Island of Maui, Territory of Hawaii, containing an area of 7,064 square feet: *Provided*, That as a condition precedent to such transfer the said railroad company shall first convey to the United States of America, by warranty deed and free of all encumbrances, all that piece or portion of L. S. A. 7713, Apana 23, to Kamamalu, situate at Kahului, Island of Maui, Territory of Hawaii, being lot no. 10, block T, of Kahului town site, containing an area of 7,958 square feet. The respective parcels of land to be more particularly described in the deeds of conveyances.

The Secretary of Commerce is further authorized to convey to the Hawaiian Commercial & Sugar Co., Ltd. (a Hawaiian corporation), all that piece or parcel of land known as lot no. 1, block D, of Kahului town site, island of Maui, Territory of Hawaii, containing an area of 7,740 square feet: *Provided*, That as a condition precedent to such transfer the said Hawaiian Commercial & Sugar Co., Ltd., shall first convey to the United States of America, by warranty deed and free of all encumbrances, all that piece or portion of land in grant 3343 to Claus Spreckels, situate in Kahului, island of Maui, Territory of Hawaii, being lot no. 7, block D, of Kahului Townsite, containing an area of 7,727 square feet. The respective parcels of land to be more particularly described in the deeds of conveyances.

Mr. O'MAHONEY. On the calendar is a similar Senate bill, S. 2799. I ask that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, Senate bill 2799 is indefinitely postponed.

MARJORIE L. BAXTER

The bill (H. R. 420) for the relief of Marjorie L. Baxter was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1355) for the relief of Lawrence E. Thomas was announced as next in order.

Mr. McKELLAR. Mr. President, there is an adverse report on the bill. I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

MARCELLINO M. GILMETTE

The bill (H. R. 1794) for the relief of the estate of Marcellino M. Gilmette was considered, ordered to a third reading, read the third time, and passed.

GEORGE O. CLAYPOOL

The bill (H. R. 3503) for the relief of George O. Claypool was announced as next in order.

Mr. McKELLAR. Mr. President, I notice no recommendation is made by the Commerce Department with reference to the bill.

Mr. KING. Let it go over.

Mr. BULKLEY. Mr. President, the bill simply removes the bar of the statute of limitations to permit the payment to be made.

Mr. McKELLAR. It seems payment has already been made to the Compensation Commission, and the matter was referred to the Commission, but they made no recommendation about it at all.

Mr. BULKLEY. It was not made in time. The bill would simply make it possible to pay the claim, notwithstanding

the lapse of time. The man did not know, in time to make the claim, that he had the disease.

Mr. KING. I have read the report. This occurred away back in 1920. It seems to me highly improper to make claims against the Government 10, 15, or 20 years after the alleged initiation of some disease or after an alleged tort.

Mr. BULKLEY. The Senator understands the bill does not pay any claim. It simply opens the matter for consideration.

Mr. KING. But waiving the statute of limitations is becoming so common we might as well abolish that statute and let anybody and everybody demand payment from the Government whenever they please.

Mr. BULKLEY. I hope the Senator will not object.

Mr. KING. Very well, let the bill be considered.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3503) for the relief of George O. Claypool was considered, ordered to a third reading, read the third time, and passed.

W. H. LENNEVILLE

The bill (H. R. 3745) for the relief of W. H. Lenneville was considered, ordered to a third reading, read the third time, and passed.

JACK C. ALLEN

The Senate proceeded to consider the bill (H. R. 3750) for the relief of Jack C. Allen.

Mr. McKELLAR. Mr. President, I am not going to make objection, but it seems this is a case where a man lost his clothes and some other things, and the Government is now asked to pay for them. However, I make no objection.

The bill was ordered to a third reading, read the third time, and passed.

ROWESVILLE OIL CO.

The bill (H. R. 1767) for the relief of the Rowesville Oil Co. was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FARMERS STORAGE & FERTILIZER CO.

The bill (H. R. 1770) for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C., was announced as next in order.

Mr. McKELLAR. Mr. President, an adverse report accompanies the bill. Let it go over.

Mr. BYRNES. Mr. President, will the Senator withhold his objection to enable me to make an explanation?

Mr. McKELLAR. Certainly; but I call to the Senator's attention the fact that there seems to be an adverse report by the Secretary of War.

Mr. BYRNES. A similar bill was passed about a year ago providing for payment of the claim. That bill was vetoed. At the time of the veto the statement was made to me that the claim should be sent to the Court of Claims, and that if it was sent to the Court of Claims the executive department would cooperate to secure an early adjudication of the right of the Farmers Storage & Fertilizer Co., which is a farmers' cooperative association. The bill does not now provide for the payment of the claim but solely for a determination of the claim.

Mr. McKELLAR. It simply provides for waiver of the statute of limitations, as I understand.

Mr. BYRNES. Yes; because in this case substantial reason was presented at the time to the committee to cause the committee to make an exception to its rule. There were many extenuating circumstances why this group of farmers should have special consideration.

Mr. McKELLAR. On what ground did the President veto the prior bill?

Mr. BYRNES. On the ground that he thought it should go to the Court of Claims for adjudication. That was the reason stated to me.

Mr. McKELLAR. What amount is involved?

Mr. BYRNES. My recollection is in this case the amount is about $2,500.

Mr. KING. There is another one of $3,725.

Mr. BYRNES. There is one of about $3,500 and one of about $2,500.

Mr. KING. I call to attention of the Senator that the report states there are approximately 300 suits now pending in regard to these matters.

Mr. BYRNES. That is one reason why the position was taken that the claim should be sent to the Court of Claims in order to give the cooperative associations the same right that was granted in the 300 cases which are now in the Court of Claims. Unless sent there, this cooperative association would be denied its right. These farmers' cooperative associations differ from the great private corporations. The Senator is familiar with farmers' cooperatives where everybody's business is nobody's business.

Mr. McKELLAR. I have no objection to the present consideration of the bill.

There being no objection, the bill (H. R. 1770) for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C., was considered, ordered to a third reading, read the third time, and passed.

CHARLES TABIT

The bill (H. R. 1915) for the relief of Charles Tabit was considered, ordered to a third reading, read the third time, and passed.

A. H. SPHAR

The bill (H. R. 2488) for the relief of A. H. Sphar was considered, ordered, to a third reading, read the third time, and passed.

J. H. KNOTT

The bill (H. R. 3395) for the relief of J. H. Knott was considered, ordered to a third reading, read the third time, and passed.

GUIDEO BISCARO AND OTHERS

The bill (H. R. 886) for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill.

Mr. BROWN of Michigan. Mr. President, certain Liberty bonds were put up as bail bond before a commissioner of immigration. Through failure to notify the parties concerned, they did not appear at the time of the hearing, but subsequently, within 2 or 3 weeks, they were found and were deported. It seemed to us it was unfair to retain the bonds under such circumstances. We have taken similar action for insurance or bonding companies. No expense to the Government was involved. Notice was not given to the rather ignorant foreigners who were apprehended. That is all there is to the case.

Mr. McKELLAR. The parties have been deported?

Mr. BROWN of Michigan. Yes; and without any expense to the Government.

Mr. McKELLAR. I have no objection.

There being no objection the bill was considered, ordered to a third reading, read the third time, and passed.

RALPH REISLER

The bill (H. R. 1690) for the relief of Ralph Reisler was considered, ordered to a third reading, read the third time, and passed.

CARSON BRADFORD

The Senate proceeded to consider the bill (H. R. 5229) for the relief of Carson Bradford, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carson Bradford, of Miami, Dade County, Fla., the sum of $2,500, in full settlement of all claims against the United States for damage done to his house and property, located at Lake Weir, Marion County, Fla.,

on January 15, 1935, by agents of the Federal Bureau of Investigation of the Department of Justice in apprehending certain fugitives from justice: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING. Mr. President, I ask for an explanation of this bill. I have hastily examined the report, and it seems to me the Government should not be called upon to pay the sum demanded.

Mr. BROWN of Michigan. Mr. President, I may say to the Senator that this bill relates to the rather notorious Barker case, in which two members of the Barker gang were surrounded and killed in Florida. The claim is for the damage which was done to the house where they were at the time. It was rented to these people without any knowledge on the part of the owner that they were the notorious Barker gangsters. The estimates submitted showed that the damage to the house was a little greater than the amount of $2,500 which has been allowed, and the Claims Committee felt that the claim was a just one. The damage, of course, was caused by the fusillade of shots that were fired into the house almost all day by the Government agents in their attempts to capture these persons; and both members of the gang, the so-called "Ma" Barker and her son, were killed in the affair.

I think the claim is a very just one.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MARIAN MALIK

The bill (H. R. 5622) for the relief of Marian Malik was considered, ordered to a third reading, read the third time, and passed.

STILLWELL BROS., INC.

The Senate proceeded to consider the bill (S. 1346) for the relief of Stillwell Bros., Inc., which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stillwell Bros., Inc., the sum of $5,986.92 in full settlement of all claims against the Government for losses incurred by them as subcontractors in the performance of work done in the construction of a dock at the Navy Yard, Bremerton, Wash., in 1917: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, let us have an explanation of the bill.

Mr. SCHWELLENBACH. Mr. President, bills similar to this one have twice passed the Senate and on both occasions were approved by the House committee but failed of passage in the House in the two previous Congresses. The bill is the allowance of a claim for increased expenses during the war under the provisions of an act which was passed during wartime allowing claims to be presented by contractors.

Stillwell Bros. had a subcontract for the construction of a dock at the navy yard at Bremerton, Wash. The contractor had a similar claim. His bill was enacted a long time ago. The Department favors this bill. The amount has been reduced. There was a loss, I think, of $24,000, and the amount has been reduced to $5,986.92.

Mr. McKELLAR. The Senator says the Department recommends it?

Mr. SCHWELLENBACH. The Department recommends it.

Mr. McKELLAR. It is not clear from the report whether the Department recommends it or not; but the Senator assures me that the Department recommends it.

Mr. SCHWELLENBACH. A question was raised by the Department as to the amount. They concede that the loss of Stillwell Bros. was $24,000. Their objection was not to the bill itself but to the allowance of that amount, which has been reduced to $5,986.92.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SITKA COLD STORAGE CO.

The bill (H. R. 5859) authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation, was considered, ordered to a third reading, read the third time, and passed.

THOMAS JEFFERSON'S BIRTHDAY

The joint resolution (H. J. Res. 284) authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday was considered, ordered to a third reading, read the third time, and passed.

BRUNSWICK DIVISION, SOUTHERN DISTRICT OF GEORGIA

The Senate proceeded to consider the bill (S. 1816) to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick, which was read, as follows:

Be it enacted, etc., That subsections (f) and (g) of section 77 of the Judicial Code, as amended, are amended to read as follows:

"(f) The southern district shall include five divisions, to be constituted as follows: The Augusta division, which shall include the territory embraced on January 1, 1925, in the counties of Burke, Columbia, Glascock, Jefferson, Lincoln, McDuffie, Richmond, Taliaferro, Warren, and Wilkes; the Dublin division, which shall include the territory embraced on such date in the counties of Dodge, Emanuel, Johnson, Laurens, Montgomery, Telfair, Toombs, Treutlen, and Wheeler; the Savannah division, which shall include the territory embraced on such date in the counties of Bryan, Bulloch, Candler, Chatham, Effingham, Evans, Jenkins, Liberty, Screven, and Tattnall; the Waycross division which shall include the territory embraced on such date in the counties of Atkinson, Bacon, Ben Hill, Brantley, Charlton, Clinch, Coffee, Pierce, and Ware; and the Brunswick division, which shall include the territory embraced on such date in the counties of Appling, Camden, Glynn, Jeff Davis, Long, McIntosh, and Wayne.

"(g) The terms of the district court for the Augusta division shall be held at Augusta on the first Monday in April and the third Monday in November; for the Dublin division at Dublin on the third Mondays in January and June: *Provided*, That suitable rooms and accommodations are furnished for holding court at Dublin, free of cost to the Government, until a public building shall have been erected or put into proper condition for such purpose in said city; for the Savannah division at Savannah on the second Tuesdays in February, May, August, and November; for the Waycross division at Waycross on the second Mondays in June and December; for the Brunswick division at Brunswick on the second Mondays in March and October: *Provided*, That no cost shall be incurred by the Government in furnishing quarters for holding court at Brunswick."

Mr. GEORGE. Mr. President, I desire to offer to the bill an amendment, which I send to the desk. I may state in a word what the amendment is.

The bill proposes to create a mere division in the southern district of Georgia, without any expense whatever to the Government, because the courthouse has been constructed, even down to the fireproof files and safes.

Heretofore, the Senate passed a bill transferring one county in the southern district of Georgia to the middle district of Georgia. That bill is on the House Calendar. If this bill is passed before the bill which is already in the House is taken up for action and passed, we shall have a conflict between the two bills with respect to one county. The amendment is merely to carry out the action heretofore taken by the Senate in transferring one county from the southern district of Georgia to the middle district.

Mr. KING. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Utah.

Mr. KING. Does the bill call for a further division of the district or districts, the creation of another subdivision?

Mr. GEORGE. It merely provides for another division within the district already existing.

Mr. KING. How many places are there in Georgia where court is now held?

Mr. GEORGE. Does the Senator mean in the southern district, to which this bill relates?

Mr. KING. No; in the whole State.

Mr. GEORGE. I should not be able to answer the Senator's question without some little calculation; but within this district there are four divisions. The bill creates a much-needed additional division; and I may say to the Senator that probably it would have been long since created as a division, but heretofore court facilities had not been provided. Now they have been provided. No expense to the Government is involved, and the passage of the bill is recommended by the Department.

The PRESIDENT pro tempore. The Senator from Georgia offers an amendment, which will be stated.

The CHIEF CLERK. On page 2, line 9, it is proposed to strike out "Clinch"; and on page 3, after line 3, it is proposed to insert the following new section:

SEC. 2. Subsection (d) of section 77 of the Judicial Code, as amended, is amended by inserting after the name "Berrien", a comma and the name "Clinch."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONFISCATION OF FIREARMS FROM PERSONS CONVICTED OF FELONY

The bill (S. 483) to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That whenever any person is convicted of a felony in any court of the United States, firearms and ammunition found in his possession or under his control at the time of his arrest shall be confiscated and disposed of in accordance with the order of the court before which such person was tried. The court may direct the delivery of such firearms or ammunition to the law-enforcement agency, which apprehended such person, for its use or for any other disposition in its discretion.

TERM OF DISTRICT COURT AT MALONE, N. Y.

The bill (H. R. 5963) providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y., was considered, ordered to a third reading, read the third time, and passed.

INDIANS OF FORT HALL INDIAN RESERVATION, IDAHO

The Senate proceeded to consider the bill (S. 2253) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature which the Indians of the Fort Hall Indian Reservation in the State of Idaho, or any tribe, band, or group having members living thereon, may have against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment of the Committee on Indian Affairs was, in section 1, page 1, line 6, after the word "the", to strike out "Indians of" and insert "Shoshone or Bannock Indians living on"; on page 2, line 2, after the word "tribe", to strike out the comma and "band, or group having members living on said reservation" and insert "or band thereof"; in line 7, after the word "tribes", to strike out the comma and "bands, or groups" and insert "or bands"; in line 10, after the word "tribes", to strike out the comma and "bands, or groups", and insert "or bands"; in line 12, after the word "tribes", to strike out the comma and "bands, or groups" and insert "or bands"; in line 15, after the word "tribe", to strike out the comma and "band, or group" and insert "or bands"; in line 19, after the word "court", to insert "unless either party shall prove otherwise", and in line 22, after the word "of", to strike out "not less than", so as to make the section read:

Be it enacted, etc., That jurisdiction be, and the same is hereby, conferred on the Court of Claims to hear, determine, adjudicate, and render final judgment on any and all legal or equitable claims of whatsoever nature which the Shoshone or Bannock Indians living on the Fort Hall Reservation, or any tribe or band thereof may have against the United States of America, including, but without limiting the generality of the foregoing, any claims arising out of the United States appropriating either to its own use or to the use of its citizens of any land as to which any of said tribes or bands of Indians had the right of use and occupancy, and it is hereby declared that the taking and the loss without just compensation to any of said tribes or bands of Indians of any land with respect to which any of said tribes or bands of Indians had the right of use and occupancy shall be sufficient grounds for recovery, and the court shall render judgment in favor of said tribe or bands of Indians, and shall award thereto, as for a taking under the power of eminent domain, just and full compensation for all lands thus taken or appropriated: *Provided*, That in determining what constitutes just and full compensation the court unless either party shall prove otherwise shall deem such land to have had at the time of its taking or appropriation a principal value to said Indians of $1.25 per acre.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 23, after the word "The", to strike out "Indians of" and insert "Shoshone or Bannock Indians living on"; in line 25, before the word "any", to strike out "members of"; in the same line, after the word "tribe", to strike out the comma and "band, or group, living thereon", and insert "or band thereof"; on page 3, line 3, after the word "tribe", to strike out the comma and "band, or groups" and insert "or band"; in line 15, after the word "within", to strike out "ten" and insert "three"; and in line 17, after the word "tribe", to strike out the comma and "band, or group" and insert "or band", so as to make the section read:

SEC. 2. The Shoshone or Bannock Indians living on the Fort Hall Reservation, as a single entity, or any tribe or band thereof as separate entities, either alone or in conjunction with each other, and either for themselves or as representatives of the entire tribe or band of which they are members, may as party plaintiff bring a suit or suits against the United States as party defendant by filing its petition, either jointly or separately, in the Court of Claims and serving a copy thereof on the Attorney General of the United States. Such petition shall set forth the facts upon which the claim for recovery is based and shall be verified by the attorney or attorneys employed under contracts made in accordance with section 81 of title 25 of the United States Code, Annotated, to prosecute such claims, which may be made upon information and belief, and no other verification shall be necessary. Any suit or suits shall be instituted within 3 years from the date of this act by the filing of a petition or petitions in the Court of Claims. Any tribe or band of Indians which the court may deem necessary to a final determination of any suit instituted hereunder may be joined therein as the court may order. The court shall have authority to consolidate any suit brought hereunder with any other suit now or hereafter pending in said court if in its judgment justice requires.

The amendment was agreed to.

The next amendment was, in section 3, page 4, line 2, after the word "tribe", to strike out the comma and "band, or group" and insert "or band"; in line 5, after the word "tribunal", to strike out the comma and "including the Commission created by the act of March 3, 1851 (9 Stat. 631)"; in line 10, after the word "tribe", to strike out the comma and "band, or group" and insert "or band"; in line 13, after the word "tribe", to strike out the comma and "band, or group" and insert "or band"; in line 15, after the word "tribe", to strike out the comma and "band, or group" and insert "or band", and, in line 16, after the word "tribe", to strike out the comma and "band, or group" and insert "or band"; so as to make the section read:

SEC. 3. At the trial of said suit the court shall apply as respects the United States the same principles of law as would be applied to an ordinary fiduciary and shall settle and determine the rights therein, both legal and equitable, of said Indians, or any tribe or band thereof, against the United States, notwithstanding lapse of time or statutes of limitations or the nonpresentment of any claim to any tribunal. No payment or payments which have been made by the United States upon any claim or claims therein asserted or for the account of said Indians of the Fort Hall Reservation, or any tribe or band suing hereunder, shall apply as an estoppel against any suit brought hereunder, but there shall be set off against any recovery obtained by any tribe or band hereunder any payment made by the United States on any claim asserted by said tribe or band and such gratuity expenditures made

by the United States for the benefit of said tribe or band as are directed to be set off by the Second Deficiency Appropriation Act, fiscal year 1935 (Public, No. 270, 74th Cong.).

The amendment was agreed to.

The next amendment was, in section 4, page 5, line 1, after the word "band", to strike out "or group", so as to make the section read:

SEC. 4. At the trial of any action instituted hereunder any letter, paper, document, map, or record in the possession of any officer or department of the United States (or a certified copy thereof) may be used in evidence, and the departments of the Government of the United States shall give full and free access to the attorneys for said tribe of Indians, or any band thereof, to such letters, papers, documents, or records as may be useful to said attorney or attorneys in the preparation for trial or trials of such action and shall afford facilities for the examination of the same and for the making of copies thereof.

The amendment was agreed to.

The next amendment was, in section 6, page 5, line 14, after the word "tribe", to strike out the comma and "band, or group" and insert "or band", so as to make sections 5, 6, and 7 read:

SEC. 5. Any party suing hereunder shall have the absolute right of appeal from any judgment entered by the Court of Claims to the Supreme Court of the United States, and the Supreme Court of the United States is hereby invested with jurisdiction of such appeals.

SEC. 6. Upon the final determination of any suit or cause of action instituted hereunder, whether by judgment, compromise, or otherwise, the Court of Claims, in the event of a judgment being rendered in behalf of any tribe or band suing hereunder, or the Secretary of the Interior in the event any claim asserted hereunder shall be compromised or settled without the institution of any suit (which the Attorney General of the United States, if he deems it advisable, is hereby authorized to do), shall, out of any judgment received or settlement made, award to the attorneys of record, in accordance with their respective attorneys' contracts approved in accordance with existing law, as compensation for their services before the committees of Congress, the departments of the Government, and the courts, such fees as, based upon a quantum meruit, the Court of Claims or the Secretary of the Interior shall deem reasonable, which in no event shall exceed 10 percent of the amount recovered. In addition to the aforesaid fees, the Court of Claims, or the Secretary of the Interior shall also allow, out of any recovery for said Indians, to the attorney or attorneys of record such expenses as are necessary and proper in connection with the preparation and prosecution of such claims. All such fees and expenses shall be paid by the Secretary of the Treasury out of any sum or sums found to be due said Indians when an appropriation therefor is made by Congress whether or not said appropriation is to be distributed to said Indians or to be held by the United States and expended for their benefit. The amount of any judgment which may be recovered by said Indians, after deduction of fees and expenses as herein provided for, shall be placed to their credit in the Treasury of the United States and shall draw interest at the rate of 4 percent per annum from the date of the judgment provided therefor and both the principal and interest thereon shall be subject to appropriation by Congress for the benefit of said Indians.

SEC. 7. A copy of the petition in any suit instituted under this act shall be served upon the Attorney General of the United States and he or some attorney from the Department of Justice to be designated by him is hereby directed to defend the interests of the United States.

The amendment was agreed to.

Mr. KING. Mr. President, I desire to ask the chairman of the committee whether the bill now under consideration is amendatory of or conflicts in any way with the bill heretofore introduced and passed providing for referring to the Court of Claims the claims of the Fort Hall Indians?

Mr. THOMAS of Oklahoma. Mr. President, in connection with the bill referred to by the Senator, a Mr. Kappler, of Washington, is an attorney. Mr. Kappler had a letter on file requesting to be present when the bill was considered by the committee. On our last meeting date Mr. Kappler was found to be out of the city. It is understood that the amendments made are agreeable to him; but in the event they are not agreeable to Mr. Kappler, it is entirely agreeable that the bill, if passed, shall be open to reconsideration on the next day on which the Senate meets. I understand that Mr. Kappler will be back by that time.

Mr. KING. May I ask the Senator whether the passage of the bill would in any manner jeopardize the claims of the Fort Hall Indians, as to whom a bill heretofore was introduced?

Mr. THOMAS of Oklahoma. Mr. President, an answer to the Senator's question would be an interpretation of the existing law and likewise of this bill. With the information I now have, I should not want to give such an interpretation; but I understand that the bill is satisfactory to Mr. Kappler. If not, of course, I have no objection to its being postponed for the time being.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature, which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes."

REVOLVING-FUND LOAN FOR KLAMATH INDIANS

The Senate proceeded to consider the bill (S. 2053) authorizing the establishment of a revolving-loan fund for the Klamath Indians of Oregon, and for other purposes.

Mr. McKELLAR. Mr. President, I hope the Senator from Oregon [Mr. STEIWER] will give us an explanation of that bill.

Mr. STEIWER. I should like to do so, Mr. President; but, with the indulgence of the Senate, I desire first to make a brief statement with respect to this bill, Calendar No. 1170, and the following bill, Calendar No. 1171, Senate bill 2054.

Companion bills identical in form with both of these bills were introduced in the House. Those bills have been passed by the House and transmitted to the Senate, and by the Senate have been referred to the Committee on Indian Affairs. Apparently the better procedure is to pass the House bills rather than to pass the Senate bills. I shall undertake to explain the bills in just a minute; but, as a procedural matter, I first ask unanimous consent to have the Committee on Indian Affairs discharged from the further consideration of these two House bills—House bill 5976 and House bill 5975—and ask, further, that the Senate proceed to the immediate consideration of the two House bills.

Mr. KING. I have no objection to the first part of the Senator's request, but I do not want to consent to the passage of the bill without some explanation, and I reserve the right to object.

Mr. STEIWER. Mr. President, I have not asked for consent for the passage of the bill. I merely want to bring the House bills before the Senate.

Mr. McKELLAR. I have no objection to that, but I want to ask the Senator a question as soon as that is done.

The PRESIDENT pro tempore. The Senator from Oregon has requested that the Committee on Indian Affairs be discharged from the consideration of House bill 5976, and that the bill be laid before the Senate for present consideration.

Mr. McKELLAR. Mr. President, before the Senator begins his explanation I wish to tell him what is running through my mind about this matter. As I recall, the Klamath Indians have been before the Senate a number of times in a variety of ways. As I recall, there is very valuable timber on their reservation.

Mr. STEIWER. That is correct.

Mr. McKELLAR. I got the idea a year or two ago, or it may have been longer than that, that the timber rights were being exploited by the whites, who were buying the timber, and I think the Indians did not get their full compensation for the timber the whites bought. I am wondering whether the establishment of this trust fund for the Indians has anything to do with the timber or with those who have been buying timber. Will the Senator explain the facts in connection with the question I have asked?

Mr. KING. Mr. President, before the Senator begins his explanation, I may say that a number of years ago I went onto the Klamath Reservation, and what the Senator from Tennessee has stated is correct, but he did not go far enough.

Contracts had been let improvidently and unjustly by the Indian Office to a number of white settlers there who engaged in the timber business, and the Indians were being exploited and robbed. In addition to that, the Department sought to have the contract modified so that those who had the contracts would pay very much less than the sums they had agreed to pay. I reached the conclusion that the whole operation was unfair and unjust to the Indians, and I denounced it in the Senate, and opposed the policy the Government was pursuing with respect to the Klamath Reservation, and if this bill is to perpetuate that wrong, I shall object to the consideration of the bill.

Mr. STEIWER. The bill would have no such effect, as I will attempt to explain. First I wish to respond to the very proper question propounded by the Senator from Tennessee. The proposals contained in this bill have no relationship at all to the management of the timber. The timber is being cut and the Klamath Indians are realizing the proceeds from the sale of their stumpage. Under the law the Secretary of the Interior is authorized to make per-capita payments to the Indians, and under present conditions the greater part of the money received from the sale of the timber is being distributed to the Indians through the agency of these per-capita payments. In very necessity this valuable asset will ultimately be exhausted. The Indians will then have but little left out of their great estate.

The purpose of the loan bill is to set up, first, a capital reserve fund out of the proceeds of timber sales, and then a revolving loan fund to enable the superintendent to make certain types of loans to the Indians for the rehabilitation of their business affairs. The great merit of the bill is that it will prevent the dissipation of the Klamath tribal assets. The money will not all be paid out in per-capita payments, but under the bill will be conserved; the purpose of the bill, I may say, is to avoid the loss of the assets through the distribution of all of the money realized from timber sales.

The Indians themselves have considered the matter in their tribal meetings, and favor the legislation as a means of conserving their property. The Interior Department favors it. It is regarded in the Interior Department and in the Office of Indian Affairs as a sincere effort to conserve the assets of the Indians, so that when the stumpage is gone, and before it is replaced by new growth, there will be built up a large fund for the maintenance of this Indian tribe.

Mr. McKELLAR. Mr. President, if this will aid the Indians—and it apparently will—I am in hearty sympathy with it.

Mr. STEIWER. I am sure the Senator will be in sympathy with the bill.

Mr. McKELLAR. But I recall a very peculiar condition of facts, so far as our agents out there were concerned. If I was correctly informed, on this rather small reservation there were some 50 agents of the Government, all of whom were paid out of the proceeds of the funds arising from the sale of timber.

Mr. STEIWER. The Senator used the word "agents." I presume he means employees. There is but one "agent." The Senator means 50 employees, does he not?

Mr. McKELLAR. Fifty employees.

Mr. STEIWER. That is correct.

Mr. McKELLAR. As I recall, all of them except three were furnished automobiles, and those were paid for out of tribal funds, out of the funds of this particular tribe of Indians. There were many other charges, as I recall, which seemed to me to be perfectly outrageous, and I am wondering whether there will be very much money left to create this fund if those enormous charges are still being made and paid out of the tribal funds.

Mr. STEIWER. I remember very definitely the effort made by the Senator from Tennessee some time ago to correct the excessive expenditures on this reservation. That effort bore some good fruit, and some of the matters—not all of them, but some of them—against which the Senator from Tennessee complained, have been corrected. There is a definite credit balance to these Indians every year from the sale of a stumpage over and above all the expense of operating the agency.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. BULKLEY in the chair). Does the Senator from Oregon yield to the Senator from New Mexico?

Mr. STEIWER. I yield.

Mr. CHAVEZ. I am a member of the Committee on Indian Affairs, and I wish to say that this is a very fine bill. It will protect the Indians along the lines suggested by the Senator from Utah and the Senator from Tennessee. But, for the information of the two Senators, who I know are very desirous of protecting the Indians everywhere, I may say that only recently, before the Committee on Indian Affairs of the Senate, in the discussion of matters pertaining to this particular reservation, an Indian himself, a former employee, and a former superintendent of the Indians testified—and it was not denied but was admitted by the Indian Office—that under the provisions of the act we passed last year, by which the contracts were to be modified, the lumber companies would go around and hire the very members of the tribal council to go amongst the Indians to get them to modify the contracts, a thing that was accepted with the full knowledge of the Indian Office and acquiesced in by the Indian Office. They accepted the contracts as modified after they knew that Indians who belonged to the tribal council had been hired, and received money from the lumber companies, in order to get the other Indians to modify the contracts. But the pending bill will protect the Indians.

Mr. McKELLAR. Mr. President, I wish to make a suggestion to the Senator from Oregon, in whose State the Klamath Reservation is located, and I hope the Indian Office will read what I am now saying. The Senator from Oregon is a member of the Committee on Appropriations, of which I am also a member, and I hope that he will look into this matter and join with me in an effort to reduce the enormous costs which take away so much of the funds of the Indians in that reservation.

Mr. STEIWER. Mr. President, I shall be glad to do that. But I may say, for the information of the Senator from Tennessee, that the Committee on Indian Affairs at this time has an investigation in progress in connection with a wide range of matters relating to the administration of affairs at the Klamath Agency. That inquiry has not been completed, but I am very certain that the Committee on Indian Affairs will go to the bottom of the whole situation.

May I ask the parliamentary situation now, Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has requested that House bill 5976 be substituted for Senate bill 2053 and that it be now considered. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5976) authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes.

Mr. STEIWER. Mr. President, I wish to offer an amendment in order to make the House bill conform to the Senate bill. I send the amendment to the desk.

Mr. KING. Mr. President, I should like to ask the Senator whether the Indians themselves, without being made the victims of any of the reprehensible methods followed in the past by the white settlers in that vicinity and those who have employed them, approve of the bill.

Mr. STEIWER. They do. There has been no intimidation or coercion with respect to this measure. The white people who transact business with the Indians are not interested in the bill. It originated with the Indians and is approved by their representatives and delegates and by all concerned. The bill is a conservation bill.

Mr. KING. I should like to say that if we could get any measure enacted which would help the Indians I should be very happy, but the investigation which was made a number of years ago, under a resolution I introduced, revealed waste and extravagance in nearly all the Indian agencies.

There was one Federal employee for every six or seven Indians, more than 10,000 employees, and the cost was over $25,000,000. It was understood, when John Collier was appointed to the position of Commissioner of Indian Affairs, that there would be material reductions in the Indian items in appropriation bills, but I am told that the last appropriation bill carried a larger sum than any bill theretofore had carried. I hope the pending investigation will go to the bottom and show, as it will show, I am sure, if they get the facts, that there is a more stupendous bureaucratic organization handling the Indian Office than can be found in any other department of the Government.

Mr. STEIWER. It is true, generally, that the expense has run up; but on the Klamath Reservation expenses of administration have been reduced. During the time that Mr. Crawford, a Klamath Indian, was superintendent, the administrative expenses at Klamath were cut almost in half.

Mr. KING. And yet he was discharged because he cut down the expenses.

Mr. STEIWER. I do not know that he was discharged because he had reduced operating expenses.

Mr. KING. But he is out now.

Mr. STEIWER. Yes; but the fact is that the expenses have been reduced.

Mr. President, may the amendment be stated?

Mr. CHAVEZ. For the information of the Senator from Utah, I may say that the Office of Indian Affairs has now in the regular service more than 1,200 more employees than it had in 1933, outside of emergency employment.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon [Mr. STEIWER] will be stated.

The LEGISLATIVE CLERK. On page 3, line 13, after the word "*Provided*" and the comma, it is proposed to insert: "That in the event any property pledged as security is offered for sale to satisfy any obligation, the Klamath Indians shall have a preferential right, except there shall be no discrimination as to terms of sale, to purchase the same: *Provided further*", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior shall cause to be established on the books of the Treasury, out of any unobligated tribal funds of the Indians of the Klamath Reservation in Oregon (hereinafter referred to as the "Klamath Indians") on deposit in the Treasury of the United States, a capital reserve fund for said Klamath Indians. Such fund shall be created by setting aside the sum of $50,000 for the fiscal year 1937, and shall be augmented by additions of $50,000 for each fiscal year thereafter. Such fund shall be held in the Treasury of the United States and shall bear interest as provided by law. The interest upon such fund shall be used, insofar as it is sufficient, for the payment of the expenses of administration of the Klamath Indian Reservation in Oregon.

SEC. 2. The Secretary of the Interior shall cause to be established on the books of the Treasury, out of any unobligated tribal funds of the Klamath Indians on deposit in the Treasury, a reimbursable loan fund from which loans may be made to enrolled Klamath Indians for industrial and agricultural assistance and the construction and improvement of homes (including the purchase of land and interests in land, building material, farming equipment, industrial equipment, trucks, livestock, feed, food, seed, tools, machinery, implements, household goods, bedding, clothing, or any other equipment or supplies necessary to enable such Indians to fit themselves for or to engage in farming, the livestock industry, or such other industrial or agricultural pursuits or avocations as will enable them to become self-supporting); for the educational advancement of such Indians; for financial assistance in cases of illness, death, or other emergency; for the maintenance and support of the aged, infirm, and incapacitated Klamath Indians; and for the repayment of reimbursable loans previously made to such Indians from tribal funds. For the establishment of such loan fund, the Secretary of the Interior shall immediately set aside the unexpended balance of any funds heretofore appropriated or authorized to be used out of the tribal funds of the Klamath Indians for the establishment of reimbursable loan funds for industrial assistance or for any other purpose; and in addition thereto, out of any unobligated tribal funds, $100,000 shall be set aside for the fiscal year 1938 and $50,000 for each of the next 3 fiscal years.

SEC. 3. The reimbursable loan fund provided for in section 2 hereof shall be administered, under and subject to such rules and regulations as the Secretary of the Interior may prescribe, by a loan board composed of Klamath Indians of not to exceed five members: *Provided*, That in the event any property pledged as security is offered for sale to satisfy any obligation, the Klamath Indians shall have a preferential right, except there shall be no discrimination as to terms of sale, to purchase the same: *Provided further*, That the expenses of administering such fund, including such per diem for members of the loan board as may be authorized by the Secretary of the Interior, shall be paid from such loan fund. After the fiscal year 1939 the aforesaid expenses of administration shall not exceed the amount received from service fees, surcharges, and interest paid in on loans.

SEC. 4. For the purpose of providing adequate security for any loans made from the revolving reimbursable loan fund provided for in section 2 hereof, the Klamath Indians are hereby authorized to include in the securities offered therefor, in addition to any unrestricted real or personal property owned by them, any lands, interest in lands, rights, funds, future per-capita payments and other distributions of tribal assets, and other property, real, personal, or mixed, of any nature whatsoever, belonging to individual Klamath Indians, heretofore regarded or classed as trust or restricted Indian property.

SEC. 5. All repayments made upon any loans made from the reimbursable loan fund herein provided for, all repayments made upon any loans made from reimbursable loan funds for industrial assistance, or for other purposes heretofore established out of Klamath tribal funds, and all interest, surcharges, and service fees paid upon any such loans, shall be credited to the reimbursable loan fund herein provided for and shall become available for the purposes herein authorized.

SEC. 6. The amounts which the Secretary of the Interior shall cause to be added to the capital and loan funds established at his direction under the provisions of sections 1 and 2 of this act during each fiscal year shall not exceed the amount of unobligated Klamath tribal funds on deposit in the Treasury of the United States available for that purpose.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2053 will be indefinitely postponed.

PER-DIEM PAYMENTS TO KLAMATH INDIANS

The bill (S. 2054) establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington was announced as next in order.

Mr. McKELLAR. Mr. President, that bill is a corollary to the previous bill, is it not?

Mr. STEIWER. No, Mr. President. I will explain the bill briefly.

The PRESIDING OFFICER. The Chair understands that unanimous consent has been asked to substitute House bill 5975 for Senate bill 2054.

Mr. STEIWER. No; I do not so understand, Mr. President. The House bill is not to be substituted for the Senate bill. I merely requested that we proceed to the consideration of the House bill, and if that consent is given the House bill will be before the Senate, and we shall postpone the Senate bill. It is not a question of substitution.

The PRESIDING OFFICER. It is an identical bill, is it not?

Mr. STEIWER. The bills are identical except for certain amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 5975?

There being no objection, the Senate proceeded to consider the bill (H. R. 5975) establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington.

Mr. STEIWER. I send to the desk an amendment to make the House bill conform to the Senate bill, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 8, it is proposed to change the semicolon to a period and strike out all of lines 9, 10, and 11, in the following words: "*Provided further*, That the length of stay of the official delegates at the seat of government shall be determined and fixed by the Commissioner of Indian Affairs."

The amendment was agreed to.

Mr. STEIWER. Mr. President, I will now answer the inquiry that has been made. This bill is merely one to establish a per-diem payment and a payment in lieu of compen-

sation to be allowed the delegates of the Klamath Tribe who come here to the National Capital. The House bill provides that they shall be paid $5 per day expenses and $3 as salary in lieu of all other compensation. This idea also originated with the tribe. It was considered by them in a meeting called by the superintendent, and, after discussion, was agreed to by the tribe.

I ought to say that the motion agreed to by the tribe was that their delegates be paid a per diem of $8 a day. That idea encountered some opposition in the House, because of the general practice to keep per-diem payments on the basis of $5 per day. The House of Representatives have accordingly amended the measure to provide that $5 per day shall be paid as per diem for expenses and $3 per day shall be paid in lieu of compensation. It amounts, however, to the same total, which the Indians favor.

Mr. McKELLAR. Is it to be paid out of tribal funds?

Mr. STEIWER. Yes; it is to be paid out of the Indians' own money.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior or such official as may be designated by him is hereby authorized beginning July 1, 1937, to pay, out of any unobligated tribal funds of the Klamath Indians in the Treasury of the United States, to members of the business committee, and to officers of the general council when engaged on business of the tribe, and to such official delegates who may carry on the business of the tribe at the seat of government, a per diem not to exceed $5 for expenses and $3 for salary in lieu of all other compensation and expenses: *Provided*, That the official delegates of the tribe on business at the seat of government shall also receive the usual railroad and sleeping-car transportation to and from the seat of government: *Provided further*, That the rate of per diem paid, not to exceed $5 for expenses and $3 for salary, shall be approved in advance by the tribal council of said tribe or its authorized business committee.

The PRESIDING OFFICER. Without objection, Senate bill 2054 will be indefinitely postponed.

SAM ALEXANDER

The bill (S. 2594) authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon Sam Alexander, formerly a field clerk, Quartermaster Corps, United States Army, and major, Signal Corps, United States Army, before a retiring board for the purpose of hearing his case and inquiring whether at the time of his separation from the service he was incapacitated for active service, and whether such incapacity was a result of an incident of service; and if, as a result of such hearing and inquiry, it is found that he was so incapacitated, the President is authorized to appoint the said Sam Alexander a warrant officer, Regular Army, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for warrant officers of the Regular Army: *Provided*, That the said Sam Alexander shall not be entitled to any back pay or allowances by the passage of this act.

BAYOU SAVAGE, NEW ORLEANS, LA.

The bill (S. 2520) declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., be, and the same is hereby, declared to be a nonnavigable waterway within the meaning of the Constitution and laws of the United States.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

LEAH P. RICE

The Senate proceeded to consider the bill (S. 2487) for the relief of Leah P. Rice, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "amount of", to strike out "$188.55" and insert "$172.55", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of Leah P. Rice, former postmaster at Harrison, Nebr., in the amount of $172.55, representing funds lost in the failure of the First National Bank of Harrison, Nebr., February 5, 1924.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

F. A. RUMERY & SONS

The Senate proceeded to consider the bill (S. 82) for the relief of F. A. Rumery & Sons, of Portland, Maine, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of" to strike out "$2,140" and insert "$1,215", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to F. A. Rumery & Sons, of Portland, Maine, the sum of $1,215 in full satisfaction of all claims against the Government for extra expenses incurred in the construction of the United States inspection station at Houlton, Maine, under contract no. Tisa-3536, dated September 22, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES W. GILSON

The Senate proceeded to consider the bill (S. 2504) for the relief of James W. Gilson, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$688.96" and insert "$682.64", so as to make the bill read:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the account of James W. Gilson, former postmaster at Hartford, Conn., in the sum of $682.64. Such sum represents the balance of a shortage in such account caused by the embezzlement of post-office funds by one of the postal clerks at such post office. Any recovery hereafter made by the Government in respect of such shortage may, in the discretion of the Comptroller General, be credited to the account of such former postmaster in the event that any additional shortage in his account is disclosed, if such additional shortage has occurred without fault or negligence on the part of such former postmaster.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD CO.

The Senate proceeded to consider the bill (S. 2606) for the relief of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., which had been reported from the Committee on Claims with an amendment, at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. the sum of $798 in full satisfaction of its claims against the United States for damages to its transmission lines resulting from blasting operations of a Forest Service road-construction crew engaged in construction on St. Joe River Road project no. 456, in the St. Joe National Forest, State of Idaho: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAROLD GARR AND OTHERS

The Senate proceeded to consider the bill (S. 1255) for the relief of Harold Garr, Chester H. Peters, Harry B. Swift, Dr. Abraham A. Mills, Charles L. Harris, O. W. Morgan, F. G. E. Carlson, Harold S. Fraine, Owen E. Steele, W. C. Mudge, Jr., George F. Poutasse, Paul P. Pickle, W. D. Hiltbrand, Arthur P. LeBel, K. E. Hill, Annie McGowan, Ralph Thompson, and Rosamond M. MacDonald, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps"; on page 2, line 1, after the words "sum of", to strike out "$1,195.65" and insert "$922.31"; in line 2, after the words "sum of", to strike out "$119" and insert "$93.91"; in line 3, after the words "sum of", to strike out "$1,383.80" and insert "$890.55"; in line 4, after the words "sum of", to strike out "$542.15" and insert "$470.44"; in line 5, after the words "sum of", to strike out "$340.25" and insert "$161.97"; in line 6, after the words "sum of", to strike out "$104.90" and insert "$94.20"; in line 7, after the words "sum of", to strike out "$412.80" and insert "$371.52"; in the same line, after the words "Fraine the sum of", to strike out "$665.80" and insert "$564.27"; in line 8, after the words "sum of", to strike out "$333.20" and insert "$218.87"; in line 9, after the words "sum of", to strike out "$440.38" and insert "$398.80"; in line 10, after the words "sum of", to strike out "$178.88" and insert "$157.54"; in line 11, after the words "sum of", to strike out "$262.65" and insert "$217.82"; in line 12, after the words "sum of", to strike out "$663.35" and insert in lieu thereof "$582.04"; in line 13, after the words "sum of", to strike out "$270.82" and insert "$217.75"; in the same line, after the words "Hill the sum of", to strike out "$72.63" and insert "$63"; in line 14, after the words "sum of", to strike out "$191.73" and insert "$154.98"; in line 15, after the words "sum of", to strike out "$156.91" and insert "$112.12"; and at the end of the bill, to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Harold Garr the sum of $922.31, to Chester H. Peters the sum of $93.91, to Harry B. Swift the sum of $890.55, to Dr. Abraham A. Mills the sum of $470.44, to Charles L. Harris the sum of $161.97, to O. W. Morgan the sum of $94.20, to F. G. E. Carlson the sum of $371.52, to Harold S. Fraine the sum of $564.27, to Owen E. Steele the sum of $218.87, to W. C. Mudge, Jr., the sum of $398.80, to George F. Poutasse the sum of $157.54, to Paul P. Pickle the sum of $217.82, to W. D. Hiltbrand the sum of $582.04, to Arthur P. LeBel the sum of $217.75, to K. E. Hill the sum of $63, to Annie McGowan the sum of $154.98, to Ralph Thompson the sum of $112.12, and to Rosamond M. MacDonald the sum of $105.15, in full and final settlement of all claims against the Government for loss of personal property in a fire which destroyed the officers' and foresters' quarters of the Eleven Hundred and Seventieth Company, Civilian Conservation Corps, at Milton, Mass., on December 22, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE YUHAS

The Senate proceeded to consider the bill (S. 2602) for the relief of George Yuhas, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps"; in line 7, after the words "sum of", to strike out "$150" and insert "$52"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to George Yuhas the sum of $52 in full and final settlement of any and all claims against the Government for personal injuries resulting when the automobile in which he was riding was struck by a truck belonging to the Government and operated by a member of the Civilian Conservation Corps, Camp Riley Creek, Fifield, Wis.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. W. B. NIX AND MRS. J. A. NIX

The Senate proceeded to consider the bill (S. 1697) for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of" to strike out "$7,500" and insert "$5,000"; on the same page, line 12, after the word "negligence", to strike out "of the driver of a truck belonging to the Federal Emergency Relief Administration" and insert "of a truck driver who was working out his budgetary relief needs on a project of the Federal Emergency Relief Administration"; and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. W. B. Nix, of Washita County, Okla., the sum of $5,000, and to Mrs. J. A. Nix, of Washita County, Okla., the sum of $500, in full settlement of all claims which they have against the Government of the United States due to the death of W. B. Nix, husband of Mrs. W. B. Nix, and bodily injuries suffered by Mrs. W. B. Nix and Mrs. J. A. Nix, by reason of an accident caused by negligence of a truck driver who was working out his budgetary relief needs on a project of the Federal Emergency Relief Administration, running into an automobile driven by decedent, W. B. Nix, while the truck driver was endeavoring to pass said automobile the afternoon of December 5, 1934, in Washita County, Okla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BONNIE STRALEY

The Senate proceeded to consider the bill (S. 2488) for the relief of Bonnie Straley, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "Administration, to", to strike out "Bonnie Straley, of Omaha, Nebr., the sum of $6,000 in full satisfaction of all her claims against the United States for damages for personal injuries received by herself and her daughter and for the death of her mother as the result of a collision, on the night of December 11, 1935, near Tacoma, Wash., on the Tacoma-Vancouver Highway, between the automobile she was driving and a Works Progress Administration truck stalled crosswise on such highway and left unlighted and unguarded" and insert "Naomi Straley, of Omaha, Nebr., the sum of $500 in full satisfaction of her claims against the United States for damages for personal injuries sustained by her, and to Bonnie Straley, of Omaha, Nebr., the sum of $4,500 in full satisfaction of all her claims against the United States for damages for personal injuries received by her and for the death of her mother, said injuries and death having resulted from a collision, on the night of December 11, 1935, near Tacoma, Wash., on the Tacoma-Vancouver Highway, between the automobile Bonnie Straley was driving and a truck in the use of the Works Progress Administration standing crosswise on said highway and left improperly lighted and guarded: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or

delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury appropriated or allocated for the maintenance and operation of the Works Progress Administration, to Naomi Straley, of Omaha, Nebr., the sum of $500 in full satisfaction of her claims against the United States for damages for personal injuries sustained by her, and to Bonnie Straley, of Omaha, Nebr., the sum of $4,500 in full satisfaction of all her claims against the United States for damages for personal injuries received by her and for the death of her mother, said injuries and death having resulted from a collision, on the night of December 11, 1935, near Tacoma, Wash., on the Tacoma-Vancouver Highway, between the automobile Bonnie Straley was driving and a truck in the use of the Works Progress Administration standing crosswise on said highway and left improperly lighted and guarded: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Naomi Straley and Bonnie Straley."

HARRY A. GARFIELD AND OTHERS

The Senate proceeded to consider the bill (S. 2514) for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness, which had been reported from the Committee on Claims with an amendment, at the end of the bill, to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons, formerly associated with the United States Fuel Administration, the sum hereinafter specified in full satisfaction of all their claims against the United States for reimbursement of all sums paid by them out of their personal funds as compensation to employees engaged subsequent to June 30, 1919, in winding up the affairs of the United States Fuel Administration: Harry A. Garfield, of Washington, D. C., $2,986.65; Cyrus Garnsey, Jr., of rural free delivery route no. 3, Seneca Falls, N. Y., $80; James H. Allport, of Barnesboro, Pa., $127.16; and Frank E. Harkness, of 120 South La Salle Street, Chicago, Ill., in care of Butler, Lamb, Foster & Pope, $117.50: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SAM GREEN

The bill (S. 2378) for the relief of Sam Green was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Sam Green, an employee of the Veterans' Administration facility, Johnson City, Tenn., in respect of his claim for disability alleged to have resulted from an injury sustained by him on August 7, 1934, and the United States Employees' Compensation Commission is hereby authorized to consider and determine his claim under the remaining provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act.

IDA A. GUNDERSON AND HER THREE MINOR DAUGHTERS

The Senate proceeded to consider the bill (S. 213) for the relief of Ida A. Gunderson and her three minor daughters, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps"; in line 8, after the words "sum of", to strike out "$20,000" and insert "$5,000"; and in the same line, after the words "satisfaction of", to strike out "her claim and the claims of her three minor daughters," and insert "all claims", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Ida A. Gunderson, of Bonners Ferry, Idaho, the sum of $5,000 in full satisfaction of all claims against the United States on account of the death of her husband, Gustave William Gunderson, who was killed near Wrencoe, Idaho, on May 19, 1934, when the automobile in which he was riding was struck by a Civilian Conservation Corps truck driven by Willis Mizier: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ida A. Gunderson."

SOUTHERN OVERALL CO.

The bill (H. R. 3960) for the relief of the Southern Overall Co. was considered, ordered to a third reading, read the third time, and passed.

LULA G. SUTTON AND OTHERS

The Senate proceeded to consider the bill (S. 130) for the relief of Lula G. Sutton and others, which had been reported from the Committee on Claims with amendments on page 1, line 5, after the word "Treasury", to strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps"; in line 7, after the words "sum of", strike out "$12,500" and insert "$1,500"; in line 8, after the words "sum of", to strike out "$7,500" and insert "$500"; in line 9, after the words "sum of", strike out "$7,500" and insert "$500"; in line 10, after the words "sum of", to strike out "$6,000" and insert "$1,000"; and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Lula G. Sutton the sum of $1,500, to R. E. Sutton the sum of $500, to Grace Sutton the sum of $500, and to Mary Lou Drinkard the sum of $1,000. Such sums shall be in full settlement of all claims of said parties against the Government for personal injuries sustained by them on the 22d day of December 1933, when the car in which they were traveling was struck by Civilian Conservation Corps pick-up truck no. 7 (tag number, U. S. 8–563 D. A.; motor number, 3792042): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CENSUS OF UNEMPLOYMENT

The Senate proceeded to consider the bill (S. 2705) to provide for the taking of a census of employment, unemployment, and occupations, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

Mr. BRIDGES. Mr. President, in the early part of the present session of Congress, my associate the junior Senator from Massachusetts [Mr. LODGE] introduced a bill providing for an unemployment census. It was a good bill and had for its purpose an excellent objective, namely, an accurate counting of the unemployed of this Nation, so that we might proceed in an intelligent manner on the basis of need in the matter of distributing work-relief funds. The pending bill, reported from the Committee on Education and Labor by the Senator from Alabama [Mr. BLACK], has a familiar sound. May I call the attention of this body to the fact that, apparently, the Lodge measure was smothered by the administration and that the new bill, involving somewhat the same principles, has emerged. At any rate, I am glad to see a step, at least, taken in the direction of an intelligent approach to the work-relief problem.

Mr. LODGE. Mr. President, I thank the Senator from New Hampshire for his courteous reference to me. I am naturally very much pleased that the committee should have acted toward taking a census of unemployment. I do not think the pending measure is as comprehensive as the amendment which I introduced to the relief bill, and I do not think it will obtain as much information as we ought to have, but I believe it is a very good bill, indeed; and it is a matter of complete indifference to me whether the bill be called the Black bill, the Lodge bill, or the Roosevelt bill, so long as the object is accomplished.

Mr. MALONEY. Mr. President, let me say, in this connection, that I have serious doubts that the bill provides the wisest way to proceed with a census of the unemployed. I believe that by this method we shall be delaying the matter longer than is necessary, but, in the absence of the probability of any other form of legislation, I am inclined to favor the proposal.

Mr. BYRNES. Mr. President, I may say, with reference to the statements that have been made, that there was a difference of opinion as to the feasibility of having a census of unemployment in the manner provided for in the proposals submitted to the Congress during the last 6 months. After the creation of the committee to investigate this question, I took the trouble to make an investigation. I thereupon found that there were many very good reasons causing officials of the Census Bureau to doubt that a census of unemployment taken hurriedly would be of any value. They took the position that if the census was not an accurate one the question would still remain in great doubt. The Secretary of Commerce concurred in that opinion.

The officials of the Department of Labor who have been in immediate charge of the unemployment problem likewise believed that it would be difficult to have a census of unemployment made within a short period that would be of any great value. After discussing the matter, however, with the officials of the Post Office Department who aided the Social Security Board in their work last January, and after discussing it with officials of the Social Security Board, among others, my conclusion was that, though it might disturb the routine of the Census Bureau, and even though the census, if taken hurriedly, might not be entirely accurate, yet, in view of the experience we have had in connection with the draft, the experience we have had in registering the unemployed under the Social Security Act, a census of the unemployed can be taken which will be of great value in the determination of unemployment problems. I know that if this bill introduced by the Senator from Alabama is passed, the census will be made within the next few months, and I think that everyone who has given any thought to the problem will believe that it is a step forward, and a helpful step, in enabling us intelligently to settle these problems.

Mr. SMITH. Mr. President, may I ask my colleague, while he is on his feet, what is the limitation as to time in which the census is to be taken? I am not familiar with the bill.

Mr. BYRNES. There is a limitation. Officials are appointed who are to determine the method; the plans are already being discussed as to the method, and I am satisfied that by April 1 a census will be taken that will be of great value.

Mr. SMITH. The Senator refers to April 1 of next year?

Mr. BYRNES. Yes.

Mr. SMITH. A report is to be made to whom?

Mr. BYRNES. Under the terms of the bill the committee taking the census will have to make public whatever the figures show. Provision is made for publication.

Mr. SMITH. I notice in the caption that a census is to be taken of employment and unemployment. I was wondering why the element of employment should be included.

Mr. BYRNES. My understanding of the provision of the bill of the Senator from Alabama is that it is to provide for a census of unemployment. I did not notice that statement in the caption.

Mr. CLARK. Mr. President, I think the principle of an unemployment census is so very important that it ill behooves any of us to cavil as to the details or raise objection as to the procedure. I say very frankly that I think this bill is far inferior to the bill introduced by the Senator from Connecticut [Mr. MALONEY] and referred to the Commerce Committee, and essentially embodied in the amendment he offered the other day to the wage and hour bill. I think that bill would involve less expense, would result in a more expeditious handling of the matter, and would be more certain than the measure now under consideration by the Senate. I also much prefer the amendment offered to the relief bill by the Senator from Massachusetts [Mr. LODGE]. But it seems to me that to establish the principle of having an unemployment census, of obtaining certain facts by which we may be able to steer our course in the future, is so important that none of us who favor other methods of taking an unemployment census should raise objection to this particular plan. Therefore I have no objection whatever to the bill.

The VICE PRESIDENT. The amendments to the pending bill reported by the committee will be stated.

The amendments were, in section 1, page 1, line 5, after the word "of", to strike out "employed"; in line 7, after the words "occupations of", to insert "partially"; on page 2, line 1, after the words "census of", to strike out "employment" and insert "partial and total", so as to make the bill read:

Be it enacted, etc., That to provide information concerning the numbers, classes, and geographical distribution of persons in the United States and of partially employed and unemployed persons and their dependents and income, and concerning industries and occupations of partially employed and unemployed persons to aid in the formulation of a program for reemployment, social security, and unemployment relief for the people of the United States, the President shall cause to be taken on or before April 1, 1938, a census of partial and total unemployment, and occupations, and including such other related information as shall be deemed in the public interest in the 48 States and the District of Columbia and the Territories of Hawaii and Alaska.

(a) The questions to be included in this census and the detailed information to be enumerated shall be determined upon by a committee consisting of the Secretary of Commerce, the Secretary of Labor, the Works Progress Administrator, the Chairman of the Social Security Board, the Chairman of the Central Statistical Board, and the Director of the Census, or their authorized representatives.

SEC. 2. The provisions, including penalties, of the act approved June 18, 1929 (56 Stat. 21; U. S. C., Supp. VII, title 13, ch. 4), shall, so far as not inapplicable, apply to the taking of the census provided for in section 1 of this act: *Provided, however,* That temporary personnel required to carry out the purposes of this act shall be appointed without regard to the Classification Act of 1923.

SEC. 3. To meet the expenses of this act the Secretary of the Treasury is authorized to make available from the Emergency Relief Appropriation Act of 1937 such an amount as the President may determine to be necessary.

SEC. 4. The President is authorized to make such rules and regulations as are necessary to carry out the provisions of this act and such provisions of the Census Act of 1902, as amended, as are applicable.

The amendments were agreed to.

Mr. KING. Mr. President, I should like to ask the Senator from Alabama if there is any provision in the bill which will compel speedy action in taking the census within a reasonable time; and is there any limitation upon the item of expense? The only objection, it seems to me, is that the authority is scattered too much, and I should like to see it concentrated.

Mr. BLACK. Mr. President, I may say to the Senator that there is no limitation provided by the bill as to the expenditure. I should have no objection to such a limitation if I knew exactly what the limitation should be. Perhaps if we were to provide a limitation it would be an invitation to spend up to the amount of the limitation, even if it were not needed.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BYRNES. I will say to the Senator from Utah that I made a number of inquiries to see if we could reach an estimate. My own feeling is that it should not cost as much as some of the officials of the Department believe it will cost. One estimate was that $4,000,000 would cover it. I do not believe it will cost that much, in view of the experience of the Post Office Department and the cost involved when it aided the Social Security Board last January. It should not cost more than $4,000,000.

Mr. BLACK. I may say to the Senator that it is my judgment, that from the best information I have been able to obtain, that from four to five million dollars would be the maximum that would be necessary to take a census of the unemployed and partially unemployed. It would require $20,000,000 to take a census of the entire country.

With reference to the question asked by the Senator as to the limitation of time, the bill specifically provides that the President shall cause the census to be taken on or before April 1, 1938. It is hoped that the census will be begun a long time before that. It is the hope that it will be taken as expeditiously as possible.

In discussing this matter with numerous departments in an effort to work out a bill which would function in the proper way, we reached the conclusion that it was better to place a limitation within which we knew the work could be done. The conclusion was also reached that in determining the information to be required it was better to have the benefit of the experience of the officers named in the bill.

This may not be the best bill that could be drawn, but it has had a great deal of consideration by various agencies that are connected with the census.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes."

BILL PASSED OVER

The bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I have been requested by a Senator who is necessarily detained from the Senate to ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

MARKERS FOR GRAVES OF VETERANS

The Senate proceeded to consider the bill (S. 1898) to authorize the Secretary of War to furnish certain markers for certain graves, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 2, after the words "Secretary of War", to insert *"And provided further,* That the price of each bronze grave marker furnished by the Secretary of War under the provisions of this act shall not exceed $9", so as to make the bill read:

Be it enacted, etc., That, notwithstanding any provision of existing law, the Secretary of War is authorized and directed to furnish, at the option of the relative or representative of the deceased war veteran, either a flat stone grave marker, a standard flat bronze grave marker, or an upright stone grave marker or headstone, for the grave of any deceased person for which the Secretary of War is authorized to furnish a marker or headstone: *Provided,* That the Secretary of War shall furnish the upright stone marker, authorized by section 4877 of the Revised Statutes, for cemeteries under the jurisdiction of the Secretary of War; *And provided further,* That the price of each bronze grave marker furnished by the Secretary of War under the provisions of this act shall not exceed $9.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PERMANENT MEMORIAL TO WILL ROGERS

The bill (H. R. 6482) providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby established a commission to be known as the Federal Will Rogers Memorial Commission (hereinafter referred to as the Commission) and to be composed of three persons to be appointed by the President of the United States, one of whom shall be Mrs. Will Rogers. The members of the Commission shall serve without compensation, but traveling, subsistence, and other necessary expenses incurred by them in connection with the work of the Commission may be paid from any funds available for expenditure by the Commission. Any vacancy occurring in the membership of the Commission shall be filled by the President.

SEC. 2. There is hereby authorized to be appropriated the sum of $500,000, to be expended by the Commission, in cooperation with the Will Rogers Memorial Commission established by an act of the Legislature of the State of Oklahoma, and such other agencies, public and private, as the Commission may determine, for the purpose of designing and constructing on a site to be donated by Mrs. Will Rogers, in or near Claremore, Okla., a suitable permanent memorial to the memory of Will Rogers; but no part of the sum herein authorized to be appropriated shall be made available for expenditure until adequate provision has been made for the perpetual care and maintenance, without expense to the United States, of such site and the memorial constructed thereon.

(a) The Commission named hereunder shall have full power to accept gifts, grants, and donations from whatever source and such gifts, grants, and donations shall be applied on and reduce the amount of the $500,000 authorized herein to the extent of such gifts, grants, and donations.

SEC. 3. No amount shall be expended from the sums appropriated for the purposes of this act until an equal amount has been made available from other sources, public or private, for expenditure for the same purpose.

SEC. 4. All expenditures of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the Commission, but no expenditure shall be made or authorized by the Commission except with the approval of a majority of its members.

SEC. 5. No fee or charge of any character shall be imposed or made for admission to such memorial or the grounds on which it is constructed.

SEC. 6. Plans and designs for the memorial shall be chosen only after open competition by architects and before any of the funds herein authorized to be appropriated shall be expended, the plans and designs of the memorial shall be approved by the Commission.

SEC. 7. The Commission shall cease and terminate upon the completion and acceptance by the said Joint Commission of the Will Rogers Memorial as herein provided, and the submission to the President of a final report including an audit of the expenditures of the funds expended as provided herein.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry was announced as next in order.

Mr. KING. Mr. President, I have been requested, because of its importance, to ask that the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

LABOR STANDARDS FOR APPRENTICES

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to recur to Calendar No. 1124, being House bill 7274. The Senator from Utah [Mr. KING] objected and asked for further time to consider it. I have conferred with him and he has graciously consented to withdraw his objection, after a further examination of the bill. I think the measure is very meritorious, and I hope that consent will be given for its consideration and passage.

Mr. KING. Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7274) to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, and to cooperate with the States in the promotion of such standards, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship, to bring together employers and labor for the formulation of programs of apprenticeship, to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship, and to cooperate with the National Youth Administration and with the Office of Education of the Department of the Interior in accordance with section 6 of the act of February 23, 1917 (39 Stat. 932), as amended by Executive Order No. 6166, June 10, 1933, issued pursuant to an act of June 30, 1932 (47 Stat. 414), as amended.

SEC. 2. The Secretary of Labor may publish information relating to existing and proposed labor standards of apprenticeship, and may appoint national advisory committees to serve without compensation. Such committees shall include representatives of employers, representatives of labor, educators, and officers of other executive departments, with the consent of the head of any such department.

SEC. 3. On and after the effective date of this act the National Youth Administration shall be relieved of direct responsibility for the promotion of labor standards of apprenticeship as heretofore conducted through the division of apprentice training and shall transfer all records and papers relating to such activities to the custody of the Department of Labor. The Secretary of Labor is authorized to appoint such employees as he may from time to time find necessary for the administration of this act, with regard to existing laws applicable to the appointment and compensation of employees of the United States: *Provided, however*, That he may appoint persons now employed in division of apprentice training of the National Youth Administration upon certification by the Civil Service Commission of their qualifications after nonassembled examinations.

SEC. 4. This act shall take effect on July 1, 1937, or as soon thereafter as it shall be approved.

The VICE PRESIDENT. The bill just passed is the last bill appearing on the calendar.

FEDERAL AID IN WILDLIFE RESTORATION PROJECTS

Mr. PITTMAN. Mr. President, while the Senator from Nevada was occupying the chair yesterday, Calendar No. 889, being Senate bill 2670, was called. At that time, at the request of the Senator from Kentucky [Mr. BARKLEY], it was passed temporarily to the foot of the calendar. Under that agreement I ask that the bill be taken up for consideration at this time.

The VICE PRESIDENT. The Senator from Nevada asks unanimous consent to return to Calendar 889, Senate bill 2670, and also that it may be considered at this time. Is there objection?

Mr. CHAVEZ. Mr. President, we have in New Mexico a fish and game commission about as good as any in the country. They have asked to be given a little more time to study the bill. I ask the Senator from Nevada if he has any objection to having it go over for that purpose?

Mr. PITTMAN. Would the Senator object to granting me unanimous consent to make a statement with reference to the bill?

Mr. CHAVEZ. Certainly not.

Mr. PITTMAN. I make the statement so the Senate may know the purpose of the bill which is being passed over at the request of the Senator from New Mexico.

This is a bill to provide for cooperation and participation by the Federal Government, through the Department of Agriculture and the fish and game commissions of the various States, in the preservation of wildlife. It comes about mainly for the reason, I will state, a number of years ago Congress enacted the migratory bird law for the purpose of attempting to save the migratory birds of the country and then imposed a tax on guns, shells, and ammunition for the purpose of raising funds to administer that law.

During the emergency period large sums of money have been set aside for the purchase of migratory-bird sanctuaries throughout the country. They are numerous and are to be found in nearly all the States. However, no funds are available for the maintenance of the sanctuaries. Unless some provision is made for creation of such funds in the future, the sanctuaries will be worthless and useless without proper protection and guard.

Under the Federal tax law a certain amount of money is raised by a tax on sporting rifles, shotguns, shells, and things of that kind. That fund is not sufficient to take care of the game sanctuaries of the country at the present time, and it is the desire of the Federal Government to obtain aid in this particular from the various States. All of the States issue licenses for hunting and fishing. Therefore, each State has a fund of that character.

The plan is to utilize the fund raised from the tax upon guns, shells, ammunition, in connection with a fund raised in the States from the issuance of licenses for hunting and fishing. The bill provides, in other words, that the Federal Government shall put up 75 percent and the States 25 percent. No State has to participate in the program unless it wishes to do so. The projects will be outlined by the various States. If projects as outlined by the State include the Federal projects within the State, it may participate in this proposed plan. It may include other State projects, and, if that be so, then the Federal Government, through the Treasury Department, will turn over to the State a certain amount of money, 75 percent, to match the 25 percent to be put up by the State. The amount to be allocated to each State is determined somewhat along the lines of the allocation of money to the States under the Federal highway-aid provision. Area and hunting and fishing licenses are the bases for apportionment. The reason for taking area into consideration is because most of the sanctuaries are situated in the large spaces of the West.

The matter has been approved by all the States except New Mexico. Operation and application of the funds would be entirely within the administration of the State game and fish commission. If a State does not see fit to participate—and New Mexico does not have to participate if she does not desire to do so—it is not injured in the slightest degree. Forty-seven States desire to participate in the plan.

Mr. CHAVEZ. Mr. President, I was not objecting to the bill in and of itself, because there may be merit in it. All I ask is that it go over until I have an opportunity to examine it further.

The VICE PRESIDENT. The bill will be passed over.

UNIFORM SYSTEM OF MUNICIPAL BANKRUPTCY

Mr. PEPPER. Mr. President, I ask unanimous consent to recur to Calendar No. 936, being the bill (H. R. 5969) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

Mr. ASHURST. Mr. President, I do not rise to object, but, on the contrary, to state that I believe the bill proposes wholesome legislation for our country.

Though the Senator from Florida could probably make a better statement than could I, yet, since the measure came from the committee over which I have the honor to preside, I ask him to yield to me to make a brief statement concerning the bill.

The VICE PRESIDENT. The question is, Shall the Senate consent to return to the bill and consider it at this time? The Chair understands that to be the request of the Senator from Florida. The Chair first understood the Senator from Arizona to object, but the Senator from Arizona was not objecting. Is there objection to the request of the Senator from Florida to return to Calendar 936?

Mr. BURKE. Mr. President, there are some features of the bill about which I have serious doubt, and for that reason I object to returning to it at this time.

The VICE PRESIDENT. The Senator from Nebraska objects.

NATIONAL SAFETY AND ACCIDENT PREVENTION

Mr. KING. Mr. President, I ask unanimous consent to return to Calendar 1098, being the bill (H. R. 7433) to advance a program of national safety and accident prevention. It is a House bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

There being no objection, the bill (H. R. 7433) to advance a program of national safety and accident prevention, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $35,000 to be expended under the direction of the Secretary of Commerce for the furtherance of the work of the Accident Prevention Conference. Money appropriated pursuant to this act shall be available upon vouchers approved by the Secretary of Commerce for fostering accident-prevention work on the part of organizations engaged in the promotion of safety and accident prevention; preparation and printing of material designed to enlighten the general public in matters of safety and accident prevention, such material to be disseminated through schools, newspapers, magazines, the radio, or any other means of intercourse or communication; the preparation and attempts to obtain enactment of uniform vehicle regulations in the several States; clerical assistants for the members of the general committee of the Accident Prevention Conference: *Provided*, That travel expenses incurred by members of the general committee of the Accident Prevention Conference in the furtherance of the work of the said conference shall be paid out of the amount appropriated.

NAVAL HOSPITAL, WASHINGTON, D. C.

Mr. WALSH. Mr. President, I ask unanimous consent to revert to Calendar No. 975, House bill 6547, which is a bill to permit the location of the Naval Hospital and Naval Medical School in Washington at a different location than the present one. The two Senators who objected yesterday to the consideration of the bill have withdrawn their objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the bill (H. R. 6547) to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

WITHDRAWAL OF AMERICAN TROOPS FROM CHINA

Mr. McCARRAN obtained the floor.

Mr. LEWIS. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield to the Senator from Illinois.

Mr. LEWIS. Thanking the Senator, Mr. President, I merely wish to call attention to the fact that I have lying on the table a resolution (S. Res. 170), submitted yesterday, which merely asks for information from the Secretary of War. I ask that the resolution may be laid before the Senate at this time and adopted without debate, without occupying time which the Senator from Nevada desires to occupy. I shall be glad if that may be done; and I now request the privilege of having the resolution read and submitted to the Senate for immediate passage.

The VICE PRESIDENT. There is pending business before the Senate; but the Senator from Illinois asks unanimous consent that the resolution referred to may be now considered. Is there objection?

Mr. WHEELER. I object.

The VICE PRESIDENT. Objection is made by the Senator from Montana.

COURT REFORM AND JUDICIAL PROCEDURE

The Senate resumed the consideration of the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved.

Mr. McCARRAN. Mr. President, addressing myself to the unfinished business, House bill 2260, and the committee amendments thereto, by way of explanation I desire to say that I shall not detain the Senate for any considerable length of time, save and except to make clear to the Senate that the aim and object of the committee amendments and of the bill as it now stands before the Senate is to facilitate and speed up and add celerity to actions instituted in the respective Federal courts.

The first part of the bill provides for intervention by the Attorney General in any case instituted in a Federal Court where the constitutionality of an act of Congress is challenged. The bill provides that when such an occasion arises, the parties having instituted the action, and a constitutional question appearing to be involved, the Attorney General at once shall be notified. I intend to offer an amendment which will clarify that section when it is reached in due course. In other words, at this time the bill provides that if, in the judgment of the trial court, there is a serious question involved in the challenge of the constitutionality of an act of Congress, the trial court may issue an order notifying the Attorney General. I propose to offer an amendment making it mandatory, and not leaving any discretion whatever to the trial court, so that on the institution of an action presenting a question of constitutionality, immediately the Department of Justice shall be notified, and immediately the Department of Justice shall be permitted to intervene for and on behalf of the United States Government; and on its intervention the Government, then represented by the Attorney General, shall become a party, not to the individual controversy, but for the purpose of defending and protecting the acts of Congress, or defending and protecting the policy involved in the acts of Congress.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McCARRAN. Yes; I yield to the Senator from New Mexico.

Mr. HATCH. I take it from what the Senator has just said that the amendment which the Senator proposes to offer really strengthens the right of the Government to intervene.

Mr. McCARRAN. It takes away all question regarding the matter, and strengthens the right of the Government to intervene. In other words, it is no longer left as a matter of discretion to the trial court. The amendment wipes away all idea of discretion, and provides that when the question is raised, the notification to the Attorney General shall go forward, and immediately he may intervene.

Under the bill as it came from the committee, we thought it might be well to permit a trial judge to determine whether or not a serious question of constitutionality was involved. We now believe, however, that that part of the bill should be changed and the Attorney General should be immediately notified.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Kansas.

Mr. McGILL. Am I to understand that the amendment to be proposed provides, in effect, that where a party to a suit in his pleadings alleges that an act is unconstitutional, the duty of notifying the Attorney General will devolve upon the court?

Mr. McCARRAN. Yes; or if by the answer, or by a demurrer, or by any pleading, the question of the constitutionality of an act of Congress is raised, immediately upon its being raised the court shall notify the Attorney General.

Mr. McGILL. That will be the rule regardless of whether or not the trial court is in any doubt, as I understand. Suppose the court has no doubt and feels that beyond question the act is constitutional; why should the Government be required to intervene?

Mr. CONNALLY. Mr. President, if the Senator from Nevada will yield, let me say that the bill does not require intervention. It simply requires the judge to notify the Attorney General, and then it is up to the Attorney General to decide whether or not he will intervene.

Mr. McGILL. But, if I may be pardoned, the Attorney General would have no knowledge as to the attitude of the court before whom the case was pending. The court might have no doubt on the subject, and might feel, beyond a reasonable doubt, that the act of Congress was constitutional. Nevertheless, the Attorney General would be notified, and in all probability would be required, at least in order to protect his official career, to intervene.

Mr. CONNALLY. On the other hand, under the present language, without the amendment, suppose the court felt that the constitutional question was not substantial. The court would not notify the Attorney General at all, and he would have no opportunity to intervene, while the Attorney General might think the question was substantial.

Mr. McGILL. My view would be that so long as the court did not believe there were substantial grounds for challenging the constitutionality of an act of Congress there would be no reason why the Attorney General should intervene.

Mr. BURKE. Mr. President, will the Senator yield at that point?

Mr. McCARRAN. Yes; I yield.

Mr. BURKE. If I may say so to the Senator from Kansas, I think the consideration which induced the members of the committee to suggest this change was that when the pleadings were filed the trial court then, just on the pleadings, might think no substantial question was raised and, under the bill as it stands, would not notify the Attorney General; but after the pleadings had been completed and the evidence introduced the court might see that a substantial question was raised, but the Attorney General would not have been advised.

So it seemed best to provide that in all cases, if the question of the constitutionality of an act is raised, the Attorney General shall be notified, and he may resolve the doubt. If he thinks the objection is not a substantial one, he need not intervene at all; but if he thinks it is, he has the right to intervene.

The Attorney General's office is agreeable to this change, and believes it is advisable to leave the matter to the Attorney General rather than to the trial court.

Mr. McGILL. Mr. President, I can understand the position which those in charge of this measure have taken. We do not know, however, how long the present Attorney General or the present officials of the Department of Justice will represent the Government, and it occurs to me that there is little reason why the Government should intervene except in cases where the court before whom the case is pending has an actual doubt as to the constitutionality of an act. If the court believes the act to be constitutional, why should the Attorney General be called in?

Mr. BURKE. If the Senator from Nevada will yield further on that point, of course, as a practical matter, the Attorney General would not intervene unless there was substantial justification for doing so. When the trial judge, in a case pending before him raising a question of constitutionality, gives notice to the Attorney General, there is nothing to prevent the trial judge from saying, "I think there is nothing substantial about this question, but under the law you may decide the matter." It will work out all right as a practical matter.

Mr. MINTON. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. MINTON. May it not happen that while the trial judge in the district court may be perfectly clear as to the constitutionality of the act, yet the party who challenges its constitutionality may take the case on up, and the higher court may have an entirely different view about the matter than the district court?

Mr. McCARRAN. I was about to make that point.

Mr. MINTON. For that reason the Attorney General ought to be in the picture.

Mr. McCARRAN. The view of the committee is that no impediment should be injected which would at all obstruct the action of the Attorney General in coming into court and being heard in defense of an act of Congress. Section 3 of the bill deals with the question of injunctions.

Mr. McGILL. Mr. President, before the Senator leaves the first section, am I to understand there is to be an amendment proposed relative to the extent of the liability of the Government?

Mr. McCARRAN. As the bill now stands, it provides for liability by way of damages. There is a difference of opinion among the members of the committee as to that, but the majority of the committee believed that the Government should be liable for costs as a party, where the Government intervenes in an injunction matter, but not liable for damages.

At this time I wish to say that in working the bill out the Committee on the Judiciary has labored diligently, and there has been absolutely no party line. No one has contributed more or given more study to the bill, which is a bill for celerity, a bill for speed, a bill for the conclusion of litigation, than has the able Senator from Vermont [Mr. AUSTIN], who was a member of the subcommittee which drafted the amendment. For that reason I am going to yield the floor so that the Senator from Vermont may discuss one phase of the amendment as it now stands.

Again, if I may, I wish to pay a high compliment and a high tribute to the ability and diligence and study which have been indulged in by the Senator from Vermont, and the fact that not a single whisper of party lines has come into the deliberations of the Committee on the Judiciary in this matter.

I wish to yield now so that the Senator from Vermont may explain a phase of the bill as it is before the Senate, and at a later moment I shall ask permission to yield to the Senator from Texas to speak on another phase of the bill.

Mr. AUSTIN. Mr. President, before making this explanation, let me thank the Senators on the other side of the aisle for their consideration throughout the study of this matter, and I wish to corroborate the statement already put into the RECORD that this issue was tried with entire freedom from bias or interest or prejudice caused by party label. An attempt was made to solve such problems as confronted the committee with entire impartiality, and having the welfare of all the people of our country for our objective.

Mr. President, what is a case? The answer to that simple question affords the principal reason for striking out all after the enacting clause of the bill which passed the House and inserting what appears before the Senate at this time. The bill as it was presented to the Senate by the House regulated judicial procedure by extending to the Government the supposed right to intervene in civil causes between citizens, and no provision was found in the bill which came to the Senate that the Government ought to have or that the Government must have a legal interest in the issue. Indeed, there was no provision in the bill as it was presented to us that the Government ought to become or must become a party to a case.

House bill 2260 was referred to the Committee on the Judiciary of the Senate and hearings were started before a subcommittee and testimony was taken before we ever got into the whole subject of the courts, which has engaged the attention of the Senate for some time. The subcommittee proceeded without any eye to the issues which subsequently developed, and solely with the object in view of making these reforms in judicial procedure according to the interest of the country, so as to enable the Federal Government to become a party in cases in which, under the Constitution, it had a right to become a party, and at the same time to prevent the possibility of saying in an amendment to the House bill that the Federal Government could exercise claimed rights which were beyond the power of the court to grant.

On this matter of intervention we ought to remember as a fundamental that the judicial power of the Federal courts is not unbounded, it is not unlimited, but it has been extended by the people only to all cases in law and equity which arise under the Constitution and the laws passed in pursuance thereof, and to controversies between the Government and its citizens.

Again I ask, What is a case? The answer to that question is necessary in order to show the reason why a substitute is offered in the place of the language contained in the bill as it passed the House of Representatives.

To hear and determine causes in controversy between the citizens of this country, to hear and determine contro-

versies between the Government and its citizens—that, and that only, is judicial power. Therefore we get right back to the question, What is a case?

If there are no parties, there is no case, and that was one of the faults with the bill as it came to the Senate, because the bill as it passed the House permitted quasi intervention, not real intervention, after the parties had finished with their case and a judgment as to them had become final. As the bill was presented to the committee of the Senate the Federal Government was permitted to come in by way of intervention, though not real intervention, because it did not provide that the Government should become a party. The bill as it came to the Senate permitted the Government to step in and take an appeal in a case where the parties themselves were thoroughly content with the judgment of the court below, and the judgment had become final as to the parties.

There, of course, is not a case. There are no parties; there is no issue; the whole matter is moot; and what the Government would obtain by a bill so drawn as the one which came to us would be the claimed right to go to the Supreme Court and ask its judgment regarding an act of Congress, ask its opinion upon an abstract question, and obtain a decision in a moot case, so as to govern itself in possible cases which might arise in the future, but which were, so far as this particular issue was concerned, nonexistent.

Mr. MINTON. Mr. President, how could it be a moot case if the lower court had passed one way or the other upon the constitutionality of an act of Congress?

Mr. AUSTIN. Because the parties were satisfied with the judgment, and did not take an appeal. That was the difficulty with the bill as it came to the Senate. The parties would be content; their rights, which turned upon the decision of the court below, would be adjusted in a manner eminently satisfactory to both parties in the assumed case, and neither of them would wish to take the case up higher. Indeed, both sides to the presumed controversy would want to be left alone. But the Government would step in and undertake to bring up the question of constitutionality, which in that instance would be nothing but a sheer request for an opinion of the court, which of course is not within the judicial power.

Mr. MINTON. If the decision of the Supreme Court were invited on a constitutional question, would not that affect the decision of the court below if the constitutional question had been raised by one of the parties?

Mr. AUSTIN. Oh, yes.

Mr. MINTON. Then how could it be moot, or how could it be the exercise of the judicial power in an unauthorized manner?

Mr. AUSTIN. It would be moot as soon as the judgment was final between the parties—made so by themselves.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. CONNALLY. Is it not true that the objection which the Senator from Vermont has been stating to the bill as it passed the House has been corrected in the Senate committee amendment?

Mr. AUSTIN. Oh, yes.

Mr. CONNALLY. And the suggestion of the Senator from Indiana is also obviated, in that the Attorney General would have an opportunity to appear in all kinds of cases in which the Government wished to raise the constitutional question?

Mr. AUSTIN. The statement of the Senator from Texas is correct.

Of course, examples have been had of moot cases, and there should be no confusion about that. There was the case of *United States* v. *Alaska Steamship Co.* (253 U. S. 113). This was an action brought by certain interstate carriers to set aside an order of the Interstate Commerce Commission requiring them to use certain forms of bills of lading as being outside of the authority of the Commission. The carriers prevailed in the district court, and an appeal was taken to the Supreme Court. While the appeal was pending the Transportation Act of 1920 was passed, rendering obsolete the forms of bills of lading involved. Held, that the case had become moot and that no decision would be rendered thereon.

At page 116 the court said:

> Where by an act of the parties, or a subsequent law—

Notice, Mr. President, that it is not merely by an act of law that the question becomes moot but it also becomes moot by act of the parties. In the case we have been assuming it would be done by the act of the parties; namely, by accepting the judgment of the court below as satisfactory. But in either case—

> The existing controversy has come to an end, the case becomes moot, and should be treated accordingly. However convenient it might be to have decided the question of the power of the Commission to require the carriers to comply with an order prescribing bills of lading, this court "is not empowered to decide moot questions or abstract propositions, or to declare, for the government of future cases, principles or rules of law which cannot affect the result as to the thing in issue in the case before it."

Another case that might be cited is California against San Pablo & Tulare Railroad Co. There the court said (p. 314):

> The duty of this court, as of every judicial tribunal, is limited to determining rights of persons or of property which are actually controverted in the particular case before it. When, in determining such rights, it becomes necessary to give an opinion upon a question of law, that opinion may have weight as a precedent for future decisions. But the court is not empowered to decide moot questions or abstract propositions, or to declare, for the government of future cases, principles or rules of law which cannot affect the result as to the thing in issue in the case before it.

As to intervention, it is well to understand that under the present law in the United States the Government, as well as a citizen, may be permitted to intervene in certain cases in proceedings in equity. The citizen may intervene if he has a property interest, and as an individual; and the Government may intervene if it has a property interest, or has a duty to perform on behalf of all the citizens of the United States who would be affected by the proceedings. That is recognized in the equity rules of the court. Federal Equity Rule 37 provides that—

> Anyone claiming an interest in a litigation may at any time be permitted to assert his right by intervention, but the intervention shall be in subordination to, and in recognition of, the priority of the main proceeding.

This right of intervention has been spoken of in a judicial decision which ought to be made a part of the RECORD. That was the case of the *Employers' Liability Cases* (207 U. S. 463). In that case, at page 490, the Court held:

> In both cases the Department of Justice, on behalf of the United States, asked to be allowed to intervene for the purpose of supporting the constitutionality of the act. In the first (the Howard) case, this request was granted. In the second (the Brooks) case, the court, while denying the request upon the ground that it knew of no law authorizing such an intervention simply because the validity of an act of Congress was drawn in question, nevertheless permitted the United States to be heard as a friend of the court. In both cases the act was held to be unconstitutional, the demurrer was sustained, and the declaration dismissed. These direct writs of error were then prosecuted, and at bar the cases have been argued, by printed brief and orally, not only by the parties in interest but on behalf of the United States through the Attorney General as a friend of the court.

That procedure is recognized today, and has been employed recently in other cases; that is, the right to apply to the court for its grace to permit the Government to step in as a friend of the court and argue the case.

It is because we thought the bill, as it came over to the Senate, transgressed the judicial power in respect of letting the Government come in without itself being a party, without any controversy existing in which the decision as to the constitutionality or unconstitutionality of the statute would affect any interest, any right, any duty, or any obligation that we wanted to save the Congress from getting into the position of undertaking to give to the Department of Justice something which the people of this country said they could not have; that is, a right to push the judicial power beyond cases and controversies and to the point of the decision of moot questions, the decision of abstract questions, the making and expressing of opinions, the upsetting of final judgments and

making uncertain the rights of parties without the parties having any status, without their having any protection against the Government in this regard. It was because of those things that we changed the section relating to intervention so that the United States could intervene in every case in which it saw fit to intervene, where it had a legal interest or might have a probable interest.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Vermont yield to the Senator from Indiana?

Mr. AUSTIN. I yield.

Mr. MINTON. If Congress should declare by an act that the Attorney General should be permitted to intervene whenever the constitutionality of an act of Congress is in question, does not the Senator feel that, if the Congress had placed upon the Attorney General, as a representative of the Government, a duty to perform on behalf of the Government to try and sustain the constitutionality of its own act, Congress thereby would justify intervention by the Government?

Mr. AUSTIN. Mr. President, assuming that there is a moral justification for the Government of the United States to sustain a statute of the United States which is for the benefit of all the people, and which it is the duty of the Government to enforce for the common good, and assuming that that really comes within the definition of a legal interest, what we claim is that, even with that interest, the Government cannot stand outside of the case and exercise an executive control over a case between citizens. It must enter the case, and it must take unto itself the character of a litigant. It must become a party, with all the rights of a party, and—what I wanted to have provided in the bill—all the liabilities of a party. But I understand an agreement has been made to limit that liability to costs; and, as I stated heretofore, I am not going to impede the passage of the bill by getting in the way of that amendment, although at some time before this session closes I should like to put in the RECORD my views regarding that matter.

I am not opposing that proposal. What I am saying is that holding the views that we held as a committee—and I believe the committee were unanimous—it became necessary to substitute for that provision in the House bill, permitting intervention, the provision as we have made it here, the difference being that the House bill permitted a sort of mongrel intervention. Under that provision, there was not any necessity for the United States to become a party at all. The United States could tie up for a long period of time the effect of a final judgment between citizens of this country without having any responsibility at all to those parties. So we have said here, in effect, "You may come in. We will make it the duty of the court to notify you whenever the issue of constitutionality is raised, and the Attorney General may come into a case between two citizens of this country by showing that the United States has a legal interest, or may have a probable interest, in the case between these parties."

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BULKLEY. Why should there be any restriction of the right of the Attorney General to intervene when the constitutionality of a Federal statute is questioned?

Mr. AUSTIN. Because the judicial power of this country, as created and granted by the people, does not extend to any such situation.

Mr. BULKLEY. If it extends to holding a statute of the Congress unconstitutional, it certainly must extend to hearing the case and deciding whether or not it is constitutional.

Mr. AUSTIN. It does not extend to holding a statute unconstitutional. The judicial power does not extend to reviewing an act of Congress. In the Constitutional Convention an effort was made to give the court that power, and it was flatly and absolutely denied.

There is given to the court a judicial power only in controversies between the Government and a citizen or in cases between citizens of the country, cases that involve the precise question of the constitutionality of a statute on its face or its operation as applied to the interests of the parties. There is not given the general power of examining a statute of the United States and saying the statute is unconstitutional. All the court can do is to hear the issue between the parties or between the Government and a citizen and to decide and render judgment. It cannot hear an issue between parties and someone outside the case. Every person, in order to become a party to a case or a party to an issue to be tried and decided by any court of this land, must be so connected with the question of constitutionality that is raised in that particular issue that the judgment when rendered thereon will affect his legal interest. Whether it is the Government or an individual, there must be "a legal interest" or "a probable interest", as is provided in the bill. I have not any doubt at all what that means.

I am going to discuss fully the subject of what is "an interest." I have looked it up and find it has been decided many times and that it differs. It is quite a different thing as between Government and citizen and as between citizen and citizen. As between citizen and citizen it is a pecuniary interest only. It must have wrapped up in it damages of some kind. But as between Government and citizen it extends to the responsibilities of the sovereign. It extends to the duty which the Government must perform for the benefit of all its citizens. It may extend to a common right which the Government is responsible for enforcing.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. I will be compelled in a short time to leave the Chamber for a few minutes, and I was hopeful that the Senator from Vermont would discuss the question of "interest" and would develop it fully along the lines that he and I discussed in the committee. Does he intend to do that?

Mr. AUSTIN. I will do it immediately, in view of the suggestion of the Senator from New Mexico.

Mr. HATCH. I will be very glad if the Senator will.

Mr. AUSTIN. The Debs decision is probably the broadest expression of it that I have been able to find, and it is very interesting. In the Debs case, it will be remembered, there was an interference with the transportation of the mails. The Federal Government had a duty to see to it that the mail was carried, and it undertook to perform that duty. The Court, in passing upon the subject of an injunction in that case, respecting the interest which justified the United States Government entering a case either by the front door or by the side door, either by being the original petitioner in the case or by coming in through intervention, said, as reported in One Hundred and Fifty-eighth United States Reports, page 564:

> Every government, entrusted by the very terms of its being with powers and duties to be exercised and discharged for the general welfare, has a right to apply to its own courts for any proper assistance in the exercise of one and the discharge of the other * * *. Whenever the wrongs complained of are such as affect the public at large, and are in respect of matters which by the Constitution are entrusted to the care of the Nation, and concerning which the Nation owes a duty to all the citizens of securing to them their common rights, then the mere fact that the Government has no pecuniary interest in the controversy is not sufficient to exclude it from the courts or to prevent it from taking measures therein to fully discharge those constitutional duties.

That seems to be not an unlimited power but a power which extends to every right and duty declared or necessarily implied by and under the Constitution. What we have undertaken to do by the amendment we have reported is to extend to the Department of Justice all the right that is within the judicial power; that is to say, to permit the Attorney General to intervene in all cases in connection with which the court has a right to receive the United States as a party.

Mr. HATCH. The expression "legal interest" shall not receive any narrow construction but shall be given the construction to which the Senator from Vermont has just referred.

Mr. AUSTIN. That is my understanding of it.

Mr. HATCH. That is very important.

Mr. AUSTIN. I believe that the report submitted on this bill clears up any ambiguity about the words, "has a legal interest" or "may have a probable interest", and there is a precedent for the Supreme Court using such a report in aid of the interpretation of those words.

Mr. President, I have a number of cases which I should like to put in the RECORD, by leave of the Senate and I ask unanimous consent to insert them without taking the time of the Senate to hear them read. I feel confident that Senators are very familiar with the principle of intervention, but as a matter of keeping together the product of a good deal of research, I should like to insert them in the RECORD.

The PRESIDING OFFICER. Without objection, permission is granted.

(The matter referred to will be found as exhibit A at the end of Mr. AUSTIN's remarks.)

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois.

Mr. LEWIS. I thought the Senator from Vermont had taken his seat. I apologize.

Mr. AUSTIN. I am going to sit down in just a few moments.

Only one other matter is committed to my duty here, and that is section 2 relating to appeal. This section has merit over the similar section in the bill as it came to us from the House, permitting a party to take an appeal. The section as it came to us from the House permitted a stranger to take an appeal. That is outside the judicial power. In my opinion, these sections of the bill as it came to us from the House would have been void because they exceeded judicial power.

The section permits not only the intervening government to take an appeal direct to the Supreme Court from the lower Federal court, thus cutting out the circuit court of appeals, but it also permits the other parties to the cause to go direct to the Supreme Court.

Mr. STEIWER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Oregon?

Mr. AUSTIN. Certainly.

Mr. STEIWER. Does the Senator interpret section 2 to mean that the United States may take an appeal whether or not the other parties to the litigation desire the appeal, or may it only appeal when the other parties appeal?

Mr. AUSTIN. It may take an appeal in any event if it has become a party. Its right to appeal flows from the first section permitting intervention, or under the general law which permits the Government to be a petitioner and become a party to a controversy.

Mr. STEIWER. If the United States appeals without participation in the appeal by the other litigants, does the Senator think that does not raise a constitutional question as to the power of the appellate court?

Mr. AUSTIN. I think not. The Government is a party at the time when it exercises the right created by section 2. This section is not necessary to give the right of appeal to the Government. The Government, being a party, may take an appeal to the circuit court of appeals without this section, and it could take it alone. The other parties may simply say, "We are not going up. Go ahead. You have a right to take an appeal under the general law." The Government would then proceed.

When the Government becomes a party by intervention, it comes under all the benefits of all the laws as they are now, and the law as it is now gives the parties the right to an appeal. Any one of them can take an appeal without the others taking it. What is here accomplished is to cut out the intervening circuit court of appeals and go direct from the district court to the Supreme Court of the United States, and that right is granted not only to the Government of the United States but also to the other parties to a civil suit.

Mr. STEIWER. I am not controverting the Senator's position as he has just stated it, but I raise the question about it because I understand the American Bar Association committee, I believe, or some other committee of attorneys, has regarded the sole right of the Government to appeal without participation of the parties as creating a situation which raises a constitutional question which the Senator discussed earlier.

Mr. AUSTIN. That was true under the terms of the bill as it passed the House. The objection to which the Senator refers was to the House bill and to the principle of the House bill. Under that bill the Government could come in without becoming a party and take an appeal in the case where the parties were entirely satisfied and the case had become moot. Of course, that would raise a constitutional question. I am very firmly of the belief that the bill as it came to us from the House was unconstitutional. As it is now framed, the Government would be a party and would have all the rights of a party, its liability being limited to a liability for costs.

Mr. President, I need not further discuss the matter. I ask leave to insert in the RECORD such further citations as I may desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The further citations appear as exhibit B.)

EXHIBIT A

THE DEBS CASE

Excerpt from The Supreme Court in United States History, by Charles Warren (vol. 3, 1856–1918 (158 U. S. 564), pp. 422–424)

The Debs case grew out of the great Pullman strike and riots of 1894, and its decision, on May 25, 1895, is to be regarded as one of the datum posts in American legal history. The Court, in a notable opinion by Judge Brewer, upheld an injunction issued by the lower court restraining the defendant from obstructing trains engaged in interstate commerce or in carrying the mails. "The strong arm of the National Government may be put forth to brush away all obstructions to the freedom of interstate commerce or the transportation of the mails", said Brewer. "If the emergency arises, the Army of the Nation, and all its militia, are at the service of the Nation to compel obedience to its laws." While holding that the Government had a property right in the mails sufficient to warrant its suing in equity, he stated that the Court did not care to place its decision upon this ground alone. "Every government, entrusted by the very terms of its being with powers and duties to be exercised and discharged for the general welfare, has a right to apply to its own courts for any proper assistance in the exercise of the one and the discharge of the other. * * * Whenever the wrongs complained of are such as affect the public at large, and are in respect of matters which by the Constitution are entrusted to the care of the Nation, and concerning which the Nation owes a duty to all the citizens of securing to them their common rights, then the mere fact that the Government has no pecuniary interest in the controversy is not sufficient to exclude it from the courts or to prevent it from taking measures therein to fully discharge those constitutional duties."

This decision, sustaining President Cleveland's energetic action in employing both the military and civil forces of the Government to end the strike, caused a great sensation, and was widely endorsed by conservative and patriotic men as a strong support to the stability of the Nation. Such an application of national power to a labor situation, however, was a long step toward centralization of authority; and, as a legal writer said, "While all must applaud the promptness and vigor with which the Federal power acted, saving the country perhaps from a reign of anarchy and bloodshed * * * slowly but inevitably one after another of the State police powers is being brought within the limits of Federal jurisdiction."

LEGAL INTEREST

Liverpool, Etc., Steamship Co. v. Commissioners (113 U. S. 33)

This was an action to recover money alleged to have been illegally exacted. The answer set up an act of Congress legalizing the collection of head moneys already paid. The circuit court refused to hear evidence offered by the plaintiff and gave judgment on the pleadings for the defendant. Held, error, because the record did not show that the money sued for was within the terms of the act. On page 39 appears the following dictum:

"If, on the other hand, we should assume the plaintiff's case to be within the terms of the statute, we should have to deal with it purely as an hypothesis, and pass upon the constitutionality of an act of Congress as an abstract question. That is not the mode in which this court is accustomed or willing to consider such questions. It has no jurisdiction to pronounce any statute, either of a State or of the United States, void, because irreconcilable with the Constitution, except as it is called upon to adjudge the legal rights of litigants in actual controversies."

Warehouse Co. v. Grannis (273 U. S. 70 (1927))

A proceeding was brought in a Federal district court to obtain a declaratory judgment as to the validity of a State law under a State declaratory judgment statute. A demurrer was sustained on the ground that the court lacked jurisdiction to give such a judgment. There was no actual controversy of any sort. Held, that the Federal district court was without jurisdiction to give a declaratory judgment. At page 74 the court said:

"* * * it is not open to question that the judicial power vested by article III of the Constitution in this court and the inferior courts of the United States established by Congress thereunder extends only to 'cases' and 'controversies' in which the claims of litigants are brought before them for determination by such regular proceedings as are established for the protection and enforcement of rights or the prevention, redress, or punishment of wrongs; and that their jurisdiction is limited to cases and controversies presented in such form, with adverse litigants, that the judicial power is capable of acting upon them and pronouncing and carrying into effect a judgment between the parties, and does not extend to the determination of abstract questions or issues framed for the purpose of invoking the advice of the court without real parties or a real case."

Page 76:

"It follows necessarily * * * that the district court, as a court of the United States established under article III of the Constitution, had no jurisdiction to entertain the petition for a declaratory judgment."

Texas v. Interstate Commerce Commission (258 U. S. 158 (1922))

The bill prayed that an act enlarging the powers of the Interstate Commerce Commission and creating the Railroad Labor Board be declared unconstitutional and action thereunder enjoined. In dismissing the bill for lack of jurisdiction, the court said, in part (p. 162):

"The bill is of unusual length, 65 printed pages. Much of it is devoted to the presentation of an abstract question of legislative power, whether the matters dealt with in several of the provisions of titles III and IV fall within the field wherein Congress may speak with constitutional authority, or within the field reserved to the several States. The claim of the State * * * is that they fall within the latter field, and therefore that the congressional enactment is void. Obviously, this part of the bill (bill of complaint) does not present a case or controversy within the range of the judicial power as defined by the Constitution. It is only where rights in themselves appropriate subjects of judicial cognizance, are being, or about to be, affected prejudicially by the application or enforcement of a statute that its validity may be called in question by a suitor and determined by an exertion of the judicial power."

New Jersey v. Sargent (269 U. S. 328 (1926))

In this case it was held that the Supreme Court could not entertain a bill for an injunction against Federal officers charged with administering a Federal statute which did not show that any justiciable right of the State was being or was about to be affected prejudicially by the statute but really sought merely to obtain an abstract judicial declaration that certain features of the statute exceeded the power of Congress and encroached upon that of the State.

Article III, section 2, of the Constitution provides, in part, as follows:

"The judicial power shall extend to all cases, in law and equity, * * * to controversies to which the United States shall be a party * * *."

It is now conclusively determined that no Federal court can determine the constitutionality of an act of Congress unless there is a case or controversy within the meaning of the above provision. *Muskrat* v. *United States* (219 U. S. 346 (1911)). Some of the language of the Court in that case is so pertinent that it is well worth quoting:

Page 361:

"That judicial power * * * is the right to determine actual controversies arising between adverse litigants, duly instituted in courts of proper jurisdiction. The right to declare a law unconstitutional arises because an act of Congress relied upon by one or the other of such parties in determining their rights is in conflict with the fundamental law. The exercise of this, the most important and delicate duty of this Court, is not given to it as a body with revisory power over the action of Congress, but because the rights of the litigants in justiciable controversies require the Court to choose between the fundamental law and a law purporting to be enacted within constitutional authority, but in fact beyond the power delegated to the legislative branch of the Government. This attempt to obtain a judicial declaration of the validity of the act of Congress is not presented in a case or controversy to which, under the Constitution of the United States, the judicial power alone extends. It is true the United States is made a defendant to this action, but it has no interest adverse to the claimants. The object is not to assert a property right as against the Government, or to demand compensation for alleged wrong because of action upon its part. The whole purpose of the law is to determine the constitutional validity of this class of legislation, in a suit not arising between parties concerning a property right necessarily involved in the decision in question, but in a proceeding against the Government in its sovereign capacity, and concerning which the only judgment required is to settle the doubtful character of the legislation in question."

NO REVIEW OF ACTS

In *Massachusetts* v. *Mellon* the Court refused to pass on the constitutionality of the Federal Maternity Act of 1921 on the ground that the Court had no jurisdiction to determine the naked question of the unconstitutionality of an act of Congress, but can only do so where the plaintiffs can show that they have sustained legal damage by reason of the act, which the Court said was not so in the case before it. In such a case, of course, the statute remains in force even though in another case properly before the Court it might be shown to be unconstitutional. Mr. Justice Sutherland, delivering the unanimous opinion of the Court, said, at page 488:

"The functions of government under our system are apportioned. To the legislative department has been committed the duty of making laws; to the executive the duty of executing them; and to the judiciary the duty of interpreting and applying them in cases properly brought before the courts. The general rule is that neither department may invade the province of the other and neither may control, direct, or restrain the action of the other. We are not now speaking of the merely ministerial duties of officials. *Gaines* v. *Thompson* (7 Wall. 347). We have no power per se to review and annul acts of Congress on the ground that they are unconstitutional. That question may be considered only when the justification for some direct injury suffered or threatened, presenting a justiciable issue, is made to rest upon such an act. Then the power exercised is that of ascertaining and declaring the law applicable to the controversy. It amounts to little more than the negative power to disregard an unconstitutional enactment, which otherwise would stand in the way of the enforcement of a legal right. The party who invokes the power must be able to show not only that the statute is invalid but that he has sustained or is immediately in danger of sustaining some direct injury as the result of its enforcement, and not merely that he suffers in some indefinite way in common with people generally."

The opinion shows that the rule thus relied on by Mr. Justice Sutherland in the case last cited is founded on very early cases, as illustrated by the following citation from Mr. Justice Story delivered in the course of an opinion by himself in *Cherokee Nation v. Georgia* (5 Pet. 1) in which he said, at page 75:

"'It is only where the rights of persons or property are involved, and when such rights can be presented under some judicial form of proceedings, that courts of justice can interpose relief. This Court can have no right to pronounce an abstract opinion upon the constitutionality of a State law. Such law must be brought into actual or threatened operation, upon rights properly falling under judicial cognizance, or a remedy is not to be had here.' (See also *Luther* v. *Borden* (7 How. 1); *Mississippi* v. *Johnson* (4 Wall. 475, 500); *Pacific Telephone Co.* v. *Oregon* (223 U. S. 118); *Louisiana* v. *Texas* (176 U. S. 1, 23); *Fairchild* v. *Hughes* (258 U. S. 126)."

EXHIBIT B

CASES AND CONTROVERSIES

[Constitution of the United States, revised and annotated, p. 439]

In order that the judicial power may extend to a case arising under the Constitution or laws of the United States or a treaty, it must be "a case in law or in equity" in which a right under such Constitution, law, or treaty is asserted in a court of justice. A suit in which a party seeks protection under a law is one arising under that law; and where the right of either party to a suit depends upon the validity of an act of Congress, the case is one arising under the Constitution. The construction of a treaty is deemed to be drawn into question for the purposes of Federal jurisdiction where the issue is as to whether an act done or omitted was in conformity to the treaty. But the case must really and substantially involve a question contemplated by this clause; the mere controverting a right or disputing an act is not necessarily sufficient. *Cohens* v. *Virginia* (6 Wheat. 379); *Minnesota Co.* v. *St. Paul Co.* (2 Wall. 634); *Railroad Co.* v. *Mississippi* (102 U. S. 140); *Patton* v. *Brady* (184 U. S. 611); *Smith* v. *Maryland* (6 Cranch 304); *Bier* v. *McGehee* (148 U. S. 141); *Western Union* v. *Ann Arbor R. Co.* (178 U. S. 239); *Gableman* v. *Peoria, etc. R. Co.* (179 U. S. 339); *Ferry* v. *King County* (141 U. S. 673).

The jurisdiction of the Federal courts is commensurate with every right and duty created, declared, or necessarily implied by and under the Federal Constitution and laws. A "case" is a question contested before a court of justice, and a case "in law" or "equity" consists in the right of one party as well as of the other, and it "arises" when its correct decision depends on the construction of the Constitution or laws of the United States. It is a suit instituted according to the regular course of judicial procedure. The interests of the parties must be adverse; the clause does not contemplate suits merely to determine abstract principles. It is limited to such suits as are between parties and are of a judicial nature, and does not include purely political questions. When the subject of a controversy is political, that is, where it involves a question purely governmental, the courts cannot take cognizance of it. *Irvine* v. *Marshall* (20 How. 564); *Martin* v. *Hunter* (1 Wheat. 352); *Cohens* v. *Virginia* (6 Wheat. 407); *Ex parte Milligan* (4 Wall. 113); *Ex parte Carll* (106 U. S. 522); *Marbury* v. *Madison* (1 Cranch 138); *Owings* v. *Norwood* (5 Cranch 348); *Wood-Paper Co.* v. *Heft* (8 Wall. 336); *Foster* v. *Mansfield, etc., R. Co.* (146 U. S. 101); *Luther* v. *Borden* (7 How. 1); *U. S.* v. *Ferreira* (13 How. 40); *Craig* v. *Missouri* (4 Pet. 438); *Cherokee Nation* v. *Georgia* (5 Pet. 20); *Boynton* v. *Blaine* (139 U. S. 326); *In re Cooper* (143 U. S. 503); *Georgia* v. *Stanton* (6 Wall. 71); *Muskrat* v. *U. S.* (219 U. S. 346).

Mr. LEWIS. Mr. President, I am compelled to conclude, from a reading of the bill reported to the Senate, that it violates the Constitution in specific terms.

It is a direct violation of the statutes of the United States and does not presume or attempt to repeal the statutes which it violates. I felicitate all members of the committee and join in the praise of the superior legal capacity of the Senator from Vermont—the potent member of the subcommittee—yet I condemn the act as unconstitutional and illegal.

As the first basis, quoting able Senators on the floor, lately arguing on the Housing Act, we have several acts of Congress now existing which authorize the imprisonment of an individual who may violate some of the orders of the executive powers issued under those acts. A man's property is on the eve of being taken. He himself is being arrested. He is on the eve of being imprisoned. Here is a proposed law from eminent sources which now prescribes that the United States district judge, sitting as such at the place of the offense, who is sworn on his solemn oath to enforce the Constitution and to obey the Constitution, and to grant all right guaranteed, shall be prevented from doing so. He is prohibited from doing anything in the case where unconstitutionality is charged. The legal court—this authorized judge—is ordered in this bill to grant no relief.

Let us behold the case—a man attacks the law because he believes it is unconstitutional and as such seizes him for imprisonment under the penal features of the law.

In other respects it seeks to appropriate his property as privilege to the taking of property under the law. He asks for an injunction to stay the heavy hand of the law about to be laid upon his property. He has available by the law as long existing the United States district court framed to sustain the Constitution, the judge of which court is on his oath to obey the Constitution, on his oath to enforce it. But this district judge under the now provisions of this bill would have no authority. Under the terms of this bill he is forbidden to come to the relief of that individual who has no other court for relief nor any higher authority though his property and his liberty are being imperiled. The district judge must sit idly. He can only call in other judges, and then not until those other judges come of their own will. They are summoned on their own consent. Then, if they come, does the man get a hearing? He swelters in jail, his property is destroyed, yet with it all, 5 days must elapse for notice to the Attorney General, 5 days must expire before the individual can have an opportunity for the hearing to which he is entitled. Even though he gets the newly called in judges, he would not even have a hearing until the other judges are called in and they consent to serve. The district court sits silent, giving no relief to the humble who is being imprisoned under the bill or to the powerful whose property is being confiscated—and this under the Constitution.

I beg to invite attention to a case which may have application to the point involved. A bill is presented by eminent lawyers, members of the Senate Judiciary Committee—and I can certify from my personal knowledge that they are eminent—which prescribes that other judges than the presiding or sitting judge are to be brought into the case before the complainant can be heard for any reason. First comes a request from the judge to the circuit judge. If the circuit judge grants the request, he summons some judge who, "if practicable," is to come into the case. He and another judge similarly called finally arrive. Five days must elapse until the Attorney General is notified to find out whether he desires to intervene.

In the meantime the rights of the individual are suspended or completely denied, and the doctrine of the law that "justice delayed is justice denied" seems for the moment by these meticulous constitutional lawyers to be forgotten.

Where is that distinction claimed for the Constitution by the monarch of Montana, the baron of Butte [Mr. WHEELER] who gave us the blazing blisters of his embolded arraignment of the President and the Supreme Court reform bill—where now that resplendent reasoning on the "spirit of the Constitution"? Where is our masterful denunciator—the wizard of Wyoming [Mr. O'MAHONEY], who as count of Cheyenne expounded at some length on the philosophy of the language of the Constitution? How we recall his dwelling with forensic fury as he discussed the philology of the then pending bill and labored on the purpose of using the word "may" instead of "shall", that the word "may" instead of "shall" should not be used in the provision providing for the call of the other judges. "You may, but you do not have to", said the eminent Senator from Wyoming. "If you find one you think will support an unconstitutional act by calling it constitutional, choose him. If you think there is another who might call it constitutional when it really is not, choose him."

My eminent friend—and I am speaking of the count of Cheyenne—gave us the benefit of his wondrous capacity to deal with the philosophy he propounded upon the consideration of the matter of the language of the provision relating to the calling in of outside judges. Yet, now the bill he and his colleagues foster uses both but mostly "shall"—and as such demands that the circuit court judge or the Chief Justice of the Supreme Court of the United States to send a man from a common-law State, who knows nothing in the world of code pleading or procedure, into the State of California, which is a code State, or into the States of Georgia or New York, which are code States, or of a code State to my common-law State of Illinois, and sit there with power to prescribe which of the local regulations of the State shall apply. He, with complete barbaric ignorance of them, is sent to take charge of a case or sit in the case to dispose of laws and people of which he is stupidly barren of information.

Under what circumstances, designated by a circuit judge, is he appointed to the position to which he was never named, or where is law to authorize the Chief Justice of the Supreme Court of the United States to designate a judge to serve at a place to which he never was appointed and never was authorized to serve?

I invite the attention of my able friends that they have anticipated this in their report by these expressions:

> The judicial power of the United States extends to every right and duty created, declared, or necessarily implied by and under the Federal Constitution and laws made in pursuance thereof. But Congress cannot create other rights and duties which extend further the judicial power. Only the people can do this.

Mr. President, in that I heartily concur; and I desire to invite attention at this particular moment to the Supreme Court of the United States denouncing such pretense as contained in this bill. In the case of *Springer* v. *Philippine Islands* (277 U. S. 202) we find a denunciation by that Court. We are now referring to judges who, being at a distance, are brought into a State in which they have never been appointed by the President, where they have no authority by law to sit, where there is no inherent capacity or privilege to sit, but they are drawn in by the Chief Justice and sent to an area to which they have never been designated by the Executive. Is there such power? Is there such right? Have we a right by act of Congress to do this? I invite the attention of Senators to the pronouncement of the Supreme Court in the case to which I have referred, as follows:

> Legislative power, as distinguished from executive power, is the authority to make laws but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions. It is unnecessary to enlarge further upon the general subject, since it has so recently received the full consideration of this Court (*Myers* v. *United States*, 272 U. S. 52).

It will be plainly observed that there seems to be in the bill a power lodged in the chief justice or circuit justice to call in a judge to sit in a district to which he has never been designated in violation of *Logan* v. *United States* (144 U. S.). Here such justice appoints another judge to do that which only the Executive himself could delegate. For that reason, as I behold the bill, first it violates the Constitution in that it declines to give a judge sworn on his oath the right to

fulfill his duty and discharge it. He can only do so providing two other judges from somewhere agree with him that it is his duty to do it.

Then the Attorney General is called in, and now called in peremptorily, though not called in for 5 days, during which time the unfortunate individual must swelter in jail and his property be subject to confiscation before he can get even a hearing. When he presents his opportunity and it is denied him, he has no appeal whatever under this bill. He has nowhere to go but back to jail. A writ of habeas corpus or attacks on the unconstitutionality of the law cannot be entertained.

With the reasons I designate now I shall content myself for the moment. I shall enlarge further upon the matter, which I understand will come up later, but I was anxious to allow my friends of the committee to dispose of the matter, particularly to expedite my able friend the Senator from Nevada, whose forensic advocacy on this floor entitles him to be known as the Honorable DANIEL O'CONNELL MCCARRAN. I shall not further embarrass the immediate consideration but content myself with having pointed out the views I have on the bill, biding time for further exposition.

The VICE PRESIDENT. The amendment reported by the committee will be stated.

The amendment was to strike out all after the enacting clause and to insert the following:

That whenever the constitutionality of any act of Congress is drawn in question in any court of the United States in any suit or proceeding to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is not a party, the court having jurisdiction of the suit or proceeding shall certify such fact to the Attorney General if the court is of opinion that a substantial ground exists for questioning the constitutionality of such act. The court shall, upon a showing by the Attorney General that the United States has a legal interest or may have a probable interest, permit the United States to intervene and become a party for presentation of evidence (if evidence is otherwise receivable in such suit or proceeding) and argument upon the sole question of the constitutionality of such act. In any such suit or proceeding the United States shall, subject to the applicable provisions of law, have the rights and liabilities of a party to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of such act.

SEC. 2. In any suit or proceeding in any court of the United States to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is a party, or in which the United States has intervened and become a party, and in which the decision is against the constitutionality of any act of Congress, an appeal may be taken directly to the Supreme Court of the United States by the United States or any other party to such suit or proceeding upon application therefor or notice thereof within 30 days after the entry of a final or interlocutory judgment, decree, or order; and in the event that any such appeal is taken, any appeal or cross-appeal by any party to the suit or proceeding taken previously, or taken within 60 days after notice of an appeal under this section, shall also be or be treated as taken directly to the Supreme Court of the United States. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within 60 days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

SEC. 3. No interlocutory or permanent injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any act of Congress upon the ground that such act or any part thereof is repugnant to the Constitution of the United States shall be issued or granted by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, unless the application for the same shall be presented to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a circuit judge. When any such application is presented to a judge, he shall immediately request the senior circuit judge (or in his absence, the presiding circuit judge) of the circuit in which such district court is located to designate two other judges to participate in hearing and determining such application. It shall be the duty of the senior circuit judge or the presiding circuit judge, as the case may be, to designate two other judges from such circuit for such purpose, and it shall be the duty of the judges so designated to participate in such hearing and determination. Such application shall not be heard or determined before at least 5 days' notice of the hearing has been given to the Attorney General and to such other persons as may be defendants in the suit: *Provided*, That in cases where irreparable damage would otherwise ensue to the petitioner by reason of delay in giving notice, the court so composed of three judges may, on hearing, allow a temporary stay or suspension, in whole or in part, of the operation of such act for not more than 60 days from the date of the order of said court pending the application for the injunction, in which case such order shall contain a specific finding, based upon evidence submitted to the court making the order and identified by reference thereto, that such irreparable damage would result to the petitioner and specifying the nature of the damage. The said court may, at the time of hearing such application, upon a like finding, continue the temporary stay or suspension, in whole or in part, until decision upon the application. The hearing upon any such application for an interlocutory or permanent injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day after the expiration of the notice hereinbefore provided for. An appeal may be taken directly to the Supreme Court of the United States upon application therefor or notice thereof within 30 days after the entry of the order, decree, or judgment granting or denying, after notice and hearing, an interlocutory or permanent injunction in such case. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within 60 days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character.

SEC. 4. Section 13 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 17), is hereby amended to read as follows:

"SEC. 13. Whenever any district judge by reason of any disability or absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall, if in his judgment the public interest requires, designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or, in his absence, the senior Associate Justice, shall, if in his judgment the public interest so requires, designate and assign a district judge of an adjoining judicial circuit if practicable, or, if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided: *Provided, however*, That before any such designation or assignment is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned, as well as on the minutes of the Supreme Court of the United States, to the clerk of which both of such other clerks shall immediately report the fact and period of assignment."

SEC. 5. Whenever any judge is designated and assigned to duty outside of his district or circuit his subsistence allowance shall be $10 per diem.

SEC. 6. As used in this act, the term "court of the United States" means the courts of record of Alaska, Hawaii, and Puerto Rico, the United States Customs Court, the United States Court of Customs and Patent Appeals, the Court of Claims, any district court of the United States, any circuit court of appeals, and the Supreme Court of the United States; the term "district court of the United States" includes the District Court of the United States for he District of Columbia; the term "circuit court of appeals" includes the United States Court of Appeals for the District of Columbia; the term "circuit" includes the District of Columbia; the term "senior circuit judge" includes the Chief Justice of the United States Court of Appeals for the District of Columbia; and the term "judge" includes justice.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. MCCARRAN. Mr. President, on behalf of the committee, I send to the desk sundry amendments to the committee amendment, which I ask to have stated.

The VICE PRESIDENT. The amendments to the amendment will be stated.

The LEGISLATIVE CLERK. On page 4 line 10, after the name "Attorney General" in the committee amendment, it is proposed to strike out "if the court is of the opinion that a substantial ground exists for questioning the constitutionality of such act."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 4, line 17, after the words "upon the" in the committee amendment, it is proposed to strike out the word "sole."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 4, line 20, after the word "have" in the committee amendment, it is proposed to strike out "the rights and liabilities of a party" and insert "all the rights of a party and the liabilities of a party as to court costs."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 8, line 11, after the word "shall" in the committee amendment, it is proposed to strike out the comma and "if in his judgment the public interest required."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 8, line 22, after the word "shall" in the committee amendment, it is proposed to strike out the comma and "if in his judgment the public interest so requires,".

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee as amended.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2260) was read the third time and passed.

The title was amended so as to read: "An act to provide for intervention by the United States, direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions, in certain cases involving the constitutionality of acts of Congress, and for other purposes."

Mr. GUFFEY. Mr. President, I desire to be recorded as voting against the bill.

Mr. LEWIS. Mr. President, I make the same statement for myself. I wish to be recorded as voting against the bill.

Mr. GUFFEY. Mr. President, I repeat that I desire to be recorded as voting against the bill.

The VICE PRESIDENT. The statement of the Senator from Pennsylvania will go in the RECORD, which will be sufficient proof that he voted against the bill.

Mr. GUFFEY. Very well. That is what I want.

Mr. HATCH. Mr. President, prompted somewhat by the remarks of the Senator from Pennsylvania [Mr. GUFFEY], I desire to detain the Senate for just 1 minute to make an observation concerning the bill which has just been passed.

The measure which has been passed is one for which I should have voted if I had had the opportunity. As far as it goes, it is a good measure. It does not cover in any degree the reorganization of the Federal judiciary, and it does not touch upon any of the defects which have been pointed out in weeks past.

The VICE PRESIDENT. Without objection, all Senators will have an opportunity to extend their remarks in the RECORD as to how they had expected to vote on this bill.

Mr. LA FOLLETTE. Mr. President, before giving consent to that request I desire to have it clearly understood that such extensions of remarks shall appear in type which will indicate that they were not delivered on the floor of the Senate.

The VICE PRESIDENT. That will be done.

Mr. LA FOLLETTE. I desire to say, furthermore, that I think it is a very bad practice, but because of the importance of this particular question I shall not object. I wish now to announce, however, that if I shall be present when any future request of this character is made, I shall object to it.

Mr. MINTON. Mr. President, I do not care how small type is used in printing the remarks. It could not be any smaller than I feel. If I had had an opportunity to vote, I think I should have voted against the bill.

WORK ON THE BONNEVILLE PROJECT

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 982, House bill 7642.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

The VICE PRESIDENT. There is pending an amendment which has heretofore been offered to this bill by the Senator from Oregon. The question is on agreeing to the amendment. Is it the desire of the Senator from Oregon to have the amendment acted upon at this time?

Mr. McNARY. No, Mr. President; I have asked to have this action taken for the purpose of taking up the bill for consideration on Monday.

Mr. BARKLEY. Mr. President, as the Senator from Oregon knows, the Senator from Nevada [Mr. PITTMAN] is interested in this matter.

Mr. McNARY. Yes.

Mr. BARKLEY. I do not know whether or not he will be here on Monday.

Mr. McNARY. I shall be willing to have the bill laid aside if it is desired to take up something else on Monday.

The VICE PRESIDENT. Does the Senator desire to have the bill acted upon at this time, or merely to make it the unfinished business?

Mr. McNARY. It has been made the unfinished business. In view of the absence of the Senator from Nevada [Mr. PITTMAN], I ask that the bill be laid aside until Monday.

The VICE PRESIDENT. Without objection, the bill will be temporarily laid aside.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, it is contemplated that an adjournment will be taken until Monday in order that we may have a morning hour. Therefore, with the understanding that the bill referred to by the Senator from Oregon remains the unfinished business, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

THE CALENDAR

The VICE PRESIDENT. If there be no further reports of committees, the clerk will read the nominations on the Executive Calendar.

SOCIAL SECURITY BOARD

The legislative clerk read the nomination of Agnes Van Driel, of Illinois, to be Chief, Division of Technical Training.

Mr. LEWIS. Mr. President, at a previous session I objected to the confirmation of this nomination, and gave the reason. Since then, sir, it has developed that the woman herself is not responsible for the thing which transpired which I made the basis of my objection, and I would not have her embarrassed by the objection. I now ask that the nomination be confirmed.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the Executive Calendar.

ADJOURNMENT

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn until noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 30 minutes p. m.) the Senate adjourned until Monday, August 9, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 7 (legislative day of July 22), 1937

SOCIAL SECURITY BOARD

Agnes Van Driel to be Chief, Division of Technical Training, Social Security Board.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

Keith B. McCutcheon to be second lieutenant.
Donald N. Otis to be second lieutenant.
William F. Prickett to be second lieutenant.
David W. Silvey to be second lieutenant.
Kennard F. Bubier to be chief marine gunner.

POSTMASTERS

ARKANSAS

William F. Nelson, Mountain Home.

MICHIGAN

Howard F. Beach, Cedarville.

NEW JERSEY

James Joseph Allen, Teaneck.

TEXAS

Clara S. Hitt, Pyote.
Rose Bluhm, Runge.

WISCONSIN

Alma O. Showers, Mazomanie.
Arthur B. Roemer, Tigerton.

SENATE

MONDAY, AUGUST 9, 1937

The Reverend Richard A. Cartmell, D. D., assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, Holy Spirit, sanctifier of the faithful, without whom nothing is strong, nothing is holy, grant us grace to go from strength to strength in a life of service for Thee and for our fellow men. Impart to us such faith in Thy Kingdom and in the abundant life as revealed in Thy Son, Jesus Christ, that we may shrink from no cross that stands before us. Filled with that unconquerable gladness which comes from waiting on Thee, may we daily renew our strength and mount up on wings as eagles, run and not be weary, walk and not faint. And finally, O Lord, hold before us a vision of Thy perfect beauty and love that we may ever press toward the mark for the prize of Thy high calling in Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, August 7, 1937, was dispensed with, and the Journal was approved.

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS

Mr. BARKLEY. I ask unanimous consent that at the conclusion of the routine morning business the Senate resume the consideration of the unfinished business.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. LEWIS. I must ask that we have a quorum, and I request a roll call in order to secure one.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Reynolds
Barkley	Donahey	Lewis	Schwartz
Bilbo	Ellender	Lodge	Schwellenbach
Black	Frazier	Logan	Sheppard
Bone	George	Lonergan	Shipstead
Borah	Gerry	Lundeen	Smith
Bridges	Gillette	McAdoo	Steiwer
Brown, Mich.	Glass	McCarran	Thomas, Okla.
Brown, N. H.	Green	McGill	Thomas, Utah
Bulkley	Guffey	McKellar	Townsend
Bulow	Hale	McNary	Truman
Burke	Harrison	Minton	Tydings
Byrd	Hatch	Murray	Vandenberg
Byrnes	Herring	Neely	Van Nuys
Capper	Hitchcock	Nye	Wagner
Caraway	Holt	O'Mahoney	Walsh
Chavez	Hughes	Overton	Wheeler
Clark	Johnson, Calif.	Pepper	White

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official business as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Tennessee [Mr. BERRY], the Senator from Connecticut [Mr. MALONEY], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON], having been appointed a member of the committee to attend the dedication of the battle monuments in France, is absent on that official duty.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

IMPROVEMENT OF RIVERS AND HARBORS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. COPELAND. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. COPELAND, Mr. SHEPPARD, Mr. BAILEY, Mr. MCNARY, and Mr. JOHNSON of California conferees on the part of the Senate.

SMALL-CLAIMS COURT FOR THE DISTRICT—MOTION TO RECONSIDER

Mr. LONERGAN. Mr. President, I move that the vote by which the Senate passed the bill (S. 1835) establishing a small claims and conciliation branch in the municipal court of the District of Columbia for improving the administration of justice in small cases, and providing assistance to needy litigants, and for other purposes, be reconsidered.

The VICE PRESIDENT. The motion will be entered.

Mr. REYNOLDS subsequently said: Mr. President, I ask unanimous consent for the reconsideration of the vote by which the Senate passed Senate bill 1835.

Mr. MCKELLAR. What is the bill, Mr. President?

Mr. REYNOLDS. It is the bill pertaining to the small-claims court. The bill passed the other day when the calendar was under consideration.

The PRESIDENT pro tempore. The Chair is informed that the Senator from Connecticut [Mr. LONERGAN] has already entered a motion for the reconsideration of the vote by which that bill was passed.

Mr. REYNOLDS. I thank the Chair.

RICHMOND NATIONAL BATTLEFIELD PARK, VA.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Greer County (Okla.) Cotton Growers, favoring the prompt enactment of legislation to protect the price of cotton and enable farmers to hold their cotton until such time as the agricultural program can be shaped so as to actually insure a parity price, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the Illinois Women's Auxiliary of the Progressive Miners of America, Marissa, Ill., favoring the raising of W. P. A. wages and relief in proportion to the rise in the cost of living, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Council of the City of Cleveland, Ohio, favoring the prompt enactment of the so-called Schwellenbach resolution, being the joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, which was referred to the Committee on Education and Labor.

Mr. DAVIS presented a letter from the Frankford Grocers' Association, by George P. Rogers, its secretary, Philadelphia, Pa., relative to prices of food products, which was referred to the Committee on Appropriations.

Mr. COPELAND presented a resolution adopted by the Board of Estimate and Apportionment of the city of New York, N. Y., endorsing the so-called Schwellenbach resolution, being the joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, which was referred to the Committee on Education and Labor.

LOANS TO COTTON PRODUCERS

Mr. SHEPPARD. Mr. President, I present resolutions adopted at a meeting of cotton producers, bankers, and others held in Dallas, Tex., on August 2, 1937, in reference to the cotton situation. I ask that the resolutions be appropriately referred and that the body thereof be inserted in the RECORD as a part of my remarks.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas there is now growing, with harvest well under way, a large cotton crop, reports indicating 15,000,000 bales; and

Whereas parity and above-parity prices prevail on practically every farm commodity except cotton. The parity price on cotton, as announced by the United States Department of Agriculture, is 17 cents a pound, still the price level is now far below 17 cents and is reaching a lower price daily; and

Whereas confidence in values of the cotton crop now growing and being harvested must be maintained for the general welfare of our country; and

Whereas in view of the unwarranted decline in price of cotton, we demand of Congress that it immediately take care of this emergency.

We, the cotton producers, bankers, and others who have a vital interest in the price of cotton and other commodities, and in the general prosperity of the country, do, in mass meeting assembled at Dallas, Tex., August 2, 1937, hereby appeal to the Congress of the United States to offer loans to cotton producers at 15 cents per pound on tenderable cotton basis; not less than 12 cents of this to be paid when cotton is delivered and placed in bonded warehouse; the other 3 cents per pound to be paid when borrowing producer complies with the permanent Government agricultural program to be enacted, or, in the absence of permanent legislation, to comply with the acreage-reduction plan suggested by the Secretary of Agriculture; and we petition Congress to make sufficient appropriations to enable those loans to be made: Be it

Resolved, That we go on record as being of the positive opinion that whatever farm legislation is enacted, to be economically sound, must embody crop-production control; be it

Resolved, That it is our conviction that prosperity will be effected by such action as will insure fair returns on the present crop, thus fulfilling the promise made by the administration—that is, parity prices for farm products.

We further assert that prosperity brought about by such actions will lessen the relief rolls now so burdensome to our Government; be it further

Resolved, That copy of this resolution be forwarded immediately to President Roosevelt, Vice President Garner, Speaker Bankhead; Senator Barkley, Democratic leader of the United States Senate; Congressman Sam Rayburn, Democratic leader of the House of Representatives; Hons. E. D. Smith, chairman of the Senate Agricultural Committee; Marvin Jones, chairman of the House Agricultural Committee; each Member of the Texas delegation in Congress; and to commissioners of agriculture of the cotton-growing States of America.

FEDERAL SOCIAL SECURITY ACT

Mr. WALSH. Mr. President, on July 26, 1937, I had inserted in the CONGRESSIONAL RECORD a letter from Laurence P. Harrington, executive secretary of the Massachusetts Unemployment Compensation Commission, at Boston, in reference to taxation of certain instrumentalities of the Government under titles VIII and IX of the Federal Social Security Act.

I have a reply thereto from Thomas H. Eliot, Esq., General Counsel of the Social Security Board, which I ask to have inserted in the CONGRESSIONAL RECORD and referred to the Committee on Finance.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY BOARD,
Washington, D. C., July 30, 1937.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: I have read with great interest the letter from Mr. Laurence P. Harrington, executive secretary of the Massachusetts Unemployment Compensation Commission, enclosed in your letter of July 26.

As you know, the Social Security Act at present exempts from its provisions, both with respect to old-age benefits and unemployment compensation, service performed in the employ of an instrumentality of the United States (secs. 210 (b) (5), 811 (b) (6), and 907 (c) (5)). As Mr. Harrington states, the Bureau of Internal Revenue has interpreted the words "instrumentality of the United States" to include national banks and State banks which are members of the Federal Reserve System. The result is that these banks and their employees are excluded from the act. At the same time the Bureau of Internal Revenue has ruled that State banks which are not members of the Federal Reserve System, and their employees, are subject to the tax provisions of the act.

The Board feels that there is no sound reason for not extending the benefits of the Social Security Act to employees of national banks and State banks which are members of the Federal Reserve System. Moreover, the present exemption of such banks, on the one hand, and the inclusion within the act of State banks which are not members of the Federal Reserve System, on the other, tends to create an inequitable situation. The letter of Mr. Harrington points out a third reason for eliminating the present exemption for Federal instrumentalities, such as national banks, which are not wholly owned by the United States Government. The Board has had under consideration for sometime, and has discussed with representatives of the American Bankers' Association, proposals to bring all national and State banks and similar institutions which are classed as Federal instrumentalities within the terms of the act. Although the Board is not in a position to make a definite statement at present, it is hoped that recommendations on this matter will be placed before Congress in the near future.

Very truly yours,

THOMAS H. ELIOT,
General Counsel.

REPORTS OF COMMITTEES

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 2008) for the relief of the Cleveland Railway Co., reported it without amendment and submitted a report (No. 1148) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 371) for the relief of William R. Kellogg, reported it with amendments and submitted a report (No. 1149) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne, reported it without amendment.

Mr. LA FOLLETTE, from the Committee on Education and Labor, to which was referred the bill (H. R. 4582) to amend the act, approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind, reported it without amendment and submitted a report (No. 1150) thereon.

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 3493) to amend section 76 of the Judicial Code, as amended, with respect to the terms of the Federal district court held at Tallahassee, Fla., reported it with amendments.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 7, 1937, that committee presented to the President of the United States the following enrolled bills:

S. 826. An act for the relief of the estate of H. Lee Shelton, the estate of Mrs. H. Lee Shelton, Mrs. J. R. Scruggs, and Mrs. Irvin Johnson; and

S. 1219. An act for the relief of Pauline M. Warden, nee Pauline McKinney.

WITHDRAWAL OF AMERICAN TROOPS FROM CHINA

Mr. LEWIS. Mr. President, on August 6 I tendered a resolution in which I sought information for the Senate. The able Senator from Nevada [Mr. PITTMAN], chairman of the Committee on Foreign Relations, upon another subject has addressed himself to the subject of the resolution. I had previously done so; so I now ask that the resolution be taken from the table and referred to the Committee on Military Affairs.

The VICE PRESIDENT. Is there objection?

Mr. PITTMAN. I should like to know what resolution is being referred to.

The VICE PRESIDENT. Will the Senator from Illinois designate the resolution?

Mr. LEWIS. It is a resolution requesting the War Department to furnish information to the Senate. It is not the resolution seeking action such as the Senator knows was first under consideration.

Mr. PITTMAN. I think it is practically the same thing.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. McNARY. Mr. President, I do not know what is the purport of the resolution.

The VICE PRESIDENT. The clerk will read the title of the resolution referred to by the Senator from Illinois.

The CHIEF CLERK. Senate Resolution 170, by Mr. LEWIS, relative to the withdrawal of American troops from China.

Mr. PITTMAN. I object to the resolution being referred to the Committee on Military Affairs.

The VICE PRESIDENT. Objection is heard.

Mr. LEWIS. Mr. President, I think it is not a matter of objection. I am asking to have a military resolution, on a matter addressed to the War Department for information, referred to the Committee on Military Affairs.

Mr. PITTMAN. I move that the resolution be referred to the Committee on Foreign Relations.

Mr. LEWIS. I ask that the resolution be read; it is only four lines in length.

The VICE PRESIDENT. The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 170) submitted by Mr. LEWIS on the 6th instant, as follows:

Resolved, That the Secretary of War report to the United States Senate, if not incompatible to the public interest, if there be existing reasons sufficient for the holding of the present troops now stationed in China in the war zone between Tientsin and Peiping, and if it be advisable that the troops continue in their present situation serving as military of the United States.

Mr. PITTMAN. Mr. President, I think it may be assumed that the subject matter is not within the jurisdiction of any committee except the Committee on Foreign Relations. The President of the United States and not the Army determines where our troops shall be. The Army merely carries out orders. The situation to which the resolution refers is a very difficult and serious one, and, in the first place, the question should not be raised at the present time.

Mr. LEWIS. Mr. President, it is not a matter merely of the Senator's motion. This is a resolution seeking information from the War Department, asking that the Department inform this body, without giving any reasons or details, the viewpoint of the War Department as to whether it is necessary, in its judgment, to retain troops in China. Therefore I feel the resolution properly should be referred to the Committee on Military Affairs under our rules. For that reason I ask that the Chair merely execute the rule of the Senate.

Mr. PITTMAN. Mr. President, I have moved that the resolution be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada that the resolution be referred to the Committee on Foreign Relations. [Putting the question.] The ayes appear to have it. The ayes have it, and the resolution is referred to the Committee on Foreign Relations.

Mr. LEWIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. I beg to call the attention of the Chair that he has not yet submitted my motion to the Senate. The Chair submitted the motion of the able Senator from Nevada to refer the resolution to the Committee on Foreign Relations, but the Chair made no statement with reference to my motion that the resolution be referred to the Committee on Military Affairs.

The VICE PRESIDENT. The Chair understood the Senator from Illinois to ask that the resolution be referred to the Committee on Military Affairs. While that request was pending the Senator from Nevada moved that the resolution be referred to the Committee on Foreign Relations. A motion takes precedence over a request.

Mr. PITTMAN. The Senator from Nevada objected to the request of the Senator from Illinois, and then moved that the resolution be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. That is correct. The motion of the Senator from Nevada was agreed to, and the resolution has been referred to the Committee on Foreign Relations.

PROTECTION OF PROPERTY OWNED BY FOREIGN GOVERNMENTS—AMENDMENTS

Mr. PITTMAN. Mr. President, I send to the desk an amendment intended to be proposed by me to a joint resolution (S. J. Res. 191) which is on the calendar and I ask unanimous consent that the proposed amendment be read, that it may be printed, and lie on the table.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none. The clerk will read, as requested.

The CHIEF CLERK. Beginning on page 2, line 22, it is proposed to strike out all of the language of the committee amendment and insert the following:

That it shall be unlawful to display any flag, banner, placard, or device designed or adapted to intimidate, coerce, or bring into public odium any foreign government, party, or organization, or any officer or officers thereof; or to bring into public disrepute political, social, or economic acts, views, or purposes of any foreign government, party, or organization; or to intimidate, coerce, harass, or bring into public disrepute any officer or officers or diplomatic or consular representatives of any foreign government; or to interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representative or representatives as an embassy, legation, consulate, or for other official purposes, except by and in accordance with a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this resolution, and any person convicted of violating any of the provisions of

this resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Amend the title so as to read: "Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia."

Mr. LA FOLLETTE. Mr. President, in that connection I should like to have published in the RECORD an amendment which I intend to offer to the same joint resolution (S. J. Res. 191). I also ask leave to have printed in the RECORD section 117 of the District Code, to be found on page 47. It relates to unlawful assemblage in public places, and so forth. I make the additional request that the changes which my amendment, if adopted, would make in section 117 of the District Code be indicated by italics in printing the section, so that the RECORD may disclose the effect of my amendment concerning the particular section.

There being no objection, the amendment and the section of the District Code, with the proposed changes in italics, were ordered to be printed in the RECORD, as follows:

In lieu of the matter proposed to be inserted by the committee amendment, it is proposed to insert the following:

"That sections 5 and 6, as amended, of the act entitled 'An act for the preservation of the public peace and the protection of property within the District of Columbia', approved July 29, 1892, are amended (1) by inserting after the words 'any public building or enclosure' the phrase '(including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes)'; and (2) by inserting after the words 'or to insult' the phrase '(by the use of banners, placards, or otherwise)'."

Section 117 of the District of Columbia Code, as proposed to be amended by Mr. LA FOLLETTE, would read as follows, changes being indicated by italics:

117. Unlawful assembly; profanity, etc., in public places, etc.—It shall not be lawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in or around any public building or enclosure (*including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes*), or any park or reservation, or at the entrance of any private building or enclosure, and engage in loud and boisterous talking or other disorderly conduct, or to insult (*by the use of banners, placards, or otherwise*) or to make rude or obscene gestures or comments or observations on persons passing by, or in their hearing, or to crowd, obstruct, or incommode the free use of any such street, avenue, alley, road, highway, or any of the foot pavements thereof, or the free entrance into any public or private building or enclosure; it shall not be lawful for any person or persons to curse, swear, or make use of any profane language or indecent or obscene words, or engage in any disorderly conduct in any street, avenue, alley, road, highway, public park or enclosure, public building, church, or assembly room, or in any other public place, or in any place wherefrom the same may be heard in any street, avenue, alley, road, highway, public park or enclosure, or other building, or in any premises other than those where the offense was committed, under a penalty of not more than $25 for each and every such offense.

Mr. LEWIS. Mr. President, the reading of the amendment intended to be proposed by the Senator from Nevada [Mr. PITTMAN] clearly indicates that it raises a very serious legal question, one that is both national and international. It is a proposal which raises a very serious legal question nationally and it raises a more serious international legal question. Not only that, but it raises a constitutional question as to dealing with our own citizens as well as foreign citizens.

I move that the amendment be referred to the Committee on the Judiciary.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PITTMAN. The Senator from Illinois apparently does not know that the resolution has been reported already from the Committee on Foreign Relations and is on the calendar, and the amendment which was just read at the desk is to lie on the table only to be proposed whenever the resolution shall be called up.

Mr. LEWIS. I may know it has been to the committee, but the fact the resolution comes forth in such language as that proposed indicates all the more the necessity for some committee of the Senate to consider it and examine its legal aspects and give us some legal conclusion upon it.

Mr. PITTMAN. Mr. President, I call for the regular order.

The VICE PRESIDENT. The regular order is the introduction of bills and joint resolutions.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. CARAWAY:

A bill (S. 2931) to authorize the refund of certain amounts collected from physicians for the privilege of prescribing the waters from the Hot Springs National Park; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2932) granting an increase of pension to Nellie Trapp; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 2933) to admit Mrs. Henry Francis Parks permanently to the United States; to the Committee on Immigration.

By Mr. GUFFEY:

A bill (S. 2934) to amend Public Law No. 692, Seventy-fourth Congress, second session; to the Committee on the Judiciary.

By Mr. SMITH:

A joint resolution (S. J. Res. 201) for the relief of certain persons conducting farming operations whose crops were destroyed by hailstorms; to the Committee on Agriculture and Forestry.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 202) making provisions for the refund of the processing tax on hogs marketed for slaughter by the raisers and producers who in fact bore all or part of the burden of such tax; to the Committee on Agriculture and Forestry.

By Mr. COPELAND:

A joint resolution (S. J. Res. 203) proposing an amendment to the Constitution of the United States, limiting the tenure of office of President of the United States; to the Committee on the Judiciary.

PROTECTION OF PROPERTY OWNED BY FOREIGN GOVERNMENTS—AMENDMENTS

Mr. LA FOLLETTE submitted an additional amendment intended to be proposed by him to the joint resolution (S. J. Res. 191) to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes, which was ordered to lie on the table and to be printed.

SUGAR QUOTAS AND TAXES—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. ADAMS) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO THIRD DEFICIENCY APPROPRIATION BILL

Mr. HATCH (for Mr. HAYDEN) submitted an amendment intended to be proposed by Mr. HAYDEN to the third deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following:

"DEPARTMENT OF INTERIOR

"For expenses and all necessary disbursements including salaries, to be expended under the direction of the Secretary of the Interior, of the Commission proposed to be created to investigate the financial, economic, and other conditions of the various United States reclamation projects and Indian irrigation projects, as contemplated by the terms of S. 413 (to create a Commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects), $50,000: *Provided*, That such sum shall not become available unless and until the aforesaid legislation is enacted into law."

LILLIAN V. JOHNSON

Mr. BYRD submitted the following resolution (S. Res. 171), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Lillian V. Johnson, widow of Newton Johnson, late an employee of the Senate under the supervision of the Committee on Rules, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

THE CIVILIAN CONSERVATION CORPS PROGRAM

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article with reference to the Civilian Conservation Corps program, which appears in the Appendix.]

REORGANIZATION OF FEDERAL JUDICIARY

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address prepared by Senator STEIWER for delivery to the Senate relative to Senate bill 1392, to reorganize the judicial branch of the Government, which appears in the Appendix.]

BUSINESS CONDITIONS IN FLORIDA

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article from the Tampa Times of July 29, 1937, relative to business conditions in Florida, together with a table of official statistics on the same subject, which appear in the Appendix.]

RECORD OF NAMES AND ADDRESSES OF PASSENGERS ON VESSELS

Mr. COPELAND. Mr. President, in my absence the other day, Senate bill 2874, Calendar No. 1051, was passed. I ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading and passed may be reconsidered, because we had promised to have two or three amendments made to the bill, and apparently nobody else knew it at the time the bill came up.

Mr. McNARY. Mr. President, what is the present status of the bill?

Mr. COPELAND. The bill passed the Senate.

Mr. McNARY. Have the papers been messaged to the House?

Mr. COPELAND. The papers are still with us.

Mr. McNARY. Very well. Otherwise, an order would be required to return the papers.

Mr. COPELAND. Yes.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent for the reconsideration of the votes by which Senate bill 2874, requiring the deposit in a safe place ashore of the names and addresses of passengers sailing on vessels plying the inland or coastal waters of the United States, was ordered to be engrossed for a third reading and passed. Is there objection? The Chair hears none, and it is so ordered.

Mr. COPELAND. Mr. President, in order that the bill may be disposed of, I ask unanimous consent that the amendments which I send to the desk may be read, and the bill placed on its passage.

The PRESIDENT pro tempore. The amendments offered by the Senator from New York will be stated.

The amendments were, on page 1, line 3, after the word "after", to strike out "ten" and insert "sixty"; in line 7, after the word "duration", to insert "or less"; in line 10, after the word "passengers", to strike out "sailing on" and insert "who have purchased tickets and staterooms for"; and in line 11, after the word "voyage" and the period, to insert "Said list of passengers shall be preserved for not less than thirty days", so as to make the bill read:

Be it enacted, etc., That from and after 60 days following the approval of this act it shall be the duty of the owner or operator of every vessel carrying passengers for hire upon the inland or coastal waters of the United States upon a voyage of 1 or more nights' duration or less, or upon a voyage for which the use of staterooms is sold, to deposit in a secure place ashore, prior to the sailing of said vessel, a complete list of the names and addresses of passengers who have purchased tickets and staterooms for said voyage. Said list of passengers shall be preserved for not less than 30 days.

SEC. 2. It shall be the duty of the Bureau of Marine Inspection and Navigation of the Department of Commerce to enforce the provisions of this act by appropriate inspection from time to time; and in case of failure to comply with said provisions, the Secretary of Commerce may levy a fine of not less than $100 nor more than $500 against the owner or operator of a vessel so failing to comply, which fine may be collected by suit in admiralty in any court of competent jurisdiction.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representative, by Mr. Megill, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WEAVER, Mr. WALTER, Mr. MCLAUGHLIN, Mr. GUYER, and Mr. HANCOCK of New York were appointed managers on the part of the House at the conference.

WORK ON THE BONNEVILLE PROJECT

The VICE PRESIDENT. Morning business is closed. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

The VICE PRESIDENT. The pending amendment offered by the Senator from Oregon [Mr. MCNARY] will be stated.

The amendment was to strike out all after the enacting clause and insert the text of the Senate bill (S. 2092) as reported from the Committee on Commerce, as follows:

That for the purpose of improving navigation on the Columbia River, and for other purposes incidental thereto, the dam, locks, power plant, and appurtenant works now under construction at Bonneville, Oreg. (hereinafter called Bonneville project), shall be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers, subject to the provisions of this act relating to the powers and duties of the Bonneville power administrator provided for in section 2 (a) (hereinafter called the administrator) respecting the transmission and sale of electric energy generated at said project. The Secretary of War shall provide, construct, operate, maintain, and improve at Bonneville project such machinery, equipment, and facilities for the generation of electric energy as the administrator may deem necessary to develop such electric energy as rapidly as markets may be found therefor. The electric energy thus generated and not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith shall be delivered to the administrator for disposition as provided in this act.

SEC. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said administrator as hereinafter provided. The administrator shall be appointed by the Secretary of the Interior, by and with the advice and consent of the Senate; shall be responsible to said Secretary of the Interior; shall receive a salary at the rate of $10,000 per year; and shall maintain his principal office at a place selected by him in the vicinity of the Bonneville project. The administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Bonneville project not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, a representative designated by the Secretary of the Interior, a representative designated by the Federal Power Commission, and a representative designated by the Secretary of Agriculture. The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin. The administrator is authorized and empowered to direct and require the Secretary of War to install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy. The Secretary of War shall schedule the operations of the several electrical generating units and appurtenant equipment of the Bonneville project in accordance with the requirements of the administrator. The Secretary of War shall provide and maintain for the use of the administrator at said Bonneville project adequate station space and equipment, including such switches, switchboards, instruments, and

dispatching facilities as may be required by the administrator for proper reception, handling, and dispatching of the electric energy produced at the said project, together with transformers and other equipment required by the administrator for the transmission of such energy from that place at suitable voltage to the markets which the administrator desires to serve.

(b) In order to encourage the widest possible use of all electric energy that can be generated and marketed and to provide reasonable outlets therefor, and to prevent the monopolization thereof by limited groups, the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations, and facilities and structures appurtenant thereto, as he finds necessary, desirable, or appropriate for the purpose of transmitting electric energy, available for sale, from the Bonneville project to existing and potential markets, and, for the purpose of interchange of electric energy, to interconnect the Bonneville project with other Federal projects and publicly owned power systems now or hereafter constructed.

(c) The administrator is authorized, in the name of the United States, to acquire, by purchase, lease, condemnation, or donation, such real and personal property, or any interest therein, including lands, easements, rights-of-way, franchises, electric transmission lines, substations, and facilities and structures appurtenant thereto, as the administrator finds necessary or appropriate to carry out the purposes of this act. Title of all property and property rights acquired by the administrator shall be taken in the name of the United States.

(d) The administrator shall have power to acquire any property or property rights, including patent rights, which in his opinion are necessary to carry out the purposes of this act, by the exercise of the right of eminent domain and to institute condemnation proceedings therefor in the same manner as is provided by law for the condemnation of real estate.

(e) The administrator is authorized, in the name of the United States, to sell, lease, or otherwise dispose of such personal property as in his judgment is not required for the purposes of this act and such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in his judgment are not required for the purposes of this act: *Provided, however*, That before the sale, lease, or disposition of real property or transmission lines, as herein provided, the administrator shall secure the approval of the President of the United States.

(f) Subject to the provisions of this act, the administrator is authorized, in the name of the United States, to negotiate and enter into such contracts, agreements, and arrangements as he shall find necessary or appropriate to carry out the purposes of this act.

SEC. 3. As employed in this act, the term "public body", or "public bodies", means States, public-power districts, counties, and municipalities, including agencies or subdivisions of any thereof.

As employed in this act, the term "cooperative", or "cooperatives", means any form of non-profit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost.

SEC. 4. (a) In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to January 1, 1941, there shall be available for sale to public bodies and cooperatives not less than 50 percent of the electric energy produced at the Bonneville project; it shall be the duty of the administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until January 1, 1941: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to January 1, 1940, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to January 1, 1940: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1940; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted.

(c) An application by any public body or cooperative for an allocation of electric energy shall not be denied, or another application competing or in conflict therewith be granted, to any private corporation, company, agency, or person, on the ground that any proposed bond or other security issue of any such public body or cooperative, the sale of which is necessary to enable such prospective purchaser to enter into the public business of selling and distributing the electric energy proposed to be purchased, has not been authorized or marketed, until after a reasonable time, to be determined by the administrator, has been afforded such public body or cooperative to have such bond or other security issue authorized or marketed.

(d) It is declared to be the policy of the Congress, as expressed in this act, to preserve the said preferential status of the public bodies and cooperatives herein referred to, and to give to the people of the States within economic transmission distance of the Bonneville project reasonable opportunity and time to hold any election or elections or take any action necessary to create such public bodies and cooperatives as the laws of such States authorize and permit, and to afford such public bodies or cooperatives reasonable time and opportunity to take any action necessary to authorize the issuance of bonds or to arrange other financing necessary to construct or acquire necessary and desirable electric distribution facilities, and in all other respects legally to become qualified purchasers and distributors of electric energy available under this act.

SEC. 5. (a) Subject to the provisions of this act and to such rate schedules as the Federal Power Commission may approve, as hereinafter provided, the administrator shall negotiate and enter into contracts for the sale at wholesale of electric energy, either for resale or direct consumption, to public bodies and cooperatives and to private agencies and persons. Contracts for the sale of electric energy to any private person or agency other than a privately owned public utility engaged in selling electric energy to the general public, shall contain a provision forbidding such private purchaser to resell any of such electric energy so purchased to any private utility or agency engaged in the sale of electric energy to the general public, and requiring the immediate canceling of such contract of sale in the event of violation of such provision. Contracts entered into under this subsection shall be binding in accordance with the terms thereof and shall be effective for such period or periods, including renewals or extensions, as may be provided therein, not exceeding in the aggregate 20 years from the respective dates of the making of such contracts. Contracts entered into under this subsection shall contain (1) such provisions as the administrator and purchaser agree upon for the equitable adjustment of rates at appropriate intervals, not less frequently than once in every 5 years, and (2) in the case of a contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the administrator may cancel such contract upon 5 years' notice in writing if in the judgment of the administrator any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this act, and that such cancelation may be with respect to all or any part of the electric energy so purchased under said contract to the end that the preferential rights and priorities accorded public bodies and cooperatives under this act shall at all times be preserved. Contracts entered into with any utility engaged in the sale of electric energy to the general public shall contain such terms and conditions, including among other things stipulations concerning resale and resale rates by any such utility, as the administrator may deem necessary, desirable, or appropriate to effectuate the purposes of this act and to insure that resale by such utility to the ultimate consumer shall be at rates which are reasonable and nondiscriminatory. Such contract shall also require such utility to keep on file in the office of the administrator a schedule of all its rates and charges to the public for electric energy and such alterations and changes therein as may be put into effect by such utility.

(b) The administrator is authorized to enter into contracts with public or private power systems for the mutual exchange of unused excess power upon suitable exchange terms for the purpose of economical operation or of providing emergency or breakdown relief.

SEC. 6. Schedules of rates and charges for electric energy produced at the Bonneville project and sold to purchasers as in this act provided shall be prepared by the administrator and become effective upon confirmation and approval thereof by the Federal Power Commission. Subject to confirmation and approval by the Federal Power Commission, such rate schedules may be modified from time to time by the administrator, and shall be fixed and established with a view to encouraging the widest possible diversified use of electric energy. The said rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas in order to extend the benefits of an integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project.

SEC. 7. It is the intent of Congress that rate schedules for the sale of electric energy which is or may be generated at the Bonneville project in excess of the amount required for operating the dam, locks, and appurtenant works at said project shall be determined with due regard to and predicated upon the fact that such electric energy is developed from water power created as an incident to the construction of the dam in the Columbia River at the Bonneville project for the purposes set forth in section 1 of this act. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of Bonneville project) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years. Rate schedules shall be based upon an allocation of costs made by the Federal Power Commission. In computing the cost of electric energy developed from water

power created as an incident to and a byproduct of the construction of the Bonneville project, the Federal Power Commission may allocate to the costs of electric facilities such a share of the cost of facilities having joint value for the production of electric energy and other purposes as the power development may fairly bear as compared with such other purposes.

SEC. 8. Notwithstanding any other provision of law, all purchases and contracts made by the administrator or the Secretary of War for supplies or for services except for personal services, shall be made after advertising, in such manner and at such times, sufficiently in advance of opening bids, as the administrator or Secretary of War, as the case may be, shall determine to be adequate to insure notice and opportunity for competition. Such advertisement shall not be required, however, when (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase or supplies or procurement of services does not exceed $500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards the administrator or the Secretary of War, as the case may be, may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

SEC. 9. (a) The administrator, subject to the requirements of the Federal Water Power Act, shall keep complete and accurate accounts of operations, including all funds expended and received in connection with transmission and sale of electric energy generated at the Bonneville project.

(b) The administrator may make such expenditures for offices, vehicles, furnishings, equipment, supplies, and books; for attendance at meetings; and for such other facilities and services as he may find necessary for the proper administration of this act.

(c) In December of each year the administrator shall file with the Congress, through the Secretary of the Interior, a financial statement and a complete report as to the transmission and sale of electric energy generated at the Bonneville project during the preceding governmental fiscal year.

SEC. 10. The administrator, the Secretary of War, and the Federal Power Commission, respectively, shall appoint such attorneys, engineers, and other experts as may be necessary for carrying out the functions entrusted to them under this act, without regard to the provisions of the civil-service laws and shall fix the compensation of each of such attorneys, engineers, and other experts at not to exceed $10,000 per annum; and they may, subject to the civil-service laws, appoint such other officers and employees as may be necessary to carry out such functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

SEC. 11. All receipts from transmission and sale of electric energy generated at the Bonneville project shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from such receipts a continuing fund of $500,000, to the credit of the administrator and subject to check by him, to defray emergency expenses and to insure continuous operation. There is hereby authorized to be appropriated from time to time, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

SEC. 12. The administrator may, in the name of the United States, bring such suits, at law or in equity, as he may find necessary in carrying out the purposes of the act; and he shall be represented in all litigation affecting the status or operation of Bonneville project by such counsel as he may select.

SEC. 13. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of the act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

The VICE PRESIDENT. Without objection, the amendment is agreed to. The question is, Shall the amendment be engrossed and the bill be read a third time?

Mr. BORAH. Mr. President, is this the Bonneville Dam bill? If so, I should like to know as a matter of curiosity if any Member of the Senate can explain it. I should like to know what the Bonneville Dam bill is intended to accomplish.

Mr. McNARY. Mr. President, I was called from the Chamber momentarily on public matters. May I inquire of the unfinished business before the Senate?

The VICE PRESIDENT. It is, and the bill was about to be passed when the Senator from Idaho [Mr. BORAH] asked for an explanation of it.

Mr. McNARY. As I said, I was called from the Chamber on public business. I appreciate expedition, but I always want to be reasonable. I think I am capable of explaining the bill.

Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered. However, may I inquire first if during my absence an amendment was considered?

The VICE PRESIDENT. The parliamentary situation now before the Senate is that the Senator's amendment in the form of a substitute was agreed to.

Mr. McNARY. Let me straighten out the parliamentary situation.

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. KING. This is a very important bill and some of us have never read it. I hope the able Senator will explain it.

Mr. McNARY. I shall do so. I am trying to have untangled the parliamentary situation partly due to the fact that I was absent from the Chamber for perhaps 30 seconds on public matters.

Mr. President, this bill was reported to the calendar 2 or 3 weeks ago by me from the Committee on Commerce. Subsequently, a bill similar to this one was passed by the House, and went to the calendar. A few days ago I asked unanimous consent that all after the enacting clause of the House bill be stricken out and the text of the Senate bill inserted. During my momentary absence from the Chamber, if any amendments were adopted, I ask that that action at this time be disregarded.

The PRESIDENT pro tempore. Without objection, the votes agreeing to any amendments or substitute amendment are reconsidered, and the measure is now open to amendment as it came into the Senate.

Mr. McNARY. I thank the Chair.

Mr. President, the object of the bill is to provide a legal structure for the operation and administration of the Bonneville project, now nearing completion in the Columbia River between the States of Oregon and Washington, and not far distant from the city of Portland, Oreg. The project was authorized by the President under the provisions of the Public Works Act passed in September 1933. Two of the ten units are now completed, and power will be ready for distribution within the next month or two. Consequently, in the community and public interest, if we are to avoid waste, it is necessary that we have some legislation which will provide for fixing rates and distributing power.

Up to the present time Congress has appropriated or made available for this project about $45,000,000. When the project was first authorized by the President funds were available from the Public Works Administration to the extent of $20,000,000. Later, $10,000,000 more was made available. Since that time appropriations have been made, which amount to about $45,000,000; and it is estimated that probably $5,000,000 more will be required to complete the dam with two units at a total cost of $50,000,000 for the two units that are now in process of installation and which will be installed within a short time. When finally completed, the 10 power units will supply about 573,000 horsepower.

This is a navigation project, with incidental power development. Everyone knows that the Columbia River is famous for its run of salmon. Ample fishways and ladders and lifts have been provided at an approximate cost of $6,000,000. Navigation locks have been constructed costing in the neighborhood of $4,500,000. As a result the water will be deepened for sea-going vessels as far to the east as The Dalles, which is about 200 miles from the estuary of the Columbia River.

The dam was constructed by the Board of Army Engineers. The bill is a simple one. It has the approval of the President, the Secretary of War, the Federal Power Commission, and all Government agencies associated with navigation and power development.

The first bill was introduced by my colleague [Mr. STEIWER] and myself. Later, another bill was introduced at a former session by the two Senators from Washington [Mr. BONE and Mr. SCHWELLENBACH], my colleague [Mr. STEIWER], and myself. This bill was introduced by the same four Senators, plus the Senator from Idaho [Mr. POPE]. Its provisions are simple, and I think I can outline its structure in a very short time.

The bill provides that the project shall be completed, maintained, and operated under the direction and under the control of the Board of Army Engineers; that they shall not only operate the dam but shall look after matters of navigation and those appertaining to the operation of the fishways. In House and Senate bills an administrator is provided for, to be appointed by the Secretary of the Interior. The duties of the administrator are to sell the power, fix the rates subject to the approval of the Federal Power Commission, and construct the necessary transmission lines. He is given the power to appoint experts and attorneys, who are not to be subject to the provisions of the Reclassification Act; and he may also appoint clerical assistants, who are to be under the civil-service rules and the statutes provided for that purpose.

There is also provision for an advisory board, who are to consult and confer with the administrator, the board consisting of the Secretary of Agriculture, the Secretary of War, the Secretary of the Interior, and the Federal Power Commission. The administrator can fix no rates without the approval and consent of the Federal Power Commission. The Federal Power Commission has the veto power over the administrator in those matters. The advisory board has no power other than that of conferring with and advising the administrator.

Under the Senate bill the Board of Army Engineers must install additional facilities upon request of the administrator, whereas in the House bill they are given power to handle all matters connected with the generation of electricity down to the bus bar. That is one difference between the two bills which must be reconciled in conference if the measure is passed in the form provided in the Senate bill.

No money is appropriated in the bill. With the exception of a few million dollars, the necessary money has been made available by former acts of the President and of the Congress.

There is no provision in the bill which attempts to create an economic or social condition similar to the one which now exists at Muscle Shoals. In other words, there is no provision for a Columbia Valley authority. There is no provision for a board which will have the right to take any part in the administration of the dam. I may say that the only outstanding agencies connected with the project are the Board of Army Engineers and the Federal Power Commission and the administrator. In that respect it is my opinion that this project will be administered with less cost to the consumers of electric power than any other project undertaken by the Government.

I think some criticism has been leveled at the Tennessee Valley Authority because of the great number of governmental employees, experts, and engineers who are taking part in the administration of affairs in the Tennessee Valley. It is true that in this case the administrator may employ the necessary engineers, experts, and attorneys.

The Federal Power Commission is to allocate the costs which, in its judgment, must go to navigation and to flood control. In a large way, the allocation of costs will determine the capital cost, which is the major basis for rate fixing in this bill. What the rates will be is problematical.

Various estimates have been made. Much depends upon how quickly the whole project is fully utilized and the power sold. It must be remembered that at this time only 2 of the 10 units are ready for operation. If there should be a demand for a larger amount of power, and a market for the utilization of the 10 units, necessarily the interest charge per unit would not be so large, and that would have a very substantial effect upon the base of the rates and the rates to be charged to consumers.

There is a provision in the bill which I think is a wise one, and which was placed in it agreeably with the wishes of various farm organizations, that 50 percent of the power shall be reserved for home and farm consumption until 1941. That will give all the local agencies which are interested in farm and home use and utilization the right to organize, if they are not now organized, so that power will be available for use by them, and cannot be sold to utilities and industries which might monopolize the market. It is believed by these farm organizations that by 1941 they will have organized all the units they desire for the purpose of making available for their use power to be developed at the project.

The bill also provides, probably something unique, that the power shall be distributed as widely as possible. The judgment in that matter, of course, must necessarily be left with the Federal Power Commission and depend on the attitude of the administration.

Mr. President, I shall read from section 6 language which is not found in any of the other power acts, and which I think is of very great importance:

> Subject to confirmation and approval by the Federal Power Commission, such rate schedules may be modified from time to time by the administrator, and shall be fixed and established with a view to encouraging the widest possible diversified use of electric energy. The said rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas in order to extend the benefits of an integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project.

That is not in the Boulder Canyon Act, it is not in the Muscle Shoals Act. It is sought by this provision to make certain that any benefits which may accrue shall not be provincial in their application, but shall be distributed as far as is practicable, a matter which can only be worked out through experience and study. But we have placed no limitations on the area of distribution. The language encourages a wide and equitable distribution of the benefits of the rates which may be enjoyed by the people who live in the great Northwest section of the country.

I may give a skeleton outline of this very simple proposal, which has met with the approval of the administration and all its agencies, and those Members of the Senate who have given it their attention. This great dam now nearing completion will be controlled by the Army Engineers, the administrator, and the Federal Power Commission, whose duties are to strive to make this project a success. The rate fixing as a finality is left to the Federal Power Commission. The rates cannot be fixed until matters are determined with respect to the capital cost and investment, which must be determined later, and the allocation of the costs of the operation of the dam, which must follow, after taking into consideration the benefits to navigation, and flood control; and the cost of operation, of course, is to be paid out of the returns from operation of the dam and the sale of power.

Before the amendments of the committee are considered, I wish to state that I have observed that on page 7 a provision was inserted concerning the reservation of power, and by an oversight "1940" was used instead of "1941" in three places. But in order to make the amendment, which is a committee amendment, conform to the one I shall offer in an individual capacity, I shall defer action until after consideration and approval or disapproval of the committee amendments.

With this statement, Mr. President, I submit the matter, first for the consideration of committee amendments, and for such other discussion as may be proposed.

The PRESIDING OFFICER (Mr. McGILL in the chair). It is the understanding of the present occupant of the chair that the Senator has offered the language of the Senate bill, as amended, as a substitute for the bill passed by the House.

Mr. McNARY. Yes.

The PRESIDING OFFICER. If that is correct, it includes all the amendments.

Mr. McNARY. It does not include all the amendments.

The PRESIDING OFFICER. The Senator desires to have the committee amendments acted upon before a vote upon the substitute?

Mr. McNARY. Yes, Mr. President. It does include all the committee amendments excepting two correcting amendments which I have in mind, and to which I just made reference.

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. KING. There may be some provision in the bill, but I have failed to discover any—and I may say that I have had the bill which passed the House, instead of the Senate committee bill—which will provide for reimbursement to the Government of the United States of the enormous sums which are to be appropriated under the provisions of the bill. I ask the Senator whether or not it is contemplated that the Government is to be reimbursed, and what provisions are found in the bill to effectuate that purpose?

Mr. McNARY. Mr. President, that is a very natural question. On page 12 the bill provides:

> Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities at Bonneville project) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years.

Amortization covers principal and interest, and the period is not specified, but is fixed as "a reasonable period."

Mr. KING. I do not find that in the copy of the bill I have.

Mr. McNARY. It is on page 12 of the bill I reported on July 22.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. ELLENDER. While the Senator is considering section 7 of the bill will he explain the meaning of the language which appears in parenthesis on lines 18 and 19, page 12?

Beginning at line 18, I find this language in parenthesis:

> Upon the basis of the application of such rate schedules to the capacity of the electric facilities of Bonneville project.

Mr. STEIWER. Mr. President, there is some language included in the parenthesis on page 12, line 18, to which the Senator from Louisiana directs attention, and with the permission of my colleague I will undertake to answer the question by saying that in figuring the amortization of the capital investment it is necessary, of course, to have a formula of revenue. That formula consists of the rate multiplied by the amount of energy which presumably will be offered for sale.

Mr. ELLENDER. Will that take into consideration the cost of the entire project?

Mr. STEIWER. Ultimately it will. The parenthesis is merely to state the formula. It uses the words "upon the basis of the application of such rate schedules to the capacity of the electric facilities of Bonneville project."

Mr. ELLENDER. Suppose the capacity of the plant is not used; how will the rate then be fixed so as to amortize the entire cost of the project in a given period?

Mr. STEIWER. The rate will be figured on the capacity. It necessarily must be so, or we never could initiate the use of that power. The rate will be figured on the capacity; but, of course, the amortization will proceed more slowly, for the project is only partly completed, and only part of the energy is being sold.

Mr. ELLENDER. Suppose the time for amortization is fixed. How would that language then be applicable? Am I to understand that the rate is fixed on a basis of the full capacity of the entire plant?

Mr. STEIWER. That is correct.

Mr. ELLENDER. Suppose the entire production is not sold and the time for amortization had been fixed. Would not the number of years in which the cost of the plant is to be repaid be changed, or would it not be necessary to increase the rates?

Mr. STEIWER. It would have the practical effect of doing what the Senator first suggested, because the rate, being a fixed amount, if less capacity than anticipated should develop, of course, it would tend to postpone the time of complete repayment to the Treasury.

Mr. ELLENDER. Does the Senator from Oregon understand from the language in section 7 that the Government will eventually get back operating expenses and also the entire amount of money spent for erecting the plant?

Mr. STEIWER. Yes; the Government would get the entire amount, less the charge-off for navigation. Our Government never recovers money expended for the building of rivers and harbors. The amount charged off for navigation, therefore, will not be recovered; but the amount that is charged for the development of hydroelectric power will be recovered eventually. The rate of recovery, of course, will be dependent upon the market and the amount of energy sold.

Mr. ELLENDER. What charge will be made against the cost of the project for navigation?

Mr. STEIWER. That, Mr. President, has not been determined.

Mr. ELLENDER. Who is going to determine that?

Mr. STEIWER. There is a provision in the bill for the determination of the amount to be charged to navigation.

The Senator will understand that the President was authorized by the first P. W. A. Act to designate and to build this project. Unfortunately the President was not given any authority under any of those acts either to dispose of the power or to make the necessary charges as between hydroelectric development and river development and navigation. Therefore nothing has been done in those directions at all from the time that the project started until now, and nothing can be done until this necessary legislation is agreed to so that the proper allocations may be made.

Mr. McNARY. I think I made a statement in that connection a moment ago, and read the language that is found on page 12—

> Rate schedules shall be based upon an allocation of costs made by the Federal Power Commission.

Mr. ELLENDER. I understand that.

Mr. McNARY. They shall make that allocation after study and investigation.

Mr. ELLENDER. However, there is nothing in the pending bill or in any prior legislation that fixes the proportion which will be borne by navigation and the proportion that is chargeable to electric development.

Mr. McNARY. No.

Mr. BONE. That has never been done in any of these acts affecting navigation.

Mr. ELLENDER. Has the Senator any idea as to how much that allocation will be?

Mr. McNARY. Does the Senator mean the amount of money that will be allocated to navigation?

Mr. ELLENDER. What I am trying to find out is how much will the Government eventually get back of the money expended by it.

Mr. McNARY. That which it has spent for navigation it never recovers. That is allocated to navigation, of course.

Mr. ELLENDER. Does the Senator know how much that is?

Mr. McNARY. No; but studies are now being made by the Army engineers, the Secretary of War, and the Federal Power Commission. No one knows how much that allocation will be for navigation, of course.

Mr. ELLENDER. Does the language of the bill authorize such an investigation by the departments named by the Senator?

Mr. McNARY. Yes; it is the view of all the Senators sponsoring the legislation, and of the drafters of the bill, that sufficient power is contained in the bill, and it covers that very point.

Mr. KING. Does it provide for a continuing appropriation for navigation?

Mr. McNARY. No; that will always come, of course, under the act relating to the Board of Army Engineers that we pass from year to year—the river and harbor bill. That question will come before the Congress each year in the question of appropriation.

Mr. KING. Mr. President, it seems to me there ought to be some limitation as to how much shall immediately be allocated to navigation. Shall we take into account the amount which has been expended upon this river during the past 25 or 30 years and subtract that from any receipts

upon the ground that the project involves navigation, and, therefore, the cost of navigation developments and improvements ought to be paid from the receipts arising from the development of power? Are the costs of improvements upon navigation in future or those made in the past to be paid for from receipts?

Mr. McNARY. Mr. President, I think we all must understand that the question of navigation is a very important one, and that it is one of the purposes of this development. It is readily ascertainable, and will be by the engineers and the Engineering Bureau, as to how much of this money should be allocated to that purpose. They are not going to take into consideration appropriations that have been heretofore made on the development of the river, of course, nor developments that are to be made in the future. The immediate situation is the development of this project.

Mr. KING. I may ask the Senator from Oregon how the rates are to be determined from year to year, or how they are to be determined now, when they begin developing power and leasing it, unless the amount that is to be devoted to navigation is known.

Mr. McNARY. That is a condition precedent, and after that authority is given the Federal Power Commission and the Board of Engineers they will make this study, and make, as I stated, an estimate of capital cost. That is a basis largely for the fixing of rates for power. But that cannot be done in advance; it must be done after the authority is granted. One of the reasons for the bill is to make appropriate legislation available.

Mr. KING. Mr. President, from a very hasty examination of this bill—and it has been very hasty; since the Senator has been speaking I have been trying to read it—I am led to the conclusion—and it may be wrong—that this is an attempt to destroy private power companies that may be operating in the Northwest, or anywhere contiguous to the Northwest, and to prevent the development of power companies in the Northwest or in any part of the United States where this power may be transmitted, not in an economical way, but with the funds of the Treasury available, the funds for navigation available, the funds that are derived from the sale of power available. I confess that it seems to me, Mr. President, that this is one of the broadest schemes to establish a Federal power agency to be operated by the Federal Government, not only in the immediate vicinity of the Bonneville Dam but wherever the power may be transmitted; because I find in the bill, from a hasty examination, that the operator who is placed in charge may condemn lands far remote from the dam, may construct power lines for the transmission of power, and connect with other activities of the Government, perhaps down in lower California, or perhaps in some Eastern State, or Fort Peck in Montana. It seems to be the beginning of national control over a large part of the United States of the power activities and power developments, to the exclusion of private corporations, and with no proper limitations upon the Federal Government to insure reasonable rates and to insure that the Federal Government shall receive some return for the enormous sums which shall be expended under the broad authorization contained in this bill.

I hope I am wrong from the very hasty examination which I have made.

Mr. McNARY. Mr. President, the Senator's fears are unwarranted. He says he has given it a hasty consideration, and, therefore, his judgment is hasty. Those two conditions usually coincide. I think he need not extend any sympathy to the power companies. They have never opposed this legislation. I think they are quite well satisfied with it. They realize that it is a competitive force, of course, but so far as I know, they have no criticism of the provisions of this bill.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I yield.

Mr. ELLENDER. Can the Senator from Oregon tell us how much of the original allocation made for the Bonneville project was spent or will be spent for navigation purposes?

Mr. McNARY. Mr. President, the river is already navigable. The dam will, of course, submerge some of the rapids above and make it navigable for some distance above.

Mr. ELLENDER. How far above the present dam was the river navigable before the dam was put in?

Mr. McNARY. For barges and light craft it is navigable for several hundred miles up to Lewiston, Idaho, and even past Old Washington, but the present development will make the river navigable about 40 miles above the dam for seagoing vessels that will draw 35 feet of water.

Mr. ELLENDER. How much of the original allocation was spent to make that possible?

Mr. McNARY. The dam makes it possible, and that dam when completed will cost about $50,000,000.

Mr. ELLENDER. Will it not be necessary to build locks so as to permit seagoing vessels to make use of the river?

Mr. McNARY. Locks are provided for. Four million five hundred thousand dollars is provided for the locks.

Mr. ELLENDER. Since it is possible to fix the amount that will be spent for locks, is it not also possible to fix the amount for the dam in order to make the river navigable, and if that can be done why is it necessary to charge out of the electric-current returns any amount to help amortize or to help pay the cost for navigation?

Mr. McNARY. Under the Senator's theory it would be a free project?

Mr. ELLENDER. I do not deem it so, because I assume that the original allocation provided so much for locks, and so much for damming the river. Would it not be possible to have so much of the original appropriation allocated exclusively for the purpose of navigation, and the other part for electric power?

Mr. McNARY. The construction of the dam and the impounding of the water have some relation to the navigation above. Just what amount should be allocated for that purpose can only be found after study by the experts. We know what the locks cost, namely, four and a half million dollars, and all that is not really beneficial to navigation must be repaid to the Government. In the Boulder Canyon project some portion of that was allocated for flood control, as a Government contribution, we will say, and the rest of it is now being returned. The money that is not actually expended for purposes beneficial to navigation should all be returned to the Government. The Senator's proposal is too generous.

Mr. ELLENDER. The point I am trying to make is that the money intended for navigation purposes has already been disbursed, and the amount is already known.

Mr. McNARY. Oh, no.

Mr. BONE. Mr. President, may I inject myself into this discussion for a moment?

Mr. McNARY. I am glad to yield to the Senator from Washington.

Mr. BONE. I fear the Senator from Louisiana does not understand what we seek to do. A dam has been built across the Columbia River. As a part of that dam, and integral with it, is a powerhouse. The dam is fundamentally and primarily for the purpose of aiding navigation on the Columbia River for a long distance above the dam, so as to make it passable for large steamers. The purpose of this bill is very clear. Under the bill, that part of the whole project now properly chargeable to navigation will be so charged. The dam has been completed for the purpose for which it was built, and is practically all paid for. It is now just a matter of who is to determine how much of the total of the entire cost should be charged to power development, and when that is determined by proper authority—and I believe it will be determined justly—from the power revenues the Government will reimburse itself for the cost of that part of the project devoted to power production. If two-thirds of the plan or one-half of it—and when I say "plan" I mean

the dam and the whole general ensemble there—are chargeable to power, when it is determined how much of that is chargeable to power development and not to navigation, that part chargeable to power will be reflected in rates, and the profit will be paid into the Treasury so as to write off and pay what the Government has spent for building the power facilities at the plant.

Mr. ELLENDER. Is there no way for us to find out as to that?

Mr. BONE. The only thing we can do is to leave it to the Government experts who are qualified to make the studies. They have begun the investigation; they have already made preliminary studies. The Power Commission will do that, and it seems to me they are qualified to do it. Would the Senator from Louisiana feel qualified to say how much it should be?

Mr. ELLENDER. I would not, but if I had the facts I might be able to do so.

Mr. BONE. We have done the only logical, horse-sense thing, and that is to leave it to the Federal Power Commission to take up that study and say how much is properly, decently, and legitimately chargeable to power development. Having done that, the money collected from the users of power will be paid into the Treasury in order to pay off every dollar the Government has put into that plant which is properly chargeable to power development.

Mr. ELLENDER. As I understand the pending bill, whatever amount is fixed by the Power Commission will determine the question, and the Senate will have nothing to say about it.

Mr. BONE. Does the Senator think the Senate should now say how much should be charged for power?

Mr. ELLENDER. I do not know. I am asking the Senator. I do believe, since the Senate authorized the appropriation, it should have something to say as to how the Government should be reimbursed.

Mr. BONE. I have been intensely interested in this subject, but I doubt if it would be the logical or safe thing for us to arrogate to ourselves power and authority to now say, arbitrarily, how much should be charged to power. I have one viewpoint; other Senators, quite as honest in their viewpoints as myself, have a different viewpoint. We have submitted it to the one agency, which we all recognize to be a decent, honorable governmental agency, to say what that allocation should be. There is nothing novel in this idea. The same course has been and will be followed many times, as in the case of the T. V. A. and the Grand Coulee. To say that the Government will not get any money out of the power development is perfectly ridiculous, for the bill requires that the Government shall be repaid for that investment. No one desires anything to the contrary.

Mr. SCHWELLENBACH. May I say to the Senator from Louisiana we have certain elements fixed. Very clearly the locks must be allocated exclusively to navigation.

Mr. ELLENDER. That amount has been determined and fixed.

Mr. SCHWELLENBACH. The amount allocated to navigation has been determined to be four and a half million dollars. So also the fish ladders must be allocated against the cost. No production of power is involved in the fish ladders.

Mr. ELLENDER. How much will be allocated to the fish ladders?

Mr. SCHWELLENBACH. That cost will be borne by the Government, just as it bears the cost of any other fish ladders constructed by the Bureau of Fisheries.

Mr. ELLENDER. Why is it necessary to build fish ladders?

Mr. SCHWELLENBACH. The building of the dam makes necessary the building of fish ladders. The dam is primarily for the purpose of navigation, and it seemed to us to be clear that that cost is something which is separate and apart from the actual development of power. However, under the bill, if the Federal Power Commission should feel that the cost of the fish ladders should partially be borne by power, they have the right so to require.

Then there are the power plant and the generating machinery. Clearly they must be allocated against power. There can be no dispute as to that. There is also the dam there which is of joint value. It is of value for navigation and also for the development of power. Clearly, since the Government has assumed the responsibility not only on the Columbia River but throughout the country of the development of the rivers for the purpose of navigation the total cost of that dam should not be against power because of the fact that the power gets the benefit of the dam, and the total cost should not be against navigation. So there is that portion of the cost of the construction of the dam, which must be allocated between the two.

If the Senator will notice on the bottom of page 12, section 7, the bill provides:

> In computing the cost of electric energy developed from water power created as an incident to and a byproduct of the construction of the Bonneville project, the Federal Power Commission may allocate to the costs of electric facilities such a share of the cost of facilities having joint value for the production of electric energy and other purposes as the power development may fairly bear as compared with such other purposes.

We feel that under that provision of the bill the Federal Power Commission will make a fair allocation as between the two.

The Senator from Utah discussed the question of its being unfair to private power companies. Clearly when the Federal Government comes in and builds a dam for the purpose of navigation or flood control and as a natural and necessary incident to that dam hydroelectric power is created, it cannot be justified upon any basis of economy or economics that the Federal Government should say, "We just will not use that power." On the other hand, it would not be fair merely to charge in the rates secured for the power only the cost of the construction and maintenance of the powerhouse and the machinery therein contained, because it is the dam which made possible the use of that powerhouse and the securing of the hydroelectric power.

Every dam presents a different problem as to just how much should be allocated. As my colleague [Mr. BONE] has indicated, we did not feel, and we do not feel, that it is possible for us here to say that a certain percentage of cost of the dam should be allocated to power and a certain percentage to navigation. That is a subject which can only be decided after study of all the problems affecting the benefits to navigation which will be secured.

Mr. ELLENDER. The Senator means additional benefits. As I understand, the river was navigable prior to the building of the dam?

Mr. SCHWELLENBACH. The river is navigable only for small and light boats.

Mr. ELLENDER. Does the Senator think that the Government should be charged with any more for navigation purposes than to make it possible for large vessels to go up the river?

Mr. SCHWELLENBACH. No; and I do not think there will be any intention on the part of anybody to charge any more. The studies the Army engineers are making and what they are doing is directed to finding out how much value there is.

Mr. ELLENDER. Additional value to what previously existed?

Mr. SCHWELLENBACH. Yes; the opening of the stream for large vessels, and the fact that it will be possible to ship products of the farm from eastern Washington and eastern Oregon down through that stream at a lower rate than the producers are able to get shipping them by rail.

Mr. ELLENDER. I do not want to be misunderstood; I am in accord with the power-development proposal; but I was under the impression that the Government would get back every dollar that it paid out for the construction of the dam and the power plant. That is the reason I asked the Senator the questions I have submitted.

I recall having read several statements to the effect that all power developments would be self-sustaining and that the Government would eventually be reimbursed every dollar it

put out. My fear now is that too much may be charged to navigation and the Government will thereby be made to pay most of the cost of the project. I am confident that the primary reason advanced for the building of the dam was that it would provide cheap electricity.

Navigation at the time was only incidental. Now it seems that navigation may play an important part in determining the allocation of costs and will form an avenue through which the Federal Treasury will probably be called upon to bear the major portion of the cost of this project. At any rate, the river was navigable above the dam, before it was built, and locks were therefore necessary in order to at least afford the same class of navigation. The important question to be determined is, How much more was navigation improved and how much was the Government justified in spending for that improvement?

Be that as it may, it is my hope that the Army engineers will be given full authority to determine the question of allocation of costs and that in the performance of this duty they will allocate for navigation only such sums as the Government would be justified in spending after considering the added tonnage and advantages to navigation.

COURT REFORM AND JUDICIAL PROCEDURE

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. O'MAHONEY, Mr. VAN NUYS, Mr. BORAH, and Mr. AUSTIN conferees on the part of the Senate.

WORK ON THE BONNEVILLE PROJECT

The Senate resumed the consideration of the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

Mr. POPE. I should like to ask the Senator from Oregon a question with reference to section 6 of the bill appearing on page 11.

That section provides that schedules of rates and charges for electric energy shall be prepared by the administrator and approved by the Federal Power Commission. Then a policy seems to be stated with reference to fixing rates and charges. The last sentence on the page refers to rate schedules and provides:

> Subject to confirmation and approval by the Federal Power Commission, such rate schedules may be modified from time to time by the administrator, and shall be fixed and established with a view to encouraging the widest possible diversified use of electric energy.

That policy seems to me to be a very important one and is one in which I am deeply interested.

Mr. McNARY. I appreciate that.

Mr. POPE. Then the bill proceeds:

> The said rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas in order to extend the benefits of any integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project.

The policy contained in the sentence beginning at the bottom of page 11 and concluding at the top of page 12 is a general statement that rates shall be fixed so as to encourage the widest possible diversified use of electric energy. Does the Senator attach any particular importance to the use of the word "may", in line 2, page 12, instead of "shall"?

Mr. McNARY. Mr. President, the able Senator from Idaho will recall the number of conferences in which that matter was considered. The Federal Power Commission thought it should be left discretionary with the Commission, because the bill provides and directs that the widest possible use shall be sought with a view to bringing about the lowest possible rates at Bonneville. I think if it were mandatory, it would probably in some instances make impossible the administration of the act, whereas if it is left to the generous judgment of the Federal Power Commission under these terms, they will carry out the very beneficial policy we have provided in the bill. This is the first time such a policy has been incorporated in any act of Congress.

I think the Senator from Idaho need have no fear. As one who lives in the Northwest and has in mind and at heart the potentialities for advancement and benefits along these lines, I know he wants to see the power delivered as far as practicable. It is a matter which in my opinion must be left to the judgment of the Federal Power Commission.

Mr. POPE. The Senator from Oregon and I are entirely agreed that this is one of the purposes of starting a power project at Bonneville. Many parts of the great Northwest section are not now being reached and supplied with electric energy. Therefore it is important that they should be reached, if possible, by the fixing of rates as low as possible and by such other means as may be used to the best advantage to attain that much desired objective. Therefore the term "uniform rates" appeals to me very much. In that manner I believe we will be enabled to extend the use of electric energy to a great many people who might not otherwise be able to have it. My purpose was merely to understand clearly the use of the word "may" in connection with the statement of policy.

Mr. McNARY. I appreciate the observations of the able Senator from Idaho.

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. KING. On page 3, beginning with line 21, I find the following language in the form of a proposed amendment:

> The administrator is authorized and empowered to direct and require the Secretary of War to install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when, in the judgment of the administrator, such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy.

It seems to me a most remarkable proposal that some agent, appointed under the terms of the bill by the Secretary of the Interior, should be authorized and directed to command the Secretary of War to install and maintain additional machinery. I assumed that $45,000,000, to which the Senator from Oregon referred a few moments ago as the ultimate cost of the project, would in fact be the ultimate cost. But here is a "shotgun" authority, with no limitation whatever, that whenever this supernumerary appointed by the Secretary of the Interior decides to increase the machinery or believes that additional power should be created, notwithstanding we are to appropriate $45,000,000, which is to be the ultimate cost of the project, he may direct and compel the Secretary of War to buy more machinery and install it, and undoubtedly increase the facilities of the project.

I am very much opposed to such a proposal and hope the Senate will reject the entire amendment, beginning on page 3, line 21, and ending on page 4, line 16.

Mr. McNARY. Mr. President, there is history back of that proposal which may be interesting and even enlightening to the able Senator from Utah [Mr. KING].

When first prepared the bill gave carte blanche authority to the engineers to operate the dam and install electric facilities. The President and some of his advisers wanted this power turned over to the administrator. We worked on it a long time and finally arrived at this compromise, which provides that the engineers shall operate the dam and that the administrator may not obtrude his judgment in the matter of the operation or do anything connected with the installation of facilities, but if market conditions

shall warrant he may request the Secretary of War to install new facilities which would meet the new market conditions.

That is very different from the proposal as first conceived. It is fair to the administrator. It does not in any way impinge upon the wide authority given the Army engineers and the Secretary of War. But whenever a market need becomes apparent, requiring the installation of new facilities, and when he has made the contracts for the sale of power, all he has to do is to ask the board of engineers to install the necessary new facilities. The Senator from Utah must keep in mind that there are now eight idle units. There are 10 units in all, but 8 of them are idle.

I submitted the matter to General Markham and General Pillsbury, of the Army engineers, and inserted in the record of the hearings their letter stating that it conformed to their views entirely and that they were satisfied with the proposal. They have no way of knowing whether there should be a new installation. It is the man who sells the power, the man who enters into the contracts, the man who is the salesman of the power generated there, who knows whether or not a new unit should be installed. All he does is to request the Board of Engineers to install a new unit, which they will do if the sale of power justifies the installation.

Mr. President, the proposal is satisfactory to the Army engineers, and they think it practicable. I do not understand how they would know otherwise than to hunt up the administrator and learn from him whether they should install some new facilities. They would not keep an account of market conditions. The proposal is a compromise which meets the pleasure of the President, meets the pleasure of the engineers, and is in every way practicable.

Mr. KING. Where will the funds come from with which to purchase and install the additional machinery, and, perhaps, build important additions to the power plants, which might cost millions of dollars? It seems to me it is giving too much authority to the administrator, because under it he might embark upon these expenditures without having the funds available with which to meet them.

Mr. McNARY. Mr. President, the funds from the sale of all power generated are covered into the Treasury of the United States. The Senator from Utah knows full well that the money which has gone into the construction of the dam has come out of the Treasury of the United States. If new units are to be installed in order to meet the market requirements, the funds for that purpose must come out of the Treasury of the United States and the Senator from Utah will have an opportunity to assert his great interest in the welfare of the Treasury when that matter shall come before the Senate .

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Washington.

Mr. McNARY. I yield.

Mr. SCHWELLENBACH. I should like to present, if the Senator from Oregon will permit, an argument on this particular point which I think will satisfy the Senator from Utah that the method which we are pursuing is an economical method.

The dam was built with a capacity for 10 units. At all times it has been contemplated that upon the full completion of the dam and the power facilities of the dam, there shall be 10 units. Clearly it would be bad economy to install all 10 units at one time and have 8 of them not producing any power. Certainly it would not be good business to do that kind of thing. Therefore, it was decided to install only 2 of the 10 units at first.

When the power produced by those two units is sold, and a market is available, and there is a possibility of contracts being signed for the sale of further electric energy derived from the dam, it is contemplated that another two units will be constructed, and so on up to the total facilities of the dam of 10 units.

The Senator may object to having one administrator; but, so far as this particular point is concerned, clearly there is only one man who will know when there is a necessity for the installation of other units, and that is the man who is to have charge of the power operations and the marketing of the power. Any private power company that has an engineer build its dam, and leaves the engineering staff in control of the dam and in control of the power-house, does not let those persons decide when they are going to increase their facilities. The operating part of the organization makes that decision, based upon the possibility of needs for future installation. All that this bill does is to say that when the time comes that the administrator, who is responsible for the financial success of the operation, feels that there is a necessity for the installation of two or more of the remaining eight units, he shall have the power to direct the Secretary of War to do so.

The Senator from Utah raises objection to the word "direct." Clearly that power must rest somewhere. We could not have the administrator execute a number of contracts with private companies or with public districts and sell the power and then go to the Army engineers and have the Army engineers say, "No; we do not want you to do that." Somebody will have to make a decision upon that point, and the one man to make it is the administrator.

Mr. KING. Mr. President, the first objection I have to this plan is the apparent subjection of the Secretary of War to the Administrator; but the principal objection I have is that there is no limitation whatever upon the expenditures which may be made. If additional machinery should be required, if additional expenses are to be incurred, let those in charge of the project come to Congress. Under this bill we are stripping Congress of all power, and the Administrator is clothed with authority to incur any expense he sees fit for the development and enlargement of the plant. Other agencies of the Government have to come to Congress in order to get authority to do such things.

Mr. SCHWELLENBACH. I submit to the Senator from Utah that Congress has passed upon that question. In the appropriations we have made, Congress has approved the plan which provided for 10 units in the project. All that remains to be done is the installation of the generating machinery to fill up these 10 units.

Mr. KING. Suppose, as an illustration, an enlargement of the plant would require the expenditure of $5,000,000. May the administrator draw upon the Treasury for $5,000,000 to pay for the enlargement?

Mr. SCHWELLENBACH. There will always have to be an appropriation.

Mr. KING. Then why give him authority to make the expenditures without coming to Congress for the purpose?

Mr. SCHWELLENBACH. There is nothing in the bill which gives him authority to make the expenditures. He directs the Army engineers to install the additional units. He makes the decision upon that point. Then the Army engineers come to Congress at the next session and, through the Budget Bureau, submit a request for an appropriation by the Congress. There is nothing in the bill which gives the Administrator power to make that expenditure, or to compel the Army engineers to make the expenditure, without coming to Congress and getting the money. That is the only place the money can come from.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I yield to the Senator from Idaho.

Mr. POPE. Is it not true that the activities and experience of the War Department in the past lie in the way of construction, and therefore in this bill the Army engineers have been given power to construct and operate these projects, and therefore this direction is nothing more than requiring them to do the technical end of the work?

Mr. SCHWELLENBACH. Merely to make a decision upon the question as to whether or not the present number of units should be extended.

Mr. POPE. Yes; so that the discretion with which the War Department is clothed does not extend to the matter

of determining what units are to be put in. Therefore, the discretion is simply administrative in character.

Mr. KING. Mr. President, the Senator from Idaho referred to other projects. What other power projects has the Senator in mind in the case of which this unlimited authority is given?

Mr. POPE. Such reference as I made to that matter was to the construction by the War Department of river and harbor projects which have not involved the development of power and its distribution.

Mr. KING. If I may be pardoned, I will say to the Senator that no appropriation may be made for any river and harbor project until a survey has been authorized by Congress. The engineers make a meticulous survey and make their report. After they have made their report, Congress then makes an appropriation of so much for that particular project. It does not give unlimited authority to the engineers, or to the War Department, or to anybody else, to proceed and expend whatever they may see fit for enlargement or deviation from the original plan; but they have to come to Congress every year for additional appropriations if the project has not been completed.

Mr. SCHWELLENBACH. I will say that under this bill it will be necessary in precisely the same way to come to Congress every year.

Mr. SCHWARTZ. Mr. President, will the Senator from Oregon yield for a question?

Mr. McNARY. I yield.

Mr. SCHWARTZ. Referring to section 6 on page 12 of the bill, the last sentence, does the Senator understand that the words "transmission areas" and the words "an integrated transmission system" refer to areas and a system in which Bonneville energy is to be distributed, and not to other areas?

Mr. McNARY. Yes, Mr. President. No provision of this bill refers to any other project. One of the bills did contain the language "all Federal projects now in existence or which may hereafter be created." The policy of distributing the benefits of the Bonneville project as widely as possible is adopted in this bill for the first time, and rests exclusively, I can assure the Senator, in this project, and does not affect any other project.

Mr. SCHWARTZ. As the Senator understands, the bill does not confer power to integrate any transmission-system areas that are not served and will not be served by that project?

Mr. McNARY. The Senator is exactly correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. Yes.

Mr. BARKLEY. I find in this bill a provision which seems to me to be in violation of the Constitution with reference to the appointment of the administrator.

On page 2, beginning in line 22, I find this language:

> The administrator shall be appointed by the Secretary of the Interior, by and with the advice and consent of the Senate.

Under the Constitution the President is authorized to make certain appointments by and with the advice and consent of the Senate. Congress may also authorize the heads of departments to make appointments of inferior officers. I know of no provision in the Constitution, however, which authorizes the Secretary of the Interior or the head of any other department to send nominations up here for confirmation by the Senate.

It does not matter to me which plan the Senator prefers. If he wishes to have the Senate confirm these appointments, they will have to be sent in by the President. If he desires to have the Secretary of the Interior make the appointments, the language requiring confirmation by the Senate will have to be eliminated, because there cannot be both.

Mr. McNARY. I think the point made by the able Senator from Kentucky is exceedingly meritorious. When the bill was first drafted, the appointment was left to the Secretary of the Interior; but the words "by and with the advice and consent of the Senate" were later inserted in the bill. I think, as a matter of constitutional language, it will be necessary for the President to appoint if we are to seek confirmation by the Senate. It is the intention, at the pleasure of the President and his advisory committee, that the Secretary of the Interior shall make this appointment. If that policy is to be carried out, I think we might properly eliminate the language which is objected to by the Senator.

Mr. BARKLEY. Mr. President, it is entirely satisfactory to me that the Secretary make the appointment; but he will have to make it on his own responsibility, without the cooperation of the Senate For that reason, I suggest the elimination of the words to which I have called attention.

Mr. McNARY. I concur in the suggestion. Indeed, I did not remember that that language was in the bill until my attention was called to it by our Democratic leader.

I move to delete from section 2 (a) the words "by and with the advice and consent of the Senate."

The PRESIDING OFFICER. A motion made by the Senator from Utah [Mr. KING] is the pending question.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. I should like to inquire what motion was made by the Senator from Utah. As I understand, he moved to strike out a committee amendment which has not been approved.

Mr. McNARY. It was not in this section.

The PRESIDING OFFICER. The question pending before the Senator from Utah made his motion was the language of the Senate bill as amended by the committee, submitted by the Senator from Oregon as a substitute for the House bill. The motion of the Senator from Utah was in order.

Mr. SCHWELLENBACH. I submit that the proper procedure would be to vote on the question whether or not this amendment should be adopted. It has not been adopted by the Senate.

The PRESIDING OFFICER. That motion, however, is subject to amendment; and the Senator from Utah moves, as an amendment, to strike out certain language.

Mr. SCHWELLENBACH. I understood that he moved to strike out the whole amendment.

Mr. BONE. Mr. President, may I make an inquiry at this point, so that we may clear up the parliamentary situation?

As I recall, on Friday the Senator from Oregon [Mr. McNARY] asked unanimous consent, which was granted without objection, to substitute for the language in the House bill all of the language of the Senate bill. Without objection, that was done. There is nothing before the Senate now except the language of the Senate bill, although it appears under the number of the House bill. The House bill is numbered H. R. 7642. So we have before us only the language of the Senate bill. It was substituted for the language of the House bill by unanimous consent, that language being all after the enacting clause. So what we now have before us is the language of the Senate bill, which is designated as S. 2092, Calendar No. 1046. If I am in error in that, someone should correct me, because that is the language of the CONGRESSIONAL RECORD. There is no question about it.

The PRESIDING OFFICER. The language in the RECORD is the language of the Senate bill as reported from the committee.

Mr. BONE. It is Calendar No. 1046. There should be no misunderstanding about that.

The PRESIDING OFFICER. The amendment has not been agreed to, but the pending question is on the substitute offered by the Senator from Oregon.

Mr. McNARY. Mr. President, the amendment I proposed to the House bill is still the pending question.

The PRESIDING OFFICER. That is correct.

Mr. McNARY. Very well. That is what we are discussing now. I think the Senator from Utah made a motion to strike out certain language; but I have explained it, and I think he is now satisfied.

The PRESIDING OFFICER. Does the Senator from Utah withdraw his amendment? If not, the question is on the

amendment offered by the Senator from Utah to the amendment of the Senator from Oregon.

The amendment to the amendment was rejected.

Mr. BONE. Mr. President, I understood the Senator from Utah had an amendment to offer to limit the amortization period to 50 years?

Mr. KING. Yes.

Mr. BONE. I should rather he would discuss that with my colleague and the Senators from Oregon. It may be that it should be agreed to.

Mr. KING. I think there is no objection to it. On page 12, line 22, after the word "years", I move to strike out the period and to insert a comma and the words "not exceeding 50 years", so that it will read "including the amortization of the capital investment over a reasonable period of years not exceeding 50 years."

Mr. McNARY. Mr. President, if we are to use a yardstick in every matter of discretion to be placed in the hands of the Federal Power Commission, we will have to write an unworkable bill. The investment may be repaid in less than 50 years; it may be paid in 30 years; it might possibly be, if the power should not be sold readily that in order not to work a hardship it would have to be extended over a longer period. The matter was considered by the committee and the advisory committee and the President of the United States and the language "reasonable period of time" was adopted. I hope the Senator from Utah will not insist on his amendment.

Mr. KING. Mr. President, with the very broad powers conferred upon the administrator to expand the plant, build lines outside of the immediate periphery of the plant, with no limitation whatever upon expenditures, it seems to me that it would be most unwise not to have some limitation. It is my recollection that in the Boulder Canyon Act the limitation was fixed at 50 years. The Senator says the investment might be paid within 30 years. The amendment would not prevent its being paid within 5 years or 20 years or 30 years, but it seems to me there ought to be a limitation as to the time within which payments are to be made. It seems to me that with that limitation there would be an inhibition against extravagant and improvident extensions of the plant or unwise and improvident contracts which might be made with respect to the sale of power. With an amortization within 50 years, in view of the fact that in most contracts that have been made for amortization the period has been 50 years or less, I think there should not be any discrimination in favor of this corporation.

Mr. McNARY. Mr. President, I challenge the Senator's statement. In only one other act was there a limitation of 50 years, and I recall that act because I was chairman of the committee and handled the bill in the Senate. It was the Boulder Canyon Act, and there was a limitation of 50 years. But right now some of those interested in the further and continued successful operation of the Boulder Canyon project are asking for an alteration of the time limit, and that it may be extended. In order to avoid the mistakes made when there was a limitation prescribed, I hope the Senator's amendment will not prevail.

Mr. KING. Mr. President, I think the Senator is in error in stating that the Boulder Canyon representatives are asking for an extension of time. They are asking for a modification of the contract, not an extension of time.

Mr. McNARY. I conceive that the two go together.

Mr. KING. No; they do not.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the Senator from Oregon.

The amendment to the amendment was rejected.

Mr. BARKLEY. Mr. President, I do not care to offer an amendment, but I think the matter I brought up a moment ago ought to be cleared up. As I said, it is immaterial to me whether the Secretary of the Interior makes the appointment or whether the President makes it, but if it is to be confirmed by the Senate, the President must make it.

Mr. McNARY. Mr. President, when I was interrupted a few moments ago I was about to suggest, and I now move, that section 2 be modified on line 24, page 2, by the deletion of the words "by and with the advice and consent of the Senate."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment of the Senator from Oregon.

The amendment to the amendment was agreed to.

Mr. McNARY. Mr. President, in the amendment which appears in the bill, giving farmers and the urban users, and, in fact, all users of electric power not involved in the industrial and utility field until January 1, 1941, on line 24, page 7, the date appears "1940" by mistake, and I move that "1940" be stricken out and "1941" inserted. I move the same amendment on page 8, line 2, and on page 8, line 5.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 7, line 24, and on page 8, line 2, and page 8, line 5, it is proposed to strike out "1940" and to insert "1941."

The amendment to the amendment was agreed to.

Mr. SCHWELLENBACH. Mr. President, I send to the desk an amendment, and ask that it be reported by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. On page 16, it is proposed to strike out section 12, lines 1 to 6, inclusive, and to insert in lieu thereof the following:

SEC. 12. The administrator may, in the name of the United States, under the supervision of the Attorney General, bring such suits at law or in equity as in his judgment may be necessary to carry out the purposes of this act; and he shall be represented in the prosecution and defense of all litigation affecting the status or operation of Bonneville Project by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may designate as authorized by law, in conjunction with the regularly employed attorneys of the administrator.

Mr. SCHWELLENBACH. Mr. President, the House text gives the entire authority to the Attorney General's office. The Senate committee bill gives the entire authority to the administrator. My amendment provides that they shall act in conjunction in the prosecution and defense of suits.

Mr. McNARY. Mr. President, I think the amendment will improve the bill, and I hope it may be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington to the amendment of the Senator from Oregon.

The amendment to the amendment was agreed to.

Mr. KING. Mr. President, on page 15, line 8, I move to strike out "$10,000" and to insert in lieu thereof "$7,500." I have conferred with the Senator from Oregon concerning the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment of the Senator from Oregon.

The amendment to the amendment was agreed to.

Mr. BONE. Mr. President, preliminary to a very brief statement, I wish to offer an amendment to the bill, and I should like to have the RECORD show that the amendment is being tendered to the language of the bill known as Calendar No. 1046.

On page 2, line 1, after the words "Bonneville, Oreg.", I move that there be added the words "and North Bonneville, Wash."

Mr. McNARY. Mr. President, I think that provision should be included, because this project belongs to both the States, to Oregon first, and to Washington second.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington to the amendment of the Senator from Oregon.

The amendment to the amendment was agreed to.

Mr. BONE. Some of our brethren in the House feel that it would improve the bill to have this language inserted, and I agree with them.

Mr. President, I think we have now cleaned up all of the amendments except the committee amendments in italics.

We have extended the preferential use to public bodies until January 1, 1941, in all sections of the bill. I wish to address myself for just a moment to some of the questions which have been raised by the Senator from Utah in his interrogatories.

If any Member of this body were called upon to operate a private utility and to operate it efficiently and intelligently, purposefully and profitably for its owners, he would have not only the powers given under the pending bill, but he would have much greater powers. I cannot conceive of the creation, the bringing into existence, of a power project of this character, in conjunction with the control that goes with a navigation dam like this, without giving the authority which is to operate the power plant at least enough leeway to be able to do a good job in a business way.

I certainly should not be guilty of creating an agency like that and then putting the operator of the plant in handcuffs and in a strait jacket and saying, "You cannot do those things which any well-managed private utility or public utility would have to do in order to make a decent financial showing." In the bill we say to the Administrator, "Sir, you are going to have certain power-producing facilities under your control."

Let us not be so profoundly concerned as though this were the supreme crisis of the universe. Mr. President, only 100,000 horsepower is involved in the Bonneville project. That amount of power is only a drop in the bucket out in our part of the country. My little city of Tacoma has a publicly owned power plant with twice that much power—and let me say parenthetically that I think it has the best power plant in the United States, the most successfully managed power plant, and a power plant that is enormously profitable. When I hear the Jeremiahs in this body suggesting that by going into this business the Government is likely not to make profit, I know and other Senators know that power projects are the most profitable projects that men can go into. That is why private power companies do not want the United States Government to go into the power business, because the Government might, forsooth, discover how much profit there is in that business. My city will amortize out its power-producing plant in a very short time. We should not think of curbing the city of Tacoma in its efforts to secure a market, to secure a widely diversified field in which to operate, thereby putting the plant in a legislative strait jacket and saying that it could not do what the operator of a private plant would have to do in order to make it profitable. A manager would not last 5 minutes in a private plant if he did not do all of the things that this bill directs the operator of the Bonneville plant to do to develop markets.

Let us go back to a consideration of the 100,000-horsepower plant provided for in the bill. The Bonneville project is an accomplished project. It is there. You cannot think it away. It stands in the Columbia River at Bonneville. It has generating equipment installed which can produce a little over 100,000 horsepower. That power could be licked up and absorbed very promptly in the Northwest, and if it were absorbed it would not greatly affect the power-market conditions out there; so the statement that this project is going to ruin power concerns and private profits out there is not a very impressive argument. Obviously we can find a market for 100,000 horsepower, because out in Oregon and Washington public power districts are being set up by acts of the people placed upon the statute books of both Oregon and Washington, laws under which provisions for distribution of the power are being made as rapidly as possible. Who, on God's earth, has more right to the power coming from their streams than have the people of the States of Oregon and Washington? It is their power. It does not belong to the Electric Bond & Share Corporation, and by no stretch of the imagination can we placidly accept the idea that the great Columbia River should be turned over to and harnessed for the benefit of eastern power combines.

Mr. President, I cannot follow that sort of argument, nor agree with it.

Some seem to have the idea that there exists a God-given right on the part of a private power concern to control gravity; that natural force which turns the wheels and in an unending stream pours money into the coffers of the fellow who can harness it. That, Mr. President, is a fantastic theory that will no longer be accepted by our people.

Mr. President, the amounts received from this project are covered into the Treasury of the United States. They are to be placed there and will be the property of the United States, and may be expended only by appropriations of Congress. We say in this bill that when the administrator finds markets that need the power and, and that he has not only an actual market for it but a potential market, to serve, and it is necessary to expand the plant and install additional machinery, the only way that that expansion and installation can be done is by the vote of the Members of this body, which vote will appropriate the money for that purpose. It would be very foolish from a business standpoint, obviously, and under ordinary common sense business standards, to put more power units into this project than are necessary for the needs as reflected by power contracts that can be made.

Mr. President, this is a good bill. It is a good bill because it is an honest effort to make the great agency which we set up there serve the people. When we get to the point that we do not conscientiously try to get legislation to do that we should quit legislating. I do not know why we should weep for the miseries of power companies.

Let me tell Senators about one private power plant which was established on what is called the White Salmon River, a few miles from the plant we are now considering. The Senators from Oregon and the honorable Congresswoman from Oregon [Mrs. HONEYMAN], who is present in the Chamber and who helped with the Bonneville legislation in the House, will remember that name. A small power plant was built on that stream by a power company. That plant cost $1,230,000. It was around a 15,000-horsepower plant. The only way the private company could build it was to file on the water right on that river, and that water right was acquired for the small price required to be paid for filing a water-right fee at the State capital, Olympia. Against that water right the company issued a block of common stock amounting to almost ten and one-half million dollars, and the people out in Senator MCNARY's State and in my State were compelled for years and years to pay a fat profit on that ten and one-half million dollars of wind and water.

Mr. President, the purpose of creating this great Bonneville plant is that it shall serve the people. The wheels of this plant can be made to pour cheap current into thousands of homes out there. Not only does it reflect that desire but, I think, the bill has been carefully drawn and reflects the best interests of those who are to be its chief beneficiaries. It is not extreme, because it does not go beyond what is well recognized as good business practice. If it did, it would be futile to contend for it. If the bill went beyond well-recognized business practice, it would be a stupid venture; and Bonneville is not going to be that kind of venture.

The bill gives advantages to public consumption of power and cooperative consumers until 1841. That reflects the wishes of the people of Washington and Oregon.

We have tried to make the bill a common-sense one, and I think it would be a tragedy to have it injured by harmful amendments. From long contact with the power problem, I sincerely feel that the language of the Senate bill is better calculated to do what I know we all desire shall be done; that is, to make this Bonneville plant a magnificent agency of social service.

Mr. PITTMAN. Mr. President, I am for this bill; but in view of the fact that a number of us have been working to have amendments attached to the bill in the House and in the Senate which we felt were advisable for the protection of the Boulder Dam project, a similar project, I feel that I should make a short statement as to why I do not intend to offer any amendments to this bill.

In the first place, I believe offering amendments would be futile. By reason of the attitude of certain Senators

here with regard to the amendments that I have in mind, I think the amendments would not be agreed to, and offering them might result in the defeat of this very meritorious bill.

I have in mind also that the distinguished Senator from Oregon [Mr. McNARY], the minority leader, was very generous in assisting in passing the Boulder Canyon Project Act several years ago, and also in preparing the bill during the period of several years while it was under consideration in committee.

I regret that my colleagues from the upper States within the Colorado River Basin could not agree with me with regard to the benefits of amendments that were agreed to in the Rivers and Harbors Committee in the House and which originally came out in the Senate bill as a part of the measure. We tried for 2 months to agree on an amendment that would seem just to the representatives of what we call the four upper Colorado River Basin States. We were unable to convince them that the suggestions made were just. It is perfectly evident that if any such amendments were offered or placed in the bill there would be a fight on them, which in the remaining hours of the Congress, which I hope will be very short, probably would not only defeat the amendments but would defeat the bill.

However, I wish to take this opportunity to correct some misapprehensions with regard to the so-called Boulder Dam project amendment. In the first place, I think the Senator from Oregon and possibly the Senators from Washington and other Senators from that vicinity believe that it has no relation whatever to the Bonneville project. I do not agree with that at all. The Boulder Dam project is a Government project, but it is not treated with the liberality with which the Bonneville project is treated with relation to cheap power. It is not treated with the liberality with which the Alabama power project is treated in relation to cheap power.

The State of Nevada is in rather a dual position. It is entitled to use 18 percent of the power from the Boulder Canyon project in the State. On the other hand, it is to receive a part of the revenue in lieu of lost taxation. That seems to be rather contradictory.

Let me state that in a campaign in our State the question was raised as to whether or not the State should make a profit on the 18 percent of power by increasing the sale price, or whether it should secure its benefits by bringing into the State industries which would be taxable. Our State almost unanimously decided that it would receive more benefit on behalf of its people by cheap power which would induce industries, which would be taxable, to locate in the State than it would by attempting to be a profiteer on the power allotted to it by the Government.

In this particular let me say that I hold as a fundamental principle that the cheaper the cost of things produced from the earth is made to the consumer while maintaining our high standards, the more prosperous the people are. I realize that we are faced constantly with the question of taxation on existing industries and the necessity of their continuance. That is true. We were met with that proposition when the sailing ship was superseded by the steamship, when the wooden ship was superseded by the iron ship; we were met with it when the stagecoach was superseded by the railroad; and we are confronted, to some extent, with the same question now when the railroads are threatened by motor vehicles; but, in the long run, I hold it to be a fundamental principle that the cheaper the necessities and luxuries of life can be furnished to the people without lowering our standards, the more prosperous and happy they will be.

I do not believe in confiscating property. Those who have expended their savings for the accommodation of the public, no matter what their profits may be, are entitled to be protected against confiscation; but when inventions or improvements are conceived and put into use that are more economical and more for the benefit of the whole public than things they previously used, then the old must give way to the new.

One of the first Government power plants in the United States, I may say the first, was the Boulder Canyon project. It was true we constructed a plant in Alabama on the Tennessee River, but that was purely a war plant, for the purpose of manufacturing war materials. The Boulder Canyon project was the first Government project designed to create power as cheaply as it might be created for the benefit of industry and the people as a whole. Having in mind the desire to sell power as cheaply as possible to the public, we had to have in mind that the Bonneville project was preparing for the same purpose and under better conditions than those which affected the Boulder Canyon project. The project at Bonneville was to have the United States Treasury take part in paying a certain cost of the dam, while that was not true with regard to the Boulder Canyon project. The Bonneville project bill provides that whatever may be necessary as a separate expenditure for navigation shall not be a charge against the power but shall be a charge against the Federal Treasury, as is the case today in connection with every river and harbor improvement.

It was called to the attention of the committee of the House and at a meeting before the Secretary of the Interior that there is inevitable competition between these two Government projects. Some may not see, perhaps, how there can be competition when they are nearly 2,000 miles apart; but the competition lies in drawing to the vicinity of those great power plants electrochemical industries. They will go to the cheapest one, of course. Therefore, it is absolutely essential and material that the rates fixed at Bonneville shall not be discriminatory as against the rates fixed at the Boulder Canyon project or the Alabama project or any other Government project.

Mr. BONE. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BONE. I am sure the Senator recognizes the fact that other factors aside from power cost also enter into the question of determining whether or not the owner of a business would move to a certain community. If mere power cost alone were the sole factor, the determining factor, the city of Tacoma would today have all the electrochemical business in the United States, because it has the cheapest power rates in America; but there are electrochemical plants and manufacturing plants in other cities. There is the element of local taxation, the element of accessibility to rail and water, whether salt water or navigable fresh water of some sort, whether there is ready access to markets, and the cost of getting materials to the plant. So there are other factors besides power cost.

Private power companies, I will say to the Senator, have made the assertion many times—I have reams of pamphlets and what not in my library which emanated from private power companies in my State in a controversy out there a few years ago—that power costs had absolutely nothing to do with the location of a business in the community. That assertion was made in a political campaign on the theory that the cost of the power to business is so slight a part of the operating and overhead costs of the plant that it is not in anywise a determining factor. I myself do not assert that as a fact; I simply point out that it is one of the very common assertions of private power companies that the cost of power to business is not the major factor, in fact, it is one of the lowest factors to be considered when a business is to be located. Whether that be true or not must be determined by all the factors that go to make up the preferred selection of a location for a business.

Mr. PITTMAN. I readily admit what the Senator from Washington says, that there are other factors than the fixed price per kilowatt-hour for power. There are climatic conditions; there is the cost of living in the community; there is the cost of transportation from the place where the product is manufactured; and there are a number of other considerations. There is, however, an uncertainty about that, I will say to the Senator from Washington, which requires expert determination, as does the question

require expert determination as to how much shall be allocated to the cost of navigation at the Bonneville project.

Therefore, the amendment that was submitted to the House of Representatives provided:

SEC. 6. (a) The President shall direct the holding of public hearings by such agency or agencies as he may designate and the preparation prior to December 31, 1937, of a report to the President which shall include—

(1) The findings of such agency or agencies respecting any unreasonable discrimination against the Boulder Canyon project with respect to charges against power for construction costs, amortization, and interest on the basis of the standards prescribed in this act and in view of the physical, financial, and economic conditions surrounding each project; and

In preparation of that provision the suggestions just made by the Senator from Washington were taken into consideration. The provision deals with discrimination against one section of the country by another. I supported that provision; I helped to prepare it because my State has 18 percent of the power generated at Boulder Canyon Dam for use in the State, and we have adopted the policy that it shall be distributed as near cost as possible. Therefore we are interested in cheap power.

But we have another interest in the matter, and that interest has been attacked. The States of Arizona and Nevada are allocated 18¾ percent each, or 37½ percent between them, of the profit in lieu of taxation. Is that anything new? I am sorry to say that some of my friends and colleagues from the four upper basin States have constantly spoken of what Arizona and Nevada would so receive as though it were a grant, a bonus, a subsidy, a gift of some kind. Do Senators not realize that at the time the Forest Reserve Act was passed, a long time ago, that question was discussed in this body: On the floor of the Senate representatives of the great Western States said:

If you prevent the acquisition by individuals of land in the great forest reserves, you will destroy the opportunity of the States to obtain sufficient taxation to maintain themselves and their sovereignty.

Enormous forest reserves were created taking up one-fourth of some States for the benefit of the whole public, and then it was said to the States, "You lose this potential taxation, but you get no compensation." Congress then established the policy that when the potential taxable property of a State was taken away it should have compensation. The result was that 25 percent of all the receipts from the grazing and timberlands on forest reserves went to the States where situated.

Many years after that, when we were preparing the oil-leasing bill in this body, the question again arose as to whether such States as Colorado, Wyoming, New Mexico, and Utah, that had great potential oil resources, could afford to give up the taxation of those oil resources for the benefit of the whole Republic. The question was debated time and time again on the floor of the Senate, and it was unanimously agreed that if the potential taxable property of a State was taken over by the Federal Government and excluded from State taxation, it was the duty of the Federal Government to compensate the State.

How was it determined to compensate the States when we took over all the oil resources of the Western States, Texas included? It was done by providing that 37½ percent of all the royalties on the oil leases should be turned over to the State treasuries, that 52½ percent of all the royalties should be turned into the reclamation fund, and that only 10 percent should be retained by the Federal Government for administration purposes.

When we came to the Boulder Canyon project, which started April 12, 1921, when I introduced the bill in this body, to allow the seven States to enter into a treaty with regard to the division of the waters of the Colorado River, the same question of policy arose. After 5 years of discussion in the committee and after a bitter fight on the floor of the Senate, the same policy was extended to Arizona and Nevada, the dam being built across the river between the two States, and it was provided that the States of Arizona and Nevada were entitled to the same thing that Wyoming had, the same thing Colorado had, the same thing New Mexico had with regard to oil, which was that those two States jointly should have 37½ percent of the proceeds from the sale of power generated at that dam.

No one complained. Yet I am sorry to say I have heard representatives of the four upper States demanding that large receipts should go into a special fund for the upper States in a manner that reflected upon the grants of revenue to Arizona and Nevada in lieu of taxation. If it had not been for that compact dividing the waters of the river there never would have been any Boulder Dam Act. If there had been no Boulder Dam Act, then the California Edison Co. would have built the dam; and if they had built the dam, then, based on today's rate of taxation, Nevada would receive $600,000 annually forever, and Arizona a like amount.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. CHAVEZ. Under the compact and the law relating to Boulder Dam, does not Arizona now get $600,000 a year, and does not Nevada get $600,000 a year?

Mr. PITTMAN. That is correct.

Mr. CHAVEZ. Then Nevada and Arizona are not losing anything by the passage of the bill.

Mr. PITTMAN. Not now; but the State of New Mexico is losing.

Mr. CHAVEZ. How much is New Mexico getting under the other act now, and how much can she expect to get in the future?

Mr. PITTMAN. New Mexico will get nothing under this bill; it is getting nothing under the Boulder Canyon Act, and will get nothing under the Boulder Canyon Act for 40 or 50 years, or until the project is amortized. What I proposed to the Senator frfom New Mexico and other Senators was that if we could get the bill amended so that $400,000 or $500,000 from the receipts from power could annually be put into a fund now to be used in the development of the other Colorado River States we would be 40 years ahead of where we would be under the present act.

Mr. CHAVEZ. It is for that very reason that the upper-basin States—Utah, Wyoming, Colorado, and New Mexico—are anxious now, when an effort is being made to amend the law, to protect themselves so that they will be in better shape than under the original act.

Mr. PITTMAN. How is it proposed to protect those States in that matter?

Mr. CHAVEZ. I do not think I am violating any confidence when I say the Senator from Nevada made a suggestion that an amendment could be adopted by which the four upper-basin States could get a certain amount of money, commencing now. We all agreed that was all right, and that we would like to get something right now. The only difference of opinion is that we think the amount suggested heretofore is not sufficient to pay the States for what they have already lost.

Mr. PITTMAN. Already lost?

Mr. CHAVEZ. What we did not get.

Mr. PITTMAN. What those States did not get and what they are not getting.

Mr. SCHWARTZ. Mr. President, will the Senator from Nevada yield?

Mr. PITTMAN. I yield.

Mr. SCHWARTZ. I think what the Senator from New Mexico [Mr. CHAVEZ] meant to say is that a certain amount would go into a fund which would be subsequently appropriated and used by the Reclamation Service for the development of the other States. He did not mean to say the proposal was that we were going to get a very direct offer contemplating any fixed sum of money.

Mr. CHAVEZ. The Senator from Wyoming is correct.

Mr. PITTMAN. The grant to Nevada and Arizona was not in perpetuity for the 37½ percent of the revenues from that dam was to be only during the period of the amortization. What will happen after the period of amortization

expires? I am not complaining, because I helped to draft the bill during the 7 or 8 years it was under consideration. Here is the only provision in the bill touching on that matter:

After the repayments to the United States of all money advanced with interest, charges shall be on such basis and the revenues derived therefrom shall be kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress.

That is the only language in the Boulder Dam Act with regard to any separate fund. That does not commence to operate until after the Government shall have been paid off in full.

I heard a great deal of argument about the 62½ percent. In the Boulder Canyon Act the 62½ percent only goes to amortize $25,000,000 allocated to flood control. When that is amortized the 62½ percent goes into the Treasury of the United States and not into any particular fund.

Here is the amendment I suggested to apply to that fund. I do not desire to wait 40 or 50 years for the completion of the accumulation of a fund which we are going to need every year. We made an appropriation this year of $300,000 for a survey of the river. That appropriation from the Treasury would not have been necessary if this amendment had been in the law. I have proposed that we add to the amendment, which was reported by a vote of 21 to 22 out of the House committee and unanimously out of the Senate committee, the following:

There shall be placed in said separate fund referred to and described in the foregoing paragraph (c) annually the sum of $420,000 until repayment to the United States of all moneys advanced with interest shall have been paid. Such deposits shall commence on the 1st day of July, 1939. Rates fixed under paragraphs (a) and (b) shall include increments to the extent necessary to provide revenue to meet payments required by this paragraph (d).

Mr. SCHWARTZ. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. PITTMAN. I yield.

Mr. SCHWARTZ. I think the record will show that the lower basin States, including California, objected to that specific proposal just as much as any other State. They wanted to agree in theory, and all that sort of thing, but did not want to get down to cold figures.

Mr. PITTMAN. I am not so advised. I think there must be some misunderstanding. I adopted the figure $420,000 because Mr. Scattergood, representing the power and light interests of California, agreed to it. Is the Senator from Wyoming willing to accept it now?

Mr. SCHWARTZ. I am, so far as I am concerned; but southern California, or those who represent power down there, were not willing to agree upon any specific sum to be stated in the amendment.

Mr. PITTMAN. I do not know what the conferences may have done, but I say I was authorized to insert that amount, and I did so. If today every one of the Senators from the upper States would rise in the Senate and say they would agree to it, I should be glad to offer the amendment now.

Mr. SCHWARTZ. Mr. President, I think it ought to be said that the Senator from Nevada wanted to be helpful, and has been helpful, and has endeavored to bring about a proper adjustment. Certainly none of the upper-basin State Representatives or Senators, so far as I know, is criticizing his action or his efforts in any respect.

Mr. PITTMAN. After I had supplied that amendment to, I believe, every one of the Senators from the seven Colorado River States, accompanying that amendment I wrote the following letter or memorandum to each one of the seven Senators. If any of them did not receive it, I should like to know it. It is dated July 29:

MEMORANDUM

To: The Senators from the seven Colorado River Basin States.
By: KEY PITTMAN.

I herewith attach copy of the Boulder Canyon Project Act and copy of the proposed amendment to the Bonneville Act as it was presented in the House, and as included in the Bonneville Act reported to the Senate.

There is only one reference in the Boulder Canyon Project Act with regard to the separate fund to be expended within the Colorado River Basin. That provision is found on page 4 of the act, and reads as follows:

"After the repayments to the United States of all money advanced with interest, charges shall be on such basis and the revenues derived therefrom shall be kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress."

There has been a great deal of confusion with regard to the interpretation and application of the 62½ percent of excess revenues. That reference is found on pages 1 and 2, in paragraph (b) of section 2. If you read it carefully, you will see that it in no way refers or has any bearing upon the separate Colorado River Basin fund. The 62½ percent only applies to the payment of the $25,000,000 allocated to flood control. Whether the twenty-five millions is paid prior to the amortization of the balance of the one hundred and sixty-five millions or not, the 62½ percent after the amortization of the twenty-five millions becomes a part of the general fund for the amortization of the one hundred and sixty-five millions. If the twenty-five millions were paid off prior to the amortization of the project, still, under the act, no money would go into the separate fund until after the Government was repaid in full for all expenditures. The twenty-five millions might not be paid off, or any funds applied to it, until after the Government was repaid for other expenditures. This depends upon what excess revenues are provided. There will be sufficient revenues provided under existing contracts to pay off the twenty-five millions prior to the amortization of all moneys expended by the Government. The Secretary of the Interior, however, in 1945, is authorized to readjust the contracts and lower the rates. If the rates are lowered, then the amortization of the twenty-five millions will be postponed.

I am informed by the General Counsel of the Interior Department that the Department did not recognize that there was any obligation, legal or moral, to maintain any excess revenues. At the present time, under the existing contracts, Nevada and Arizona would each receive approximately $600,000 annually. If, under the readjustment of the contracts in 1945, no excess revenues are provided, then Arizona and Nevada would receive nothing in lieu of lost potential taxes on the property. I have therefore recommended to the Governor of the State of Nevada that the act be amended to provide a fixed annual sum amounting to $300,000 annually, which is approximately one-half of what Nevada would receive if the rates were not reduced in 1945. As Nevada is one of the States which is interested in the special fund, I have been negotiating for several weeks with both the California representatives and the General Counsel of the Interior Department, looking to the placing of a certain amount annually in the separate fund during the period of amortization. The States will need this fund long before the date of the amortization of the project.

The suggested amendment that I am sending you provides for such annual deposit, in addition to what is already provided in the bill. The fund sustains no loss by such amendment, but a distinct gain. I believe that we can obtain this amendment at the present time. We may not be able to accomplish this after the Bonneville bill passes. We would have great difficulty in passing it as a separate act, because so few Members of Congress are interested in our seven States.

In reply to that memorandum, I received this suggested amendment in lieu of what I have read:

The Secretary of the Interior, in making any adjustment of charges and rates under paragraph (d) hereof, is hereby directed to provide revenues adequate in his judgment, and in addition to other payments required to be made under the Boulder Canyon Project Act, to pay into the Colorado River Dam fund annually the sum of $1,000,000, which amount shall be placed in a separate fund to be expended by the Bureau of Reclamation exclusively within the States of Colorado, New Mexico, Utah, and Wyoming for the development of the water resources of the Colorado River.

That was not any such amendment as I had suggested. That amendment limited the fund solely to four States, and not to seven, as the original fund now provides. That amendment provided $1,000,000, instead of $420,000. It provided that the money should be expended by the Secretary of the Interior without authority or appropriation by Congress.

Mr. CHAVEZ. Mr. President——

Mr. PITTMAN. Just a second. That was the way in which the original reclamation fund was constituted; but away back in 1912 the Congress of the United States passed an act that never again should there be a revolving fund held in the possession of any officer; that the money should go into the Treasury of the United States and should be appropriated by Congress. Such a suggestion as that is an

impossibility under the sentiment of Congress as it now exists.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. PITTMAN. I yield to the Senator.

Mr. CHAVEZ. I believe there is some merit in some of the criticisms the Senator from Nevada has made of that amendment. The bill originally provided that the money that would be accumulated in the future should be expended within the seven States of the Colorado River Basin. Would the Senator from Nevada be willing to accept that amendment if it included the States of Nevada, Arizona, and California?

Mr. PITTMAN. Providing for $1,000,000?

Mr. CHAVEZ. Yes.

Mr. PITTMAN. No; I should not, because I do not believe the cost of power could be reduced an iota if that were done. That is the reason why I did not do it, and I worked for 6 weeks to get the amount as high as I thought it could be made and still reduce the cost of power.

I want to say, however, that I am not going to offer this amendment. Nevada can take its chances in 1945, and it is willing to do so. All we lose directly by this thing is what every State of the Colorado River Basin loses. We lose any fund for 40 or 50 years. I am sorry to lose that fund. Nevada would not be getting much of it, anyway—do not worry about that—because, unfortunately, we are so situated with regard to the reservoir that we cannot use it.

Personally, I should be willing to wipe out any claim on this particular fund. I cannot speak for Arizona in the matter, though. I cannot speak for California in the matter. So far as Nevada is concerned, I would wipe it out, and let you four upper-basin States take it; but, of course, I can never agree that the policy we adopted heretofore—that the money should go into the Treasury and be appropriated by Congress—shall be changed so that it shall go into a reclamation fund, and there forever be.

There is just one other thing that I wish to say. When you gentlemen of the four upper States are asking that you shall have as much out of the revenues from that dam as Nevada and Arizona get, would you object to an amendment that if and when you build a dam that creates power in your States, we should have in a separate fund, for the three lower States, an equal amount from your dam?

Mr. CHAVEZ. I will answer that question.

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New Mexico?

Mr. PITTMAN. I yield.

Mr. CHAVEZ. If it was not necessary to get at least the acquiescence of the upper-basin States originally, why were they included in the compact?

Mr. PITTMAN. I will tell the Senator why. He was not here at the time. I happened to be here.

Mr. CHAVEZ. I should like to know.

Mr. PITTMAN. This project was thought of years ago. The survey of the river for this project was started under Wilson's administration, in 1913. When it came to the point that the Reclamation Service, under Mr. Weymouth as chief engineer, had spent 6 years and made a magnificent report as to the possibility of this dam, then those who would be interested in it, the three lower States, anticipated building the dam.

What happened? We talked to the then representatives of the four upper States. They said to us, "We are never, never going to help you build a Government dam at the top of the three lower States by which you can appropriate all the water of that river"—and we could "unless there is a treaty by which half of the water of that river is reserved forever to the four upper States"; and it was then, sir, that I realized that you could defeat it. It was then, on April 12, 1921, that I introduced the first bill ever introduced providing for the seven-State compact.

Mr. CHAVEZ. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Nevada further yield to the Senator from New Mexico?

Mr. PITTMAN. I yield.

Mr. CHAVEZ. The Senator admits that under the compact the upper-basin States are entitled to some water.

Mr. PITTMAN. Half of it.

Mr. CHAVEZ. Half of it; 7,500,000 acre-feet, I think, to be correct. If we do not get a fund from somewhere, how are we to utilize the water that Nevada and Arizona and California said we were entitled to?

Mr. PITTMAN. You might get it just as we got it. Did that ever occur to the Senator?

Mr. CHAVEZ. It had occurred to me, but you folks are already in there, and we are not.

Mr. PITTMAN. I do not see why you cannot get it in the same way. Nevada and Arizona are now suffering injustices.

Mr. CHAVEZ. I am sure we do not want to inflict any injustice.

Mr. PITTMAN. I know that, and I do not want to see any injustice done.

Mr. McNARY. Mr. President, I have asked the Senator from Nevada to yield in order that we might take a final vote on the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon, as amended.

Mr. PITTMAN. Mr. President, I have not concluded.

I think the upper-river States were unfair to us. I do not mean intentionally, because in the very beginning we granted to the upper-river States everything they asked. They did not ask for anything I have ever heard of except the assurance that their half of the water could not be appropriated in the lower river. We tried to fix that. It was first fixed in the Colorado River compact, and the whole act is based on the six-power compact, and governed by it.

So far as I ever heard, no revenue was ever asked. As a matter of fact, the States of Nevada and Arizona for 5 or 6 years contended that when the Government was paid, all the profit should go to those two States in return for a part of their natural resources. That was discussed for 5 or 6 years, and finally, if I am not mistaken, it was on my recommendation in the committee that it was provided that after final amortization the profits should be distributed as the Congress saw fit, within the seven States. That was all there was to it.

This project is 1 of 12 projects which will eventually be built on the river. We were entitled to compensation for what we lost. There is a tract 100 miles by 10 miles of our territory which has been excluded from use or covered by water. All the mineral resources have been destroyed. They were there, there is no question. We could have gotten $600,000 a year if he had fought the act and let private industry build it. We do not get so much out of it. This is a project for the three lower States. It was never intended that it should be constructed for the purpose of furnishing funds for any of the four upper States. That was never thought of.

When the dam is built in New Mexico they will be asking for compensation in lieu of lost taxable property, I may say to the Senator from New Mexico, and they will be entitled to it, and they will get it. We of the lower States are not going to ask for an equal imposition upon the cost of power to be put into a fund from New Mexico's power receipts for the benefit of the lower States.

When Colorado builds her dam and generates power and sells it she will have compensation for the loss of property potentially taxable. But we are not going to ask Colorado to put on top of that power base charges for the lower States. As the 12 dams are built the lower States will not expect to demand revenue out of the power receipts from all the dams just because each of the States, under the fixed policy of Congress, will be getting receipts in lieu of lost taxes.

I say this for the reason that from the very start of this matter, at the time I introduced the first bill ever introduced on the subject, on April 12, 1921, providing for a

treaty between the seven States, I have fought for everything the upper States ever demanded, and have never ceased to do so. I was in antagonism all through that fight, which lasted for 7 years, against the State of California. The interest of the State of California is identical with ours now to the extent that we desire the possibility of lowering power rates by lowering the base upon which the power rates are fixed equal to those of Bonneville. Bonneville is to have probably 33⅓ percent of the total cost of the dam allocated to navigation and charged to the United States Treasury. They allocated $25,000,000 of the cost of the Boulder Canyon project to flood control, but they make us pay it. That is what I am getting at.

I am wholly unwilling to offer my amendment to the bill, because it has been thrashed out. The House committee, after weeks of debate, by a vote, I have heard, of 21 to 2, or perhaps 3 or 4, I do not know which, reported out this amendment, without the addition I have proposed for the upper States. It was included in the Senate committee bill and brought onto the floor, but it was lost in the House. There was no test vote in the House. Do not tell me there was a test vote, when only a little over a hundred out of a total of 435 voted. I am wholly unwilling, after the effort for 2 months to settle this matter, to inject an amendment now, no matter how good I may think it is, an amendment which would create only talk, and probably destroy a bill which I favor, a bill which is favored by Senators who have long been friends of mine, and are friends of our own project.

Mr. McADOO. Mr. President, I desire to express my concurrence in substantially all the Senator from Nevada [Mr. PITTMAN] has said about the pending measure. Like the Senator from Nevada, I am unwilling to offer any amendment to the bill to equate the injustice which its enactment will inflict upon the Boulder Dam project, because I do not want to delay the operation of the great power plant which has been constructed at Bonneville. I not only would not stand for any further effort to amend the bill to protect or to give justice to California and Nevada and Arizona, but my regard and friendship for the Senators from Washington and Oregon would make me yield a great deal before I would place any impediment in the path of the people of those two great States.

I do wish to say, however, that the enactment of the Bonneville bill will give Bonneville an advantage in the cost of production of power far in excess of the rate at which power can be produced or sold from the Boulder Canyon project. That is due to the fact that the rate of interest and the amortization provisions of the bill give Bonneville a great advantage in the cost of production. I do not believe that any governmental project of this character should be discriminated against in favor of another. They should all be upon an equal basis so far as the fundamental policies governing their construction are concerned.

I myself have done everything I could during the past 2 months in which we have been in negotiation about this matter to secure an amendment to the Bonneville bill, like the amendment which was unfortunately rejected in the House. That amendment would have put these two great enterprises on an equality, and would have given the people of my State and the people of Arizona and of Nevada equality of opportunity so far as cost of production and sale of power is concerned, with the people of the great States of Washington and Oregon.

California is the one State in the Colorado Basin which makes the Boulder Dam project possible, because it is the people of California who must buy this power and this water to amortize this project in the final analysis.

Mr. CHAVEZ. Mr. President, is it not true that the upper basin States furnish the water to California to make the project possible?

Mr. McADOO. That is partly true; but they furnish only the headwaters of the Colorado and use only a small proportion of it.

We are quite willing to recognize the equities of the situation. I do not want to enter into any controversy with my good friend from New Mexico about that, because I am perfectly willing, and California is perfectly willing, to recognize New Mexico's equities. We have done so in the seven-State compact, which has been ratified by the Congress heretofore, and to which his State is a party.

The point I wish to emphasize is that it now transpires that the Boulder Canyon project is placed at a great disadvantage with the Bonneville project so far as power cost is concerned. In order to develop business for Boulder Dam and get the industries which we hope to induce to come into southern California we shall have to compete with cheaper power furnished by the Bonneville Dam. That is obviously unfair.

Mr. President, at the time the Boulder Dam project was before the Senate, and at the time that legislation was passed, and when the seven-State compact was entered into, the basis of amortization and the interest rates were established with the idea that that would be a fair basis for all projects of this character. Now, all we are asking is to be put on the same basis for establishing rates for power as is given by this legislation to the Bonneville Dam.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from California yield to the Senator from New Mexico?

Mr. McADOO. I yield.

Mr. CHAVEZ. I fully agree with the Senator from California that the Boulder Dam area should be placed on the same basis as the area in the northwest. That is all the upper-basin States are asking for. They are asking that they be put on the same basis as California, Arizona, and Nevada; that if the lower-basin States are allowed to utilize some of this water, we be allowed to utilize some of it.

Mr. McADOO. All I can say to my distinguished friend from New Mexico is that the modification asked by Nevada and California, and I believe Arizona also, does not take away from the upper-basin States one shred of right or advantage that they now have. On the contrary, it improves their position immeasurably, and makes it possible for them to get something which they cannot get under the contract as it exists today.

I have no criticism to make of the Senators from the upper-basin States, but I am suggesting that they join us in putting in this legislation conditions from which they will get benefits they will not receive without it, and which at the same time will equalize the power price with that of the Bonneville Dam. That is all we want.

I wish to acknowledge, Mr. President, that the Senators from Oregon and the Senators from Washington have been most kind and considerate in their desire to cooperate with us in establishing a basis of cost equality; I thank them for their consideration.

Mr. BONE. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BONE. Can the Senator from California tell us what the present generating capacity is of the Boulder Dam?

Mr. McADOO. I have not the figures before me, and I cannot answer.

Mr. PITTMAN. Mr. President, of course, at the present time the Boulder Dam is not operating at full capacity, as the Senator from Washington must know. The Boulder Dam is operating at the present time, I should guess, at about 200,000 horsepower. Inside of 2 years it will be operating at 550,000 firm horsepower, having a maximum of a million firm and secondary horsepower.

Mr. BONE. Mr. President, the question suggests itself to me because there seems to be a fear of what terrible things are going to happen at the hands of the Bonneville plant; but these other plants are Gargantuan compared with the Bonneville plant, which is only a little 100,000-horsepower plant. The argument is made that there is 100,000 horsepower there, which is likely to be a threat against the country. It ought

to be borne in mind that my little city of Tacoma has 100,000 horsepower of surplus energy, which is as much as the entire Bonneville project can produce.

Mr. PITTMAN. Is its maximum generation 100,000 horsepower?

Mr. BONE. No; it is 500,000 horsepower. That will be many years in the future; so if Senators are frightened at this great ghost on the Columbia, let us help lay the ghost, because 100,000 horsepower of energy is not very much. It ought not to worry Los Angeles for fear that it might tend to destroy the power consumption that comes from the Boulder Dam and other projects, and certainly it cannot be a very tremendous factor in the competitive field.

Mr. McADOO. Mr. President, I am not in the least afraid of my amiable friend from Washington, nor of any of the amiable Senators from the upper-basin States. The point involved is the establishment of a fundamental policy such as should govern the United States in establishing uniformity of treatment of these various Government projects. If we are discriminated against at Boulder Dam so that we are forced to charge a higher rate for power furnished to industry in our section of the country—southern California—in competition with Bonneville at a lower rate, the natural attraction to industry will be Bonneville.

I want to see all these sections prosper and flourish, but I want them all to stand on the same basis so far as the cost of power is concerned.

Mr. PITTMAN. Mr. President, I do not think it is so much a question of the amount of power. However, when the Government is going to take charge of certain Government projects in various sections of the country, taking into consideration all the factors in the matter, it should be very careful to see that it is not subject to the criticism of discrimination.

Mr. McADOO. I agree with the Senator from Nevada about the amount of power. That is not so important as to get the fundamental basis right.

Answering the senior Senator from Washington, who says that as they will presently produce only about 100,000 horsepower, which will be consumed by his great city of Tacoma alone, we need not fear any threat from the Bonneville Dam. We do not fear any immediate threat from them, but it is the potential power of the Bonneville Dam that we must take into consideration, and we must consider what is the fair basis for each. That is all I am contending for.

I want to go on record to this extent, not only to explain my own attitude but also to say that I trust that when this question comes up in the next Congress in the form of a proper measure, we may have the aid and the cooperation of the Senators from Washington and Oregon in correcting what will be a serious injustice to and a discrimination against the Boulder Canyon project.

Mr. KING. Mr. President, I have listened to the castigation which my friends from California and Nevada have attempted to administer to the Senators from the upper-basin States. I have listened with equanimity, notwithstanding the rather violent manner in which their castigation has been administered. In the first place, as has been stated by the Senator from Washington [Mr. BONE], the Senators who have spoken have been seeing ghosts. They do not know, neither does anyone know, what the cost for power will be at Bonneville. It may be greater than the charge for electrical energy at Boulder Dam. As a matter of fact, I have been told that the production of power there will cost more than the production of power at Boulder Canyon. This Bonneville scarecrow has been used—I do not say this offensively—for the purpose of securing an amendment of contracts entered into by California interests, to the disadvantage of the upper-basin States. I do not intend to discuss this question now, notwithstanding there are many valid arguments to meet the position of the Senators referred to. There will be opportunities for a full presentation of the facts at a subsequent time.

Mr. ASHURST. Mr. President, I have listened with interest to the discussions today regarding the Bonneville project and the Boulder Dam project. I do not rise to rake the embers of a feud that raged furiously between Arizona and California over the Boulder Dam. I dwell but little in the graveyards of the past. I learn lessons from them, but the problems of the future are the problems which I consider.

I address myself to all Senators from the Colorado River Basin States, not those alone from the upper-basin States or those alone from the lower-basin States, but to the Senators from the lower- and the Senators from the upper-basin States, and I lay before them a situation which might be fraught with peril.

Our neighbor to the South, the Republic of Mexico, is now making, and for years has made, claim to waters of the Colorado River. Every acre-foot of water that may go to Mexico from the Colorado River means that so many acres of land in California, Arizona, Nevada, and the upper-basin States will forever remain arid. All the waters of the Colorado River belong to the United States. Such of the waters of the Colorado River as are now permitted to Mexico by the United States go to Mexico neither by treaty nor through international law, but by grace, amity, and good neighborliness, although the actual needs and American requirements ultimately would consume and utilize all the flow of the Colorado River. The United States is under no obligation by treaty or international law or otherwise to recognize in Mexico a right to demand the continuous flow into Mexico of any of the waters of the Colorado River if such waters may be diverted within the United States, for a beneficial use within the United States. This has been the position of our Government with reference to American water flowing into Mexico from the Colorado River.

Mr. President, the Department of State for many years—I should say for 20 years or more—has been eager to negotiate a treaty with Mexico distributing to Mexico certain waters of the Colorado River. I shall, as I have in the past, oppose any such treaty.

Mr. President, on December 8 last I wrote a letter to the Department of State pointing out that there was no treaty, no international law in existence, that required the United States to send any water from the Colorado River to Mexico. I ask unanimous consent to have printed at this point in my remarks a copy of my letter to the Department of State on that subject.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

WASHINGTON, D. C., *December 8, 1936.*

Hon. R. WALTON MOORE,
Acting Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: Your letter of December 1 received advising that the diplomatic negotiations between the United States and the Republic of Mexico regarding the equitable use of the waters of the Rio Grande have reached an impasse because of Mexico's contention that the consideration of questions pertaining to the lower Rio Grande must be coupled with questions relating to the Colorado River.

You further advise, in the said letter of December 1, that your Department has not hitherto seen its way clear to acquiesce in the Mexican contention.

Whilst your Department did not concede the propriety of the Mexican contention, you have, nevertheless, with unclouded vision clearly perceived that the distribution of the waters of the Rio Grande is not and cannot be related to the problem of the waters of the Colorado River.

Moreover, you have in your endeavors to protect American rights been quite unimpressed by suggestions of Mexican diplomats that the question of the disposition of waters of the Rio Grande would come to a standstill unless coupled with the question of the disposition of the waters of the Colorado River.

The waters of the Rio Grande and the waters of the Colorado River are not related by propinquity, topography, physical geography, or otherwise and a remote excursion of the imagination could not supply a shred of excuse for treating the waters of the Rio Grande and the waters of the Colorado River as a single problem or in entirety.

Such of the waters of the Colorado River as are now permitted to Mexico by the United States are furnished to Mexico neither

by treaty nor by international law but by grace, amity, and neighborliness, although the actual American needs and requirements ultimately should and would consume and utilize all of the entire flow of the Colorado River.

The United States is under no obligation, by treaty, by international law, or otherwise, to recognize in Mexico a right to demand the continuous flow into Mexico of any of the waters of the Colorado River if such waters may be diverted within the United States for beneficial use within the United States. This has been the consistent position of our Government with reference to American rivers flowing into Mexico.

On December 12, 1895, Hon. Judson Harmon, Attorney General of the United States, at the request of the Department of State, interpreted Mexican treaties and international law as applied to Mexican claims for Rio Grande water. He held that there was no treaty or provision of international law which prohibited the United States from utilizing the waters of American streams so long as that water was on American soil. (See vol. 21, O. P. Atty. Gen. 274, et seq.)

On September 1, 1903, Hon. M. C. Burch, of the Department of Justice, wrote a report, at the request of the Department of State, regarding the protest of Mexico to the diversion of water from the Colorado River for use in the Yuma Valley, Ariz., and in the Imperial Valley, Calif., holding that there was no inhibition against American citizens using Colorado River water so long as the irrigation works were located entirely within the United States.

On August 20, 1919, the Secretary of State, Hon. Robert Lansing, reported to the chairman of the House Committee on Irrigation of Arid Lands upon the provisions of H. R. 6044, being a bill to assist in increasing the productive agricultural area of the Imperial Valley, and held that the use of the Colorado River water for this purpose was not a violation of treaty obligations of the United States to Mexico.

Under date of August 17, 1922, Hon. Charles E. Hughes, then Secretary of State, advised Hon. Herbert Hoover, then Chairman of the Colorado River Commission, along lines similar to those laid down in the report of Mr. Lansing. Mr. Hughes' letter is published in House Document 359, Seventy-first Congress, at page 261, et seq.

The latest declaration of our Government is the report of the American section of the International Water Commission, United States and Mexico, and is found on page 65, and is as follows:

"It has always been held that a nation has a full right within its own territories of those resources which might be necessary for its development or for the comfort of its people. Any granting of a portion of such resources to another nation must be regarded as a voluntary act of friendship and comity."

See also the copious memorandum on American rights in the Colorado River, prepared by Mr. Karl F. Keeler, found at pages 192–282, House Document 359, Seventy-first Congress.

Whatever privileges Mexico may assert by amity and grace to waters of the Colorado River, must be limited to the Colorado River in a state of nature. Mexico has no reservoir or dam sites within her boundary on the Colorado River where she could store any quantity of water and she cannot require the United States to supply such sites. Neither can she claim the benefit of storage works built within the United States through the expenditure of funds of the United States and for the avowed benefit of communities and citizens of the United States.

Before the approval of the so-called Boulder Dam Act, Mexico and the United States together had completely exhausted the available dependable annual flow of the Colorado River, in its state of nature, and Mexico's maximum beneficial use in any one year was 750,000 acre-feet.

It is a principle of law that a person who by his own efforts and expenditure of his own money increases the available water in a stream is entitled to control that increase. Accordingly, Mexico cannot claim the benefits of Boulder Dam or dictate the release of water therefrom.

Protracted and difficult contests in the courts and in Congress, furnish ample evidence of the earnestness and the urgency of the American demands for the waters of the Colorado River. The Debler Report, only recently compiled by the Reclamation Service, shows a complete utilization by the United States of the waters of the Colorado River. Mr. Debler has already drastically reduced the demands and ultimate requirements of some of the basin States in order to eke out the 750,000 acre-feet annually permitted to Mexico. Seven hundred and fifty thousand acre-feet of water annually is the maximum amount of the Colorado River Basin States could by grace or otherwise, surrender.

In returning my thanks for your polite attention in writing to me upon this subject, candor requires me to say that the proposal of the Department of State to create a committee of three, one member to be appointed by the Colorado River Basin States, one by the State of Texas, and one by the two thus chosen, subject to the approval of the Department of State, or by the Department of State, to formulate a basis of a treaty with Mexico (unless I have misconceived the question) would be opposed by the Colorado River Basin States for many reasons, among which are the following:

Senators from the Colorado River Basin States would be reluctant to restrict their future freedom of action by agreeing in advance that such committee shall decide how much water might remain in the Colorado River available for use in the seven Colorado River Basin States.

The proposal to create such committee is untenable.

(a) It proceeds upon the erroneous hypothesis that the Rio Grande Basin and the Colorado River Basin have identical problems and have interests of equal value at stake, whereas in fact the Colorado River Basin would be called upon only to give and supply water to Mexico whilst the Rio Grande Basin would be called upon only to receive water from Mexico.

(b) It accords to one State—Texas—equal representation with seven States of the Colorado River Basin.

(c) It assumes that the representative of the Department of State would be a neutral and disinterested third party, whilst the fact is the Department of State desires to negotiate a treaty for the equitable use of the waters of the Rio Grande and is harassed by intimations by Mexico that such treaty can be negotiated only by the United States surrendering to Mexico waters of the Colorado River in excess of the 750,000 acre-feet per annum.

(d) The proposal is impracticable because the Colorado River Basin is divided into two definite groups with divergent interests, to wit: The upper basin and the lower basin. The lower basin is also divided into two groups with sharp conflict of interests, to wit: California and Nevada on the one side and Arizona on the other. In the present posture of affairs it would be almost outside the domain of possibility for the Colorado River Basin States to agree as to who should be the Colorado River Basin States' member of such committee.

I respectfully decline to be a party to or to support a treaty that would deprive the Colorado River Basin States of a vital portion of a natural resource belonging to them.

Pray, accept assurances of my highest esteem and regard.

Yours respectfully,

HENRY F. ASHURST.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from California.

Mr. JOHNSON of California. Has the Senator noticed during the last few days that the Secretary of State has appointed a gentleman to negotiate a treaty in respect to the waters of the Rio Grande River and of the Colorado River?

Mr. ASHURST. I was not aware of that.

Mr. JOHNSON of California. That has appeared simply in the press. This morning I wrote a letter to the Secretary of State, courteously asking for information in that regard. When I shall have received a reply from the Secretary of State, I will submit it to the Senator.

Mr. ASHURST. I thank the Senator.

Mr. JOHNSON of California. Mr. Sumner Welles, as I remember, was appointed commissioner to negotiate treaties in regard to both rivers. What they intend to do I do not know, but I fear the good-neighbor policy.

Mr. KING. Mr. President, the matter to which the Senator from Arizona [Mr. ASHURST] has just invited attention is one which I consider of grave importance. There seems to have been a disposition upon the part of certain officials of the State Department for a number of years last past to concede to Mexico some moral if not legal claim to the waters of the Colorado River.

I took the matter up during the administration of President Coolidge and ascertained that there were tentative negotiations in progress which were based upon a claim from Mexico that the United States pay $50,000,000 for her alleged interest in the Colorado River. I protested to the President of the United States against our Government admitting Mexico's claim, and stated that Mexico had no claim whatever to any of the waters of the Colorado River unless, perchance, such limited amount as was used for the irrigation of two or three hundred thousand acres of land. The matter was referred by the President of the United States to our Ambassador, with whom I conferred. I stated to the latter that if any attempt were made to barter away the rights of the United States in and to the waters of the Colorado River it would, in my opinion, meet with opposition in the United States Senate and upon the part of the American people.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. ASHURST. I am not feeling my best today and am in no mood to pay compliments, but I regard the Senator from Utah [Mr. KING] as an able constitutional lawyer, and I ask him if there exists now any treaty or international arrangement or aught else which requires the United States to send any water of the Colorado River into Mexico?

Mr. KING. I answer, without hesitation, no. I made some examination into this matter, and I happened across the opinion of former Attorney General Harmon. After ex-

amining some authorities on international law, I reached the conclusion that the United States has the right to divert and use for beneficial purposes the waters of the Colorado River.

Mr. HATCH. Mr. President, will the Senator yield? I wish to ask a question along the line of that of the Senator from Arizona.

Mr. KING. In a moment. In my opinion there is no justification for the claim of Mexico that we shall turn down to her any part of the waters of the Colorado River, although, as a matter of comity, I would feel disposed to say that there should be turned down to her a sufficient amount to irrigate the lands which for a number of years have been irrigated in Mexico. I now yield to the Senator from New Mexico.

Mr. HATCH. Is the Senator from Utah familiar with the condition on the Rio Grande? That river, as the Senator knows, furnishes large water supplies to irrigation projects in the State of New Mexico before the water reaches the Republic of Mexico. That water is not involved, but after leaving the United States the waters of the Rio Grande are supplemented from streams having their source in the Republic of Mexico.

Mr. KING. I am familiar with the peregrinations and the labyrinthine course of the Rio Grande.

Mr. HATCH. Is there any obligation upon the part of the Republic of Mexico to permit the waters flowing into the Rio Grande to enter the United States and irrigate the lands of the lower Rio Grande Valley, or could the Republic of Mexico build dams and reservoirs and store all that water and destroy the vast projects in the State of Texas?

Mr. KING. Mr. President, I would not want to answer that categorically, but I did state to the Secretary of State in a communication which I wrote to him, and also in a number of oral conversations a little over a year ago, that the situation was such, in my opinion, as to warrant negotiations between the two Governments with a view to adjusting any conflict. It might be a matter of justice and equity if the United States would make some contribution in money to a settlement of the Rio Grande controversy. But I am speaking now of the Colorado River, and I am not intending to intrude into another field, namely, that of the Rio Grande River.

Mr. HATCH. The reason why I asked the question was that the law relating to the Colorado also relates to the Rio Grande.

Mr. KING. There are some analogies, and there are some questions which give rise to a pronounced disparity.

Mr. HATCH. I may in explanation say that I have been looking into the situation somewhat and am impressed with the problem which confronts the State Department over the situation, not only on the Colorado but on the Rio Grande as well.

Mr. KING. They ought not to yoke the two together.

Mr. ADAMS. Mr. President, let me say just a word following what has been said by the Senator from New Mexico [Mr. HATCH] and the Senator from Utah [Mr. KING] regarding the Rio Grande situation.

It so happens that the State of Colorado has had a practical experience. The Rio Grande River rises in Colorado in what is known as the San Luis Valley. Some years ago, when this controversy was fresh, the then Attorney General of the United States, Judson Harmon, handed down an opinion to the effect that there was no legal obligation on the part of the United States to allow water to flow from the United States into Mexico. However, the United States entered into treaty relationship with Mexico by which it was agreed that not less than 60,000 acre-feet should be delivered across the boundary into Mexico every year. In order that that might be done, the use of public lands in my State was forbidden for the building of reservoirs and ditches, thus stifling and withholding the development of irrigation in the State of Colorado. The States in the irrigated areas sometimes suffer by reason of the desire of the State Department to maintain friendly relations with Mexico.

As the Senator from Arizona [Mr. ASHURST] called attention sometime ago, those of us from the Western States received copies of a communication suggesting that there be a joint conference or committee or some form of tribunal jointly to adjudicate or arbitrate with the Republic of Mexico the relative rights, not upon the Rio Grande but upon the Rio Grande and Colorado Rivers. It so happens that both rivers are in my State. Sixty-five percent of the water of the Colorado River rises in the State of Colorado, and I think almost as large a percentage of the waters of the Rio Grande.

It was suggested that the committee be constituted in such way that it would be quite possible to arrange to satisfy the Republic of Mexico as to its claims of the Rio Grande by giving it water out of the Colorado, or vice versa. In either case my State of Colorado would probably be the loser. Consequently I made the same suggestion as that made by the Senator from Utah [Mr. KING] as to the formation of committees of conference—insisting, so far as I could, that the Colorado River should be treated separately from the Rio Grande; that if it was desired to enter into negotiations with the Republic of Mexico as to the Colorado River, commissioners should be appointed from the States affected by the Colorado River, and if they wished to enter into relations or negotiations relative to the Rio Grande, separate negotiations should be entered into and the United States should be represented by the States interested.

I trust we will not become involved in any form of negotiation which will result disastrously to those of us who are dependent upon the rainfall in our respective States in the semiarid region of the country.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon [Mr. MCNARY] as amended.

Mr. MCNARY's amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7642) was read the third time and passed.

Mr. MCNARY. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. SHEPPARD, and Mr. MCNARY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, communicated to the Senate the intelligence of the death of Hon. THEODORE A. PEYSER, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITE of Idaho, Mr. GREEVER, Mr. DEMPSEY, and Mr. CASE of South Dakota were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1160. An act for the relief of Troup Miller and Harvey D. Higley;

H. R. 169. An act to provide for a term of court at Benton, Ill.;

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1114. An act for the relief of Agnes Ewing Harter;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the naval air station, Hampton Roads, Va., May 15, 1936;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckinridge County, Ky., to the Commonwealth of Kentucky;

H. R. 4716. An act authorizing the construction and equipment of a marine hospital in the State of Florida;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5194. An act granting a renewal of patent no. 60731 relating to the badge of the Girl Scouts, Inc.;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5860. An act making further provision for the fisheries of Alaska;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise-vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptacle in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6453. An act to increase the minimum salary of deputy United States marshals to $2,000 per annum;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 6693. An act to legalize a dike in the Missouri River 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 6976. An act to provide for the establishment of a Coast Guard station on the coast of Alabama at or near Dauphin Island, Ala.;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street, in the city of Bridgeport, Conn., a nonnavigable stream;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky;

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence;

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes;

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the North Canadian River in Oklahoma;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts;

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island; and

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York.

MUNICIPAL BANKRUPTCY

Mr. PEPPER. Mr. President, I move that the Senate proceed to the consideration of Order of Business 936 on the calendar, House bill 5969, the municipal bankruptcy bill.

Mr. BURKE. Mr. President, it is a very important piece of legislation that is covered by the motion made by the Senator from Florida. To me it seems to be unwise and dangerous legislation. I have no doubt there are sufficient votes to pass the measure, but I should not like to see it acted upon by such a small number of Senators as are now present. Accordingly, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Andrews	Davis	Lee	Reynolds
Ashurst	Dieterich	Lewis	Schwartz
Austin	Donahey	Lodge	Schwellenbach
Barkley	Ellender	Logan	Sheppard
Bilbo	Frazier	Lonergan	Shipstead
Black	George	Lundeen	Smith
Bone	Gerry	McAdoo	Steiwer
Borah	Gillette	McCarran	Thomas, Okla.
Bridges	Glass	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Minton	Vandenberg
Burke	Hatch	Murray	Van Nuys
Byrd	Herring	Neely	Wagner
Byrnes	Hitchcock	Nye	Walsh
Capper	Holt	O'Mahoney	Wheeler
Caraway	Hughes	Overton	White
Chavez	Johnson, Calif.	Pepper	
Clark	Johnson, Colo.	Pittman	
Connally	King	Pope	

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Florida [Mr. PEPPER] that the Senate proceed to the consideration of House bill 5969, Calendar No. 936.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 5969) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary without amendment.

The bill is as follows:

Be it enacted, etc., That the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as approved July 1, 1898, and acts amendatory thereof and supplementary thereto be, and they are hereby, amended by adding thereto a new chapter, to be designated "chapter X", to be and read as follows:

"CHAPTER X

"ADDITIONAL JURISDICTION

"SECTION 81. This act and proceedings thereunder are found and declared to be within the subject of bankruptcies and, in addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction as provided in this chapter for the composition of indebtedness of, or authorized by, any of the taxing agencies or instrumentalities hereinafter named, payable (a) out of assessments or taxes, or both, levied against and constituting liens upon property in any of said taxing agencies or instrumentalities, or (b) out of property acquired by foreclosure of any such assessments or taxes or both, or (c) out of income derived by such taxing agencies or instrumentalities from the sale of water or power or both, or (d) from any combination thereof; (1) Drainage, drainage and levee, levee, levee and drainage, reclamation, water, irrigation, or other similar districts, commonly designated as agricultural improvement districts or local improvement districts, organized or created for the purpose of constructing, improving, maintaining, and operating certain improvements or projects devoted chiefly to the improvement of lands therein for agricultural purposes; or (2) local improvement districts such as sewer, paving, sanitary, or other similar districts, organized or created for the purposes designated by their respective names; or (3) local improvement districts such as road, highway, or other similar districts, organized or created for the purpose of grading, paving, or otherwise improving public streets, roads, or highways; or (4) public-school districts or public-school authorities organized or created for the purpose of constructing, maintaining, and operating public schools or public-school facilities; or (5) local improvement districts such as port, navigation, or other similar districts, organized or created for the purpose of constructing, improving, maintaining, and operating ports and port facilities; or (6) any city, town, village, borough, township, or other municipality: *Provided, however*, That if any provision of this chapter, or the application thereof to any such taxing agency or district or class thereof or to any circumstance, is held invalid, the remainder of the chapter, or the application of such provision to any other or different taxing agency or district or class thereof or to any other or different circumstances, shall not be affected by such holding.

"DEFINITION

"SEC. 82. The following terms as used in this chapter, unless a different meaning is plainly required by the context, shall be construed as follows:

"That the term 'petitioner' shall include any taxing agency or instrumentality referred to in section 81 of this chapter.

"The term 'security' shall include bonds, notes, judgments, claims, and demands, liquidated or unliquidated, and other evidences of indebtedness, either secured or unsecured, and certificates of beneficial interest in property.

"The term 'creditor' means the holder of a security or securities.

"Any agency of the United States holding securities acquired pursuant to contract with any petitioner under this chapter shall be deemed a creditor in the amount of the full face value thereof.

"The term 'security affected by the plan' means a security as to which the rights of its holder are proposed to be adjusted or modified materially by the consummation of a composition agreement.

"The singular number includes the plural and the masculine gender the feminine.

"COMPOSITIONS

"SEC. 83. (a) Any petitioner may file a petition hereunder stating that the petitioner is insolvent or unable to meets its debts as they mature and that it desires to effect a plan for the composition of its debts. The petition shall be filed with the court in whose territorial jurisdiction the petitioner or the major part thereof is located, and, in the case of any unincorporated tax or special-assessment district having no officials of its own, the petition may be filed by its governing authority or the board or body having authority to levy taxes or assessments to meet the obligations to be affected by the plan of composition. The petition shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in lieu of the fees required to be collected by the clerk under other applicable chapters of the Uniform Bankruptcy Act of 1898, as amended. The petition shall state

that a plan of composition has been prepared, is filed and submitted with the petition, and that creditors of the petitioner owning not less than 51 percent in amount of the securities affected by the plan (excluding, however, any such securities owned, held, or controlled by the petitioner), have accepted it in writing. There shall be filed with the petition a list of all known creditors of the petitioner, together with their addresses so far as known to petitioner, and description of their respective securities showing separately those who have accepted the plan of composition, together with their separate addresses, the contents of which list shall not constitute admissions by the petitioner in a proceeding under this chapter or otherwise. Upon the filing of such a petition the judge shall enter an order either approving it as properly filed under this chapter, if satisfied that such petition complies with this chapter and has been filed in good faith, or dismissing it, if not so satisfied.

"The 'plan of composition', within the meaning of this chapter, may include provisions modifying or altering the rights of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, and may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire.

"No creditor shall be deemed to be affected by any plan of composition unless the same shall affect his interest materially, and in case any controversy shall arise as to whether any creditor or class of creditors shall or shall not be affected, the issue shall be determined by the judge, after hearing, upon notice to the parties interested.

"For all purposes of this chapter any creditor may act in person or by an attorney or a duly authorized agent or committee. Where any committee, organization, group, or individual shall assume to act for or on behalf of creditors, such committee, organization, group, or individual shall first file with the court in which the proceeding is pending a list of the creditors represented by such committee, organization, group, or individual, giving the name and address of each such creditor, together with a statement of the amount, class, and character of the security held by him, and attach thereto copies of the instrument or instruments in writing signed by the owners of the bonds showing their authority, and shall file with the list a copy of the contract or agreement entered into between such committee, organization, group, or individual and the creditors represented by it or them, which contract shall disclose all compensation to be received, directly or indirectly, by such committee, organization, group, or individual, which agreed compensation shall be subject to modification and approval by the court.

"(b) Upon approving the petition as properly filed, or at any time thereafter, the judge shall enter an order fixing a time and place for a hearing on the petition, which shall be held within 90 days from the date of said order, and shall provide in the order that notice shall be given to creditors of the filing of the petition and its approval as being properly filed, and of the time and place for the hearing. The judge shall prescribe the form of the notice, which shall specify the manner in which claims and interests of creditors shall be filed or evidenced, on or before the date fixed for the hearing. The notice shall be published at least once a week for 3 successive weeks in at least one newspaper of general circulation published within the jurisdiction of the court, and in such other paper or papers having a general circulation among bond dealers and bondholders as may be designated by the court, and the judge may require that it may be published in such other publication as he may deem proper. The judge shall require that a copy of the notice be mailed, postpage prepaid, to each creditor of the petitioner named in the petition at the address of such creditor given in the petition, or, if no address is given in the petition for any creditor and the address of such creditor cannot with reasonable diligence be ascertained, then a copy of the notice shall be mailed, postage prepaid, to such creditor addressed to him as the judge may prescribe. All expense of giving notice as herein provided shall be paid by the petitioner. The notice shall be first published, and the mailing of copies thereof shall be completed at least 60 days before the date fixed for the hearing.

"At any time not less than 10 days prior to the time fixed for the hearing, any creditor of the petitioner affected by the plan may file an answer to the petition controverting any of the material allegations therein and setting up any objection he may have to the plan of composition. The judge may continue the hearing from time to time if the percentage of creditors required herein for the confirmation of the plan shall not have accepted the plan in writing, or if for any reason satisfactory to the judge the hearing is not completed on the date fixed therefor. At the hearing, or a continuance thereof, the judge shall decide the issues presented and unless the material allegations of the petition are sustained, shall dismiss the proceedings. If, however, the material allegations of the petition are sustained, the judge shall classify the creditors according to the nature of their respective claims and interests: *Provided, however,* That the holders of all claims, regardless of the manner in which they are evidenced, which are payable without preference out of funds derived from the same source or sources shall be of one class. The holders of claims for the payment of which specific property or revenues are pledged, or which are otherwise given preference as provided by law, shall accordingly constitute a separate class or classes of creditors.

"At the hearing, or a continuance thereof, the judge may refer any matters to a special master for consideration, the taking of testimony, and a report upon special issues, and may allow reasonable compensation for the services performed by such special master, and the actual and necessary expenses incurred in connection with the proceeding, including compensation for services rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work may have been done by the petitioner or by committees or other representatives of creditors, and may allow reasonable compensation for the attorneys or agents of any of the foregoing, and may apportion the amount so determined among the parties to the proceeding as may be just: *Provided, however,* That no fees, compensation, reimbursement, or other allowances for attorneys, agents, committees, or other representatives of creditors shall be assessed against the petitioner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan of composition. An appeal may be taken from any order making such determination or award to the United States circuit court of appeals for the circuit in which the proceeding under this chapter is pending, independently of other appeals which may be taken in the proceeding, and such appeal shall be heard summarily.

"On 30 days' notice by any creditor to petitioner, the judge, if he finds that the proceeding has not been prosecuted with reasonable diligence, or that it is unlikely that the plan will be accepted by said proportion of creditors, may dismiss the proceeding.

"(c) Upon entry of the order fixing the time for the hearing, or at any time thereafter, the judge may upon notice enjoin or stay, pending the determination of the matter, the commencement or continuation of suits against the petitioner, or any officer or inhabitant thereof, on account of the securities affected by the plan, or to enforce any lien or to enforce the levy of taxes or assessments for the payment of obligations under any such securities, or any suit or process to levy upon or enforce against any property acquired by the petitioner through foreclosure of any such tax lien or special assessment lien, except where rights have become vested, and may enter an interlocutory decree providing that the plan shall be temporarily operative with respect to all securities affected thereby and that the payment of the principal or interest, or both, of such securities shall be temporarily postponed or extended or otherwise readjusted in the same manner and upon the same terms as if such plan had been finally confirmed and put into effect, and upon the entry of such decree the principal or interest, or both, of such securities which have otherwise become due, or which would otherwise become due, shall not be or become due or payable, and the payment of all such securities shall be postponed during the period in which such decree shall remain in force, but shall not, by any order or decree, in the proceeding or otherwise, interfere with (a) any of the political or governmental powers of the petitioner; or (b) any of the property or revenues of the petitioner necessary for essential governmental purposes; or (c) any income-producing property, unless the plan of composition so provides.

"(d) The plan of composition shall not be confirmed until it has been accepted in writing, by or on behalf of creditors holding at least two-thirds of the aggregate amount of claims of all classes affected by such plan and which have been admitted by the petitioner or allowed by the judge, but excluding claims owned, held, or controlled by the petitioner: *Provided, however,* That it shall not be requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors (a) whose claims are not affected by the plan; or (b) if the plan makes provision for the payment of their claims in cash in full; or (c) if provision is made in the plan for the protection of the interests, claims, or lien of such creditors or class of creditors.

"(e) At the conclusion of the hearing, the judge shall make written findings of fact and his conclusions of law thereon, and shall enter an interlocutory decree confirming the plan if satisfied that (1) it is fair, equitable, and for the best interests of the creditors and does not discriminate unfairly in favor of any creditor or class of creditors; (2) complies with the provisions of this chapter; (3) has been accepted and approved as required by the provisions of subdivision (d) of this section; (4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable; (5) the offer of the plan and its acceptance are in good faith; and (6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan. If not so satisfied, the judge shall enter an order dismissing the proceeding.

"Before a plan is confirmed, changes and modifications may be made therein, with the approval of the judge after hearing upon such notice to creditors as the judge may direct, subject to the right of any creditor who shall previously have accepted the plan to withdraw his acceptance, within a period to be fixed by the judge and after such notice as the judge may direct, if, in the opinion of the judge, the change or modification will be materially adverse to the interest of such creditor, and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner. Either party may appeal from the interlocutory decree as in equity cases. In case said interlocutory decree shall prescribe a time within which any action is to be taken, the running of such time shall be suspended in case of an appeal until final determination thereof. In case said decree is affirmed, the judge may grant such time as he may deem proper for the taking of such action.

"(f) If an interlocutory decree confirming the plan is entered as herein provided, the plan and said decree of confirmation shall become and be binding upon all creditors affected by the plan, if within the time prescribed in the interlocutory decree, or such additional time as the judge may allow, the money, securities, or other consideration to be delivered to the creditors under the terms of the plan shall have been deposited with the court or such disbursing agent as the court may appoint or shall otherwise be made available for the creditors. And thereupon the court shall enter a final decree determining that the petitioner has made available for the creditors affected by the plan the consideration provided for therein and is discharged from all debts and liabilities dealt with in the plan except as provided therein, and that the plan is binding upon all creditors affected by it, whether secured or unsecured, and whether or not their claims have been filed or evidenced, and, if filed or evidenced, whether or not allowed, including creditors who have not, as well as those who have, accepted it.

"(g) A certified copy of the final decree, or of any other decree or order entered by the court or the judge thereof, in a proceeding under this chapter, shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the decree or order was made. A certified copy of an order providing for the transfer of any property dealt with by the plan shall be evidence of the transfer of title accordingly and, if recorded as conveyances are recorded, shall impart the same notice that a deed, if recorded, would impart.

"(h) This chapter shall not be construed as to modify or repeal any prior, existing statute relating to the refinancing or readjustment of indebtedness of municipalities, political subdivisions, or districts: *Provided, however,* That the initiation of proceedings or the filing of a petition under section 80 shall not constitute a bar to the same taxing agency or instrumentality initiating a new proceeding under section 81 thereof.

"(i) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control, by legislation or otherwise, any municipality or any political subdivision of or in such State in the exercise of its political or governmental powers, including expenditures therefor.

"TERMINATION OF JURISDICTION

"SEC. 84. Jurisdiction conferred on any court by section 81 shall not be exercised by such court after June 30, 1940, except in respect of any proceeding initiated by filing a petition under section 83 (a) on or prior to June 30, 1940."

Mr. PEPPER. Mr. President, I am sure Senators recognize this as what is known as the municipal bankruptcy bill, Calendar No. 936. I am sure all of us are aware, also, that except for certain changes which have been made, this is the same subject with which the Seventy-third Congress dealt in the passage of the first municipal bankruptcy bill.

Various drainage districts, road districts, levee districts, school districts, municipalities, cities, and towns of certain sorts were engaged in reorganization under the provisions of that act of the Seventy-third Congress when the Supreme Court declared the act unconstitutional in the Ashton case. Since that time the House has had the matter reinaugurated, and has given quite extensive consideration to the subject, having long public hearings, and many able witnesses have testified at those hearings. I believe the defects in the original act have been cured in the House.

The House has passed the bill. It came to the Senate, and has been approved and favorably reported by the Senator from Illinois [Mr. DIETERICH] on behalf of the Committee on the Judiciary. I think, therefore, it is not necessary to go into a protracted discussion of the merits of the bill.

I wish to add only that this matter is of tremendous importance to States like my own, where a number of the special tax districts or political subdivisions of the State—which are not instruments of sovereignty, but are for the purpose of providing certain communities with certain necessary improvements—became so heavily involved, particularly during the boom times, that they incurred burdens of debt which it became practically impossible for them to pay. As a result, they have had no credit, and in many instances they have not been able to carry on even the functions of government which it was their duty to carry on; and the economic life of whole communities has been stagnated on account of the burden of debt which has been incurred, but which they were unable to discharge.

When there were no proceedings available by which these debts could be composed, it was possible for a few creditors who were almost what might be called of the "chiseling" type, or a few bondholders who wanted 100 cents on the dollar regardless of the ability of the people to pay or the percentage that other creditors were able to obtain, by taking advantage of technical court proceedings to prevent any kind of settlement or compromise. This bill makes possible in a bankruptcy court the composition of those debts in a fair and equitable manner, and an adjustment and reorganization of these obligations consistent with the ability of the subdivision to meet its obligations.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. BURKE. Will the Senator explain to us on what grounds the original municipal bankruptcy act was declared invalid by the Supreme Court, and follow that by showing how the evils pointed out by the Supreme Court in the opinion declaring the original act unconstitutional have been cured by the pending measure?

Mr. PEPPER. The chief point made by the majority opinion—and the Senate will recall that it was a 5-to-4 decision holding the former act unconstitutional—was that the sovereign immunity of the several States was invaded by the Congress in the exercise of its power to deal with bankruptcy, and therefore that the act was unconstitutional, the court in that instance construing the power exercised by the Congress to relate primarily to dealing with political subdivisions which were governmental in their nature and character, and not what we call levee districts or drainage districts which were not subdivisions of the State, like counties, but were creatures of the State, almost like private corporations. They were quasi-municipal corporations.

In the new bill two things have been done which I think have met the Court's objections. The first one is that any possible doubt that this bill include involuntary proceedings has been removed. It is clear from the language of the bill itself that only by consent of the governmental subdivision may the proceedings be inaugurated. It must be done by the voluntary petition of the drainage district itself, for instance; and in no case may one of these instrumentalities be brought into court against its will. So long as that immunity is preserved there is no transgression upon the State's sovereign immunity. In fact, as was pointed out by Mr. Justice Cardozo in the minority opinion in the Ashton case:

> Sufficient reasons do not appear for excluding political subdivisions from the bankruptcy jurisdiction if the jurisdiction is so exerted as to maintain the equilibrium between State and National power. Persuasive analogies tell us that consent will preserve a balance threatened with derangement.

So in this bill there is no provision for the exercise of this authority except in instances where the instrumentality itself has consented by bringing the petition into court.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Florida yield to the Senator from Utah?

Mr. PEPPER. I yield.

Mr. KING. A municipality, or quasicorporation, which desired to free itself from its debts might have no moral scruples which would prevent it from going into court to seek relief from its legal obligations. So I do not see what protection a creditor would have if the option rested with the defaulting corporation.

Mr. PEPPER. Mr. President, I am afraid the Senator from Utah did not get the purport of the question of the Senator from Nebraska. The Senator from Nebraska was asking upon what ground the Supreme Court of the United States held the original act unconstitutional. Of course, it could not have been on the ground that the creditors were being interfered with, because in every bankruptcy proceeding the creditors are affected in the same manner. The basis of the decision was that the immunity of sovereign States was being interfered with by the Congress putting them into a bankruptcy court when their prestige and sovereignty, perhaps, excluded them from the exercise of such power. I was pointing out to the Senator from Nebraska that in the pending bill we were restricting the act to a case where the political subdivision voluntarily comes in——

Mr. KING. The Senator means cities?

Mr. PEPPER. Yes. If they voluntarily come in, the Federal Government is not invading their immunity, because they are throwing that off themselves, and coming in of their own accord. Therefore there is no question about State sovereignty being invaded.

The first bill included counties, which are, in the opinion of a great many people, actual instrumentalities of sovereignty, agencies through which the State carries on the sovereign functions of government, which is not true with respect to drainage districts or levee districts or road or school districts.

There was no saving clause in the first act, but in the pending bill, the latter part of section 81, counties are put in the last category and given a separate category. Then there is a saving clause, reading as follows:

Provided, however, That if any provision of this chapter, or the application thereof to any such taxing agency or district or class thereof or to any circumstance, is held invalid, the remainder of the chapter, or the application of such provision to any other or different taxing agency or district or class thereof or to any other or different circumstances, shall not be affected by such holding.

It is the considered sentiment of the House Committee on the Judiciary and of the Senate Committee on the Judiciary, and it certainly is my opinion, that the objections of the Court have therefore been amply met. I might add that, considering the present personnel of the Supreme Court, the opinion of the Justices, if adhered to as formerly expressed, would be 4 to 4, because Justice Van Devanter joined in the majority opinion, which was the opinion in which the law was held unconstitutional.

I think all doubt has been removed, that the objections which existed to the original act have been met by the corrected bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KING. Is the Senator predicating his position upon technical legal grounds, or is he including within the considerations which seem to me to be involved moral grounds, the prestige of the States and counties and municipalities? Does the Senator believe that it is advantageous to have municipalities, cities, counties, and school districts repudiate their debts, and go into the bankruptcy courts? Does not the Senator think that is a form of repudiation of a governmental character which tends to undermine public credit, and one which will have serious repercussions in all of the private activities and in the business relations which exist throughout the country?

Mr. DIETERICH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. DIETERICH. I call the attention of the Senator to the fact that the general impression is that this bill permits municipalities and other taxing bodies covered by the bill to repudiate their obligations. That is not correct. They have nothing to do with the matter of repudiating their obligations, but the holders of those obligations representing 51 percent of the indebtedness must first file their plan of composition with the petition in the original case, and after the court has determined the question and ordered a hearing, then they must have the holders of two-thirds of the obligations consent before a final decree is given. So a municipality cannot take advantage and relieve itself of its debts, but the debtors who find that a taxing body, not necessarily a municipal taxing body, but any taxing body, is unable to meet the obligations, three-fourths of them may then consent to a composition, and 25 percent cannot prevent that composition from being perfected and effected. So assertion that the object is to permit the taxing body or the municipality to relieve itself and go into bankruptcy is hardly a fair statement of the purpose of the bill.

Mr. KING. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. KING. It seems to me it is an encouragement to repudiation. I do not care to modify the statement which I made. If municipalities are in debt, knowing that some of their creditors are pressing them, knowing that if they can get three-fourths, or two-thirds, or any part of their creditors to join in forcing them into court, they may secure relief, it seems to me there will not be an invitation for such municipalities to exercise the taxing power which they have or to resort to other measures for defending the prestige and the honor and credit of the municipality, but that they would be rather encouraged, where there was large indebtedness, to take such step as the bill offers them in order to evade the responsibility which rested upon them.

I do not know whether in perhaps the technical sense it is repudiation, but the effect is that the municipalities, under this bill, could escape the payment of the full amount of their obligations. We know it is a fact that insurance companies, banks, widows and orphans' estates have invested millions and hundreds of millions of dollars in municipal securities, and to that extent they would suffer as the result of the application of the proposed law.

Mr. DIETERICH. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. DIETERICH. The act would expire in 1940. It is sought to meet a condition which now exists in special assessment districts and in local improvement districts, where they are not able, and their property is not able, to satisfy the indebtedness, and it would give them an opportunity to do so. It would prevent a small minority of obligation owners holding up the best payment and the best composition that could possibly be made by holding out and insisting on full payment.

I am speaking of situations in reclamation projects along the Illinois and Mississippi Rivers. I am speaking of local improvement projects in cities which were put through at a time when money was more plentiful than it is now, and when property was of greater value than it is now. The shrinking of the value of the property and the disappointment in the matter of the operations of the reclamation projects have put them in a position where the holders of obligations must lose. This measure will give the holders of such obligations—not necessarily a municipality—some chance to salvage what they can, and let the municipality or the taxing body pay what it can.

Hearings may be had in the courts. If there is any collusion in the disposition of any asset, the court may have a hearing on that proposition and require them to pay as much as they can pay without destroying the taxing body or the municipality. So it is a matter for the relief of the obligation holders rather than for the relief of the municipality.

Mr. BURKE. Mr. President, will the Senator from Florida yield to me?

Mr. PEPPER. I yield.

Mr. BURKE. Does the Senator from Florida consider that it is a proper use of the English language to refer to the proposed act as a "bankruptcy" act?

Mr. PEPPER. I think it is, because it comes under the provision of the Constitution which authorizes the Congress to deal with bankruptcy.

Mr. BURKE. But bankruptcy, after all, I take it, means a situation where a debtor is unable to pay its debts. Certainly the Senator thinks of the bankruptcy law as one under which a debtor who wants to avail himself of the relief afforded by the bankruptcy law shall first surrender to the court all of his assets, to be distributed equitably among his creditors.

Mr. PEPPER. That is a provision of the general bankruptcy law, but in this instance these debtors do not have assets of the character which might be so divided.

Mr. BURKE. A municipality seeking to avail itself of the provisions of the law certainly would have assets, but they would not be touched in the first instance, would they?

Mr. PEPPER. They are assets used for governmental purposes, like a city hall, or something like that. But I wish to remind the Senator that the bill gives to the Federal

district judge who sits as a court of bankruptcy in such matters the right to the full exercise of his discretion, to allow and to confirm only such settlements as are consistent with the ability of the debtor to pay, because in the language of section 83 the jurisdiction of the court pertains only to a debtor who is either insolvent or unable to meet his debts. If the debtors have valuable property which they are trying to withhold, that matter may be taken into consideration by the court, and I am sure that the court will act appropriately.

Mr. BURKE. Would the Senator have any objection to changing the title of the bill to read somewhat as follows: "A bill to permit all improvident municipalities and other governmental subdivisions mentioned to escape their just obligations by paying something less than the full amount they owe"?

Mr. PEPPER. I am sorry, but I do not have any authority to make such a change in the first instance, and certainly I would not consent to it because that is not an appropriate and apt description of the purpose of the bill.

Mr. BURKE. Let me ask the Senator another question. Assume there is a case where 30 percent of the total amount of the obligations of some of these governmental subdivisions which are mentioned, say, school districts, is represented by a secured claim, if such a thing is possible. It might not be possible, in the case of a school district; but suppose 30 percent of the creditors have a secured claim, and 70 percent are unsecured. Is there any way in which the 30 percent under this bill can realize on the security if 70 percent of the creditors put through a composition of this matter?

Mr. DIETERICH. Mr. President, I beg the Senator's pardon, but I happened to be the chairman of the subcommittee which had this bill under consideration. We took that question into consideration in our discussion of the bill. Those who are secured take precedence of those who are not secured. The court determines all those matters, and if claims exist that have priority they are put in a different class than the others; and it is finally to those claims which have no security or priority that the bankruptcy provision will apply.

Mr. BURKE. Mr. President, one other question.

On page 5 of the bill, beginning in line 24, I read as follows:

> The "plan of composition", within the meaning of this chapter, may include provisions modifying or altering the rights of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character or otherwise. * * *

If what the Senator now says is true in reference to classifying the claims and making special provision for those that are secured, as set forth in some other part of the bill, should not this statement on page 5 be changed?

Mr. DIETERICH. My answer to that question is that I do not think it should, because the entire bill will be construed as one act, and this only means a matter of adjustment between creditors of the same class. If the Senator will recall that in the last session of Congress, when a similar bill was up for consideration——

Mr. BURKE. I voted against that bill, and I hope to vote against the pending measure also.

Mr. DIETERICH. At the last session of Congress a similar bill was proposed; but those matters were discussed at that time. I think the Senator will find that as the bill affects creditors of each class, no injustice is done one class as to being advanced over another. That matter is provided for by way of adjustments between creditors of the same class, and not between creditors of different classes.

Mr. BURKE. I know there is a provision in the bill attempting to cover that point, but it seems to me to deal with it inadequately. In reference to the statement that all claims, secured or unsecured, are subject to be modified or altered whenever 66⅔ percent of the claimants want it that way, I have very grave doubt whether 30 percent of claims that might happen to be fully secured would not find themselves in very great difficulty in realizing 100 cents on the dollar.

Mr. DIETERICH. Mr. President, I may state that my interest in this bill, outside of the interest in the local situation I have in my own State, is that some of these taxing bodies are absolutely not in a position to pay the full amount of the claim, because the property against which the tax is levied is not of sufficient value to permit them to do so. Therefore, they have no remedy whatever except to let the improvement project go back to the wild.

However, I was more interested in the measure by reason of the fact that the late majority leader, Senator Robinson, of Arkansas, was greatly interested in it, because the State of Arkansas had many improvement districts. This was really the bill in the present Congress in which he had more interest than any other bill; and I have no doubt, from my own conversations with him, that he would speak in favor of this proposition if he were now here. It is a bill that has merit, works no injustice on anyone, and leaves it to the creditors to determine whether or not they shall place its provisions in operation.

Mr. BURKE. Does not the Senator from Florida [Mr. PEPPER] feel that the passage of legislation of this kind will offer opportunities for wildcat and unsound and unwise financial programs by the classes of governmental units which are given by this legislation the opportunity of escaping from the full amount of their obligations?

Mr. PEPPER. Mr. President, in reply to the Senator's question I answer "No"; primarily because the purpose of the bill is to deal only with the emergency, and it is to be in force up to 1940, and then will expire by its own limitations.

Mr. BURKE. We have had some experience with emergency legislation, and have found it to be a matter of great difficulty to determine when the emergency ends. I think that argument loses a great deal of its force, because we all of us realize that once legislation of an emergency nature is passed, it becomes very difficult to terminate it so long as certain groups or individuals are benefiting therefrom.

May I ask one other question? Is it not very likely that municipalities and all governmental agencies that have occasion to borrow money and issue bonds will be obliged to pay a very heavy premium as the result of the passage of this bill by reason of the increased interest rates and other unfavorable conditions that lenders of money will feel it necessary to impose, because they will have before them at all times the possibility—in fact, the certainty, we may almost say—that when things do not go just right, the borrowing agency with a limited number of the creditors could go into court and wipe out a considerable part of its obligations? Will not that necessarily result in higher interest rates for financing?

Mr. PEPPER. Mr. President, I wish to say that in my opinion it will not. I should like to remind the Senator from Nebraska that we have had a bankruptcy statute for a great many years available to private borrowers.

Mr. BURKE. I know; but, as I attempted to find out a moment ago, the essential part of that legislation was that no debtor could avail himself of it without going into court with clean hands and surrendering all of his property, except for certain exemptions of household goods, and so forth; whereas, in this bill, which is not a bankruptcy bill, the debtor surrenders nothing, but merely escapes from his obligation.

Mr. PEPPER. In the first place, Mr. President, a drainage district, for example, would have no property which it could surrender into court. It merely has the power to tax a certain number of acres of land in order to pay for a public improvement. What can such bodies bring into court and surrender insofar as they come in their quasi-corporate capacity? I should say that at least 70 percent of this bill is applicable to political corporate entities which have no property to surrender. They must surrender all they have.

In the case of municipalities, or in the case of any of these districts which do have any property, it is in the discretion of the Federal court, which tries the case as a court of bankruptcy, to make full investigation and to determine whether or not the petitioning debtor has made a full and fair disclosure of its ability to pay.

May I say just a word in answer to a previous question of the Senator from Nebraska. I wonder if the Senator regards the Private Bankruptcy Act as having raised the interest rates on money in all the years we have had a Bankruptcy Act on the statute books.

Mr. BURKE. I think, if the Bankruptcy Act did not require the debtor to surrender all of his assets into court, to be distributed among his creditors, it certainly would result in raising the interest rates. What the Senator has just said in reference to this bill applying to a group that have no assets is one of the reasons why I object seriously to calling it a Bankruptcy Act at all, because it does not seem to me to have the essential qualities of a Bankruptcy Act.

Mr. DIETERICH. Mr. President, I may call attention to the fact that these taxing bodies are the only ones that are given no relief. Even business under the Bankruptcy Act, as it now exists, has the right to reorganize, and the act is based upon the proposition that it is better to let a reorganization take place, charge them with what they can pay, let them contribute what they can, and let the business carry on, than absolutely to tie their hands and make them go back into the wild and disband. So far as raising interest rates is concerned, or as far as doing any public harm is concerned, there has been some good done under the Reorganization Act, section 77 (a)—more good than perhaps by any other act that has been passed—because it lets business that is unable to carry on with its present burden shrink itself to the place where it can continue the employment and continue the operation. This bill simply gives these taxing districts the same privilege.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. KING. Mr. President, I am in sympathy with the position taken by the Senator from Nebraska [Mr. BURKE] with respect to this bill. There might be some reason for passing it if it were divided and made applicable to drainage districts and organizations of like character, but I cannot bring my mind to accept the view that cities and counties which have sold their bonds to widows, orphans, estates, insurance companies, and others should be permitted to adopt a policy that would legalize their repudiation—for that is what it means—of their obligations. Drainage districts and some corporations that are not governmental and are outside the category of political subdivisions and governmental agencies of the State might stand in a different position; and I might be willing to vote for a bill that provided for organizations and agencies of that character that are private in contradistinction to public organizations and political divisions, such as counties and States.

Mr. President, we all know that the cities have sold to the public several billion dollars' worth of securities; the exact amount has escaped my mind for the moment; but the cities, counties, and States have outstanding bonds amounting to nineteen and one-quarter billion dollars. They sold bonds to make needed public improvements; and these bonds were purchased because the people had confidence in the States, cities, and counties and the other political subdivisions, and they sold them at a lower rate of interest than that paid by private corporations and individuals. It seems to me that it is important that the credit of the States, counties, and municipalities should be preserved.

There are some who believe that with $38,000,000,000 of Federal indebtedness the credit of the United States is jeopardized. We hear from time to time appeals for economy in the Government and for policies that will compel a reduction of the expenses of the Federal Government; but the appeals fall upon deaf ears and the Government increases its expenditures and multiplies its organizations and bureaus.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. I yield.

Mr. DIETERICH. I want to call the Senator's attention to the fact that, so far as this bill involves cities and counties and municipal corporations other than those quasi-municipal corporations, such as agricultural improvement districts, drainage districts, and such as that, every State has a law whereby they are permitted to incur indebtedness only to a certain percent of the assessed value of their property, and that law has always been a protection for the obligations issued by purely municipal corporations such as cities and counties. The pending bill certainly would not affect them, but would affect only those taxing bodies where a tax is levied against the real estate.

Mr. KING. I am unable to follow the argument of the Senator. If the bill before us does not affect counties, cities, and political subdivisions of States, why are they included in the bill? Obviously the purpose of this measure is to enable counties and cities to liquidate their indebtedness at a sum far less than their outstanding indebtedness, whether represented by bonds or other forms of indebtedness. I was about to state, Mr. President, when interrupted by my friend, that it is important to preserve the credit not only of the Nation but the credit of individuals and State governments and their political subdivisions. I cannot find constitutional warrant under the Bankruptcy Act for the Federal Government to enter sovereign States and declare that counties and cities, which are children of the States, shall be under national control and within the bankruptcy provisions of the Constitution.

It is admitted that the delinquent and defaulting State political subdivisions do not turn over their assets to their creditors and are to avail themselves of the bankruptcy law in order to avoid paying their full obligations. It is evident that the prestige of cities will be impaired, and that solemn obligations will be avoided. This means that creditors, whether widows and orphans and insurance companies and people who have loaned money, will be deprived of payment; and in the future there will be a hesitancy in loaning to cities and States and their political subdivisions. They will say Congress has passed a law under which repudiation may be permitted. I think the financial credit of an individual is to him a fountain of wealth and is the basis of his advancement and prosperity in life. The credit of a municipality, a State, or a county is important to each of those political subdivisions. Rob them of their credit and they will be unable to borrow even when emergencies arise; they will be placed in the category of faithless debtors; and their position in the financial world will be that of faithless debtors.

As I stated, if this bill were limited purely——

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. Allow me to complete the sentence, then I will yield. If this bill were limited purely to organizations created for the purpose of draining swamps, or improvement of irrigation districts, a simple question might be presented.

Mr. LEWIS. I should like to ask my able friend from Utah wherein lies the difference in principle? If large corporate interests are allowed to be rescued, as they should be where they are in peril without wrong, under section 7b of the National Bankruptcy Act, why not municipalities that are trying to rescue themselves and find themselves in the same position as large institutions that seek loans from the R. F. C. and ask them to come to their rescue?

Mr. KING. Why does not the Senator say "and the small institutions"?

Mr. LEWIS. The large institutions are allowed to come to the court and get relief; where does my able friend see

any distinction between that and small municipalities that seek rescue by the same law?

Mr. KING. If the Senator cannot distinguish between a private corporation, a private individual, and a sovereign State or a branch of a sovereign State, then I have not the acumen with which to enlighten him.

Mr. LEWIS. I am seeking to have made the distinction of which the Senator spoke just a moment ago as to credit and honor. As between the two, where is the difference in the principle of relief?

Mr. KING. Every lawyer knows the difference between a State and a county and a city and a private corporation or a private party. The private corporation is a creature of the State and the individual is subject to the laws of the State.

Mr. LEWIS. But we have just lent to the State of Utah——

Mr. KING. I do not yield to the Senator.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. LEWIS. I am anxious, if the Senator seeks information, to give it to him.

Mr. KING. The Senator cannot give me any information that I am seeking.

Mr. LEWIS. That is because of the inability of my friend to have it imparted to him; his incapacity to receive it.

Mr. KING. The Senator, with all his ability, does not have any information to impart upon this subject. Any man who cannot differentiate between a sovereign State, county, or city, and a private party, I am sure, would be unable to enlighten this body on the question now under consideration.

Mr. LEWIS. Will not the Senator allow me to state that the Federal Government has given money to the cities——

Mr. KING. I do not yield to the Senator. If the Senator wants to speak, let him speak in his own time.

Mr. LEWIS. The Senator said we could not do this. I want to call attention to the fact that we have done it by law.

Mr. KING. The Senator's loquacity is greater than his knowledge.

Mr. LEWIS. It may be that my loquacity is greater than my knowledge in this respect, but I cannot see how my friend, who discloses no knowledge, should form such an opinion.

Mr. KING. The Senator is like a running brook; he "runs on forever", but carries but little weight upon his ponderous body.

Mr. President, I was observing, before being interrupted by the intellectual light from Illinois, that it is important to maintain the credit of our States and municipalities.

When the Constitution was drawn it provided for bankruptcy proceedings, but that did not contemplate, I respectfully submit, that States might take advantage of that provision of the Constitution. I think it is highly improper to suggest that sovereign States may go into the Federal courts, voluntarily or involuntarily, for the purpose of escaping obligations which they have contracted. I think the bill, if it were divided along the line indicated, might merit the approval of this body, but in its present form I shall feel constrained to vote against it.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. DIETERICH. The Senator misconstrues the purpose of the bill. It is not intended to give municipalities the right to go into a bankruptcy court under the terms of section 81, as amended, which sets out the class of indebtedness against which relief may be given.

Mr. KING. I am familiar with it.

Mr. DIETERICH. If the Senator is, I do not understand his reasons. I do not understand his argument, because it is not based upon the bill.

The kinds of indebtedness against which relief may be granted are payable out of assessments or taxes—

> Levied against and constituting liens upon the property, or payable out of property acquired by foreclosure of any such assessments or taxes, or both, in any of the following-named taxing agencies or instrumentalities.

Mr. KING. Is the Senator directing attention to subdivision 6 on page 3 of the bill?

Mr. DIETERICH. No; I am directing attention first to what the terms of the bill cover and then the Senator must consider section 6 together with it. They cannot be separated. They are in the same section. The section relates to assessments or taxes "levied against and constituting liens upon the property", and then "or payable out of property acquired by foreclosure of any such assessments or taxes or both", and so forth.

That is the particular indebtedness of the cities and municipalities, of the cities and counties, against which this bill would give relief—not against any future assessments they might make but against taxes which actually had been assessed on the property.

The court in determining this will determine the value of the property and will determine whether or not that property is of sufficient value to pay the entire amount or so much thereof as is legally levied against it. If the court finds it is, then they cannot take advantage of the act, but if the court finds that the property has been assessed more than it is worth, that it will simply cause the foreclosure of homes in the municipalities and cause misery and yield no income, then the provisions of the bill cannot be invoked.

Mr. KING. Mr. President, section 81 to which the Senator refers points out the various agencies and organizations that may have the benefit of the bill and proceeding down to page 3 we find:

> Public-school districts or public-school authorities organized or created for the purpose of constructing, maintaining, and operating public schools or public-school facilities.

They may take advantage of the provisions of the bill. Then we find:

> Local improvement districts such as port, navigation, or other similar districts, organized or created for the purpose of constructing, improving, maintaining, and operating ports and port facilities; or (6) any city, town, village, borough, township, or other municipality.

So that if there are within the city or political subdivision any taxing agencies or taxing subdivisions and they have issued bonds or contracted indebtedness, obviously they may take advantage of the provisions of the bill. Certainly it reaches beyond mere suburban districts where they have drainage districts, for instance. It reaches into the cities, and if bonds have been issued for schoolhouses or improvements of that kind, for sewers or for any proper municipal purpose, then those bonds, of course, are municipal bonds and are liens upon the property within the taxing district, whether it be the entire municipality or only a segment of the municipality. The municipality could repudiate its bonds—that is, the bonds of this particular section, if it did not embrace the entire school district of any municipality—in the event it was brought into court voluntarily, if not involuntarily.

So it seems to me the measure before us goes further than the first act of Congress which was passed providing for the bankruptcy of individuals or private corporations, and seeks to give the same benefits to municipalities.

We know that for a number of years representatives of cities of Florida, and I am sure a number of cities of Michigan, appeared before the Judiciary Committee of the Senate asking for a bankruptcy law under which the cities within the States to which I have referred, as well as a number of other States, might claim the benefit of the Bankruptcy Act and be absolved from the payment of their obligations.

May I say in passing, in reply to a statement made by my friend from Florida, notwithstanding the fact the city may not have a great deal of property—the Senator instanced the fire department and the city hall and what not—it does have the potential authority and power to tax. It can tax, as far as the laws of the States permit, the inhabitants of the municipality to meet its obligations. My recollection is there were a number of cases in Kansas and Nebraska where cities were sold, the entire city was sold, because bonds

had been issued for the construction of railroads and the cities had defaulted in the payment of the bonds and would not levy taxes for the purpose of paying the interest. Orders were issued by the court for the sale of the entire municipality. As to the validity of those proceeding I make no comment.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. WALSH. I should like to ask the Senator from Utah or the Senator from Nebraska or the Senator from Florida, whoever is most familiar with the situation, what is the procedure required to get the benefits of relief under the terms of the bill? Can the taxing agency or the municipality itself petition the court for relief?

Mr. KING. As I understand, the creditors are the ones who initiate the proceeding.

Mr. WALSH. The municipal authorities cannot do so?

Mr. PEPPER. They can.

Mr. WALSH. So the municipality itself can separately petition the court?

Mr. PEPPER. Yes; it can.

Mr. WALSH. And when it petitions the court, it must file a composition signed by the creditors who have indebtedness against the municipality to the amount of 51 percent?

Mr. PEPPER. That is correct.

Mr. KING. Mr. President, I surrender the floor.

Mr. WALSH. In the petition of which the court's approval is asked, do the creditors indicate the amount of money they are willing to accept in compromise of their debt?

Mr. PEPPER. The procedure, in a nutshell, is this:

The city or the subdivision will itself, together with such creditors as are in contact with it—at least 51 percent of them—agree on a plan of composition, the best they can offer. After 51 percent of the creditors have agreed to that plan of composition, the debtor petitions the court and submits the plan to the court. Then the court gives notice to all the creditors, and then all the creditors have a full and fair opportunity to be heard before the court. The court then determines the truthfulness of the matters alleged in the petition, the ability of the municipality or the subdivision to pay, and decides what is a fair amount for the debtor to pay under the circumstances, and eventually makes a decree. Then 66⅔ percent of the creditors, in case of a district other than a municipality, must consent to the final plan, and in case of a municipality 75 percent must consent before the plan can become effective.

Mr. WALSH. May the court increase the amount agreed upon in settlement by the creditors who represent 51 percent of the debt?

Mr. PEPPER. It may.

Mr. WALSH. Would not the objection of the Senator from Utah, and perhaps in part the objection of the Senator from Nebraska, be met if the right to petition were entirely confined to the creditors?

Mr. PEPPER. No; I think not. In substance, the procedure provided for amounts to a petition by the creditors, because unless there is a composition that is satisfactory to 51 percent of the creditors, the petition cannot be filed.

Mr. WALSH. As I interpret the objection of the Senator from Utah, it is in part based upon the possibility of cities, municipalities, and taxing agencies seeking opportunities to rid themselves of their debts by petitioning the courts for relief under this bill. Of course, that objection would be eliminated in large part if the initial step had to be taken by the creditors.

Mr. PEPPER. That is, in substance, the case here, because the municipality cannot present the petition unless it is accompanied by a plan of composition signed by 51 percent of the creditors. So, in substance, the present bill meets the Senator's suggestion.

Mr. WALSH. That is important. From something the Senator from Illinois said I received the impression that there was some restriction upon the freedom of the municipality to go into court and obtain this relief.

Mr. PEPPER. That is true.

Mr. WALSH. The fact is that when a municipality petitions the court for this relief the petition must be accompanied by a plan of composition agreed to by a number of creditors who represent 51 percent of the total indebtedness of the taxing agency.

Mr. PEPPER. That is correct.

Mr. BURKE. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield.

Mr. BURKE. In further answer to what the Senator from Massachusetts has just said, I think it should be stated that the provision for the municipality to file the petition is a subterfuge to evade the decision of the Supreme Court invalidating the act as an imposition upon the sovereignty of the States, it being felt that if the municipality comes in it will be its voluntary act, and so that infringement upon the sovereignty of the States would be avoided. That is the reason why it was provided that the municipality should take this action.

Mr. WALSH. Would the decision of the court have been different, in the opinion of the Senator from Nebraska, had the municipality obtained the consent of the State before it sought the relief desired under the former act? Was there an objection on the ground that the municipality or the taxing agency which was a subdivision of a State proceeded to use the relief provided in the former act without the sovereign State of which the municipality was a subdivision having any knowledge of it or consenting to it?

Mr. PEPPER. If the Senator from Nebraska will permit me to answer the question, in the Ashton case the State, by general statute, gave its consent to the municipality to petition; and in this case the present bill contemplates no instance in which the unit may go into court without the authority of the sovereign State.

Mr. WALSH. So that the relief sought under this bill cannot be enjoyed by municipalities until they have the consent of the legislature of the State?

Mr. PEPPER. That is true.

I hope, Mr. President, the Senate will see fit to enact this very helpful and necessary measure.

Mr. ANDREWS. Mr. President, much of what I intended to say has already been covered by my colleague [Mr. PEPPER] and by the distinguished Senator from Illinois [Mr. DIETERICH], who is chairman of the subcommittee to which this bill was referred in the Senate.

On this bill, House bill 5969, hearings of considerable length were held in the House committee before the House passed the bill, and hearings have been had before the Senate committee. Every provision of the bill, I understand, has been carefully gone over in the committees. The bill now meets, as I understand, the objections which were raised and discussed when the former act on the same subject was before the Supreme Court of the United States.

The pending bill provides for a composition of debts by creditors by petition of municipal and other taxing units. It provides how the petition shall be made and that the petition shall state that a plan of composition has been prepared, filed, and submitted with the petition and that the creditors of the petitioner owning not less than 51 percent in amount of the securities affected by the plan—excluding, however, any such securities owned, held, or controlled by the petitioner—have accepted its terms in writing.

It occurs to me that no more just submission could be had for municipalities and taxing units that have suffered practical bankruptcy. It is true that this measure will affect many taxing units in Florida. Due to the infamous Florida boom there are many municipalities in Florida that have not been able to meet their bond and other obligations. In one instance I happen to know about, a town was required by mandamus proceedings to levy a tax of 300 mills to meet current indebtedness. That, of course, was impos-

sible. In a period of a few years it would wipe out the property.

This bill is presented in behalf of creditors and also of the integrity of municipalities and other taxing units in order to put them on their feet so that the property of their citizens will not be confiscated. It will also allow them in due course to meet their obligations and thus start life over with at least some hope that they may proceed in a way that will not compel them to vacate their property upon its being sold by the tax collector.

I happened to be general counsel of the Florida Real Estate Board during and after the Florida boom, when we registered all real-estate agents and brokers. There were over 46,000 of them. They came from everywhere. Some came from Kansas City, from Chicago, from all portions of the country where they were used to real-estate booms. They laid out subdivisions in many towns and cities, where in a short while streets were paved, sidewalks were built, water and lights were put in; and when the boom subsided these developers went away and left the citizens who still live in those municipalities with the bag to hold; and they are in many instances still holding it. The persons who exploited those properties, however, received their cash payments and went away. Within the short space of a year after we passed a law requiring an examination and that persons must be qualified to handle real estate many of the real-estate agents and land exploiters left Florida.

That is a situation which our people cannot help; and we are very anxious indeed that this bill pass. We think it is just, and we think anyone who will study the situation and who knows the background will also think it is just not only to the holders of the bonds but those who are trying to build up some broken-down city and other tax units in Florida and other States.

Mr. COPELAND. Mr. President, will the Senator from Florida yield for a question?

Mr. ANDREWS. Yes.

Mr. COPELAND. What effect will this bill have upon some communities in Florida where there were large bond issues for paving, and other improvements of the sort? Will the bill permit the municipality to take advantage of its provisions, and relieve itself to some extent of the terrible pressure of that debt?

Mr. ANDREWS. Under section 83, as amended, a municipality would be allowed to petition by obtaining the consent of at least 51 percent of the bondholders to come along with a petition before the bankruptcy court.

Mr. COPELAND. A debtor might be one man, or one big company, owning most of the bonds. In such a case I suppose it would be impossible to get 51 percent.

Mr. ANDREWS. There must be 51 percent in amount of the securities. If one person owned them all, he could very easily come in.

Mr. COPELAND. I thank the Senator.

Mr. LEWIS. Mr. President, I do not wish to disguise the fact that the great city of Chicago, which my eminent colleague and I represent, and a number of smaller cities in the State of Illinois, are greatly interested in what would be the result under the bill should it be passed. There are two features of opposition which have been intimated here which I cannot but feel ignore the situation historically as to the present-day cities.

Eminent gentlemen who are lawyers of excellence and merit have referred to the State and the effect of the State on the cities and the necessity of having the State approve the actions of the cities. In the older days—and there is prevailing, perchance, in New England and in the South the same situation yet—a city, in order to organize itself, was compelled to be incorporated by the legislature of the State, on the theory that the city was a municipality with the consent of the State. In that instance the city became more or less subject to the direction of the State, and nothing could it do after it came into existence save that which was allowed by the legislature of the State.

Today, however, the cities which are most interested in this bill have come into their life by virtue of the fact that the States have passed laws which authorize the cities to incorporate themselves. They come into existence under a municipal charter. That charter describes their liabilities. It also specifically expresses their responsibility. Their existence as cities, officially and otherwise, is altogether guided and limited by this contract of their people called their charter.

Therefore, whatever obstacle may have prevailed in the past, so far as the State is concerned, in its control or supervision of the city, it has no application to these communities which, by the law of the State, are their own creators.

Therefore the objection urged by one of the distinguished Senators, the Senator from Utah, it will clearly be seen, has application in very few instances in all America.

Again, it is contended that if these reliefs to the cities shall be provided and the cities shall be released of their obligations, it will injure their credit. What credit has a concern which has reached a point where it is bankrupt? Where is the credit? It has not any; it has no assets; it has not even reputation on which it could foster a hope of credit. Under what circumstances, then, may it hope for credit? It is likened to the individual who, having gone through bankruptcy, and having been absolved of his obligations, is enabled to start again and pay off a lien which may be held in the proceedings of the court over him, and when he is freed of the indebtedness he begins life anew in business. So it is the municipality begins anew; and, as the able Senator from Massachusetts pointed out, whenever the court is left some degree of responsibility, and as the Senator from Florida [Mr. PEPPER] particularly noted a moment ago, when the debtor becomes prosperous he pays off the debt; and so when the city becomes again revived, it is still under the obligation, it being rescued in the meantime from destruction. It is that to which the measure addresses itself.

Mr. McADOO. Mr. President, I should like to call attention at the outset to the fact that this is a temporary relief measure. By its very terms the act will expire in 1940. If any damage to anybody's credit, whether it is a school district, or a city, or a village, or an irrigation district, is possible under the terms of the bill, it certainly will not continue for long. That I regard as of less consequence than I do the affirmative phases of the proposed legislation.

There are in my State, and I think throughout the West, irrigation districts which have been organized under the laws of the States. Drainage canals have been built, people have erected their homes there, they have established little farms, and have found afterward, during the depression in particular, that they are utterly unable to earn enough from the land to pay the interest on the bonds issued to create the irrigation districts and to enable them to build houses and establish the farms.

Is it better to allow the bondholders to foreclose on these properties and force the evacuation of all the lands and homes owned by these people, or, by allowing these proceedings to occur, to permit the debtors to go through a form of reorganization in the method prescribed in the bill, make composition of their debts, and start again upon a basis which will enable them to live, and which will give the creditor all he could possibly get if he took the land by foreclosure in the first instance, and perhaps a great deal more?

I might go further and call attention to what we term improvement districts, which are rather common, in many of the Western States. A certain section of the city is marked off as entitled to a sewer improvement, let us say, and all of the property within the given area, which is established by the municipality, is made subject to the bonds which are issued for the creation of that improvement.

In some fashion great distress arises if there is an attempt to foreclose those bonds, which are first liens against the property, because they are tax-improvement bonds. Perhaps the result would be, as a practical matter, infinitely worse so far as the creditor is concerned, than if he allowed

a composition such as the pending bill provides. I might enumerate other instances.

I think this is a highly beneficial measure. I do not see that it reflects upon the credit or honor of anybody. If one has not the means with which to pay his debts, either as a collective debtor or as an individual debtor, the object of the bankruptcy law is to give him an opportunity to divide the property he has among his creditors and then to start afresh.

I sincerely hope the Senate will see its way to approve the measure.

The PRESIDING OFFICER (Mr. WALSH in the chair). The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BENEFITS TO WORLD WAR VETERANS

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of House bill 6384.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6384) to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes.

Mr. GEORGE. Mr. President, the hour is growing late, and I wish to inquire of the majority leader, the distinguished Senator from Kentucky [Mr. BARKLEY], whether he wishes to proceed further tonight.

Mr. BARKLEY. I should like to, if consideration of the bill will not take too long.

Mr. GEORGE. I do not think it will take very long to consider the bill.

Mr. President, this is a bill to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and embracing, of course, other subject matter.

The first material change in existing law is in the requirement that the widow, or the widow and children, or the children, before being entitled to compensation upon the death of the veteran, must show that the veteran was 30 percent disabled when he died from other cause than his service-connected disability. The bill changes the 30 percent to 20 percent, so that if the veteran dies from a non-service-connected disability, but at the time of his death was disabled 20 percent from a service-connected disability, the widow is entitled to death compensation, or the widow and children, or the children, as the case may be, provided the widow had a child or children by the veteran; and in that connection I call the Senate's attention to another material change made by this bill in existing law.

Under the existing law, the widow of a World War veteran is determined to be the widow who was the wife of the veteran before or at the time of his service, or who became the wife of the veteran prior to July 3, 1931. This bill extends that definition, and includes any widow of the veteran who had a child by the veteran, and she is entitled to stand in the place of the widow of a World War veteran provided there was continuous cohabitation between the veteran and the widow from the date of marriage to the date of the death of the veteran unless separation was due to the misconduct or fault of the veteran himself.

Mr. President, this bill increases the compensation payable to the widow over those provided by the existing law in the following manner: If the widow is 50 years old or under, the compensation is $30 as under existing law. If the widow is 50 years old and is not beyond 65 years of age, she is entitled to $37.50 a month, an increase of only $2.50 over existing law.

If the widow is over 65 years of age, she is entitled to receive $45 per month, as against $40 per month under existing law. I am, of course, speaking of the widow of the World War veteran who dies of service-connected disability or whose non-service-connected disability was aggravated by his active service.

If there is no widow, then under this bill if the veteran had one child, that child is to receive $20 per month. If there is no widow, but there are two children, $33 per month is to be equally divided. If there is no widow, but there are three children, $46 is to be equally divided, with $8 for each additional child. If the widow has one child, she is entitled to $10 additional until the child becomes 10 years of age, and thereafter to $15 additional. If there are more than two children, the widow is entitled to $8 for each additional child until the child reaches 10 years of age, and $13 after the child reaches 10 years of age.

I should also say, Mr. President, that $8 for each additional child is given to the children when there is no widow, but when the veteran is survived by more than three children.

Perhaps the most important feature of the bill, and the feature of the bill which carries with it the largest increase in expenditure by the Government, is the provision which relates to gold star mothers and fathers of deceased veterans who died of actual disability incurred in line of service, or who died of disease, of course contracted in actual service. Under the present law, the one parent surviving the veteran receives $20 per month. Under the terms of this bill, if the veteran be survived by only one parent who was dependent upon the veteran it is, of course, always to be understood that parent will receive $45 a month. If both parents are living, and if they were dependent upon the veteran within the meaning of the World War Veterans' Act, they will receive $25 each, or a total of $50. Under existing law the two dependent parents, father and mother, could not receive exceeding $30 per month.

I call the Senate's attention also to the fact that if the parents are receiving other benefits, including insurance benefits, they are, nevertheless, entitled to receive the full amount of $45 in the case of one dependent parent, and of $50, or $25 each, in the case of two dependent parents. So if, for instance, the mother of a deceased veteran is now receiving $30 per month, if the bill becomes law she will receive not less than $45 per month, that being the amount of death compensation provided in the bill for a dependent single parent.

Mr. President, this proposed legislation and this particular provision, which is the main provision of the measure, are brought about for reasons which I will state. It is now already 20 years since the American soldiers entered the World War, and on November 11 of next year all soldiers who actually died in the war in active service, and many of those who died during the war from disease or injury contracted in service, will have been dead 20 years; so that, in many instances, the insurance which was payable to the dependent father or mother at the rate of $57.50 per month is expiring, or will very soon expire. It is, therefore, deemed proper by the Congress and by those who have advocated this bill to increase the death benefits or the compensation to the dependent fathers and mothers of soldiers who went away to the war and did not return. The insurance in many instances represents all the provision made by the Government for the deceased soldiers of the World War.

Mr. President, there are one or two other provisions in the bill to which attention should be called—one particularly. The soldiers who are now drawing compensation as peacetime soldiers but who enlisted after November 12, 1918, and before the actual termination of the war, will be restored to a wartime status provided they were in actual service between our entry into the war and November 12, 1918. In other words, the veteran who enlisted after November 12, 1918, but before the final termination of the war by treaty, is considered a wartime veteran if he had actual service between April 7, 1917, and November 12, 1918. That, of course, will affect a considerable number, though not a very large number, of veterans, and will merely serve to increase the compensation from a peacetime veteran's compensation to a wartime veteran's compensation.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. GEORGE. Certainly.

Mr. WALSH. As I understand, the bill would apply to those who actually served during the war period in the Army or the Navy prior to November 11, 1918, and were honorably discharged, and after November 11, 1918, reenlisted?

Mr. GEORGE. The Senator is correct.

Mr. WALSH. And if any disease was contracted during that time and before the treaty was signed, they would be treated as wartime veterans?

Mr. GEORGE. Yes.

Mr. WALSH. Under the present law, those who enlisted after November 11, 1918, and who had no prior service, and who contracted disease or were injured, do not get the benefits of the compensation laws?

Mr. GEORGE. The Senator is quite correct. Even more than that, the veteran who served from April 1917 to November 11, 1918, and who was then in good health and without disability and who immediately reenlisted and was in the service when the war actually ended, is now classed as a peacetime veteran and his compensation, of course, is very much less than that of a wartime veteran. The bill would give to that class of veterans the status of war service, and if they enlisted after November 12, 1918, and had this prior service they would be entitled to be compensated as wartime veterans.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. GEORGE. Certainly.

Mr. SCHWELLENBACH. Without any intention of being hypertechnical I should like to submit this thought to the Senator: At the top of page 5, in the definition of the term "widow of a World War veteran", it is provided that it shall mean a woman—

(2) Who was married to the person who served prior to July 3, 1931.

I submit this thought to the Senator from Missouri [Mr. CLARK], and he also felt the question should be raised. It should read "who prior to July 1931 was married to the person who served."

Then the following paragraph, which reads as follows:

(3) Who was married to the person who served, provided a child was born of such marriage.

Mr. GEORGE. There may be something in the suggestion made by the Senator from Washington, but in order to understand it I think we have to read all of section 4. With a reading of that entire section, I think there can be no misunderstanding, though the punctuation is not very happy.

While the Senator is calling attention to that, I invite the attention of the Senate to the language of section 3, page 3, of the bill, which reads as follows:

That effective on the first day of the month next following the date of enactment of this act, the rates of death compensation payable under the provisions of existing laws or veterans' regulations to a surviving widow, child, or children, and/or dependent mother or father now on the rolls or hereafter to be placed on the rolls as a surviving widow, child, or children, and/or dependent mother or father of any World War veteran who died as the result of injury or disease incurred in or aggravated by active military or naval service in the World War, shall be as follows.

That language must be read in connection with the language beginning in line 10, page 4, which is as follows:

As to the surviving widow, child, or children, and/or dependent mother or father on the rolls on the date of enactment of this act, any increased award herein authorized shall be effective from the date of the enactment of this act—

And so forth. In other words, the language beginning in line 10, page 4, must be read as a proviso to the first paragraph of section 3. I am advised, however, by the Veterans' Administration that the language will be read as a proviso, and therefore there will be no confusion about it.

Mr. President, I believe I have covered the material features of the bill and the changes proposed in existing law. If any Senator has a question to ask about the bill, I shall be glad to endeavor to answer it.

Mr. POPE. Mr. President, I notice in the report that the total cost under the bill is estimated to be $7,916,000. Will approximately that same cost continue year after year?

Mr. GEORGE. Approximately, but subject to be increased by death and also subject to be decreased, I believe, because there are classes who are added for the first time to the bill and larger numbers, perhaps, will therefore come in during the first year than in any subsequent year.

Mr. POPE. What is the Senator's judgment as to the time when the peak of payments will be made? Would that be the first year?

Mr. GEORGE. Under the amendments I should think the peak would be in the first year and therefore there would be some decrease in actual payments but I am not advised.

I should like to say further that the chairman of the World War Veterans' Legislative Committee of the House, in presenting the bill to the House, specifically asked for two or more amendments at the request of the Veterans' Administration, and gave assurance to the House that the bill as it stood—and the Senate committee has not amended it in any particular—would meet with the approval of the administration.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there are no amendments to be offered, the question is on the third reading of the bill.

The bill (H. R. 6384) was ordered to a third reading, read the third time, and passed.

WILDLIFE RESTORATION PROJECTS

Mr. PITTMAN. I move that the Senate proceed to the consideration of Senate bill 2670, Calendar No. 889.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

Mr. KING. Mr. President, I do not wish to interrupt the procedure, but I have received a telegram relative to this bill which I desire to read.

Mr. BARKLEY. Mr. President, it is not contemplated to proceed with the bill until tomorrow, but merely to make it the unfinished business. It will not be taken up tonight.

Mr. KING. Let me read the telegram. It is from Newell B. Cook, fish and game commissioner of my State:

Please use your influence to withhold any action on Senate bill 2670 until after western and international game conferences to be held this month.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada [Mr. PITTMAN].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes, which had been reported from the Special Committee on Conservation of Wildlife Resources with amendments.

Mr. CHAVEZ. Mr. President, it is my understanding that the bill will go over until tomorrow.

The PRESIDING OFFICER. The bill has been made the unfinished business, and will be laid aside temporarily until tomorrow.

RULES FOR CONSTRUCTION OF SHIPS

Mr. COPELAND. Mr. President, on behalf of the Committee on Commerce, I ask unanimous consent to have printed an index to the rules which have been laid down for the construction of ships.

When these rules were printed as Senate Report No. 184, the index, which required an immense amount of care, had not yet been prepared. I therefore ask that the index be printed as Senate Report No. 184, part 3, and that future prints of the rules shall include the index, and a few trifling changes which have been made in the text.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The PRESIDING OFFICER (Mr. MCGILL), as a member of the Committee on the Judiciary, reported favorably the following nominations:

Gerard D. Reilly, of Massachusetts, to be Solicitor for the Department of Labor;

Whitfield Y. Mauzy, of Tulsa, Okla., to be United States attorney for the northern district of Oklahoma, vice Clarence E. Bailey, whose term has expired; and

Eugene Rice, of Oklahoma, to be United States district judge for the eastern district of Oklahoma, to fill an existing vacancy.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the following nominations:

John P. Logan, of Oklahoma, to be United States marshal for the northern district of Oklahoma;

Charles W. Miles to be United States marshal for the western district of Tennessee, vice Bert Money Bates, whose term has expired; and

William McClanahan, of Tennessee, to be United States attorney for the western district of Tennessee.

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of Paul E. Ruppel, of Illinois, to be United States marshal for the southern district of Illinois.

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of John M. Comeford, of Wisconsin, to be United States marshal for the western district of Wisconsin.

Mr. AUSTIN, from the Committee on the Judiciary, reported favorably the nomination of Everett M. Grantham, of New Mexico, to be United States attorney for the district of New Mexico, vice William J. Barker, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy.

He also, from the same committee, reported favorably the nominations of sundry citizens for appointment as assistant surgeons in the Navy with the rank of lieutenant (junior grade) from the 1st day of August 1937.

He also, from the same committee, reported favorably the nomination of Francis F. Griffiths, a citizen of New York, to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of July 1937.

Mr. COPELAND, from the Committee on Commerce, reported favorably the following nominations:

Maj. Frank M. S. Johnson, Corps of Engineers, United States Army, for appointment as a member of the California Debris Commission, provided for by law, vice Maj. Elroy S. J. Irvine, Corps of Engineers, relieved;

Charles J. Brasefield to be a professor (temporary), with the rank of lieutenant commander, in the Coast Guard, to take effect from date of oath; and

Ensigns Evor S. Kerr, Jr.; Walter S. Bakutis; Thomas J. E. Crotty; Clarence M. Speight; and Edgar V. Carlson to be lieutenants (junior grade) in the Coast Guard, to rank as such from May 28, 1937.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nomination of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That concludes the Executive Calendar.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to.

DEATH OF REPRESENTATIVE PEYSER, OF NEW YORK

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate the resolutions of the House of Representatives (H. Res. 302), which were read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 9, 1937.

Resolved, That the House has heard with profound sorrow of the death of Hon. THEODORE A. PEYSER, a Representative from the State of New York.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. WAGNER. Mr. President, at a later time I shall, perhaps, have an opportunity to make more extended remarks about the sudden death of my very dear friend and a very distinguished Member of the House of Representatives. New York State has lost one of its most faithful servants—a man who not only rendered great public service but who was interested in all matters concerning the welfare particularly of the underprivileged. He was really one of God's noblemen, and I wish to express my profound sorrow at his unexpected departure.

Mr. COPELAND. Mr. President, I heartily endorse everything said by my colleague [Mr. WAGNER] about our late departed friend, Representative PEYSER. It so happens that he was my own Representative. I have the pleasure of living in the district he represented. I have known him for years. He possessed all the qualities that go to make a good citizen. He was kindly, philanthropic, thoughtful, intelligent, a wise and useful member of society. I mourn his death.

Mr. WAGNER. Mr. President, I ask unanimous consent for the present consideration of the resolutions which I send to the desk.

The PRESIDING OFFICER. The resolutions will be read.

The resolutions (S. Res. 172) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THEODORE A. PEYSER, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. As the committee on the part of the Senate, the Chair appoints the two Senators from New York, Mr. COPELAND and Mr. WAGNER.

Mr. WAGNER. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now take a recess until 12 o'clock meridian tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 6 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 10, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate on August 9, 1937

POSTMASTERS

COLORADO

Edgar I. Crutchfield, Akron.

MARYLAND

Samuel Gilbert Townshend, Jr., Brandywine.
James Albert Roney, North East.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 9, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In our prayer, merciful Father, we desire to be consciously grateful for Thy daily blessings. We pray for that inward peace that can sustain us in our labors and conflicts with our difficult tasks. Keep our tongues free from severity, and may we be generous in deed and considerate in manner. If clouds cluster about our star of hope, we entreat Thee to arm us with self-restraint and rare wisdom. We pray that we may be alive to every national movement, to every murmur of sympathy, and to every cause of dissent. Again, gracious Lord, our hearts vibrate to the promptings of human sorrow. An honorable Member responds not to his name; his seat is vacant; he will meet with us no more. Heavenly Father, be with the family circle and comfort them with Thy ministry of peace and reconciliation. At the close of this day may we suffer no chills of neglected duty. In our Savior's name. Amen.

The Journal of the proceedings of Friday, August 6, 1937, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, without amendment, bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H. R. 169. An act to provide for a term of court at Benton, Ill.;

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1114. An act for the relief of Agnes Ewing Harter;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the naval air station, Hampton Roads, Va., May 15, 1936;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckinridge County, Ky., to the Commonwealth of Kentucky;

H. R. 4716. An act authorizing the construction and equipment of a marine hospital in the State of Florida;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russel V. Pemberton;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5194. An act granting a renewal of patent no. 60731, relating to the badge of the Girl Scouts, Inc.;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5860. An act making further provision for the fisheries of Alaska;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise-vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptacle, in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6453. An act to increase the minimum salary of deputy United States marshals to $2,000 per annum;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 6693. An act to legalize a dike in the Missouri River 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6976. An act to provide for establishment of a Coast Guard station on the coast of Alabama at or near Dauphin Island, Ala.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, Island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street in the city of Bridgeport, Conn., a nonnavigable stream;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence;

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes;

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the North Canadian River in Oklahoma;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts;

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday;

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island;

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York; and

H. Con. Res. 21. Concurrent resolution authorizing the printing of the Report of the Subcommittee on Technology to the National Resources Committee entitled "Technological Trends and National Policy, Including the Social Implications of the New Inventions" as a document.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1995. An act to add certain lands on the island of Hawaii to the Hawaii National Park, and for other purposes;

H. R. 2260. An act to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved;

H. R. 2888. An act granting a leave of absence to settlers of homestead lands during the year 1937;

H. R. 5975. An act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods;

H. R. 7127. An act authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938; and

H. J. Res. 437. Joint resolution relative to determination and payment of certain claims against the Government of Mexico.

The message announced that the Senate had passed bills, a joint resolution, and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 82. An act for the relief of F. A. Rumery & Sons, of Portland, Maine;

S. 112. An act for the relief of O. W. Waddle;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 181. An act for the relief of Lowrenza D. Johnston;

S. 213. An act for the relief of Ida A. Gunderson;

S. 283. An act for the relief of Mrs. J. H. McClary;

S. 481. An act to permit grand-jury extensions to be ordered by any district judge;

S. 483. An act to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof;

S. 558. An act amending acts fixing the rate of payment of irrigation construction costs on the Wapato Indian irrigation project, Yakima, Wash., and for other purposes;

S. 593. An act for the relief of Emily Hyer LaVergne, executrix of the estate of W. K. Hyer;

S. 718. An act for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.;

S. 824. An act for the relief of Sam Kimzey;

S. 879. An act to carry out certain obligations to certain enrolled Indians under tribal agreement;

S. 886. An act for the relief of L. J. Powers;

S. 892. An act to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States";

S. 937. An act for the relief of Harry W. Dubiske;

S. 1043. An act for the relief of A. C. Williams;

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota;

S. 1255. An act for the relief of Harold Garr, Chester H. Peters, Harry B. Swift, Dr. Abraham A. Mills, Charles L. Harris, O. W. Morgan, F. G. E. Carlson, Harold S. Fraine, Owen E. Steele, W. C. Mudge, Jr., George F. Poutasse, Paul P. Pickle, W. D. Hiltbrand, Arthur P. LeBel, K. E. Hill, Annie McGowan, Ralph Thompson, and Rosamond M. MacDonald;

S. 1273. An act to adopt regulations for preventing collisions at sea;

S. 1346. An act for the relief of Stillwell Bros., Inc.;

S. 1451. An act for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes;

S. 1478. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi;

S. 1547. An act to amend the law relating to the harboring of persons charged with crime;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1646. An act for the relief of Robert G. Duncan;

S. 1651. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. 602);

S. 1660. An act for the relief of Essie E. Leatherwood;

S. 1673. An act for the relief of Lewis Leonard Wood and Winifred Wood;

S. 1681. An act to extend the time for filing claims for refunds under section 15 (c) of the Agricultural Adjustment Act;

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions; for the eradication of slums; for the provision of decent, safe, and sanitary dwellings for families of low income; and for the reduction of unemployment and the stimulation of business activity; to create a United States Housing Authority; and for other purposes;

S. 1697. An act for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix;

S. 1700. An act for the relief of William A. Patterson, Albert E. Rust, Louis Pfeiffer, and John L. Nesbitt and Cora B. Geller, as executors under the will of James T. Bentley;

S. 1732. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. M. L. Perry, of Lumberton, N. C., and to Dr. N. E. Jackson, of Laurinburg, N. C.;

S. 1802. An act to amend section 40 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 1898. An act to authorize the Secretary of War to furnish certain markers for certain graves;

S. 2138. An act for the relief of Nelson W. Apple;

S. 2139. An act for the relief of Camille Carmignani;

S. 2194. An act to provide for the semiannual inspection of all motor vehicles in the District of Columbia;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2281. An act to regulate proceedings in adoption in the District of Columbia;

S. 2307. An act to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stocking operations for these purposes;

S. 2368. An act to provide funds for cooperation with School District No. 2, Mason County, State of Washington, in the construction of a public-school building to be available to both white and Indian children;

S. 2372. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 2378. An act for the relief of Sam Green;

S. 2381. An act to amend the Criminal Code by providing punishment for impersonation of officers and employees of Government-owned and Government-controlled corporations;

S. 2386. An act to give precedence to certain proceedings to which the United States is a party, and for other purposes;

S. 2427. An act for the relief of the estates of Al Cochran, Willis Cochran, and Russell Cochran, and for the relief of Shirley Cochran and Matilda Cochran;

S. 2433. An act to amend section 4450 of the Revised Statutes of the United States, as amended by the act of May 27, 1936 (49 U. S. Stat. 1380, 1383; title 46, U. S. C., sec. 239);

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2458. An act for the relief of the F. P. Weaver Coal Co., Ltd.;

S. 2476. An act for the relief of R. F. Lassly;

S. 2478. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936;

S. 2487. An act for the relief of Leah P. Rice;

S. 2488. An act for the relief of Naomi Straley and Bonnie Straley;

S. 2504. An act for the relief of James W. Gilson;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream;

S. 2575. An act to increase the efficiency of the Coast Guard;

S. 2592. An act to repeal section 178 of the Criminal Code entitled "Issuing notes less than $1";

S. 2594. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes;

S. 2598. An act to provide for the advancement on the retired list of the Navy of Arthur W. Bass, a lieutenant (junior grade), United States Navy, retired;

S. 2602. An act for the relief of George Yuhas;

S. 2606. An act for the relief of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co.;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet;

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.;

S. 2644. An act for the relief of Sherm Sletholm, Loneata Sletholm, Lulu Yates, Madeline Yates, and the estate of Ella A. Morris;

S. 2650. An act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation, and for other purposes;

S. 2671. An act to reserve certain lands in Utah as an addition to the Goshute Indian Reservation;

S. 2675. An act to amend certain sections of the Federal Credit Union Act approved June 26, 1934 (Public, No. 467, 73d Cong.);

S. 2676. An act to amend the act approved August 24, 1935, entitled "An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone";

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act;

S. 2689. An act to regulate the leasing of certain Indian lands for mining purposes;

S. 2698. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapahoe Indians;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. 2761. An act authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State;

S. 2768. An act authorizing the Comptroller General to adjust and settle the claim of Leo L. Harrison;

S. 2769. An act authorizing the Comptroller General to adjust and settle the claim of Irvin H. Johnson;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake;

S. 2832. An act authorizing the adjustment of the claims of Frank Pashley and Brown Garrett;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho;

S. 2866. An act for the relief of Vincent Ford;

S. 2871. An act for the protection of certain enlisted men of the Army;

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended;

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes; and

S. Con. Res. 18. Concurrent resolution to provide for the creation of a joint committee on Hawaii.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House thereon, and appoints Mr. ADAMS, Mr. O'MAHONEY, and Mr. NYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1160. An act for the relief of Troup Miller and Harvey D. Higley.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4277. An act to provide for the extension of certain prospecting permits, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference

with the House thereon, and appoints Mr. ADAMS, Mr. O'MAHONEY, and Mr. NYE to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. MCNARY members of the Joint Select Committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of executive papers in the following departments: The Department of State, the Department of the Treasury, the Department of the Navy, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Labor, Civil Service Commission, The National Archives, Federal Trade Commission, Veterans' Administration, Federal Communications Commission, Federal Emergency Administration of Public Works.

INTERVENTION OF ATTORNEY GENERAL IN CERTAIN CASES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS, WEAVER, WALTER, MCLAUGHLIN, GUYER, and HANCOCK of New York.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONES. Mr. Speaker, I ask unanimous consent that on next Wednesday, after the completion of the legislative program for the day, I may be privileged to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(Mr. NELSON, Mr. DIRKSEN, and Mr. MAVERICK asked and were given permission to revise and extend their own remarks in the RECORD.)

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the life and character of the late Speaker of the House, JOE BYRNS.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SUBVERSIVE ACTIVITIES

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I just want to call to the attention of the House that I have discovered short-wave radio hookups between Germany and the United States through which subversive propaganda is coming into this country. I have also discovered an additional camp in the State of Pennsylvania. I shall be glad to give the names to any of my colleagues. I have also discovered another one in my friend's district in New York State, way up in the woods, where goose-stepping is going on. I have discovered a few more things.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to insert a list of short-wave radio stations and camps.

The following is a list of short-wave programs from Germany containing German propaganda, accompanied by a few musical numbers which work as an alibi for their propaganda:

SCHALTET EIN BERLIN

Das programm des deutschen Kurzwellensenders, August 1937

Ruf	Welle	Khz.	Sendezeit (E. S. T.)
DJL	19.85 m	15, 110	8:00 a. m.–9:00 a. m.
DJC	49.83 m	6, 020	4:50 p. m.–10:45 p. m.
DJD	25.49 m	11, 770	11:10 a. m.–12:25 p. m.
DJB[1]	19.74 m	15, 200	

[1] nur Sonntags.

SONNABEND, DEN 7. AUGUST:

4:50—Ansage DJD u. DJB (deutsch, englisch). Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Unterhaltungskonzert.
5:45—Nachrichten und Deutschlandbericht (deutsch).
6:00—Liebe—nichts als Liebe. Frohe Musik vom Reichssender Köln.
7:15—Deutschlandecho.
7:30—Sternschnuppen. Ein heiterer Bilderbogen von H. Joachim Tannewitz.
8:15—Nachrichten and Deutschlandbericht (englisch).
8:30—Männer, die deutscher Arbeit Weltruf verschafften.
8:45—Unser Alltag. Der Lotse.
9:00—Nachrichten und Wirtschaftsdienst (deutsch).
9:15—Tanzmusik.
10:30—Nachrichten und Wirtschaftsdienst (englisch)
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

SONNTAG, DEN 8. AUGUST:

11:10–12:25—Sinfonisches Konzert.
4:50—Ansage DJD u. DJB (deutsch, englisch) Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Unser Tag im Lied. Kinderliedersinge.
5:30—Die Wehrmacht Spielt.
5:45—Nachrichten (deutsch).
6:00—Zum Sonntag-Abend.
6:15—Unser Sonntagskonzert.
7:15—Sportecho.
7:30—Hier können Familien Kaffee kochen. Eine bunte Stunde vom duftende Kaffee von Willie Koch.
8:15—Nachrichten (englisch).
8:30—Das Tropeninstitut in Hamburg.
9:00—Nachrichten (deutsch).
9:15—Die lustigen Weiber von Windsor.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

MONTAG, DEN 9. AUGUST:

4:50—Ansage DJD u. DJB (deutsch, englisch). Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—„Es stehen drei Birken auf der Heile." Musik und Dichtung.
5:45—Nachrichten und Wirtschaftsdienst (deutsch).
6:00—Unterhaltungskonzert.
6:45—Hamburger Tafelmusik von Teleman.
7:15—Deutschlandecho.
7:30—Schüddel de Büx. Bunte Tänze aus Norddeutschland.
8:00—„Seltsame Klaviermusik."
8:15—Nachrichten und Wirtschaftsdienst (englisch).
8:30—„Seltsame Klaviermusik." (Forts.)
8:45—Zeitfunk.
9:00—Nachrichten (deutsch).
9:15—Neue Schlagerlieder.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

DIENSTAG, DEN 10. AUGUST:

4:50—Ansage DJD u. DJB (deutsch, englisch). Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Kammermusik.
5:45—Nachrichten und Wirtschaftsdienst (deutsch).
6:00—Heimatlieder.
6:15—Musik aus neuen Tonfilmen.
7:15—Deutschlandecho.
7:30—Unterhaltungskonzert.
8:15—Nachrichten und Wirtschaftsdienst (englisch).
8:30—Brahms: Variationen über ein ungarisches Thema.
8:45—Die NSV, in der Volkswirtschaft.
9:00—Nachrichten (deutsch).
9:15—Meisterkonzert: Carl Bittner, Cembalo.
9:45—„Nu kommt ock rei eis ale Haus"—Schlesischer Heimatabend.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

MITTWOCH, DEN 11. AUGUST

4:50—Ansage DJD u. DJB (deutsch, englisch).
Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Das Gebel-Trio spielt. Kammermusik aus der Zeit Friedrich des Grossen.
5:30—Unterhaltungskonzert.
5:45—Nachrichten und Wirtschaftsdienst (deutsch).
6:00—Unterhaltungskonzert (Forts.).
6:15—Dorfmusik im Thüringer Wald.
7:15—Deutschlandecho.
7:30—Ernte in deutschem Land.
8:00—Lieder aus Skandinavien.
8:15—Nachrichten und Wirtschaftsdienst (englisch).
8:30—Zeitungsschau.
8:45—Hallo, girls and boys!
9:00—Nachrichten (deutsch).
9:15—Volkstümliches Orchesterkonzert.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

DONNERSTAG, DEN 12. AUGUST

4:50—Ansage DJD u. DJB (deutsch, englisch).
Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Friedrich Ludwig Jahn, der Künder des deutschen Volkstums. Zum 85. Todestage.
5:15—Kabarett zu zweien.
5:45—Nachrichten und Wirtschaftsdienst (deutsch).
6:00—Aus dem Schrifttum des Nationalsozialismus.
6:15—Rat einmal! Lustige Rätselstunde.
7:15—Deutschlandecho.
7:30—Lieder und Kammermusik.
8:15—Nachrichten und Wirtschaftsdienst (englisch).
8:30—Das neue deutsche Buch.
8:45—Unser Alltag (englisch).
9:00—Nachrichten (deutsch).
9:15—Musikalisches Allerlei.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

FREITAG, DEN 13. AUGUST

4:50—Ansage DJD u. DJB (deutsch, englisch).
Deutsches Volkslied.
4:55—Grüsse an unsere Hörer.
5:00—Bunte Musik.
5:45—Nachrichten und Wirtschaftsdienst (deutsch).
6:00—Unterhaltungskonzert.
7:15—Deutschlandecho.
7:30—Der gutgelaunte Zufall. Hörbilder von Paul Schaaf.
8:15—Nachrichten und Wirtschaftsdienst (englisch).
8:30—Das deutsche Mode-Institut.
8:45—„Deutsche Wirtschaft." K. Emil Weiss.
9:00—Nachrichten (deutsch).
9:15—Wir singen gemeinsam ein Volkslied.
9:30—Blaskonzert.
10:30—Nachrichten (englisch).
10:45—Grüsse an unsere Hörer.
Absage DJD u. DJB (deutsch, englisch).

In other words, this is the official program prepared by Mr. Von Doemming, of the German News Service, 204 Park Avenue, New York City.

DIAL BERLIN

Program of the German short-wave stations, August 1937

Call	Wave length	Kilocycles	Time of sending (E. S. T.)
DJL	19.85 m	15,110	8 a. m.–9 a. m.
DJC	49.83 m	6,020	4:50 p. m.–10:45 p. m.
DJD	25.49 m	11,770	11:10 a. m.–12:25 p. m.
DJB [1]	19.74 m	15,200	

[1] Sundays only.

This radio log is prepared by Mr. Von Boeckmann, director of the Reichsrundfunk Gesellschaft, at present in the United States, previously mentioned in CONGRESSIONAL RECORD. The Reichsrundfunk Gesellschaft is owned and operated by the German Propaganda Ministry.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman, in his extension of remarks, name the places in Pennsylvania where these camps are, so we can goose-step up there after them?

Mr. DICKSTEIN. I wish the gentleman would.

Mr. TABER. Mr. Speaker, reserving the right to object, I understood the gentleman to say that one of our friends is involved in this. I do not think he ought to put in the RECORD any statement with reference to any Member of the House.

Mr. DICKSTEIN. I think the gentleman misunderstood me. I meant to say that right in our own State, up in the Catskills, we have discovered a camp, and the matter is now being checked by Maj. John A. Warner, of the State troopers. I am sure that the House will be interested to know how these camps are spreading from day to day, yet we are doing nothing; we are on a sit-down strike right in this Congress.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. The camp which I referred to is known as Camp Deutschhorst, Philadelphia, Pa., and is located about 4 miles from Camden, N. J., on the Lincoln Highway. They have a large estate consisting of about 20 acres. On Labor Day of this year there will be a national convention of all the leaders of the bund to decide the program of the next year and elect new local leaders.

There is also a camp now being checked by Maj. John A. Warner, head of the State troopers in New York, which is somewhere within Windham, Greene County, N. Y.

Mr. Speaker, ladies, and gentlemen, on August 3 I had the privilege and honor to address this House at considerable length regarding un-American activities, particularly calling your attention to Camp Hindenburg. My colleague, Mr. O'MALLEY, of Wisconsin, saw fit to interrogate me at length. The exposure that I have made on the floor of Congress, particularly about Camp Hindenburg, not only was true then, as is today, but we can take credit for stopping this mass movement of subversive activity in the city of Kenosha, Wis.

On August 5 there appeared in the Washington Times the following:

PERMIT LOST BY UNITED STATES NAZIS

KENOSHA, WIS., August 5 (I. N. S.)—A permit granted the Kenosha branch of the Volksbund, American Nazi organization, stood revoked today by order of the city council following a session enlivened by protests and heated debate.

Council members, in canceling the permit last night, said they thought the celebration was planned as part of "a national movement by the Volksbund to force un-American, antilabor, and pro-Fascist policies of German nazi-ism on the American people." A permit had been granted last Monday.

Robert R. Whyte, member of the council, declared at the conclusion of the meeting:

"Now we have disposed of the Nazis—and our next objective should be the Communists. I am opposed to permitting any Communist group to use our parks or streets."

Since that date I have received quite a number of letters and petitions from citizens in the State of Wisconsin. They seem to feel as I do in believing that this country does not have any room for subversive and un-American activities, foreign goose-stepping, foreign salutes, and foreign preaching.

The very fine people of Wisconsin, particularly in the city of Kenosha, should be congratulated on the stand they have taken in revoking the permit for Camp Hindenburg. When I exposed this camp a few days ago some Member of Congress in his smooth way of talking said that he did not need any help from New York on this question.

I need not argue my point any further, but I would like to insert the following resolutions, which bear out to the fullest extent my accuracy in the Camp Hindenburg exposure and also express the sympathy and cooperation of citizens in the State of Wisconsin.

AMALGAMATED ASSOCIATION OF STREET, ELECTRIC RAILWAY, AND MOTOR COACH EMPLOYEES OF AMERICA,
Milwaukee, Wis., August 4, 1937.

RESOLUTION

Whereas the Nazi sympathizers of the Hitler regime of Germany have set up 17 camps in the United States; and

Whereas one of these camps is located at Grafton, Wis.; and

Whereas this same organization is holding a picnic at the Washington Bowl, at Kenosha, Wis., on August 8, 1937: Therefore be it

Resolved, That Division 998 of the Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America send a copy of this resolution to Gov. Philip La Follette protesting against the Nazi camp at Grafton, Wis., and other Nazi activities in the State of Wisconsin; and be it further

Resolved, That Division 998 send a telegram to the city manager of Kenosha, Wis., asking them to recall their permit to hold said picnic at Kenosha; and be it further

Resolved, That all men off duty appear in the mass demonstration against the Nazi picnic at Kenosha, with other labor and civic organizations at Kenosha on August 8, 1937.

C. D. BURDICK.

This resolution was passed by the membership of Division 998 in regular meeting August 3, 1937.

OTHMER MISCHO, *President*.

TRADES AND LABOR COUNCIL,
Port Washington, Wis., August 4, 1937.

Congressman SAMUEL DICKSTEIN,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN DICKSTEIN: Enclosed please find a copy of a resolution which was unanimously adopted at the regular meeting of the Port Washington Trades and Labor Council on August 3. We have given this resolution widest possible publicity, both in the metropolitan dailies of Milwaukee and Sheboygan, and in four of the State's labor papers.

Those of us who realize and appreciate the Nazi menace in the United States wish you all the success necessary for the conducting of a thorough investigation.

Very truly yours,

FREDERICK KLEVER, *Secretary*,
112 Franklin Street.

Whereas the Port Washington Trades and Labor Council is dedicated to the welfare of all labor; and

Whereas upon the accession of the Hitler government to power in Germany, the strong German trade-union movement was brutally and ruthlessly destroyed and the rights of individual workers abolished; and

Whereas there has been established at Grafton, Wis., in Ozaukee County, of which Port Washington is the county seat, a camp known as Camp Hindenburg, by an organization called the German-American Volksburd, which is openly sympathetic to the ideals of the Hitler government, and where the swastika and the Nazi salute are displayed; and

Whereas the chief activity of the camp appears to be a course in military training for possible future "storm troops" under the private auspices of the Volksbund; and

Whereas groups thus trained, inoculated with an antilabor, Fascist philosophy, may one conceivably be used to crush labor in the United States: Therefore be it

Resolved, That while we recognize and uphold the right of political minorities in a democracy to propagate their doctrines, however hateful, in a legal manner, we vigorously condemn the unlawful and un-American practice of private military training under a foreign flag and foreign insignia, by an organization which admits friendliness to a government which is antidemocratic and antilabor; and be it further

Resolved, That copies of this resolution be sent to the sheriff, the district attorney, the county board of Ozaukee County, and to Representative SAMUEL DICKSTEIN, who is demanding a congressional investigation of Nazi activity in the United States.

In addition to the above resolutions, I have received many others which are too numerous to mention. I am grateful to the fine citizens of Wisconsin for their prompt help and cooperation.

I also wish to thank The 40 And Over Club Magazine of America, Inc., for their protest against this Nazi movement in the State of Wisconsin.

In conclusion, I want to say that the sentiment and school of thought of the people of this country is almost unanimous in their desire that Congress should not adjourn unless it creates some sort of power to thoroughly investigate the activities that I have been calling to the attention of this House for the past number of months.

There is much more to be said. I have not even scratched the surface; time will not permit.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REAL ESTATE BONDHOLDERS' SELECT COMMITTEE

Mr. KRAMER. Mr. Speaker, I call up a privileged report from the Committee on Accounts, House Resolution 259, for immediate consideration.

The Clerk read as follows:

Resolved, That (a) the expenses of conducting the investigation authorized by House Resolution 412 of the Seventy-third Congress, and by House Resolution 39, House Resolution 79, and House Resolution 354 of the Seventy-fourth Congress, incurred prior to January 5, 1937, by the Select Committee to Investigate Real Estate Bondholders' Reorganizations, and (b) the expenses (including expenditures for the employment of experts, attorneys, accountants, and clerical, stenographic, and other assistants, and for stationery and other expenses) incidental to the winding up of the affairs of such committee and to the preparation and filing of its final report, incurred at any time during the calendar year 1937, not to exceed in the aggregate $9,600, shall be paid out of the contingent fund of the House on vouchers signed by the Member who was the chairman of such committee and approved by the Committee on Accounts.

With the following committee amendment:

Line 12, after the figures "1937", strike out the balance of the resolution and in lieu thereof add the following: "not to exceed in the aggregate $7,134.94, to be paid to such persons, firms, and corporations as shown on the list in the Committee on Accounts, dated August 2, 1937. Said sum shall be paid out of the contingent fund of the House on vouchers signed by the Member who was the chairman of said committee and approved by the Committee on Accounts, and shall be in full settlement of all expenditures made or incurred by said select committee to investigate real estate bondholders' organizations."

Mr. SNELL. Mr. Speaker, I understand this is a privileged resolution from the Committee on Accounts. I would like to have the gentleman from the committee explain what this is and what is the occasion for it.

The SPEAKER. The gentleman from California [Mr. KRAMER] is entitled to be recognized for 1 hour.

Mr. KRAMER. Mr. Speaker, I will make a very brief statement. This resolution was introduced by the gentleman from Illinois [Mr. SABATH] and requests an additional appropriation for certain items, such as telephone, telegraph, stenographic, stationery, and other expenses, that were incidental to the carrying on of the investigation.

The Committee on Accounts held a hearing in reference to this matter, and the chairman of the Committee on Accounts [Mr. WARREN] appointed a committee of three, of which I was named chairman, to investigate this further expenditure of funds. In the investigation just concluded on behalf of the committee—and the gentleman from New Jersey [Mr. MCLEAN] was a member of the committee—we have arrived at the figure of $7,134.94. We took out the telephone items which have been charged to those expenses because they have already been paid by the different Government agencies. The gentlemen on the other side who served on the committee, including the gentleman from New York [Mr. CULKIN], and other members of the committee investigated the matter, and we felt those items were justifiable and should be paid. We therefore made the recommendation to the Committee on Accounts, and that committee in its entirety voted for the approval of this additional sum, with the exception of the gentleman from Missouri [Mr. COCHRAN], who was not present, due to his attendance on the floor, and, if present, stated he would vote "no."

Mr. SNELL. I understand this committee wound up its activities, as far as expenses are concerned, at the beginning of this session. Am I right or wrong?

Mr. KRAMER. I did not hear the gentleman's statement.

Mr. SNELL. I thought this committee had wound up its activities as far as expenses were concerned last January.

Mr. KRAMER. I may say to the gentleman, it did attempt to wind up its investigation; but in spreading its activities over the entire country, the committee had employed various investigators, had various offices, and incurred telephone expenses, which bills had not come into the committee by the first of the year, when the accounting was to be made finally.

Mr. SNELL. None of this expense has been incurred since that time?

Mr. KRAMER. Yes. Part of the expenses which were incurred included one item, for instance, of $1,500 for stenographic expenses, which covered a hearing taken in Chicago, but the bill was not rendered prior to January 1, 1937. There are many other items, including items for services,

for employment of investigators, and also for stenographic help to compile the data which had been procured by the committee in order to enable it to make a final report.

Mr. SNELL. I am not questioning the authenticity of any one of these expenditures. I am simply questioning the policy of allowing a committee to go on and incur expenses after the life of the committee has expired and after its appropriation has run out.

Mr. KRAMER. I am thoroughly in accord with the gentleman's statement. As a member of the Committee on Accounts, I believe we ought to hew closer to the line. But here is a case which was rather extraordinary in its nature. There was a great deal of work to be done by the committee over a large area. I have independently asked each member of the committee why they could not have concluded their work and have paid these items by the end of the year, and the members of the committee felt that the committee was not to blame because this covered servants which were working in the field.

Mr. SNELL. The committee is to blame if its servants are working in the field. They are responsible.

Mr. KRAMER. I presume they are.

Mr. McCORMACK. Will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If I may give the gentleman from New York [Mr. SNELL] the information which I know he is seeking, at the Boston office I know there is help up there that had not been paid for a number of months prior to January of this year, but they kept on working through loyalty to the special committee and naturally expected to be paid.

Mr. SNELL. Then put it on a pay basis. Do not talk about loyalty. It was not entirely through loyalty to the committee that they continued to work. They were working for pay.

Mr. McCORMACK. Well, put it on the pay basis first and loyalty second.

Mr. SNELL. Well, do not talk about loyalty.

Mr. McCORMACK. There is just as much loyalty there as there is in the gentleman and I being Members of Congress.

Mr. SNELL. Well, I wanted the job, I suppose.

Mr. McCORMACK. Well, to some extent we like to be here, or we would not run for the office.

Mr. SNELL. It is not entirely due to loyalty that either the gentleman or I came here.

Mr. McCORMACK. We will not quibble over which it is. We are here and they are there. They were rendering a service, and at other offices throughout the country a similar condition existed.

Mr. SNELL. I am not quarreling with that. The point I have in mind is, Should we continue allowing investigating committees to run indefinitely after their time has expired and their appropriation run out?

Mr. McCORMACK. I think that is absolutely sound, but I think this is probably a justifiable proposition.

Mr. SNELL. The other stuff is out, and you can delete it if you want to.

Mr. KRAMER. May I say to the gentleman from New York that during this session there has been no money of any kind appropriated for investigating committees. I understand this is the first time in 27 years, so I am told by the chairman of the committee, that we have been successful in holding down investigations. May I say further to the gentleman, I am opposed to this kind of investigation going on and I want to say to the Members of the House if they should become members of other committees, that I shall oppose any further appropriations of this kind being made.

Mr. SNELL. Then the gentleman takes the same position with reference to policy that I do.

Mr. KRAMER. I think we ought to pay our debts.

Mr. SNELL. We ought to pay our debts, yes, but I am talking about continuing these committees and letting this thing go on indefinitely.

Mr. KRAMER. Yes; but I think we should pay the expenses.

Mr. BOILEAU. Will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I did not get the exact figure when it was read.

Mr. KRAMER. Seven thousand one hundred and thirty-four dollars and ninety-four cents.

Mr. BOILEAU. The bill as introduced by the gentleman from Illinois covered $9,600, a difference of some $2,500?

Mr. KRAMER. Yes; and he has since found out there is about $1,400 additional, which I told him I would not consider.

Mr. BOILEAU. This is the point I want to make. The chairman of this committee, after the close of the year, after there was no longer authority to continue functioning, claimed there was $3,000 or $4,000 of additional debts which the committee had contracted. As I understand, debts of this type are obligations of the Government—or, at least, they are moral obligations. As long as we in the House set up this committee, the debts the committee has contracted are obligations which should be redeemed.

Who will lose if this resolution is not passed? The resolution carries an appropriation of $7,100, but there is over $9,600 involved in the resolution, and, in addition, as the gentleman has stated, approximately $1,400. Who will suffer this loss? If the debts which have been contracted are not to be paid, will someone who has rendered services fail to be paid by the Government?

Mr. KRAMER. May I say to the gentleman that a part of these obligations cover such expenses as railroad fares and long-distance telephone calls, and the other members of the subcommittee and I did not feel justified in recommending that these expenses should be paid.

Mr. BOILEAU. Railroad fares of whom?

Mr. KRAMER. Of employees of the committee.

Mr. BOILEAU. I think the House should have full information with respect to the nature of the claims which are not being allowed. Will the gentleman permit me to get that information from the chairman of the committee?

Mr. KRAMER. It is perfectly agreeable to me to let the gentleman from Illinois [Mr. SABATH] make whatever statement in respect of this he wishes to make.

Mr. BOILEAU. I thank the gentleman.

Mr. SABATH. All of these expenses were incurred before January 4 for stenographic work, for telephone and telegraph service, for help, and other things.

Mr. BOILEAU. The gentleman from California yielded to the gentleman from Illinois that he might answer my question.

Mr. SABATH. The amount deducted is the amount of bills rendered by Government offices in various cities. To simplify and bring about as much economy in our work as possible we decided to have offices in 11 different cities. In each of the cities no rent was paid because the offices were in Government buildings. However, Government telephones were used, and a few months ago the various Government departments concerned sent in bills for the use of their phones.

Mr. KRAMER. On a pro-rata basis.

Mr. SABATH. On a pro-rata basis. They stated a line had been set aside for the committee, consequently, so much was to be charged against the committee. These amounts have been paid by the different agencies. It was thought unnecessary for the committee to send checks to the Post Office Department or to the other departments, and I understand these amounts have been eliminated from the resolution.

Mr. BOILEAU. How much does this amount to?

Mr. KRAMER. These amounts had already been paid, because the Government had in one instance paid them. I feel that the committee is not supposed to act as an investigating body or to make an accounting in order to find out what the pro-rata amount was in each instance, or whether or not the charges were justified. I simply made

the suggestion to the members of the committee that these amounts be eliminated.

Mr. BOILEAU. Was this amount included on the original basis?

Mr. KRAMER. The $9,600; yes.

Mr. BOILEAU. How much does it amount to?

Mr. KRAMER. The items are all here. I think the gentlemen from New York [Mr. TABER and Mr. SNELL] have the items.

Mr. BOILEAU. Roughly speaking, I mean, is this the greater part of the $2,500?

Mr. KRAMER. Two thousand dollars or $3,000.

Mr. BOILEAU. This is the major part of the $2,500?

Mr. KRAMER. Yes.

Mr. BOILEAU. The gentleman also spoke about railroad fares. May we have some information about them?

Mr. KRAMER. There was one item of railroad fares.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from New York.

Mr. TABER. As I understand the situation, the picture is about like this: Congress authorized this investigation and appropriated $110,000 for it. The money has been spent. We have had previous investigations where the money was all spent by the investigating committee. I can recall at the present time the investigation into communistic activities in this country, conducted by the gentleman from New York [Mr. FISH], where the committee attempted to come in with a similar resolution and the Committee on Accounts and the House turned it down. This is one definite precedent against the operation of this resolution.

After the expiration of this committee by the expiration of the last Congress the committee continued to carry these people on its pay roll and continued to let them work, as it has stated. One man was named Henry Garsson. I would like to have the gentleman from California [Mr. KRAMER] correct me on this if I am wrong. He had never previously been upon the pay roll of the committee but comes in now with an item for $500, for services rendered entirely since the 1st of January, as I understand. Am I not correct in this understanding?

Mr. KRAMER. I am informed that Henry Garsson was in the employ of the committee in New York prior to January, and that he was one of the most efficient men the committee had in that area.

Mr. TABER. Is it not a fact the $500 is to pay for his services since the 1st of January?

Mr. KRAMER. Yes; because he rendered additional service in order to complete the report of the investigation in New York City and that area. This also applies to the employment of the clerk and a stenographer in Boston. I inquired of the gentleman from Massachusetts [Mr. MCCORMACK] why these people were in the service, and he explained the matter to me fully and satisfactorily. I left the item in there, and I think it is justified.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from Illinois.

Mr. SABATH. I do not wish to take up the time of the House, but may I say that not a dollar, not a penny, has been expended unnecessarily. This has been a tremendous task. The House three different times, by unanimous vote, authorized an extension of the powers and duties of the committee. Personally, I had every reason to believe that the work of the committee would continue up to June or July this year in order to finish some of the most important investigations we had been conducting, but when I learned there was opposition to the committee's finishing its work, I immediately started to close the offices. However, the members of the committee thought they must finish the report, and in doing so and going over some of the special important matters which were under investigation it became necessary for us to retain a few of these men and the stenographers in the employ of the committee, so the report could be finished and intelligent information to be given upon all of the work.

In this connection I may say to the gentleman from New York that, although we have have spent $110,000 or $117,000, for every dollar the committee has spent the Government has collected over $100 in revenue that it would never have obtained otherwise. Nearly $20,000,000 of income tax has been collected from these committees, receivers, and lawyers where no reports had been made. It was due to our investigation that this money was collected, to say nothing of the millions and millions that have been saved the bondholders, and I only regret that we had to discontinue the work. I will give you my word of honor that during my 31 years of service I do not know of any committee here or on the other side that has performed the service to the Nation that this committee has performed.

Mr. RICH and Mr. LAMBERTSON rose.

Mr. KRAMER. I yield to the gentleman from Pennsylvania.

Mr. RICH. This amount of $7,134.94 is going to be the final wind-up with respect to this committee?

Mr. KRAMER. Yes; and the amounts are specified in the resolution and they are to be paid to these specific persons in accordance with the resolution as adopted by the Committee on Accounts, and a list will be furnished to the chairman of the committee.

Mr. Speaker, let me say in conclusion that I have known the gentleman from Illinois [Mr. SABATH], with one exception, longer than any Member of this House. I have known the gentleman for more than 32 years, and I have known him to be straightforward, honest, and a hard-working man whenever I have been confronted with any of his work, and have the highest respect for him.

Mr. RICH. I may say in connection with the work of this committee that if it had not been for the committee, a great many of the bondholders in this country would have been swamped. I think the committee did a lot of good work.

Mr. KRAMER. The gentleman is quite right. I know that in California the gentleman and his committee have done a tremendous job and have saved the taxpayers a large amount of money.

Mr. RICH. However, is the gentleman going to permit any more committees to come in like this without any authorization for the money before it is expended?

Mr. KRAMER. I have already stated, speaking for myself, that I shall be opposed to any further allocations being made, after the amount which they were authorized to spend to carry on the work of investigation had been exhausted.

Mr. RICH. I would like to conclude with this statement. The Members of the House understand what $7,134.94 means, but the Members of the House are responsible for the condition shown in the Treasury statement of August 4. You will find in that statement for the first 34 days of this fiscal year, beginning July 1, you have spent $224,152,111.66 more each day than you have received, which means over $6,400,000 a day. This amount represents $2,600,000 a day more than you spent last year. If you can understand what $7,134.94 means, I want you to know that you are responsible for spending over $6,400,000 a day more than you are receiving. This is contrary to all rules of good, common-sense business, and the House ought to stop it.

Mr. TABER. Mr. Speaker, will the gentleman yield me about 5 minutes?

Mr. LAMBERTSON. The gentleman agreed to yield to me for a question.

Mr. KRAMER. I yield first to the gentleman from Kansas for a question.

Mr. LAMBERTSON. If I may have the attention of the gentleman from Illinois [Mr. SABATH], as I understand, there has been the amount of $100,000 spent on this investigation and the gentleman thinks that $20,000,000 has been saved?

Mr. SABATH. The Government has received in income-tax collections nearly $20,000,000 due to the work of this committee.

Mr. LAMBERTSON. What I have in mind is that usually there is a good deal of expense in connection with these investigations, but I have a resolution before the Rules Committee asking for an investigation of a transaction involving $30,000,000 that will not cost the Government a dime, and as a member of the Rules Committee I hope the gentleman will see that I get my free investigation of this $30,000,000 proposition.

Mr. SABATH. I may say to the gentleman that this investigation involved defaulted bond, securities, and property valued at about $35,000,000,000. I say about thirty-five billions.

Mr. KRAMER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I find that out of the $110,000 that this committee has spent, $5,842.50 was paid to a man named Murray Garsson. He was also paid $2,104.24. This man, I understand, has been in trouble several times and is very well known by the criminal circles of this country, due to the Lindbergh situation and many other things.

Mr. KRAMER. Mr. Speaker, will the gentleman yield there?

Mr. TABER. I yield.

Mr. KRAMER. I want to say to the gentleman that I was of the impression that he was asking for some compensation in this connection, and when I confronted him he said, "Not a penny." He did serve with the committee. He was a Republican and still is a Republican and belongs to the Republican Party and was in the administration of the Coolidge and Hoover regimes.

Mr. TABER. That is quite a character that the gentleman gives him. We would rather he would have that kind of a fellow. You gentlemen can have all of them. You are evidently paying them. It cost practically $8,000 to have you carry that kind of Republican along. I am opposed to paying that kind of Republican.

Mr. DIES. Does not the gentleman think that this man had to serve an apprenticeship somewhere?

Mr. TABER. But I cannot think that this committee's operations require that sort of apprenticeship.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. DICKSTEIN. I think the gentleman is fair, and I think the statement he made about the man being a part of a criminal gang ought not to be made.

Mr. TABER. I did not say that he was part of a criminal gang. I said that he was well known.

Mr. DICKSTEIN. The gentleman talks about a criminal indictment. I just happen to know the man through the Republican machine in the old administration. I do not know that he has been guilty of all the gentleman charges him with.

Mr. TABER. I cannot help that. I refuse to yield further. This man Murray Garsson's brother is on here for $500. There is a man named Joseph Tupy, who sent out a letter soliciting the deposit of bonds. He was connected with this committee, and he is on this account here for $500. Both of those items were for services since the 1st of January, after the committee had expired.

I do not like that way of doing business. I do not like the encouragement of that sort of thing. It is apparent to me that this is an attempt to establish a precedent for an investigating committee that was appointed in this House to go on and act after it has expired, as a result of the resolution of Congress, which created it. As a general rule, Mr. Speaker, the chairman of the Committee on Accounts brings in these resolutions. We have generally expected to see him here. I wonder what the chairman of the Committee on Accounts thinks of this proposition? I wonder if he is in favor of this kind of an operation. If the gentleman from California would go down the line, he could tell us that he would find that almost two-thirds of these items are for salaries which have accrued since the 1st of January, and some of it, a large portion of it, from the 1st of April to the 1st of June. On top of that there is a great big so-called stenographers' bill of $1,500; there is a telephone bill for Los Angeles of a very large amount, $707.40; there is a telephone bill for the Chesapeake & Potomac Telephone Co., $313.20; there is a New England Telephone & Telegraph bill of $93.40; and a bill of the Telephone Co. of Pennsylvania, $150.06. Personally, I am not very familiar with the operations of this committee, but I am familiar with the operation of the practices of this House in not being willing to authorize the expenditure of money for things after the committee has expired, and beyond the authorization of this House.

I hope the resolution will be defeated.

Mr. KRAMER. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, it may be that this committee has exceeded its authority to some extent. If there is any complaint to be made on this account, the committee is responsible for it. No committee ever served in this House or in any part of this Government that has done harder work or accomplished more than this committee. Especial credit is due to the chairman [Mr. SABATH]. When I was serving as chairman of a subcommittee I spent about 60 days going over the country holding hearings, and I never even got my expenses back, as the bills will show. When we started in with this work it was so voluminous that we did not know when or where or how to start. When we got into the work we did not know when or how to stop. We have had $115,000, as I remember it, and inside of 90 days after we started we got three times that much back into the Federal Treasury; and we have caused to be gotten back in income taxes over $100 for every $1 we have spent since then. We caused these outstanding bonds, which were mostly sold to old men and women of moderate means, to increase in value from 3 and 5 cents on the dollar to 50 and 100 percent. This investigation has been the means of the Security and Exchange Commission going further, resulting in a voluminous and favorable report of our work with recommendations for remedial legislation. We thought that we were going to be able to go on and wind up our business within the appropriation. We did not figure correctly; we had more bills out than money to pay them. This year there have been a few men hired. For instance, as a result of all this work, as the House expects, we have been preparing and working on a bill before the Judiciary Committee to reap the fruits of our labor and to prevent further frauds such as have been perpetrated on the American public. This measure will probably come up for consideration in the House this week. It took a man of the type of Garsson as an expert to get up this information and show it to this committee. The gentleman from New York said we hired a man named Murray Garsson, who was a crook. That is a poor argument, and I am sure his information is false. Whether he is a crook or not, he did the work; he knew how, by reason of many years' experience in Government work under the Republican administration, and he got the information for us and made our work a success. We do know that he had the respect and admiration of the New York City authorities, and he has been of untold value to the people of this country and this committee.

We are at least morally bound to pay the back pay of these people who did excellent work at low wages. There is very little money in this bill now for Murray Garsson.

Mr. SABATH. Not a cent.

Mr. FULLER. Not a cent. It comes with poor grace for my economic friend, the gentleman from New York [Mr. TABER], on the Republican side, to say that we should not have hired the man because he has heard he is a crook. The man is not here to defend himself, and I do not need to defend him, because of the work he has done and the results he has accomplished. Such bitter statements constitute no defense to paying those we owe for services. If we have made a mistake, there are two good hard-working Republicans on that side of the aisle who stood for what we did. They have done as valiant work as any man who ever served on a committee in the House of Representatives.

Mr. KRAMER. Mr. Speaker, in answer to the gentleman from New York [Mr. TABER] I simply make this further statement: The gentleman from New York [Mr. TABER] charges

Murray Garsson with having received some money. I did not go into what he received, or anybody else received, prior to the time of January 1, 1936. I do not know whether the committee employed him, but I have investigated the assertions that have been made and the accusations that he was indicted. I have found no one who was familiar with it or who could make a statement and tell me when and where he was indicted. I have investigated his brother's attitude, and they tell me—and it comes from reliable sources, from Members on both sides of the House—that he is a very high-class, responsible, trustworthy gentleman.

Now, with respect to that account of one-thousand-five-hundred-odd dollars, for stenographic services for Chartres & Carroll at Chicago, I know those gentlemen. I have written them and asked them how it came that at this late date they have rendered a bill. They advised me that this work was done up to the last of December. The last services were rendered on December 29, 1936. They were contracted for before that time. They did the work at a very low rate, which included the services of the stenographers while he was there not even taking dictation.

In conclusion, I want to say that I have known the chairman of the Committee on Accounts ever since I have been a Member of this House and have a very high regard for his ability. Why he has delegated me to present this resolution I do not know. I did not ask him. He referred the matter to me and I accepted it and performed my duty to the committee.

Mr. Speaker, I move the previous question.

Mr. RICH. Will the gentleman yield for a question?

Mr. KRAMER. I will yield to the gentleman from Pennsylvania.

Mr. RICH. It is possible the chairman of the Committee on Accounts asked the gentleman from California to handle this, because he would not have to say that he would not permit any more resolutions like this to come in. But that may not be a situation that is so important as one we should consider here now.

There are a lot of people hanging around here like leeches in Washington, and whenever an investigating committee is appointed they may be hanging over from some other administration, either Republican or Democratic, and they bear watching, because they are here trying to get money out of the Federal Treasury; trying to get jobs. When we set up any more investigating committees we ought to select some new people here, so that we do not have all these people and have to be criticized. I think it would be a fine thing if you took that into consideration.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield.

Mr. DIES. I was impressed by a statement made by the gentleman from Arkansas that for every dollar spent the Treasury has gotten $100 back. The gentleman from Pennsylvania [Mr. RICH] has been wondering where we are going to get the money. If we kept this committee in existence, we would soon have it all back.

Mr. RICH. If you keep this committee going so that you can get back $100 for every dollar spent, my hat is off to them.

Mr. KRAMER. I yield to the gentleman from New York [Mr. SNELL] 3 minutes.

Mr. SNELL. Mr. Speaker, statements have been made about one hundred to one. I would like to have someone show me the authority for any such statement, or I would like someone to definitely prove that we have gotten so many hundred thousand dollars into the Treasury on account of this investigation.

Mr. KRAMER. I am not an investigator of the House.

Mr. SNELL. No; and no one else can tell me.

Mr. KRAMER. I simply investigated the validity of these charges in order to make this presentation.

Mr. SABATH. I have the statement right here.

Mr. SNELL. I cannot yield. The gentleman can get some time on his own side.

I have nothing to say against the personnel on this pay roll. I do not know anything about them. My position and the reason I am taking it is that I am against this policy of allowing a committee to spend money after the expiration of the authority of the committee and then bringing a bill into the House and having the House pay the bill. If you are going to adopt that policy, there is no reason why any committee should not continue itself almost indefinitely. From what has been said here it is evident to me that several of these employees simply continued on the pay roll.

Mr. KRAMER. They are all doing work to this very day.

Mr. SNELL. But the chairman of the committee, or the committee, was responsible for keeping those people there. They knew that they had expended their funds and their authority had expired. Is that not correct?

Mr. KRAMER. Let me explain that to the gentleman. This picture reminds me of a man who was a very prosperous businessman and he had a bookkeeper who was rather careless. He looked at his bank account one day and he saw he had an exorbitant balance. So he was rather happy about the situation. The next day in walked the bookkeeper and said, "We are paying these bills." When he paid them he found himself overdrawn in his bank account. That is just this situation.

Mr. SNELL. Is that any justification whatever for what you are doing today?

Mr. KRAMER. Oh, yes; it is. I believe in the Government paying its honest bills.

Mr. SNELL. That is the poorest one you have presented.

Mr. KRAMER. But the House must pay its bills.

Mr. SNELL. There is absolutely no justification whatsoever. There might be some in the other case you have cited, but not in this.

The SPEAKER. The time of the gentleman from New York [Mr. SNELL] has expired.

Mr. SABATH. Will the gentleman yield me just 1 minute?

Mr. KRAMER. I yield the gentleman from Illinois 1 minute.

Mr. SABATH. I only wish to say that from the investigations I have made, Mr. Murray W. Garsson has not been indicted.

Mr. SNELL. I agreed to that. I agreed that the personnel was all right. I do not know anything against them.

Mr. SABATH. I am pleased to have the statement of the gentleman from New York that the personnel was all right. It was all right, all worked fearlessly and honestly, notwithstanding the unwarranted and unfounded attacks and charges made against two of them. I wish to submit that Mr. Murray W. Garsson was recommended to me by several Members as a man who was unafraid and could penetrate these many outrageous manipulations on the part of the protective committees, trust companies, receivers, trustees, and unscrupulous lawyers. He was formerly the assistant to the Assistant Secretary of Labor under the Hoover administration. Early in the investigation, when he began to step on the toes of some of the conniving gentlemen in New York, immediately the select committee received anonymous letters and innuendoes concerning Mr. Garsson, but no one could give me any proof that he had committed any wrong. In fact, to my knowledge, several of the large committees and bankers whom he started to investigate, engaged two private detective agencies to shadow and investigate him, all in the hope of finding something against him to be used to stay his activities, but that did not deter him. On the other hand, he was able to penetrate and disclose manipulations of these committees which were astounding. Nearly all of the judges in New York had so much confidence in him and the select committee that, before taking final action in many cases, they requested the select committee's reports. Not only has Mr. Garsson been subjected to this unjust attack, but the integrity of Mr. Joseph L. Tupy, of Chicago, has been mentioned. I want to say that there is no more honorable or honest man——

Mr. SNELL. We admit it, so what are you arguing about?

Mr. SABATH. Because I cannot leave unanswered the insinuations that have been made about Mr. Tupy. I refer

to the remarks of the gentleman from New York [Mr. TABER] concerning Mr. Tupy, and I want to say to him and the membership of the House that he has rendered invaluable service to the committee and it is unfair to besmirch his name. I have known him since childhood. He is honest and has loyally and conscientiously served the committee. Once before he was subjected to an attack by a Member of this House, and in that instance I obtained positive proof that the statements against him were unwarranted and that my colleague had acted upon misinformation furnished from unreliable sources.

As to the amount of taxes collected, here is a statement from the Bureau of Internal Revenue. They reported that at the end of June 1936, the sum of $11,617,000 had been collected. Since that time they have collected a great many more millions, most of it upon information that the select committee submitted to them.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. KRAMER. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 83, noes 21.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair has just counted. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 201, nays 94, answered "present" 1, not voting 134, as follows:

[Roll No. 137]

YEAS—201

Aleshire	Dockweiler	Kelly, Ill.	Pierce
Allen, Del.	Dorsey	Kitchens	Poage
Allen, Pa.	Doughton	Kleberg	Quinn
Amlie	Drew, Pa.	Kocialkowski	Rabaut
Arends	Driver	Kopplemann	Ramsay
Arnold	Duncan	Kramer	Ramspeck
Ashbrook	Dunn	Kvale	Randolph
Atkinson	Edmiston	Lanzetta	Rayburn
Barden	Elliott	Larrabee	Rigney
Beam	Evans	Lea	Robertson
Beiter	Faddis	Leavy	Robinson, Utah
Bell	Farley	Lemke	Ryan
Biermann	Fitzgerald	Lesinski	Sabath
Bigelow	Fitzpatrick	Lewis, Colo.	Sacks
Boileau	Flannagan	Long	Sanders
Boykin	Flannery	Lucas	Sauthoff
Bradley	Fleger	Luckey, Nebr.	Schaefer, Ill.
Brown	Fletcher	Ludlow	Schneider, Wis.
Buck	Frey, Pa.	Luecke, Mich.	Schuetz
Buckler, Minn.	Fries, Ill.	McAndrews	Schulte
Burch	Fuller	McCormack	Scott
Burdick	Gehrmann	McFarlane	Shanley
Byrne	Gildea	McGehee	Sheppard
Caldwell	Gingery	McGrath	Smith, Wash.
Champion	Gray, Pa.	McSweeney	Snyder, Pa.
Citron	Green	Magnuson	Sparkman
Claypool	Greenwood	Maloney	Spence
Coffee, Nebr.	Greever	Mansfield	Steagall
Coffee, Wash.	Griffith	Mapes	Stefan
Colden	Haines	Martin, Colo.	Swope
Collins	Hamilton	Maverick	Tarver
Cooper	Harlan	Millis	Teigan
Costello	Harter	Moser, Pa.	Terry
Cox	Hendricks	Mosier, Ohio	Thom
Cravens	Higgins	Mouton	Thomas, Tex.
Crawford	Hildebrandt	Murdock, Ariz.	Thompson, Ill.
Crosby	Hill, Okla.	Murdock, Utah	Tolan
Crosser	Hill, Wash.	Nelson	Towey
Crowe	Hobbs	Nichols	Transue
Cullen	Honeyman	Norton	Vinson, Fred M.
Curley	Hook	O'Brien, Ill.	Voorhis
Daly	Houston	O'Brien, Mich.	Warren
Deen	Hunter	O'Connell, R. I.	Wearin
Delaney	Jacobsen	O'Connor, Mont.	Welch
DeRouen	Jarman	O'Day	Wene
Dickstein	Jenckes, Ind.	Oliver	West
Dies	Johnson, Luther A.	O'Neill, N. J.	Withrow
Dingell	Johnson, Minn.	Owen	Woodrum
Dirksen	Johnson, W. Va.	Palmisano	
Disney	Jones	Patman	
Dixon	Kee	Pettengill	

NAYS—94

Allen, Ill.	Halleck	Mitchell, Tenn.	Simpson
Anderson, Mo.	Hennings	Mott	Snell
Andresen, Minn.	Holmes	Pace	Taber
Andrews	Hope	Parsons	Taylor, S. C.
Bates	Hull	Patterson	Taylor, Tenn.
Boehne	Jarrett	Pearson	Thomason, Tex.
Brooks	Jenkins, Ohio	Peterson, Ga.	Thurston
Carlson	Jenks, N. H.	Polk	Tinkham
Carter	Kennedy, Md.	Powers	Treadway
Case, S. Dak.	Kerr	Rankin	Turner
Church	Kinzer	Reece, Tenn.	Umstead
Cleason	Kniffin	Reed, Ill.	Wadsworth
Cluett	Lambertson	Reed, N. Y.	Whelchel
Cochran	Lamneck	Rees, Kans.	White, Ohio
Cole, Md.	Lanham	Rich	Whittington
Cole, N. Y.	Lord	Richards	Wigglesworth
Colmer	Luce	Robsion, Ky.	Williams
Dondero	Mahon, S. C.	Rogers, Mass.	Wolcott
Dowell	Mahon, Tex.	Rogers, Okla.	Wolfenden
Doxey	Mason	Romjue	Wolverton
Engel	Massingale	Rutherford	Woodruff
Ford, Miss.	May	Secrest	Zimmerman
Gambrill	Michener	Shafer, Mich.	
Garrett	Millard	Short	

ANSWERED "PRESENT"—1

McLean

NOT VOTING—134

Allen, La.	Eberharter	Johnson, Okla.	Pfeifer
Bacon	Eckert	Keller	Phillips
Barry	Eicher	Kelly, N. Y.	Plumley
Bernard	Ellenbogen	Kennedy, N. Y.	Reilly
Binderup	Englebright	Kenney	Sadowski
Bland	Ferguson	Keogh	Scrugham
Bloom	Fernandes	Kirwan	Seger
Boland, Pa.	Fish	Kloeb	Shannon
Boren	Forand	Knutson	Sirovich
Boyer	Ford, Calif.	Lambeth	Smith, Conn.
Boylan, N. Y.	Fulmer	Lewis, Md.	Smith, Maine
Brewster	Gasque	McClellan	Smith, Va.
Buckley, N. Y.	Gavagan	McGranery	Smith, W. Va.
Bulwinkle	Gearhart	McGroarty	Somers, N. Y.
Cannon, Mo.	Gifford	McKeough	South
Cannon, Wis.	Gilchrist	McLaughlin	Stack
Cartwright	Goldsborough	McMillan	Starnes
Casey, Mass.	Gray, Ind.	McReynolds	Sullivan
Celler	Gregory	Maas	Sumners, Tex.
Chandler	Griswold	Martin, Mass.	Sutphin
Chapman	Guyer	Mead	Sweeney
Clark, Idaho	Gwynne	Meeks	Taylor, Colo.
Clark, N. C.	Hancock, N. C.	Merritt	Thomas, N. J.
Cooley	Hancock, N. Y.	Miller	Tobey
Creal	Harrington	Mitchell, Ill.	Vincent, B. M.
Crowther	Hart	O'Connell, Mont.	Vinson, Ga.
Culkin	Hartley	O'Connor, N. Y.	Wallgren
Cummings	Havenner	O'Leary	Walter
Dempsey	Healey	O'Malley	Weaver
DeMuth	Hill, Ala.	O'Neal, Ky.	White, Idaho
Ditter	Hoffman	O'Toole	Wilcox
Douglas	Imhoff	Patrick	Wood
Drewry, Va.	Izac	Patton	
Eaton	Johnson, Lyndon	Peterson, Fla.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gregory (for) with Mr. Tobey (against).
Mr. Fulmer (for) with Mr. Martin of Massachusetts (Against).
Mr. Gavagan (for) with Mr. Ditter (against).
Mr. Beverly M. Vincent (for) with Mr. Bacon (against).
Mr. Sirovich (for) with Mr. Eaton (against).
Mr. Boyer (for) with Mr. Gifford (against).
Mr. Ferguson (for) with Mr. Hoffman (against).
Mr. Boylan of New York (for) with Mr. Thomas of New Jersey (against).
Mr. DeMuth (for) with Mr. Crowther (against).
Mr. Sullivan (for) with Mr. Seger (against).
Mr. Bloom (for) with Mr. Douglas (against).
Mr. Pfeifer (for) with Mr. Fish (against).
Mr. Boland of Pennsylvania (for) with Mr. Guyer (against).
Mr. Keogh (for) with Mr. Knutson (against).
Mr. Fernandez (for) with Mr. Plumley (against).
Mr. Celler (for) with Mr. Hartley (against).
Mr. Kennedy of New York (for) with Mr. Maas (against).
Mr. Kelly of New York (for) with Mr. Smith of Maine (against).
Mr. Merritt (for) with Mr. Hancock of New York (against).
Mr. Barry (for) with Mr. Gwynne (against).

Until further notice:

Mr. Vinson of Georgia with Mr. Culkin.
Mr. O'Connor of New York with Mr. Gearhart.
Mr. Bland with Mr. Brewster.
Mr. Drewry of Virginia with Mr. Gilchrist.
Mr. Cannon of Missouri with Mr. Havenner.
Mr. Sumners of Texas with Mr. Englebright.
Mr. Smith of Virginia with Mr. Bernard.
Mr. Wilcox with Mr. Wood.
Mr. Taylor of Colorado with Mr. Kirwan.
Mr. Bulwinkle with Mr. Buckley of New York.
Mr. Cooley with Mr. Meeks.
Mr. Gasque with Mr. Casey of Massachusetts.

Mr. Stack with Mr. Eicher.
Mr. Hancock of North Carolina with Mr. Gray of Indiana.
Mr. Miller with Mr. O'Toole.
Mr. Mead with Mr. Griswold.
Mr. Weaver with Mr. Reilly.
Mr. Clark of North Carolina with Mr. Patton.
Mr. Scrugham with Mr. Eckert.
Mr. McReynolds with Mr. Cummings.
Mr. Somers of New York with Mr. Healey.
Mr. McMillan with Mr. Cartwright.
Mr. Kenney with Mr. Lewis of Maryland.
Mr. Shannon with Mr. Goldsborough.
Mr. Hill of Alabama with Mr. Imhoff.
Mr. Sutphin with Mr. Johnson of Oklahoma.
Mr. Starnes with Mr. O'Leary.
Mr. Smith of West Virginia with Mr. McKeough.
Mr. McLaughlin with Mr. Smith of Connecticut.
Mr. Lambeth with Mr. McClellan.
Mr. O'Connell of Montana with Mr. Peterson of Florida.
Mr. Cannon of Wisconsin with Mr. Ellenbogen.

Mr. SHAFER of Michigan changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. SABATH. Mr. Speaker, I move to lay on the table House Resolution 78, continuing the Select Committee to Investigate Real-Estate Bondholders' Reorganizations.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a speech made by the Commissioner General of Immigration on the subject of deportation.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GOVERNMENT PARTICIPATION IN WORLD'S FAIRS AT NEW YORK AND SAN FRANCISCO

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 454, making appropriations for participation by the United States in the New York World's Fair and in the world's fair to be held at the San Francisco Bay Exposition, Inc., both in 1939.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. TABER. Mr. Speaker, reserving the right to object, I have promised the gentleman from New York [Mr. FISH] that for today I would object to this resolution. I shall do so, not on my own account but on his.

Mr. WOODRUM. Mr. Speaker, will the gentleman reserve his objection for a moment to permit me to make a brief statement?

Mr. TABER. Yes.

Mr. WOODRUM. Mr. Speaker, on July 9 resolutions were passed for participation by the United States Government in the New York World's Fair and in the Golden Gate Exposition in California. The House authorized $3,000,000 for participation in the New York Fair and $1,500,000 for participation in the Golden Gate Exposition. The deficiency subcommittee had hearings on July 23. Because of the urgency of procuring funds for the New York Commission, we reported out House Joint Resolution 454, and we have sought since then to bring the matter up.

I would like to advise the Members that there is great emergency need for some funds for the functioning of the Federal Commission handling the Federal Government's participation in the New York World's Fair, and this delay, which is most unfortunate, is proving very embarrassing to the Federal Commission and is retarding the Federal Government's preparation for participation.

Mr. RICH. Mr. Speaker, reserving the right to object, when we pass these resolutions providing $3,000,000 for the New York Fair and $1,500,000 for the Golden Gate International Exposition, will an effort be made to continue the fair into the succeeding year and ask the Federal Government for an additional contribution to participate further than this one year? That has been done several times recently. Are these to be 1-year fairs or are they to be 2-year fairs?

Mr. WOODRUM. I may say to the gentleman from Pennsylvania that in all probability they will run for 2 years or more, so far as the fairs are concerned; but I may say to the gentleman further that the Committee on Appropriations has a definite, positive assurance from the commissioners of both expositions that the Federal Government will not be required or requested to put up any additional funds.

Mr. RICH. The gentleman is one of the leading members of the Committee on Appropriations. He must know that the Federal Government is now $36,773,000,000 in the "red." We cannot continue making these appropriations or other continuing appropriations under the circumstances.

Mr. WOODRUM. I may say to the gentleman from Pennsylvania that this resolution is to meet an emergency. It is a Budget-balancing resolution. If every city of the United States would hold a world's fair and there should be the same attendance that there will be at the California exposition and the New York exposition, we would balance the Budget next year from the Federal tax collected from these fairs.

Mr. RICH. I wish the gentleman would explain that to the Members of the House, because I do not think they understand such a thing as that is possible. The fact of the matter is I cannot quite fathom that myself, and I would like to have the gentleman go into that.

Mr. WOODRUM. The gentleman must not assume from that that the other Members will not fathom it.

Mr. RICH. I want to say that this Congress has not fathomed anything when it comes to the financing of this country, because we are doing just the opposite from what we say we are doing.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM].

Mr. TABER. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal, the disposition of business on the Speaker's table, and the conclusion of the legislative program in order for the day, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO and Mr. SABATH asked and were given permission to revise and extend their own remarks in the RECORD.

DISTRICT OF COLUMBIA DAY

The SPEAKER. This is the day set aside for the consideration of District of Columbia business.

REGULATION OF PROCEEDINGS IN ADOPTION

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, which is similar to H. R. 7902, and ask for its immeidate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the District Court of the United States for the District of Columbia to hear and determine petitions and decrees of adoption of any adult or child (hereinafter called adoptee) with authority to make such rules, not inconsistent with this act, as shall bring fully before the court for consideration the interests of the adoptee, the natural parents, the petitioner, and any other

properly interested party. No petition shall be considered by the court unless petitioner's spouse joins in the petition or consents to the adoption.

Jurisdiction is conferred if either of the following circumstances exist:

(1) If petitioner is a legal resident of the District of Columbia;

(2) If petitioner has actually resided in the District of Columbia for at least 1 year.

The petition shall state, so far as known, the name, age, race, occupation, and address of the natural parents, when known, and of the petitioner, whether the petitioner is married or single, the age and sex of the adoptee, the property owned by the adoptee, and such other facts as the court may require.

The court shall thereupon, if the adoptee is under 21 years of age, issue a rule with copy of the petition attached, which shall be served in such manner as the court shall therein direct, directed to all parties to the petition who do not appear and consent to the adoption, and to the Board of Public Welfare to verify the allegations of the petition, to make a thorough investigation for the purpose of ascertaining if the adoptee is a proper subject for adoption and if the home of the petitioner is a suitable one for the adoptee and within a period not in excess of 60 days to report its findings with recommendations to the court. If an investigation already has been made by a qualified social agency, the Board of Public Welfare shall accept it instead of making one itself.

SEC. 2. If adoptee is under 21 years of age, no decree of adoption shall be made unless the court shall find that the following persons have consented to the adoption: Adoptee, if 14 or more years of age; and the natural parents or adoptive parents by a previous adoption, if living. The consent of the father of an adoptee born out of wedlock shall not be necessary unless he has both acknowledged the adoptee and contributed voluntarily to its support. The consent of a parent who is a minor shall not be voidable because of that minority.

If adoptee shall have attained the age of 21 years or over, the only consents which shall be required are those of such adoptee, and its spouse, if any.

The consent of a natural parent, or parents, or adoptive parents by a previous adoption, may be dispensed with (1) where after such notice as the court shall direct it shall appear to the court that such person or persons cannot be located; (2) where they have been permanently deprived of custody of the adoptee by court order; (3) where it shall appear to the court that they have abandond the adoptee and voluntarily failed to contribute to his or her support for a period of at least 1 year next preceding the date of the filing of the petition; or (4) where investigation has shown to the satisfaction of the court extraordinary cause why such consent should be dispensed with.

SEC. 3. After considering the petition, the consents, and such evidence as the parties and any other properly interested person may wish to present, the court may enter a final decree of adoption if it is satisfied (a) that adoptee is physically, mentally, and otherwise suitable for adoption by the petitioner; (b) that the petitioner is fit and able to give the adoptee a proper home and education; and (c) that the change will be for the best interests of adoptee.

No final decree of adoption shall be entered unless the adoptee shall have been living with the adoptor at least 6 months prior to the filing of the petition. If, however, it shall appear in the interests of the adoptee, the court may enter an interlocutory decree for adoption, which decree shall by its terms automatically become a final decree of adoption on a day therein named, which shall not be more than 6 months from the entry of such interlocutory decree unless such decree shall be set aside for cause shown. If it shall appear in the interests of the adoptee, the Board of Public Welfare shall visit the adoptee during the period of the interlocutory decree at regular intervals.

SEC. 4. Notice of a final decree of adoption shall be sent to the Bureau of Vital Statistics of the Health Department. This Bureau shall cause to be made a new record of the birth in the new name and with the names of the adoptor and shall then cause to be sealed and filed the original birth certificate with the order of the court and such sealed package shall be opened only by order of the court.

SEC. 5. Entry of a final decree of adoption shall establish the relation of natural parent and natural child between adoptor and adoptee for all purposes including mutual rights of inheritance and succession the same as if adoptee was born of adoptor, except that adoptee shall not inherit from collateral relatives of or the parents of adoptor although such collateral relatives and parents of adoptor shall have the right of inheritance from adoptee. All rights and duties including those of inheritance and succession between adoptee, his or her natural parents, their issue, collateral relatives, etc., shall be cut off. In the event one of the natural parents shall be the spouse of petitioner, then the rights and relations as between adoptee, such natural parent, and his or her parents and collateral relatives, including mutual rights of inheritance and succession, shall in nowise be altered.

The family name of the adoptee shall be changed to that of adoptor unless the decree shall otherwise provide, and the given name of the adoptee may be fixed or changed at the same time.

SEC. 6. Records and papers in adoption proceedings, after the petition is filed and prior to the entry of a final decree, shall be open to inspection by the parties or their attorneys and members of the Board of Public Welfare or their agents, upon order of the court. Upon the entry of a final decree the Board of Public Welfare and the clerk of the court shall seal all papers in the proceedings. Said seals shall not be broken, and said papers shall not be inspected by any person, including the parties to the proceeding, except upon order of the court. Application for leave to inspect papers in adoption proceedings shall be by petition and shall be granted only for extraordinary cause shown. The court may appoint a master to consider and investigate the facts upon which such a petition is based, who shall make his findings and recommendations to the court.

The clerk of the court shall keep a docket of all adoption proceedings which shall only be inspected upon order of the court upon the same conditions hereinabove set out for the inspection of papers.

SEC. 7. Section 395 (title 15, sec. 1, New Code) of the Code of Law of the District of Columbia is hereby repealed. The provisions hereof shall have no retroactive effect and shall not be construed as affecting in any way the rights and relations obtained by any decree of adoption entered heretofore, and all proceedings instituted and pending on the date of this enactment shall be carried to their final determination in accordance with the provisions of section 395 as if this act had not been enacted, and all orders and decrees entered therein shall remain valid and binding on all parties thereby affected.

Mr. McCORMACK. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 2, strike out the period in line 24 and the remainder of line 24 and lines 1 and 2, page 3, and insert in lieu thereof a comma and the following: "except that the foregoing provisions of this section relating to investigations and reports by the Board of Public Welfare shall not apply if an investigation has already been made by a qualified social agency, or by an organization, religious or otherwise, having under its care minors for adoption, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and if such agency or institution appears in the proceedings and reports to the court the results of its investigation and its recommendations with respect to the adoption."

Mr. McCORMACK. Mr. Speaker, this amendment is agreeable to the chairman of the Committee on the District of Columbia. It is simply a clarifying amendment, not controversial in any way. Unless some Member wants it explained more fully, I will rest with the brief statement which I have just made.

The amendment was agreed to.

Mr. McCORMACK. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 6, after line 20, insert a new paragraph as follows:

"Notwithstanding any of the foregoing provisions of this section, no records or otherwise of any institution or social agency referred to in section 1 and filed in the proceedings pursuant to an order of the court, shall be open to inspection by any person except with the consent of such institution or agency."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7902) was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendments to the bill (H. R. 7051) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, Mr. BAILEY, Mr. McNARY, and Mr. JOHNSON of California to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2260) entitled "An act to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. O'MAHONEY, Mr. VAN NUYS, Mr. BORAH, and Mr. AUSTIN to be the conferees on the part of the Senate.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. TAYLOR of South Carolina. Mr. Speaker, I object.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act; and pending that motion, Mr. Speaker, I ask unanimous consent that the debate on this bill be limited to 20 minutes, one half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7950, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. PALMISANO. Mr. Chairman, this bill amends various sections of the Alcoholic Beverage Control Act of the District of Columbia. One of the amendments provides that in event the license of a licensee is revoked or suspended he may have the right of appeal to a court for review. Another amendment permits lunch rooms that have liquor licenses to serve liquor at the counter. At the present time it is possible for a person to obtain only beer or wine, but not liquor. In case there are three or four in a group and they go into a lunch room and want to buy liquor, all of them are compelled to go back and sit at a table. This causes a lot of hardship to the workingmen.

I really do not belive there is any opposition to this bill. The Commissioners of the District recommend it, and the opposition of the gentlemen who objected to the bill is on account of the fact he is opposed to a bill which follows this one and hopes that discussion on this bill will perhaps prolong the time.

Mr. REES of Kansas. Will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman described this measure as being one that permits the serving of hard liquor at a counter in addition to being served at a table?

Mr. PALMISANO. That is right.

Mr. REES of Kansas. Is not this loosening up the law a little more than was the case before?

Mr. PALMISANO. Yes. I may say that the bartenders' union of the American Federation of Labor is 100 percent for this amendment. This is its amendment.

Mr. REES of Kansas. In other words, it is the amendment of the District bartenders?

Mr. PALMISANO. It seems to me the convenience of the workingman should be considered. In other words, the workingmen feel that if they have to go back to a table some tips are necessary, whereas if they drink at the counter sitting on the stools no tips are required.

Mr. REES of Kansas. Therefore, the gentleman is including the workingmen as well as the general public in this attempt to make the drinking of hard liquor easier than before?

Mr. PALMISANO. The argument before the committee was that this would help the workingman in that respect.

Mr. REES of Kansas. How could it help the workingman when he would have to spend more money for liquor?

Mr. PALMISANO. If a man wants to drink he is going to get his drink whether he has to go back to a table or can get it at the counter. The question here is whether he will be permitted to drink at the counter, sitting on the stool which is provided in front of the counter, or whether he will be compelled to go back to the rear of the room and take his drink there.

Mr. REES of Kansas. My interest in this is that this bill looks to me as though it is brought here principally in the interests of the bartenders and persons serving liquor, because by this measure we are loosening up the liquor law a little more than before.

Mr. PALMISANO. I think, after all is said and done, if we are going to have liquor laws we must accommodate the people who want to buy liquor and the people who serve it. If the gentleman does not want to drink or wants to satisfy the element that does not drink, then, of course, that is a different proposition.

Mr. REES of Kansas. The gentleman is correct; I am against selling liquor at all, so far as that is concerned.

Mr. PALMISANO. Then, of course, the whole liquor-license law is not approved of by the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Missouri.

Mr. COCHRAN. Can the gentleman from Maryland tell the Committee where, in this country, in his city of Baltimore, in my city of St. Louis, or in any other city of the United States, prior to prohibition, women—and especially young girls and young men—could go into a public place and get liquor in the way they can today?

Mr. PALMISANO. This practice is an orphan to prohibition, developed during the prohibition era, when young ladies learned to drink behind closed doors. The American people, especially the women themselves, would not tolerate such a practice before prohibition.

Mr. COCHRAN. Did not the gentleman, as well as I myself, take the floor time and time again and state to the House, "We plead with you to repeal the eighteenth amendment. The evil, the saloon, is gone."

But now so-called taverns and under other names, there are about 25 times as many saloons—that is all they are—in this country as there were before prohibition.

May I add that if the distributors of liquor and officials in charge do not find a way to protect the youth of this country from hard liquor, there is going to be a prohibition fight in this country with which the other fight will be in no way comparable. As one who wanted the eighteenth amendment repealed, I can see this coming. [Applause.]

Mr. PALMISANO. I agree with the gentleman, and I may say his statement applies not only to hard liquor but to the product of the breweries as well. I regret many of the laws which have been enacted in various States. I believe the laws we had in the various States before prohibition were better than the laws today. I hope the day will come when the sale of liquor is out in the open. This idea of making people drink behind closed doors, making them go back in the room and sit at a table, prohibiting them from drinking at the counter, and so forth, is all camouflage. We want people to drink out in the open if they are going to drink. I hope drug stores and grocery stores will not have the right to sell liquor anywhere, because I believe the police officer on the post ought to know when a minor goes into a place where he or she can obtain something he has no right to obtain, so he can then and there stop that minor; or if he should see a child come out of a liquor store, the presumption of law would be that the child had something it had no right to have. The way it is today, drug stores, grocery stores, and all kinds of stores sell everything under the sun. I want to prevent this, and I hope the day will come when it will be prevented.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Illinois.

Mr. MASON. Will the gentleman agree with me that the important thing in the consideration of this amendment is not the position a man is in when he is drinking, whether he is standing up or sitting down, but the condition he is in afterward. It makes no difference whether he is standing at the counter or sitting at the table.

Mr. PALMISANO. In response to the question of the gentleman from Illinois, I may say that it is better to permit a man to drink at the counter, where the man in charge can see whether or not the customer is under the influence

of liquor. In such a case the responsibility lies with the man in charge. When the customer is back in the room 15, 20, or 50 feet away from the bartender, the bartender is unable to observe the condition of the individual, and this is a bad situation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Michigan.

Mr. DONDERO. On page 2 of the report, in connection with section 2, it is stated that the Alcohol Beverage Control Board has considered this proposal and is opposed to it. Is this statement correct?

Mr. PALMISANO. Yes.

Mr. DONDERO. Also, the Commissioners reported on this proposal and recommend unfavorable action?

Mr. PALMISANO. The gentleman is correct. However, as I have stated in answer to a previous question, the Federation of Labor and the working classes as a whole want this amendment. There is no reason why a man should be able to get a drink in a back room and not be able to get it right in front, where the public may observe the gentleman drinking as well as the man serving him.

Mr. DONDERO. The reason given by the Board is that this is a step in the direction of the return of the old saloon.

Mr. PALMISANO. What is the difference whether it is the old saloon or not? The point is that you ought to be in a position to observe the man who is waiting on the customer and the customer himself, to see whether the latter is in condition to take a drink.

Mr. DONDERO. The gentleman thinks the House should ignore the action of the two Boards entirely?

Mr. PALMISANO. I think so.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, before we get into a wide-open discussion of the entire liquor and prohibition situation in the country let us take a look at this bill, so that no one will be misinformed as to its contents. The bill is very simple.

The first section of the bill provides for a review in the District courts if the Commissioners or the Alcoholic Beverage Board undertake to revoke or suspend the license. I think everybody is agreed that if someone, with bona-fide intentions, lays down his money and gets a license and that license ultimately is revoked or suspended, he ought to have the right to go into court and there contest the merits and the substance of the cause before a final order of revocation or suspension is imposed. This is item no. 1, and no one can quarrel with this section of the bill. It simply preserves the right of judicial review.

The second section confers upon lunch counters in this town the right to sell hard drinks. I am probably more responsible for this section than anybody else, and I will tell you why it is there. In the first place, it is there because the bartenders in this District are interested and, secondly, because of an experience I saw over here on the corner. There is a little place over there that has a counter with some stools in it, and it also has two tables in it. They can have a license to sell hard drinks; but if the two tables are occupied and someone comes in for what the Scotchman calls a little snifter, he cannot sit down at the counter and get a drink. As a further instance, you may have on Pennsylvania Avenue a store with a 30-foot front that has a counter and 50 stools, where the substantial revenue comes from the food that is sold, while liquor is a secondary consideration. He cannot get a license, while next door to him may be a store or restaurant with 40 stools and 2 tables, so that you can sit down at one of the tables and get a drink, and such a place can receive a license. It looks to me like a rather unfair discrimination, and, after all the District Committee was only trying to put this in line so as to operate fairly with respect to all lunch rooms. There are some who are opposed to this provision. There are some restaurants that are opposed to it; but is there any reason why you should deny a license to one businessman in the District of Columbia as against another simply because he has stools in his restaurant instead of having, perhaps, half as many stools, and a couple of tables where people can take a drink?

The third section deals with advertising and notice of hearings. Under present conditions, if you have a license, off sale or on sale, in the District of Columbia, and the time comes for renewal at the end of the fiscal year, you have to go through all the rigmarole of advertising, notice, and so forth, which is absolutely unnecessary. Therefore this is nothing but a clarifying amendment.

The fourth section deals with bonds. You will recall that when we wrote the original act for the District of Columbia we did not have any stamp provision, so that they could buy their stamps and affix them to the bottles, and therefore we had a bond provision inserted to protect the District, and in a way this affected the degree of responsibility involved. Inasmuch as they must now buy the stamps, this bond provision is absolutely unnecessary and therefore we have undertaken to do away with it.

Section 5 deals with posting of notice when, for instance, there is a suspension or revocation of a license, and I will tell you how this works. There is a young chap here in town who runs a night club. I am not going to mention any names. It is a very decorous place. Now, what happened was this. He was behind in the payment of his bills, and under the regulations as imposed by the A. B. C. Board, if his credit is not in good standing the wholesalers have to report him. This young man failed to pay his bills. He had only been in business a short time. They reported him to the A. B. C. Board, and the result was that under existing law they had to suspend his license. I think they suspended it for 2 days. It then became necessary, under the law, for one of the officers of the District to go there and put a sign in his window or on the door announcing the fact he had been guilty of an infraction of the law and his license suspended, probably over a week end. There was no moral turpitude involved in the matter. It was just a case where he could not reach in his pocket or go into his bank account and pay his bills. It seems to me this is an injustice to a business enterprise of this kind, because if the patrons were to come there and see this sign, the ordinary inference would be that here is a gentleman who has violated the law, because we so seldom dissociate those violations of the law that involve moral turpitude from those that do not. So we feel that some discretion ought to be reposed in the A. B. C. Board to post the suspension sign or not, so as not to unfairly injure a man with respect to his business conduct.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself the additional 5 minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Let me finish this short statement, and then I shall yield.

The final section of the bill relates to bringing liquor, wines, and so forth, into the District of Columbia. I simply wish to say that in a great many States they have a provision in their liquor laws now whereby you cannot bring in more than 1 gallon, because, if you could, there would be a chance of violating, or at least avoiding or evading, the revenue laws of that State. You gentlemen who come from New York have such a provision in your liquor law. This was introduced at the instance of Mr. SHAFER of Michigan, and it seeks to put a limit of 1 gallon on the amount that they can bring in. Over and above that would make it an offense under this act. The only reason it is put in there is to discourage the idea of picking up wines and liquors, for instance, in some other jurisdiction, where there is no State tax, and bringing it in here and thereby avoiding the tax. It is essentially a reciprocal provision in conformity with the laws of other jurisdictions.

There you have the bill in six sections; it seeks to amend and perfect the existing laws of the District of Columbia.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. ROBSION of Kentucky. As I understand the gentleman, under the present law, you must sit down at a table in order to drink hard liquor?

Mr. DIRKSEN. And may I remind the gentleman of the time when we had that great debate on the floor as to whether the bend should be in the knee or the elbow, and the knee won?

Mr. ROBSION of Kentucky. Under this measure it permits the service of hard liquor to those sitting on stools.

Mr. DIRKSEN. Yes.

Mr. ROBSION of Kentucky. But you must sit on the stool in order to get the liquor.

Mr. DIRKSEN. Yes.

Mr. ROBSION of Kentucky. You cannot stand up and get a drink at the bar?

Mr. DIRKSEN. No.

Mr. ROBSION of Kentucky. Why not let the fellow get a drink who stands up?

Mr. DIRKSEN. I will say to my friend that we have gone through the whole gamut of hypocrisy on the thing, and find that one can get just as intoxicated sitting on a stool or at a table as standing at the bar. It makes no difference. It is, after all, a question of appetite and a question of education rather than of putting on this strange hypocritical restraint which seeks to make people good by legislative fiat.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. McCORMACK. Do I understand that a delicatessen store in the District, where they have a license, can sell to people sitting at a table? I understand if one of the sections becomes a law anybody can go in there with a child, who may be in there buying something to eat, and get hard liquor at the counter.

Mr. DIRKSEN. He cannot get a license, in the first instance, under this bill.

Mr. McCORMACK. Assuming he has one now. Do drug stores have licenses?

Mr. DIRKSEN. They do not have on-sale license.

Mr. McCORMACK. I do not know anything about the law, and I am seeking information.

Mr. DIRKSEN. Has the gentleman ever gone into a drug store and gotten a drink?

Mr. McCORMACK. I am against prohibition, but I am somewhat interested in liquor. Can a delicatessen store have a license?

Mr. DIRKSEN. A certain kind of off-sale license. We have a dozen or 15 different kinds of licenses. It would make you woozy to try to keep in mind all of the licenses we have. The application of this section is to restaurants. The substantial portion of the revenues in such institutions must come from the sale of food. Drink is an incidental. All this seeks to do is to put a stool restaurant on a parity with one that has stools and tables. That is all.

Mr. McCORMACK. If that is all, it is enough to make me vote against the bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. DONDERO. The Commissioners of the District of Columbia are not here, nor are the members of the Alcoholic Beverage Control Board, to tell this House why they oppose this bill. Can the gentleman from Illinois tell us?

Mr. DIRKSEN. Yes. What I say is said not in a spirit of reproach or criticism of the Commission. Every one of them are gentlemen and scholars and have done a very splendid executive job for the District of Columbia. I have also the highest regard for the members of the Alcoholic Beverage Control Board. They have been operating under the first law permitting the sale of liquor in the District of Columbia, and there is that tendency, that inertia, that probably makes them take a position against any innovation of any kind. I suppose I might be in a similar condition myself, but we must not forget that it is the Congress, after all, that is legislating for the District and not the A. B. C. Board.

Mr. DONDERO. What is the Alcoholic Beverage Control Board here for?

Mr. DIRKSEN. It is essentially an administrative body, and every once in a while we call them before the Committee on the District to give us their views. It is not a legislative group in any sense.

Mr. DONDERO. They have jurisdiction over this entire subject and rules and regulations.

Mr. DIRKSEN. Yes; of enforcement. They are to enforce whatever Congress writes into the bill. It is not a policy-making body except insofar as some regulations are concerned.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the first paragraph of section 6 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 6. The right, power, and jurisdiction to issue, transfer, revoke, and suspend all licenses under this act shall be vested solely in the Board. In the event of the revocation or of the suspension by the Board of a license, the licensee may have a review of the Board's decision before the District Court of the United States for the District of Columbia, sitting as an equity court, and the court may affirm, modify, or reverse the finding of the Board as the facts and law of the case may warrant."

Mr. COLLINS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Strike out all of the matter commencing in line 3, page 1, and ending in line 3, page 2.

Mr. COLLINS. Mr. Chairman, in order to revoke a license in the District of Columbia at the present time, the matter must be considered by the Alcoholic Beverage Control Board, which has its investigators in the field, and who hear the question of revocation. If in their judgment conditions are such that a license should be revoked, they so order. There is an appeal from that to the Board of Commissioners of the District of Columbia. That is the procedure at the present time, and it has been a very efficacious way of handling the revocation of licenses in the District. This act, or the first section of the act, the one about which I am speaking at this point, undertakes to repeal that and permits the revocations to be appealed to the courts of the District for decision.

It means that it will be a very difficult matter to secure the revocation of a license.

This measure was submitted to the Board of Commissioners of the District of Columbia, and the report states this:

The Alcoholic Beverage Control Board is of the opinion that the present method of noting appeals to the Commissioners is more expedient and efficacious. No particular abuse has been complained of. They invite attention to the fact that the proposal authorizes a review for a 1-day suspension as well as a 30-day suspension, and believes that such practice will result in delay, with hampering effect upon the enforcement of the law—

And so forth. I think that a good system that has been in vogue for several years and about which no one has complained should not be set aside and a new method attempted, all of which ultimately would mean delay in the revocation of licenses.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. LANZETTA. Does not the gentleman think that in view of the investments that are made in connection with these liquor licenses they should not be revoked by a board such as this Board, and that a man should have a right to defend himself and protect his property?

Mr. COLLINS. Well, we have the Federal Trade Commission that decides questions immensely more important than the revocation of a liquor license. We have the Interstate Commerce Commission that is deciding questions infinitely more important than the revocation of a liquor license. If it is the disposition of this House to turn over to the liquor dealers of the District the enforcement of the liquor laws

and put no restraint whatever upon persons who dispense liquors, this is a fine beginning to make.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. PALMISANO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment to this law, it is true, was opposed by the Commissioners, but I want to give you the reason why this amendment was introduced and asked to be adopted. They have adopted a system of stationing one or two policemen outside of a place. In one instance the testimony showed that a policeman stood 300 yards away from a place to recognize people he thought were under the influence of liquor, and on the testimony of that one police officer the man's license was likely to be revoked or suspended. Licenses in the District of Columbia are more valuable than in any other cities, for this reason: They have placed a limitation on the number of licenses. You can obtain $5,000 for a license from someone who is willing to sell. The Commissioners, in time, or the A. B. C. Board, might err in taking the testimony of one individual police officer in the District of Columbia. We are all subject to err. When that is done, that man has a right to take it to the court and have the testimony presented.

Let me give you an illustration. I have asked for the records of the A. B. C. Board in cases where they suspended licenses and revoked licenses. In many instances they saw a man come out of a place that the officer thought was under the influence of liquor. He would not take that individual back into the place and say, "Did you sell this man?" or ask the individual, "Did you buy from this man?" They would simply take that individual to the police court. The proprietor knows nothing at all about it, and finally he gets a summons to show cause why his license should not be suspended or revoked. I say that is not fair. At least the liquor dealer is entitled to know whenever there is a charge laid against him, and to be confronted with the individual right then and there so that he may be able to obtain witnesses who are in the place at that particular time in order that he may set up a defense. It is for that reason that we ask not for an appeal when a license is revoked or suspended. We give to the liquor license board absolute power in granting licenses in the first place, but we say the individual ought to be protected against any one person in having his license revoked or suspended. That is all we ask.

So I say the purpose of this is to prevent an abuse by any one individual of the police department who may see a customer coming out of a place. For instance, if I would go into a place under the influence of liquor and the man in charge refused to sell me a drink, and by chance I may be put out of the place, when I get outside a police officer happens to come along. He picks me up and he takes me to the police court and he charges that individual with violating the law, and the individual, even though observing the law, may lose his license or have it suspended.

So I appeal to you to vote against this amendment offered by the gentleman from Mississippi and permit this to exist, because it will not hurt anyone. If you cannot trust the courts, then let us wipe them out.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. SACKS. Mr. Chairman, I move to strike out the last word. I shall not take the full 5 minutes, but I feel this amendment is important enough to explain. At the present time in the District of Columbia the A. B. C. Board took upon itself to suspend the license of individuals who do not pay their bills to the wholesalers on the day due—in 30 days. That was brought out in the investigation. There has grown up in this District a sort of tacit agreement amongst the wholesalers and others that if the bills are not paid the man who holds the license has it automatically suspended.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield.

Mr. COLLINS. That is the law that the gentleman's committee passed.

Mr. SACKS. It is not the law; it is a regulation which grew up because the law is not clear but is a bit ambiguous. That was brought out at the hearings.

The important thing is the fact that the committee found that the A. B. C. Board and the Commissioners were taking evidence in cases of revocation and also of suspension and would suspend in certain cases but not in other similar cases. In looking over the situation, the members of the committe found that great inequities were done by the Board. I believe that we can trust our courts. This act does not give anybody but the courts of this District the right to review a suspension or revocation. The Board still has the right to revoke, the Board still has the right to suspend, but this just gives the person affected the right to have his case heard on appeal in the courts of the District. Many licenses have been suspended and revoked by the Board on evidence which, in my opinion, was not legal evidence. So if this provision is written into law it will prove to be a protection for the public, the licensee, and also the Board.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield.

Mr. LANZETTA. I understand that the report states that the Commissioners are against this provision being in the bill. Is that right?

Mr. SACKS. Yes.

Mr. LANZETTA. Would not that be natural?

Mr. SACKS. Certainly. The Commissioners are against it because they do not want to have it reviewed by the court; they want to have the power themselves.

Mr. LANZETTA. They do not want their powers curtailed.

Mr. SACKS. There should be some control over the Board. If we give the courts the right and the power to review this evidence, we shall get better control.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield.

Mr. LUCAS. Does the gentleman have the same philosophy about the Labor Relations Board that he has about the Alcoholic Beverage Control Board of the District of Columbia?

Mr. SACKS. I feel the same way about a lot of boards. I believe that there ought to be some appeal from their decisions. As to the Labor Relations Board, their power of control is subject to judicial review.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

Mr. COLLINS. Mr. Chairman, may the amendment be again reported?

The CHAIRMAN. Without objection, the Clerk will again read the amendment for information.

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. That the first paragraph of subsection (g) of section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 11. (g) Retailer's license, class C: Such a license shall be issued only for a bona-fide restaurant, hotel, or club, or a passenger-carrying marine vessel serving meals, or a club car or a dining car on a railroad. It shall authorize the holder thereof to keep for sale and to sell spirits, wine, and beer at the place therein described for consumption only in said place. Except in the case of clubs, hotels, and passenger-carrying marine vessels serving meals in interstate commerce of 100 miles or more, no beverage shall be sold or served to a customer in any closed container. In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits, wine, and beer shall be sold or served only to persons seated at public tables or at bona-fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. In the case of hotels, said beverages may be sold and served only in the private room of a registered guest or to persons seated at public tables or at bona-fide lunch counters or to assemblages of more than six individuals in a private room, when such room has been previously approved by the Board. And in the case of clubs, said beverages may be sold and served in the private room of a member or guest of a member, or to persons seated at tables. No license shall be issued

to a club which has not been established for at least 3 months immediately prior to the making of the application for such license. All alcoholic beverages offered for sale or sold by the holder of such licenses may be displayed and dispensed in full sight of the purchaser."

Mr. COLLINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Strike out all of the matter commencing in line 4, page 2, and ending in line 12 on page 3.

Mr. COLLINS. Mr. Chairman, under section 2 of this bill, as presented by the District legislative committee, there will be an increase in the number and a widening of the character of places in the District where hard liquors may be sold.

Mr. PALMISANO. Mr. Chairman, will the gentleman yield right there? I know he wants to be fair.

Mr. COLLINS. Mr. Chairman, I must decline to yield for the moment. That is the purpose of section 2; to permit hard liquors to be sold in an additional number of places.

The amendment that I have offered proposes to leave the law as it is now. That is the difference in the position that I am taking and the position sponsored by the District legislative committee. The committee's proposition is generally spoken of as the high-school or elementary-school amendment; in other words, every lunch counter in the District of Columbia could be licensed to sell hard liquor. It would go even beyond opening up the old-fashioned saloon in the District of Columbia. Stripped of all surplus verbiage, that is exactly what it would mean. It would permit liquor to be sold at lunch counters so that you or I, or almost anybody else, young and old, could walk up to a lunch counter and get hard liquor because of its being a food-handling place. It would mean that in outlying sections at food dispensaries patronized by motorists and elsewhere all over the District liquor would be sold at lunch counters, which could only result in there being many additional places where hard liquor will be sold in the District of Columbia.

Instead of making it a more difficult matter to get a license, this proposition would open the door and let everybody who might wish to operate a delicatessen establishment, soda fountain, or any other place where food is dispensed sell liquor.

Let us see what the Commissioners have to say about this, for, after all, they are still the Commissioners of the District, and I think that on the question of the regulation of traffic in liquor they speak with as much wisdom as anyone to whom we might turn. Here is what they say:

Section 2 proposes—

And I want to strike it out, to leave the law as it is—

the amendment of subsection (g) of section 11 by providing that spirits may be served "at bona-fide lunch counters"—

And that phase "at bona-fide lunch counters" is in quotation marks—

as well as tables as now provided under existing law. The Alcoholic Beverage Control Board has considered this proposal and is opposed to the same for the reason that it is considered to be a step in the direction of the return of the saloon. The Commissioners have reported on this proposal and recommended unfavorable action.

You will find that statement in the report of the committee which you have before you.

We have already fixed it so that it will be practically impossible, except after the lapse of a long period of time, to revoke a license. If we do not vote the committee's proposition down, it just looks to me like we are going to have with us all of the places, good and bad, now operating, and, in addition, a thousand other places where hard liquor may be sold where it may not now be sold, and then we shall have a beautiful place in which to live.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry the gentleman from Mississippi would not yield to me so that I could correct a misstatement he made while discussing the amendment he offered. He tells you, if we permit this law to be enacted, that in substance you will create liquor stores in lunchrooms, which is not true. As the law reads today, not one single license will be obtained in the District whether this bill is passed or not.

This bill does one thing and one thing only, and the best way to illustrate it is by assuming that this is the counter and this is the table. You can obtain your beer and wine sitting on a stool here, but your friend will have to sit at the table, within 1 foot of the counter, in order to obtain liquor. Now, what difference is there?

As I stated, not one new license will be obtained under this bill. It simply says that a man who has a liquor license will be permitted to sell liquor at the counter with meals the same as he is permitted to sell liquor at the table, and that is all there is to it.

What is the difference whether in the same room you sit at the table within a foot of the counter or sit at the counter? That is the whole question.

Mr. Chairman, I hope the amendment will be voted down and this bill passed under the recommendation of the Federation of Labor and the workingmen who cannot afford to pay tips when drinking at the table. He may obtain his drink with his meal direct from the man who serves him instead of having a waiter intervene.

Mr. REES of Kansas. Will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman has stated that under this section no more licenses would be issued?

Mr. PALMISANO. That is true.

Mr. REES of Kansas. You mean they cannot be issued?

Mr. PALMISANO. The A. B. C. has set a definite number and that number is limited. No other license will be granted under this provision.

Mr. REES of Kansas. But if a man goes out of business there is no reason why some other lunchroom cannot get a license?

Mr. PALMISANO. That is true whether we pass this bill or not.

Mr. REES of Kansas. I just wanted to correct the situation as stated by the gentleman from Mississippi when he said lunch counters would be able to get licenses. There is nothing to prevent that under the present law, is there?

Mr. PALMISANO. There will not be one single license granted under this bill. It simply says to the man who now has a license that he may sell at the counter, as I tried to illustrate. He has a table and he has a counter. Today he may serve at the table within one foot of the counter, but he cannot serve at the counter. In other words, I cannot obtain my drink at the counter. I have to move around about a foot and then the waiter will come and bring me my drink within a foot or two of the counter.

Mr. REES of Kansas. Under this bill he could take out the tables and put in counters, could he not?

Mr. PALMISANO. Well, they would have to have stools anyway. He has to serve meals. Of course they have regulations.

Mr. LUCAS. Will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Illinois.

Mr. LUCAS. As I understand it, the District Commissioners are opposed to this bill?

Mr. PALMISANO. They are opposed to the amendment. This bill was proposed by the Federation of Labor, the Bartenders' Union and others, their contention being if three men come in together, one would perhaps want a drink of liquor. The others might want beer or wine. The beer and wine could be served at the counter, but the one who wanted the liquor would have to separate from the other two. Consequently, the three of them would go back to a table and necessarily, all of them wanting to be good sports, although not being able to afford it, would have to pay a little tip.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLLINS].

The question was taken; and on a division (demanded by Mr. COLLINS) there were—ayes 33, noes 41.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. That subsection (b) of section 14 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 14. (b) Before granting a retailer's license, except a retailer's license class E or class F, the Board shall give notice by advertisement published once a week and for at least 2 weeks in some newspaper of general circulation published in the District of Columbia. The advertisement so published shall contain the name of the applicant and a description by street and number, or other plain designation, of the particular location for which the license is requested and the class of license desired. Such notice shall state that remonstrants are entitled to be heard before the granting of such licenses and shall name the time and place of such hearing. There shall also be posted by the Board a notice, in a conspicuous place, on the outside of the premises. This notice shall state that remonstrants are entitled to be heard before the granting of such license and shall name the same time and place for such hearing as set out in the public advertisement; and, if remonstrance against the granting of such license is filed, no final action shall be taken by the Board until the remonstrant shall have had an opportunity to be heard, under rules and regulations prescribed by said Board. Any person willfully removing, obliterating, marring, or defacing said notice shall be deemed guilty of a violation of this act. This subsection shall not apply to the issuance of a license to a retailer for any place of business if such retailer is the holder of a license of the same class for the same place and if said last-mentioned license is in effect on the date the application for the new license is filed."

SEC. 4. That subsection (d) of section 14 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 14. (d) A separate application shall be filed with respect to each place of business. The required license fee shall be paid to the collector of taxes and his duplicate receipt shall accompany the application for license. In the event the license is denied the fee shall be returned. Every such application shall be verified by the affidavit of the applicant, if an individual, or by all of the members of a partnership, or by the president or vice president of a corporation. If any false statement is knowingly made in such application, or in any accompanying statement under oath which may be required by the Commissioners or the Board, the person making the same shall be deemed guilty of perjury. The making of a false statement in any such application, or in any such accompanying statement, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the Board, constitute sufficient cause for the revocation of the license.",

SEC. 5. That the second paragraph of section 17 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"That in the event the Board at any time shall order the suspension of any license a notice may be posted by the Board, in a conspicuous place, on the outside of the licensed premises, at or near the main street entrance thereto; which notice shall state that the license theretofore issued to the licensee has been suspended, and shall state the time for which said license is suspended, and state that the suspension is ordered because of a violation of the District of Columbia Alcoholic Beverage Control Act, or of the Commissioners' regulations adopted under authority of said District of Columbia Alcoholic Beverage Control Act."

SEC. 6. That the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 39. (a) It shall be unlawful for anyone, except a public or common carrier or the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act, to transport, import, bring, or ship or cause to be transported, imported, brought, or shipped into the District of Columbia from without the District of Columbia any wines, spirits, or beer in a quantity in excess of 1 gallon at any one time.

"(b) No public or common carrier shall transport or bring into the District of Columbia wine, spirits, or beer in a quantity in excess of 1 gallon at any one time for delivery to any one person in the District of Columbia.

"(c) The provisions of this section shall not apply to bona-fide processors of old stocks who are moving into the District of Columbia nor to embassies or diplomatic representatives of foreign countries, nor to wines imported for religious or sacramental purposes, nor to wine, spirits, and beer to be delivered to the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act.

"(d) The penalty for violation of this section shall consist of the forfeiture of the beverages transported, imported, or shipped or caused to be transported, imported, brought, or shipped in violation of this section, and a fine of not more than $500 or imprisonment for not more than 6 months."

Mr. PALMISANO. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 6, line 16, at the end of the line add the following: "other than the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act."

Mr. PALMISANO. Mr. Chairman, I may say this is a clarifying amendment. It appeared that a common carrier might not be able to receive any assignments. We were trying to protect the revenues of the District of Columbia. This is the amendment recommended by the committee. It was thought a common carrier could not bring anything into the District and this amendment corrects that situation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. PALMISANO].

The amendment was agreed to.

Mr. SACKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SACKS: Page 7, at the end of section 39, insert a new section, as follows:

"SEC. 40. The word 'neighborhood' as used in paragraph (5), section 14, of the act of January 24, 1934, shall be defined as that territory lying within a radius of 600 feet of the premises for which the license is to be issued."

Mr. SACKS. Mr. Chairman, this is a clarifying amendment in regard to a situation that was brought out during the hearings which the Committee on the District of Columbia had with the A. B. C. Board. Under the present act a beer license is issued upon an application which must be consented to by a majority of the people living within a radius of 600 feet. In drawing the act with reference to hard liquor the words "600 feet" were omitted, and the act merely states "neighborhood." As a matter of fact, the Board has been deciding its cases on the basis of allowing people living within 600 feet of the premises concerned to come in and protest the issuance of a liquor license. By this amendment I propose merely to bring this provision in line with the act and with what the Board is doing, so there can be no question of any new powers being granted. Before our committee appeared many people who stated that the Board was arbitrary because it applied the 600-foot rule. Actually, this is the same rule the Board applies in respect of the issuance of a beer license. The "600 feet" provision was in the beer section of the act but was left out of the section with reference to hard liquor. The Board is applying the 600-foot rule. Therefore this amendment will only make this rule a part of the act bearing upon the issuance of class A licenses.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield to the gentleman from Pennsylania.

Mr. RICH. Previous to this act was not the requirement 800 feet?

Mr. SACKS. No; that was never the requirement. The practice has been to apply the 600-foot rule. The beer section contains these very words, but they were left out of the hard-liquor section. This merely brings it in line.

Mr. RICH. The Board has granted licenses even though it received complaints from within the 600-foot line.

Mr. SACKS. No; it did not. It held hearings.

Mr. RICH. How about the license issued to premises near the New York Avenue Presbyterian Church, where those within 600 feet protested the granting of the license but the Board granted the license over the protest? Reverend Sizoo, who was formerly here, complained to the Board and had a lot of people complain, but, nevertheless, the Board granted the requested license.

Mr. SACKS. May I say in answer to the gentleman from Pennsylvania that what I am discussing now is not the question of discretion in issuing licenses.

Mr. RICH. I want to show the gentleman the Board grants licenses even though complaints are received.

Mr. SACKS. Of course, my amendment is not directed to that point. Such a provision is already in the act. We have already given the Board discretion to issue licenses. It has the discretion and issues licenses after hearings. As far as I am concerned, if the gentleman feels the law is not proper, he should introduce a bill in line with his ideas. However, this point is not now before us. My amendment merely

clarifies a situation which is now being covered by regulations.

Mr. RICH. Does the gentleman think if I should introduce a bill placing the limit at 1,000 or 1,500 feet it would do any good?

Mr. SACKS. That is for the Congress to say.

Mr. RICH. Does the gentleman think the House would pass such a bill?

Mr. SACKS. I do not know. I suggest that the gentleman introduce such a bill and find out.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. SACKS. I yield to the gentleman from Florida.

Mr. GREEN. In practice, now, are they selling hard liquor as near as the 600-foot zone?

Mr. SACKS. What does the gentleman mean by the "600-foot zone"? This amendment does not apply to a zone. This merely states that anybody living within the radius of 600 feet from the premises involved can protest the issuance of a license. This does not establish zones. The provision I refer to is now part of the law covering beer licenses and part of the regulations of the Board with respect to issuing hard-liquor licenses, but it is not in the section covering liquor licenses, being inadvertently omitted.

Mr. GREEN. I had the impression that protests were being made, even though the people lived more than 600 feet distant from the premises.

Mr. SACKS. No; they are not.

Mr. GREEN. Would not this amendment have a tendency to permit the sale of hard liquor anywhere beer could be sold?

Mr. SACKS. No; that is not so, because there are other regulations which govern the issuance of licenses for hard liquors which the Board applies. My amendment creates no more power, nor does it ease or facilitate the issuance of hard-liquor licenses.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SACKS].

The amendment was rejected.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this measure is going to pass by a large majority, I know; but may I call attention for just a moment to page 4 of the report, which reads as follows:

Section 2 proposes to amend subsection G of section 11 by providing that spirits may be served at "bona-fide lunch counters" as well as at tables. The Alcoholic Beverage Control Board is opposed to the passage of this provision for the reason that it would, in their opinion, be a further step to the return of the saloon.

That statement is in the report attached to this bill, but it was not discussed by the sponsors of this legislation.

About the only reason given by those sponsoring the bill for the passage of this legislation seems to be that the Bartenders' Union wants it passed. Nothing has been said about a consumers' union wanting this bill. No parent-teachers' association wants it. No league of women voters' club has made any demand for it. As a matter of fact, there is no great public demand for the passage of the measure. Here is a group—the Bartenders' Union—which states it is perfectly agreeable to those who sell liquor in Washington that this measure be passed, and that is the group that is recommending the passage of this bill today. The sponsors of this bill tell you it will not make any difference. They say there is a very little difference but not much between selling liquor at the tables and selling liquor at the counters. The gentleman from Mississippi has called your attention to the fact that this measure will lead to the sale of hard liquor in restaurants and lunch counters, anywhere and everywhere a license may be obtained.

When the prohibitory law was repealed, the public was given to understand there would be no return of the saloon, and yet the report attached to this bill states that the Alcoholic Beverage Control Board is opposed to the passage of section 2, for the reason that it would, in their opinion, be a further step to the return of the saloon.

After all, the camel continually seeks to get his nose under the tent. Here is one more instance of what may be called an opening wedge, if you please. There is no good, sound, sufficient, or sensible reason, in my opinion, why this bill should be passed. It is poor legislation. There is no public demand for it, and nobody in particular wants it, except the Bartenders' Union. They are asking for its passage. I think the bill should be voted down.

The pro-forma amendment was withdrawn.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 7, at the end of section 39, insert a new section, as follows:

"SEC. 40. The word 'neighborhood', as used in paragraph 5, section 14, of the act of January 24, 1934, shall be defined as that territory lying within a radius of 1,500 feet of the premises for which the license is to be issued."

Mr. RICH. Mr. Chairman, I refer the committee to the remarks of my colleague, the gentleman from Pennsylvania [Mr. SACKS], who offered an amendment similar to this providing a radius of 800 feet within which objections could be made to the issuance of these licenses. I am offering this amendment to see what the committee will do with respect to protecting the homes of the citizens of Washington in the issuance of these licenses. The amendment I have offered provides that people may object to the issuance of such licenses when they reside within a radius of 1,500 feet, and I present the amendment to the committee to determine whether or not the committee is interested in protecting the homes of the city of Washington by allowing them to protest against the sale of liquor within this radius of their homes.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. BEITER. The gentleman's amendment not only protects the homes but likewise the churches and schools.

Mr. RICH. It certainly does; and I cannot refrain from calling attention to the fact that the New York Avenue Presbyterian Church objected very strenuously to the granting of a license within 800 feet of its premises, but the Board that we have set up here in Washington granted the license.

I hope you will see fit to vote in favor of the amendment.

Mr. DIRKSEN. Mr. Chairman, my good friend and colleague the gentleman from Pennsylvania wants to see what the House will do with this 1,500-foot amendment. I hope they will satisfy his curiosity by simply throwing it out of the window almost unanimously, because that is where it belongs.

When the gentleman brings up this question of the New York Avenue Presbyterian Church, he should remember that some judgment, as well as common sense, has to be exercised with respect to many of these things. Here is a church that is located right in the downtown district. It has been there a long time. Abraham Lincoln used to attend prayer meeting there when President of the United States. It is located in the downtown sector, where properties are valuable and where there is a high price put upon business property frontage. Only a block or two away is a brand new building, the Trans Lux Building. Someone preempted some space there at a fancy rental, and then found that they were under the interdiction of the regulations of the A. B. C. Board. I submit to you that in view of the developments you have in metropolitan centers, like Washington, you must exercise some judgment and discretion and not seek to impose undue penalties on property that is extremely valuable, and, after all, some concession must be made to commercial interests in such cases. In a great many instances cities like New York and Chicago have grown up with churches now located in the business section, and there is certainly no reason why we should penalize the onward march of progress and put some interdiction upon such property. It is not only unfair but it would be nonsensical, and I am not persuaded that

fair-minded church folks would ask for such an onerous restriction.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RICH. Which is the more valuable to the city of Washington, the Presbyterian Church which Abraham Lincoln attended, or the booze-selling place of business you have in the Trans Lux Building? We should protect our churches and our homes as well as our children.

Mr. DIRKSEN. I will tell my friend this: People go there to church on Sunday, and this particular liquor store is locked up on Sunday. This is the answer to the gentleman's question, and it seems to me if we are going to discuss this beverage law intelligently, some of the gentlemen who have been discussing it with such gusto and éclat should read it before they make so many observations on the subject.

Just a few hundred feet farther in other directions from this church are restaurants and food establishments which serve liquor by the drink and remain open until 2 o'clock in the morning. Under such circumstances, would it not be a bit of sheer bigotry on our part to punish a new building on Fourteenth Street, in the very heart of the business district, by contending against the issuance of a license to a store that sells liquor only in packages, closes before midnight, and is closed all day on Sunday?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. COLLINS. Mr. Speaker, I have a motion to recommit at the Clerk's desk.

The SPEAKER. Is the gentleman from Mississippi opposed to the bill?

Mr. COLLINS. I am, Mr. Speaker.

The SPEAKER. Is there any Member on the minority side opposed to the bill who desires to submit a motion to recommit?

Mr. REES of Kansas. I am opposed to the bill, Mr. Speaker, but I yield to the gentleman from Mississippi.

The SPEAKER. Does the gentleman desire to submit a motion to recommit?

Mr. REES of Kansas. I do not, Mr. Speaker.

The SPEAKER. The gentleman from Mississippi [Mr. COLLINS] offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. COLLINS moves to recommit the bill (H. R. 7950) to the Committee on the District of Columbia with instructions to that committee to report the bill back forthwith with the following amendment: Strike out sections 1 and 2.

Mr. PALMISANO. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PALMISANO) there were—ayes 56, noes 64.

Mr. COLLINS. Mr. Speaker, I object to the vote because there is no quorum present.

The SPEAKER. Will the gentleman withhold that to permit the Chair to make a statement?

Mr. COLLINS. Yes.

The SPEAKER. The Chair has promised to recognize one or two gentlemen on very brief matters before we adjourn. We are now anxious to consider a resolution of adjournment out of respect to a deceased Member. The Chair states to the gentleman from Mississippi that his motion to recommit will be the first order of business tomorrow, the unfinished business, so that we may have a vote on his motion to recommit when we reconvene tomorrow. With that understanding, does the gentleman withhold his motion?

Mr. COLLINS. That is satisfactory, Mr. Speaker, and I withhold the motion.

SMALL RESERVOIRS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. WHITE of Idaho, Mr. GREEVER, Mr. DEMPSEY, and Mr. CASE of South Dakota.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, indefinitely, on account of illness in family.

To Mr. LAMNECK, for 10 days, on account of illness in family.

APPOINTMENT TO NEW YORK WORLD' FAIR COMMISSION

The SPEAKER. Pursuant to provision of Public Resolution 53, Seventy-fifth Congress, the Chair appoints as a member of the United States New York World's Fair Commission the gentleman from New York, Mr. WADSWORTH. [Applause.]

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, the gentleman from Indiana [Mr. GRISWOLD] had time this afternoon in which to address the House. He has very kindly given up his time. I ask unanimous consent that after the completion of the legislative program tomorrow and other special orders he be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

INTERIOR APPROPRIATION BILL

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I understand that the President of the United States has not yet signed the Interior appropriation bill. This is the tenth day, and it is likely, if he does not veto it, he will not add his signature to it, because of the things that were put into it that were awfully extravagant, and because the Budget, as I understand it, has asked him to veto the bill. The idea that the leaders should try to put that over on us, when we are trying to

save a little money, and when your own President is not for it!

EXTENSION OF REMARKS

Mr. DIRKSEN, Mr. CARTWRIGHT, and Mr. TABER, by unanimous consent, were granted leave to extend their own remarks in the RECORD.

SENATE BILLS AND RESOLUTIONS REFERRED

Bills, a joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 82. An act for the relief of F. A. Rumery & Sons, of Portland, Maine; to the Committee on Claims.

S. 112. An act for the relief of O. W. Waddle; to the Committee on Claims.

S. 180. An act for the relief of Lula G. Sutton and others; to the Committee on Claims.

S. 181. An act for the relief of Lowrenza D. Johnston; to the Committee on Claims.

S. 213. An act for the relief of Ida A. Gunderson; to the Committee on Claims.

S. 283. An act for the relief of Mrs. J. H. McClary, to the Committee on Claims.

S. 481. An act to permit grand-jury extensions to be ordered by any district judge; to the Committee on the Judiciary.

S. 483. An act to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof; to the Committee on the Judiciary.

S. 558. An act amending acts fixing the rate of payment of irrigation construction costs on the Wapato Indian irrigation project, Yakima, Wash., and for other purposes; to the Committee on Indian Affairs.

S. 593. An act for the relief of Emily Hyer LaVergne, executrix of the estate of W. K. Hyer; to the Committee on Claims.

S. 718. An act for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

S. 824. An act for the relief of Sam Kimzey; to the Committee on Claims.

S. 879. An act to carry out certain obligations to certain enrolled Indians under tribal agreement; to the Committee on Indian Affairs.

S. 886. An act for the relief of L. J. Powers; to the Committee on Claims.

S. 892. An act to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States"; to the Committee on Insular Affairs.

S. 937. An act for the relief of Harry W. Dubiske; to the Committee on Claims.

S. 1043. An act for the relief of A. C. Williams; to the Committee on Claims.

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota; to the Committee on the Public Lands.

S. 1255. An act for the relief of Harold Garr, Chester H. Peters, Harry B. Swift, Dr. Abraham A. Mills, Charles L. Harris, O. W. Morgan, F. G. E. Carlson, Harold S. Fraine, Owen E. Steele, W. C. Mudge, Jr., George F. Poutasse, Paul P. Pickle, W. D. Hiltbrand, Arthur P. LeBel, K. E. Hill, Annie McGowan, Ralph Thompson, and Rosamond M. MacDonald; to the Committee on Claims.

S. 1273. An act to adopt regulations for preventing collisions at sea; to the Committee on Merchant Marine and Fisheries.

S. 1346. An act for the relief of Stillwell Bros., Inc., to the Committee on Claims.

S. 1451. An act for the relief of Presly Holliday, quartermaster sergeant, Quartermaster Corps, on the retired list, and for other purposes; to the Committee on Military Affairs.

S. 1478. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi; to the Committee on Indian Affairs.

S. 1547. An act to amend the law relating to the harboring of persons charged with crime; to the Committee on the Judiciary.

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes; to the Committee on the Judiciary.

S. 1646. An act for the relief of Robert G. Duncan; to the Committee on Claims.

S. 1651. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. 602); to the Committee on Indian Affairs.

S. 1660. An act for the relief of Essie E. Leatherwood; to the Committee on Claims.

S. 1673. An act for the relief of Lewis Leonard Wood and Winifred Wood; to the Committee on Immigration and Naturalization.

S. 1681. An act to extend the time for filing claims for refunds under section 15 (c) of the Agricultural Adjustment Act; to the Committee on Agriculture.

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes; to the Committee on Banking and Currency.

S. 1697. An act for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix; to the Committee on Claims.

S. 1700. An act for the relief of William A. Patterson, Albert E. Rust, Louis Pfeiffer; and John L. Nesbitt and Cora B. Geller, as executors under the will of James T. Bentley; to the Committee on Claims.

S. 1732. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. M. L. Perry, of Lumberton, N. C., and to Dr. N. E. Jackson, of Laurinburg, N. C.; to the Committee on the District of Columbia.

S. 1802. An act to amend section 40 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended; to the Committee on the Judiciary.

S. 1810. An act for the relief of Carl E. Padgett; to the Committee on Claims.

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes; to the Committee on the Public Lands.

S. 1898. An act to authorize the Secretary of War to furnish certain markers for certain graves; to the Committee on Military Affairs.

S. 2138. An act for the relief of Nelson W. Apple; to the Committee on Claims.

S. 2139. An act for the relief of Camille Carmignani; to the Committee on Claims.

S. 2194. An act to provide for the semiannual inspection of all motor vehicles in the District of Columbia; to the Committee on the District of Columbia.

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska; to the Committee on Flood Control.

S. 2307. An act to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stocking operations for these purposes; to the Committee on Merchant Marine and Fisheries.

S. 2368. An act to provide funds for cooperation with School District No. 2, Mason County, State of Washington, in the construction of a public-school building to be available to both white and Indian children; to the Committee on Indian Affairs.

S. 2372. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for

completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; to the Committee on Indian Affairs.

S. 2378. An act for the relief of Sam Green; to the Committee on Claims.

S. 2381. An act to amend the Criminal Code by providing punishment for impersonation of officers and employees of Government-owned and Government-controlled corporations; to the Committee on the Judiciary.

S. 2386. An act to give precedence to certain proceedings to which the United States is a party, and for other purposes; to the Committee on the Judiciary.

S. 2427. An act for the relief of the estates of Al Cochran, Willis Cochran, and Russell Cochran, and for the relief of Shirley Cochran and Matilda Cochran; to the Committee on Claims.

S. 2433. An act to amend section 4450 of the Revised Statutes of the United States, as amended by the act of May 27, 1936 (49 U. S. Stat. 1380, 1383; title 46, U. S. C., sec. 239); to the Committee on Merchant Marine and Fisheries.

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 852; 49 Stat. 1985); to the Committee on Merchant Marine and Fisheries.

S. 2458. An act for the relief of the F. P. Weaver Coal Co., Ltd.; to the Committee on Claims.

S. 2478. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; to the Committee on Flood Control.

S. 2487. An act for the relief of Leah P. Rice; to the Committee on Claims.

S. 2488. An act for the relief of Naomi Straley and Bonnie Straley; to the Committee on Claims.

S. 2504. An act for the relief of James W. Gilson; to the Committee on Claims.

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness; to the Committee on Claims.

S. 2575. An act to increase the efficiency of the Coast Guard; to the Committee on Merchant Marine and Fisheries.

S. 2592. An act to repeal section 178 of the Criminal Code entitled "Issuing notes less than $1"; to the Committee on the Judiciary.

S. 2594. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes; to the Committee on Military Affairs.

S. 2598. An act to provide for the advancement on the retired list of the Navy of Arthur W. Bass, a lieutenant (junior grade), United States Navy, retired; to the Committee on Naval Affairs.

S. 2602. An act for the relief of George Yuhas; to the Committee on Claims.

S. 2606. An act for the relief of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co.; to the Committee on Claims.

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases; to the Committee on the Public Lands.

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet; to the Committee on the Public Lands.

S. 2644. An act for the relief of Sherm Sletholm, Loneata Sletholm, Lulu Yates, Madeline Yates, and the estate of Ella A. Morris; to the Committee on Claims.

S. 2650. An act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation, and for other purposes; to the Committee on Rivers and Harbors.

S. 2671. An act to reserve certain lands in Utah as an addition to the Goshute Indian Reservation; to the Committee on Indian Affairs.

S. 2675. An act to amend certain sections of the Federal Credit Union Act approved June 26, 1934 (Public, No. 467, 73d Cong.); to the Committee on Banking and Currency.

S. 2676. An act to amend the act approved August 24, 1935, entitled "An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone"; to the Committee on Merchant Marine and Fisheries.

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act; to the Committee on the Public Lands.

S. 2689. An act to regulate the leasing of certain Indian lands for mining purposes; to the Committee on Indian Affairs.

S. 2698. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapahoe Indians; to the Committee on Indian Affairs.

S. 2699. An act for the relief of Max D. Ordmann; to the Committee on Claims.

S. 2761. An act authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State; to the Committee on Interstate and Foreign Commerce.

S. 2768. An act authorizing the Comptroller General to adjust and settle the claim of Leo L. Harrison; to the Committee on Claims.

S. 2769. An act authorizing the Comptroller General to adjust and settle the claim of Irwin H. Johnson; to the Committee on Claims.

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal Reclamation Laws; to the Committee on Indian Affairs.

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake; to the Committee on the Judiciary.

S. 2832. An act authorizing the adjustment of the claims of Frank Pashley and Brown Garrett; to the Committee on Claims.

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings; to the Committee on the Judiciary.

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma; to the Committee on Indian Affairs.

S. 2866. An act for the relief of Vincent Ford; to the Committee on Claims.

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended; to the Committee on Ways and Means.

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes; to the Committee on Foreign Affairs.

S. Con. Res. 18. Concurrent resolution to provide for the creation of a Joint Committee on Hawaii; to the Committee on Rules.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 169. An act to provide for a term of court at Benton, Ill.;

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1114. An act for the relief of Agnes Ewing Harter;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the naval air station, Hampton Roads, Va., May 15, 1936;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckinridge County, Ky., to the Commonwealth of Kentucky;

H. R. 4716. An act authorizing the construction and equipment of a marine hospital in the State of Florida;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5194. An act granting a renewal of patent no. 60731 relating to the badge of the Girl Scouts, Inc.;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5860. An act making further provision for the fisheries of Alaska;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the Government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptacle in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6453. An act to increase the minimum salary of deputy United States marshals to $2,000 per annum;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 6693. An act to legalize a dike in the Missouri River, 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6976. An act to provide for the establishment of a Coast Guard station on the coast of Alabama at or near Dauphin Island, Ala.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street in the city of Bridgeport, Conn., a nonnavigable stream;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence;

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes;

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the North Canadian River in Oklahoma;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts;

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island; and

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1160. An act for the relief of Troup Miller and Harvey D. Higley.

THE LATE REPRESENTATIVE THEODORE A. PEYSER

Mr. CULLEN. Mr. Speaker, it is with profound regret and sincere sympathy that I rise in my place today to announce to the House that the messenger of death has again visited us and taken from our midst Representative THEODORE A. PEYSER, of the Seventeenth Congressional District of New York. Representative PEYSER came to the Seventy-third Congress, was reelected to the Seventy-fourth Congress, and reelected to the Seventy-fifth Congress. He was a genial personality. He was a lovable character, a man of ability, understanding, and atmosphere. He considered his membership in this House a great responsibility.

He served with distinction and ability on the Committee on Interstate and Foreign Commerce, a prominent and highly important committee of this House. When the New York delegation was called upon to select a man to serve on that committee, we thought seriously about whom we would place on that important committee, and it is an important committee, because it has to deal with the business interests of this country. I, in the responsible position that I hold with the New York delegation, was very careful as to whom I would recommend to the Committee on Ways and Means for that assignment. I realized, too, that it was an assignment that required skill, that required ability, that required common sense, and also that required that kind of a brain that would understand thoroughly the legislative problems that would come before the committee. He never faltered in his actions on the committee. He served under the distinguished chairman, Mr. SAM RAYBURN, now our distinguished floor leader, and again he served under the gentleman from California [Mr. LEA].

It is too bad, Mr. Speaker, to lose men of this type, because they are needed. They are needed at times to balance off the kind of problems that are brought before us when men have to decide very carefully what they should do in regard to the enactment of laws.

When PEYSER became a member of that committee he came to me and said, among other things, calling me by my first name, "Tom, you will never have to apologize for my actions on that committee." I congratulated him and said, "I know that, Teddy," because he was Teddy to me. I said, "I know that you realize your responsibility. I know that you are careful. I know you have been graduated from the business world of New York, and I am satisfied you will acquit yourself in a manner not only honorable to yourself, but to your Nation, to your State, to your party, and to your family." He has done so.

It is with great regret that we lose men of this kind. Sometimes, as I sit here listening to the debates, and see men in the heat of debate running rife around the Chamber, I pray to God that they will at least have some consideration for the legislation they are considering. And again, Mr. Speaker, when our dear Chaplain, Rev. James Shera Montgomery, comes in here every morning and delivers those beautiful prayers, when he puts up his right hand in supplication, asking God to preserve our health, to preserve the health of our families, and to give guidance to us in our labors throughout the day, what consolation and solace comes to us all, even though the inevitable must happen. Death, of course, comes to us all. It is only a question of time. As I said a moment ago, when I look at our beloved Chaplain asking God in His infinite wisdom to protect us in the labors we have to perform, I would like to supplement, in this sacred Chamber, if you please, this simple prayer: "May the soul of THEODORE A. PEYSER and the souls of all our departed colleagues rest in peace, in the glory of life and in the kingdom of heaven. Amen."

Mr. Speaker, I offer a resolution, which I send to the desk.

House Resolution 302

Resolved, That the House has heard with profound sorrow of the death of Hon. THEODORE A. PEYSER, a Representative from the State of New York.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER appointed the following funeral committee: Mr. BOYLAN of New York, Mr. BLOOM, Mr. FITZPATRICK, and Mr. MILLARD.

The SPEAKER. The Clerk will read the balance of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

Mr. CULLEN. Mr. Speaker, of course I understand the rule as far as it relates to the appointment of Members of the House to attend funerals, but I most respectfully suggest to my colleagues from New York, those who can conveniently attend his funeral and act as honorary pallbearers, that they may do so.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 3 o'clock and 2 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until tomorrow, Tuesday, August 10, 1937, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

Special Subcommittee on Naval Affairs, appointed by Chairman CARL VINSON will hold continued open hearings on H. R. 7777, to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by treaties signed at Washington, February 6, 1922, and at

London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496), Tuesday, August 10, 1937, at 10:30 a. m.

COMMITTEE OF MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., Tuesday, August 10, 1937, at 10 a. m., on H. R. 8080, a bill to establish a fund for the insurance of mortgages securing loans for the construction or reconditioning of floating property used for commercial purposes.

COMMITTEE ON THE CIVIL SERVICE

A meeting is being called for Wednesday, August 11, 1937, at 10:30 a. m., for the purpose of holding a hearing on the bills H. R. 2280 and H. R. 3483, proposing to classify special-delivery messengers of the Post Office Department. It is hoped we can complete this hearing at one session, and your cooperation will be deeply appreciated.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

795. A letter from the Acting Secretary of the Interior, transmitting copy of legislation passed by the Municipal Council of St. Thomas and St. John, and approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

796. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KLEBERG: Committee on Agriculture. H. R. 7830. A bill to permit Members of Congress to enter into agreements under agricultural programs; without amendment (Rept. No. 1470). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JACOBSEN: Committee on Claims. H. R. 726. A bill for the relief of the heirs of Dessie Masterson; with amendment (Rept. No. 1454). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 2362. A bill for the relief of Henry M. Hyer; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House.

Mr. BEVERLY M. VINCENT: Committee on Claims. H. R. 2665. A bill for the relief of W. D. Presslie; with amendment (Rept. No. 1456). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 3657. A bill for the relief of Albert Pina Afonso; with amendment (Rept. No. 1457). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 3988. A bill to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935; with amendment (Rept. No. 1458). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 5249. A bill for the relief of Lydia M. White; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 5793. A bill for the relief of Josephine Fontana; with amendment (Rept. No. 1460). Referred to the Committee of the Whole House.

Mr. JACOBSEN: Committee on Claims: H. R. 6011. A bill for the relief of E. C. Beaver; with amendment (Rept. No. 1461). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 6061. A bill for the relief of Mary Dougherty; with amendment (Rept. No. 1462). Referred to the Committee of the Whole House.

Mr. BEVERLY M. VINCENT: Committee on Claims. H. R. 6238. A bill for the relief of J. C. Prosser; with amendment (Rept. No. 1463). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 6668. A bill for the relief of Robert Landeau, a minor; without amendment (Rept. No. 1464). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 6689. A bill for the relief of George Rendell, Alice Rendell, and Mabel Rendell; without amendment (Rept. No. 1465). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 6889. A bill for the relief of Lynn E. Barker; with amendment (Rept. No. 1466). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 7245. A bill for the relief of J. C. Jones; with amendment (Rept. No. 1467). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 7677. A bill for the relief of R. F. Lassly; without amendment (Rept. No. 1468). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2299. An act for the relief of M. M. Twichel; with amendment (Rept. No. 1469). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLDEN: A bill (H. R. 8184) to increase death and disability benefits for the investigative personnel of the Federal Bureau of Investigation of the Department of Justice; to the Committee on the Judiciary.

By Mr. FLANNAGAN: A bill (H. R. 8185) to provide an adequate and balanced flow of tobacco in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture.

By Mr. PALMISANO (by request): A bill (H. R. 8186) to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CARTER: A bill (H. R. 8187) to prohibit loud, disturbing, and unnecessary noises in motor-vehicle use and operation in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DEMPSEY: A bill (H. R. 8188) authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet; to the Committee on the Public Lands.

Also, a bill (H. R. 8189) authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes; to the Committee on the Public Lands.

By Mr. CANNON of Missouri: Resolution (H. Res. 303) making farm legislation a special order of business; to the Committee on Rules.

By Mr. TINKHAM: Resolution (H. Res. 304) requesting withdrawal of United States troops from China; to the Committee on Rules.

By Mr. FORD of California: Joint resolution (H. J. Res. 484) providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942

commemorating the landing of Cabrillo, and for other reasons; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIERMANN: A bill (H. R. 8190) for the relief of Leland J. Belding; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 8191) for the relief of A. C. Williams; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 8192) for the relief of Herbert Joseph Dawson; to the Committee on Naval Affairs.

By Mr. FERGUSON: A bill (H. R. 8193) for the relief of the Long Bell Lumber Co., of Ponca City, Okla.; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 8194) granting a pension to Florence Jones; to the Committee on Invalid Pensions.

By Mr. KITCHENS: A bill (H. R. 8195) for the relief of Otis Winstead; to the Committee on Claims.

By Mr. O'BRIEN of Michigan: A bill (H. R. 8196) for the relief of Norman F. Grundy; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 8197) for the relief of James J. Hogan; to the Committee on Claims.

By Mr. TRANSUE: A bill (H. R. 8198) granting an increase of pension to Isabelle Call; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H. R. 8199) for the relief of Olive Fletcher Conklin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3177. By Mr. ROMJUE: Petition of Glenn D. Stickler and others, of Brimson, Mo., endorsing House bill 7681, providing Government aid to States in wildlife restoration projects, and for other purposes; to the Committee on Agriculture.

3178. Also, petition of the General Wildlife Federation of the States of Arkansas, Kentucky, Missouri, and Tennessee, endorsing Senate bill 2670 and House bill 7681 for Federal aid to State wildlife programs; to the Committee on Agriculture.

3179. By the SPEAKER: Petition of the Greer County Cotton Growers, Mangum, Okla., petitioning Congress to formulate an agriculture program; to the Committee on Agriculture.

3180. Mr. CULLEN: Petition of the Board of Estimate and Apportionment of New York City, urging the passage of the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3181. By the SPEAKER: Petition of the city of Cleveland, enclosing a certified copy of resolution file no. 107090 adopted by the council August 3, 1937; to the Committee on Appropriations.

3182. By Mr. CURLEY: Petition of the Central Union Label Council of Greater New York, urging enactment of the Allen-Schwellenbach bill providing for the reinstatement of all workers dismissed from Public Works Administration who have not found employment in private industry; to the Committee on Appropriations.

3183. By Mr. FITZPATRICK: Petition of the Board of Estimate and Apportionment of the City of New York, urging the passage of the Schwellenbach-Allen resolution in relation to the Works Progress Administration workers; to the Committee on Appropriations.

3184. By Mr. CURLEY: Petition of the Post Office Eligibles Association, urging support of House joint resolution introduced by Congressman CELLER; to the Committee on the Civil Service.

3185. Also, petition of the Washington Restaurant Association, opposing passage of House bill 8950 as it applies to the sale of spirituous liquors at open bars and lunch counters in the District of Columbia; to the Committee on the District of Columbia.

3186. Also, petition of the Grand Lodge, Brotherhood of Railroad Trainmen, urging enactment of Senate bill 69, known as the train-limit bill; to the Committee on Interstate and Foreign Commerce.

3187. By Mr. COLDEN: Resolution of the International Association of General Chairmen, Brotherhood of Railroad Trainmen, in session at Cleveland, Ohio, on August 4, 1937, urging the enactment by Congress before adjournment of the train-limit bill (S. 69); to the Committee on Interstate and Foreign Commerce.

3188. By Mr. ASHBROOK: Petition of Dr. G. W. Lower, of Millersburg, Ohio, and six other citizens, opposing House Joint Resolution 284, by Mr. SIROVICH, proposing a monument to Robert Ingersoll; to the Committee on the Library.

3189. By Mr. FITZPATRICK: Petition of the American Federation of Musicians, urging the passage of House bill 4947 and Senate bill 2369, to commission the band leaders of the Regular Army and the National Guard; to the Committee on Military Affairs.

3190. By Mr. PETERSON of Georgia: Petition of citizens of Emanuel and Chatham Counties, Ga., concerning the old-age pension bill (H. R. 2257); to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 10, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, August 9, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest, in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the Office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday; and

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes.

CALL OF THE ROLL

Mr. LEWIS. As pending legislation requires the presence of a quorum, I suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Colo.	Overton
Andrews	Connally	King	Pepper
Ashurst	Copeland	La Follette	Pittman
Austin	Davis	Lee	Pope
Barkley	Dieterich	Lewis	Radcliffe
Berry	Ellender	Lodge	Reynolds
Bilbo	Frazier	Logan	Schwartz
Black	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gillette	McAdoo	Smathers
Bridges	Glass	McCarran	Smith
Brown, Mich.	Green	McGill	Steiwer
Brown, N. H.	Guffey	McKellar	Thomas, Okla.
Bulkley	Hale	McNary	Thomas, Utah
Bulow	Harrison	Maloney	Townsend
Burke	Hatch	Minton	Truman
Byrd	Herring	Moore	Vandenberg
Byrnes	Hitchcock	Murray	Van Nuys
Capper	Holt	Neely	Walsh
Caraway	Hughes	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent in the performance of official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

The Senator from New York [Mr. WAGNER] is absent in attendance on the funeral of the late Representative Peyser, of New York.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the performance of official duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

PETITIONS

Mr. COPELAND presented a resolution adopted by the Milton-on-Hudson Grange, in the State of New York, favoring the adoption of the so-called Ludlow resolution, providing for a Nation-wide referendum before a declaration of war, except in case of invasion, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by members of the Ladies Aid Society of the Methodist Protestant Church at Garwoods, N. Y., favoring the maintenance of peace for the Nation, which was referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4489. A bill for the relief of Stella Van Dewerker (Rept. No. 1151);

H. R. 5927. A bill for the relief of Walter G. Anderson (Rept. No. 1152); and

H. R. 7172. A bill for the relief of Jesse A. LaRue (Rept. No. 1153).

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2657. A bill authorizing the Secretary of the Navy to advance on the retired list of the Navy, David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired (Rept. No. 1154); and

H. R. 3372. A bill for the relief of Luke Francis Brennan (Rept. No. 1155).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 6167) to provide a surcharge on certain air mail carried in Alaska, reported it without amendment and submitted a report (No. 1156) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ADAMS:

A bill (S. 2935) to authorize the use of certain facilities of national parks and national monuments for elementary school purposes;

A bill (S. 2936) to establish the San Juan National Monument, P. R., and for other purposes; and

A bill (S. 2937) to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 2938) authorizing the award of appropriate service medals to American officers and seamen who served on American or allied merchant vessels in the submarine zones during the period of the World War; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2939) for the relief of John January; to the Committee on Claims.

By Mr. HATCH (for himself and Mr. CHAVEZ):

A joint resolution (S. J. Res. 204) authorizing the President to issue a proclamation with respect to commemoration of the four hundredth anniversary of the journey and explorations of Coronado in western America; to the Committee on the Library.

PORTRAIT OF THE LATE SENATOR ROBINSON

Mrs. CARAWAY submitted the following resolution (S. Res. 173), which was referred to the Committee on the Library:

Resolved, That the Architect of the Capitol is authorized and directed to accept a portrait of Hon. Joseph T. Robinson, late a Senator from the State of Arkansas, as a gift to the Senate of the United States from certain friends of his, and to cause such portrait to be hung in a suitable place in the Senate wing of the National Capitol.

HOME OWNERS' LOAN CORPORATION AND HOME OWNERSHIP—ADDRESS BY SENATOR COPELAND

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address delivered on May 19, 1937, by Senator COPELAND on the subject The Home Owners' Loan Corporation and Home Ownership, which appears in the Appendix.]

BILLIONS OUT AND BILLIONS BACK—ARTICLE BY JESSE H. JONES

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article by Jesse H. Jones, published in the Saturday Evening Post of June 26, 1937, entitled "Billions Out and Billions Back", which appears in the Appendix.]

WILDLIFE RESTORATION PROJECTS

The Senate resumed the consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

Mr. PITTMAN. Mr. President, since this bill was taken up yesterday there have been some conferences between Senators who are particularly interested in the measure, and agreement has been reached on certain perfecting amendments, which I send to the desk and ask to have stated.

The VICE PRESIDENT. Does the Senator desire that committee amendments be first considered?

Mr. PITTMAN. I ask unanimous consent that committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered, and the clerk will state the committee amendments.

The amendments of the Special Committee on Conservation of Wildlife Resources were, in section 3, page 3, line 8, after the date "June 30", to strike out "1938" and insert "1939"; in section 5, on page 5, line 16, after the date "June 30", to strike out "1938" and insert "1939"; and in section 12, on page 9, line 17, after the words "from the", to strike out "date of its passage" and insert "1st day of July 1938", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized to cooperate with the States, through their respective State fish and game departments, in wildlife-restoration projects as hereinafter set forth; but no money apportioned under this act to any State shall be expended therein until its legislature shall have assented to the provision of this act and shall have passed laws for the conservation of wildlife which meet the minimum requirements of the said Secretary of Agriculture, which requirements shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of said State fish and game department, except that, until the final adjournment of the first regular session of the legislature held after the passage of this act, the assent of the Governor of the State shall be sufficient. The Secretary of Agriculture and the State fish and game department of each State accepting the benefits of this act shall agree upon the wildlife-restoration projects to be aided in such State under the terms of this act and all projects shall conform to the standards fixed by the Secretary of Agriculture.

SEC. 2. For the purposes of this act the term "wildlife-restoration project" shall be construed to mean and include the selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition by purchase, condemnation, lease, or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor, and the construction thereon or therein of such works as may be necessary to make them available for such purposes and also including such research into problems of wildlife management as may be necessary to efficient administration affecting wildlife resources, and such preliminary or incidental costs and expenses as may be incurred in and about such projects; the term "State fish and game department" shall be construed to mean and include any department or division of department of another name, or commission, or official or officials, of a State empowered under its laws to exercise the functions ordinarily exercised by a State fish and game department.

SEC. 3. An amount equal to the revenue accruing during the fiscal year ending June 30, 1939, and each fiscal year thereafter, from the tax imposed by section 610, title IV, of the Revenue Act of 1932 (47 Stat. 169), as heretofore or hereafter extended and amended, on firearms, shells, and cartridges shall be set apart in the Treasury as a special fund to be known as "The Federal aid to wildlife restoration fund" and is hereby appropriated and made available until expended for the purposes of this act. So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof shall be available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this act which is unexpended or unobligated at the end of the period during which it is available for expenditure on any project shall then be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 4. So much, not to exceed 8 percent, of the revenue covered into said fund in each fiscal year as the Secretary of Agriculture may estimate to be necessary for his expenses in the administration and execution of this act and the Migratory Bird Conservation Act shall be deducted for that purpose, and such sum shall be available therefor until the expiration of the next succeeding fiscal year, and within 60 days after the close of such fiscal year the Secretary of Agriculture shall apportion such part thereof as remains unexpended by him, if any, and make certificate thereof to the Secretary of the Treasury and to the State fish and game departments on the same basis and in the same manner as is provided as to other amounts authorized by this act to be apportioned among the States for such current fiscal year. The Secretary of Agriculture, after making the aforesaid deduction, shall apportion the remainder of the revenues in said fund for each fiscal year among the several States in the following manner, that is to say, one-half in the ratio which the area of each State bears to the total area of all the States and one-half in the ratio which the number of paid hunting-license holders of each State in the preceding fiscal year, as certified to said Secretary by the State fish and game departments, bears to the total number of paid hunting-license holders of all the States: *Provided*, That the apportionment for any one State shall not exceed the sum of $150,000 annually: *Provided further*, That where the apportionment to any State under this section is less than $15,000 annually, the Secretary of Agriculture may allocate not more than $15,000 of said fund to said State to carry out the purposes of this act when said State certifies to the Secretary of Agriculture that it has set aside not less than $5,000 from its fish and game funds or has made, through its legislature, an appropriation in this amount, for said purposes.

SEC. 5. Within 60 days after the approval of this act the Secretary of Agriculture shall certify to the Secretary of the Treasury and to each State fish and game department the sum which he has estimated to be deducted for administering and executing this act and the Migratory Bird Conservation Act and the sum which he has apportioned to each State for the fiscal year ending June 30, 1939, and on or before February 20 next preceding the commencement of each succeeding fiscal year shall make like certificates for such fiscal year. Any State desiring to avail itself of the benefits of this act shall notify the Secretary of Agriculture to this effect within 60 days after it has received the certification referred to in this section. The sum apportioned to any State which fails to notify the Secretary of Agriculture as herein provided shall be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 6. Any State desiring to avail itself of the benefits of this act shall by its State fish and game department submit to the Secretary of Agriculture full and detailed statements of any wildlife-restoration project proposed for that State. If the Secretary of Agriculture finds that such project meets with the standards set up by him and approves said project, the State fish and game department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: *Provided, however*, That the Secretary of Agriculture shall approve only such projects as

may be substantial in character and design and the expenditure of funds hereby authorized shall be applied only to such approved projects and if otherwise applied they shall be replaced by the State before it may participate in any further apportionment under this act. Items included for engineering, inspection, and unforeseen contingencies in connection with any works to be constructed shall not exceed 10 percent of the cost of such works and shall be paid by the State as a part of its contribution to the total cost of such works. If the Secretary of Agriculture approves the plans, specifications, and estimates for the project, he shall notify the State fish and game department and immediately certify the fact to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon set aside so much of said fund as represents the share of the United States payable under this act on account of such project, which sum so set aside shall not exceed 75 percent of the total estimated cost thereof. No payment of any money apportioned under this act shall be made on any project until such statement of the project and the plans, specifications, and estimates thereof shall have been submitted to and approved by the Secretary of Agriculture.

SEC. 7. When the Secretary of Agriculture shall find that any project approved by him has been completed or, if involving research relating to wildlife, is being conducted, in compliance with said plans and specifications, he shall cause to be paid to the proper authority of said State the amount set aside for said project: *Provided*, That the Secretary of Agriculture may, in his discretion, from time to time, make payments on said project as the same progresses; but these payments, including previous payments, if any, shall not be more than the United States' prorata share of the project in conformity with said plans and specifications. Any construction work and labor in each State shall be performed in accordance with its laws and under the direct supervision of the State fish and game department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with rules and regulations made pursuant to this act. The Secretary of Agriculture and the State fish and game department of each State may jointly determine at what times and in what amounts payments, as work progresses, shall be made under this act. Such payments shall be made by the Secretary of the Treasury, on warrants drawn by the Secretary of Agriculture against the said fund to such official or officials, or depository, as may be designated by the State fish and game department and authorized under the laws of the State to receive public funds of the State.

SEC. 8. To maintain wildlife restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws. If at any time the Secretary of Agriculture shall find that any wildlife restoration project in any State established under the provisions of this act is not being properly maintained, he shall give notice of such fact to the fish and game department of such State, and if within 3 months from the receipt of said notice such wildlife restoration project has not been put in the proper condition of maintenance, the Secretary of Agriculture shall thereafter refuse to approve any further wildlife restoration project in that State until such project has been put in proper condition of maintenance.

SEC. 9. Out of the deductions set aside for administering and executing this act and the Migratory Bird Conservation Act, the Secretary of Agriculture is authorized to employ such assistants, clerks, and other persons in the city of Washington and elsewhere, to be taken from the eligible lists of the civil service; to rent or construct buildings outside of the city of Washington; to purchase such supplies, materials, equipment, office fixtures, and apparatus; and to incur such travel and other expenses, including purchase, maintenance, and hire of passenger-carrying motor vehicles, as he may deem necessary for carrying out the purposes of this act.

SEC. 10. The Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act.

SEC. 11. The Secretary of Agriculture shall make an annual report to the Congress of the sum set apart in "the Federal aid to wildlife restoration fund", giving detailed information as to the projects and expenditures therefor.

SEC. 12. This act shall be in force from the 1st day of July 1938.

The amendments were agreed to.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I wish to ask the Senator a general question or two about the bill. Am I correct in understanding that it proposes to divert an existing excise tax for a special purpose?

Mr. PITTMAN. That is true.

Mr. VANDENBERG. How much is involved?

Mr. PITTMAN. Probably five hundred or six hundred thousand dollars.

Mr. VANDENBERG. It would have the same effect, of course, as making a new appropriation to a new facility, would it not?

Mr. PITTMAN. I will state to the Senator that the object of this tax originally—and it was discussed for many years—was for the benefit of the migratory-bird law which Congress enacted. That was the real object of the particular tax on sporting goods, shells, and firearms.

Mr. VANDENBERG. The proceeds of the tax are now going into the general revenues, are they not?

Mr. PITTMAN. Yes; they are.

Mr. VANDENBERG. And this is a withdrawal from the general revenues, and, to that extent, is a contribution made to the particular purpose?

Mr. PITTMAN. I should say that is true. However, I may say that it is necessary, or, at least, proper, for our Government to carry out its migratory-bird treaty with Canada. In the migratory-bird treaty with Canada both Governments assume certain obligations for the protection of migratory birds. In our efforts to provide a special fund for that purpose we imposed a special tax on sporting goods, firearms, shells, and cartridges. The intent was perfectly plain—to be able to carry out the treaty with Canada.

Mr. VANDENBERG. Has the Treasury Department reported one way or the other upon the bill?

Mr. PITTMAN. Not at the present session of Congress. There was a report at a prior session of Congress.

Mr. VANDENBERG. What was the nature of the report?

Mr. PITTMAN. The report was favorable in the prior session.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. PITTMAN. I yield.

Mr. CLARK. I inquire of the Senator if the committee amendments have been adopted?

Mr. PITTMAN. The committee amendments have been adopted, but I should like to have reported the amendments just sent to the desk by me.

The VICE PRESIDENT. The clerk will state the amendments offered by the Senator from Nevada.

The LEGISLATIVE CLERK. In section 1, on page 1, at the beginning of line 10, it is proposed to strike out "meet the minimum requirements of the said Secretary of Agriculture, which requirements."

Mr. PITTMAN. I ask to have the amendment I have just presented adopted.

The VICE PRESIDENT. Is there objection to the amendment offered by the Senator from Nevada?

Mr. KING. Mr. President, unfortunately I was delayed on my way to the Chamber. I inquire if the Senator has explained the bill and its cost and the extent to which it will encroach upon the rights of the States in the control of their own fish and game preserves.

Mr. PITTMAN. The Senator from Nevada a few days ago, when the matter first came up and when he asked unanimous consent to proceed with the consideration of the bill, by consent of the Senate, made a brief statement. However, after the adoption of the perfecting amendments, the Senator from Nevada will make a brief statement, and I think other Senators will also do so. I should like action taken on the amendment offered by me which has just been read.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment offered by the Senator from Nevada.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "legislature", it is proposed to insert the words "or other State agency authorized by the State constitution to make laws governing the conservation of wildlife."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. PITTMAN. Mr. President, if there is no objection, I will ask the Senator from Missouri to explain the last amendment.

Mr. CLARK. Mr. President, the purpose of that amendment is simply to provide for a situation which, I think, exists only in the State of Missouri. By a constitutional amendment, adopted by an overwhelming majority in a

popular vote of the people of Missouri at the last election, we have set up a conservation commission in the State of Missouri which has authority to legislate directly as to the control of the wildlife resources of the State without the necessity of recourse to the State legislature. This amendment is to take care of that situation and any other situation of a similar sort which may develop.

While I am on my feet, Mr. President, if the Senator from Nevada will permit me for just a moment, I should like to say a few words in support of this measure.

Mr. PITTMAN. I shall be glad to have the Senator do so.

Mr. CLARK. The State of Missouri is extremely proud of the fact that she has taken the latest and most forward step for the administration of wildlife within her borders. Missouri is the first State to set up within its constitution a complete authority for the administration of wildlife. The conservationists and sportsmen of my State are justly proud of this accomplishment.

The enjoyment of our wildlife areas is an important factor in the happiness and contentment of our people. We must preserve these values for posterity. We must not permit a further depletion of our wildlife population, nor the extinction of any more species.

The pending bill, introduced and sponsored by the Senator from Nevada [Mr. PITTMAN], will provide the needed impetus to bring about more quickly a restoration of wildlife species throughout the Nation in a manner somewhat similar to that which has brought about our wonderful system of State and National highways throughout the United States.

Thirteen million people in the United States annually take out hunting and fishing licenses. Many millions more are interested in the out of doors and the perpetuation of its living creatures. To all these the pending bill offers a new hope that our wildlife will increase and multiply so that in a comparatively short time it may be restored to some semblance of its former abundance.

I trust and hope that in pursuance of this movement, under the impetus to be given by this bill, other States may follow the example of Missouri and set up independent conservation commissions authorized to take the necessary steps to accomplish this much desired purpose.

Mr. CHAVEZ. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In section 8, on page 8, beginning in line 11, after the word "laws" and the period, it is proposed to strike out the remainder of the section, as follows:

> If at any time the Secretary of Agriculture shall find that any wildlife-restoration project in any State established under the provisions of this act is not being properly maintained, he shall give notice of such fact to the fish and game department of such State, and if within 3 months from the receipt of said notice such wildlife restoration project has not been put in the proper condition of maintenance, the Secretary of Agriculture shall thereafter refuse to approve any further wildlife restoration project in that State until such project has been put in proper condition of maintenance.

Mr. KING. Mr. President, will the Senator from New Mexico explain the amendment?

Mr. CHAVEZ. Section 8 provides for the maintenance of wildlife-restoration projects under the terms of the bill. If my amendment should be adopted, section 8 would then read:

> SEC. 8. To maintain wildlife-restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws.

All language of the section would be stricken out which would give to the Secretary of Agriculture the ultimate decision as to whether or not the maintenance was being provided according to law. We maintain that as long as maintenance of the respective projects is to be left to the States according to their laws, they should have the ultimate decision as to how the projects should be maintained. I propose to strike out of the section only that provision which would give full control and authority of the matter to the Secretary of Agriculture.

Mr. HATCH. Mr. President, will my colleague yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to his colleague?

Mr. CHAVEZ. I yield.

Mr. HATCH. My colleague has previously stated the objections to that part of the section which he now proposes to strike out. In addition I believe he will remember that the game commission of our State objected to certain features of the bill which it was thought would largely turn over to the Secretary of Agriculture the control and direction of wildlife conservation within the State of New Mexico, taking it out of the hands of our local authorities. Is not that correct?

Mr. CHAVEZ. That is correct.

Mr. HATCH. I also understand the bill has now been amended by striking out the provisions on the first page of the bill which would have given the Secretary of Agriculture possible control over our own State laws. Has not that provision been eliminated?

Mr. CHAVEZ. That is correct.

Mr. HATCH. The amendment which the Senator now offers would take from the bill certain objectionable features which would seem to interfere with local control and management, and would give our local authority within the State that control which we think it should have over our own projects.

Mr. CHAVEZ. My colleague is correct in his statement.

I invite the attention of the Senator from Nevada [Mr. PITTMAN] to the fact that after this amendment is adopted, if it shall be adopted, it is my desire to offer another amendment, on page 8, line 11, after the word "laws", to insert "and ability." I should like to have action on my pending amendment, and then I shall offer the amendment which I have just suggested.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. CHAVEZ. I now offer the amendment to which I just referred and ask that it may be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In section 8, on page 8, line 11, after the word "laws", it is proposed to insert "and ability", so that the section would read:

> To maintain wildlife-restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws and ability.

Mr. PITTMAN. Mr. President, it would seem to me the Senator's amendment would remove any consideration for the contribution of 75 percent by the Federal Government. The Federal Government is to contribute 75 percent toward the State project, the consideration being a 25-percent contribution on the part of the States, to be taken out of the State license fund. It would seem that the Senator, by inserting the words "and ability", is attempting to take from the Secretary of Agriculture all power to stop the 75-percent contribution.

Mr. CHAVEZ. Let me explain what I have in mind. The Senator from Nevada knows, as I know, that most of the Western States are small States with very little revenue. The bill as now constituted under section 8, leaving the maintenance to the individual States, puts upon those States quite a problem for maintenance.

Mr. WHITE. Mr. President, will the Senator from New Mexico yield at that point?

Mr. CHAVEZ. I yield.

Mr. WHITE. Of course, the maintenance depends entirely upon the action of the State in the first instance, because whatever projects are set up in the State will be set up on the volition of the State itself. I seems to me if the words "and ability" are added it would inject an absolutely uncertain element. When a State acts according to its laws, that is something definite and ascertainable, but if we add the words "and ability", then there is absolutely no standard by which anyone can determine the desirability of the project.

It always comes back to the thought that the projects in the States are the projects of the States themselves and of their own choosing. I assume that a State would not sanc-

tion a project in the first instance unless the State were satisfied of its ability to carry on the project.

Mr. CHAVEZ. Perhaps I can clarify the matter. I have talked today with the chairman of our State game commission, Hon. Colin Neblett, Federal judge of that particular district. This is what he had in mind in regard to the suggested amendment which would add the words "and ability." It is his contention that in instances a game commission, whether it be the New Mexico Game Commission or the game commission of any other State that has a small revenue, would perhaps suggest a project to the Federal Government. It would be approved, but in time the State would find that it would be impossible, because of the small revenues collected by the State, to keep up maintenance of such a project. Would the State be permitted under the terms of the bill, if it did not contain the amendment suggested by me, to drop that particular project?

Mr. WHITE. The Senator from Nevada [Mr. PITTMAN] is better acquainted with the terms of the bill than am I, but I assume there is no mandatory provision requiring the State to keep up a project which it has once undertaken.

Mr. CHAVEZ. That is what I want to know from the chairman of the committee. Does the Senator from Nevada [Mr. PITTMAN], who has charge of the bill, understand, if any State were to initiate a project and then, after maintaining it several years, found it impossible under their revenue to keep up the project and maintain it according to regulations and the terms of the bill, that the State would have the power and the right under the terms of the bill to drop the project?

Mr. PITTMAN. Mr. President, under the terms of the bill, the State having established a project which has been approved by the Secretary of Agriculture and having agreed to maintain it under the State laws, I think the abandonment of it would be subject to the approval of the Secretary of Agriculture, but if he refused to approve it, the State could simply refuse to participate under this act.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. PITTMAN. I yield to the Senator from New Mexico.

Mr. HATCH. So long as the obligation is only to maintain the project in accordance with the State law, could not the State itself, under the provisions of this bill, modify a particular law if its terms should prove to be too onerous?

Mr. PITTMAN. I should assume that if the State, by State law, abandoned it, it would come within the provisions the Senator suggests. I should not say that the game commission could take that action, however.

Mr. CHAVEZ. I withdraw the amendment.

The VICE PRESIDENT. The Senator from New Mexico withdraws the amendment. The question is on the engrossment and third reading of the bill.

Mr. WHITE. Mr. President, I desire to express to the Senate my complete approval of the purposes of this bill and of its provisions.

We have seen in our country, as our forests have been razed and our fields plowed up, the breeding grounds of our upland game disappear. With respect to our waterfowl, we find much the same situation. We have drained our lakes, and tens of millions of acres of marshland which have been the home of waterfowl. We have seen our coastal waters polluted and dams put across streams, preventing access of fish to breeding grounds. Our fish resources have been depleted. We face the time in this country when many species of our game life will disappear altogether unless the people of the country arouse themselves, and unless there are adopted measures of conservation and measures of restoration.

The two things are not identical. When we think of conservation measures, we ordinarily think of restrictions or limitations upon the killing of game. We think in terms of the sort of guns that may be used. We think of limitations upon the number of shells that may be carried in the automatic gun. We think of limitations upon the sort of fishing tackle that may be employed.

We think also in some degree of limitations of time for killing game. These things have made their contribution, and I think they have stayed somewhat the depletion which has been going on; but we need vastly more than that in America if we are to save what we have been blessed with in the past. We must adopt definite restorative measures; and restorative measures mean making adequate provision for homes for our wild animals, for feeding our wild animals, for their resting and breeding.

This bill recognizes this great necessity. I believe the American people are in sympathy with the efforts of our fish and game associations and the efforts of our States, and I believe the people of the country will give wholehearted approval to the efforts of the Congress to stay the wanton destruction of our game life which has been going on over the years.

I very much hope the bill will have the approval of the Congress.

EXPORTATION OF SCRAP IRON AND STEEL

Mr. NYE. Mr. President, I beg leave to take the attention of the Senate away from the pending bill for a matter of only 5 or 6 minutes.

There has been pending before this session of Congress a proposal for an embargo which would forbid the exportation of scrap iron from the United States. The proposal is pending before the Senate Military Affairs Committee. A subcommittee thereof has arranged for rather extensive hearings, to be conducted late this year or early in January.

There are certain phases of the subject which I am hopeful the subcommittee may take into consideration in the conduct of its inquiry.

It seems to me it is a significant thing, taken in connection with the Chinese-Japanese movement at the present time, that our exports of scrap iron and steel for the month of June reached the second highest monthly level in the entire history of the United States.

In June we exported 514,651 tons, as reported by the Department of Commerce only last week. That brings the first 6-month total for this year up to 2,134,000 tons, which exceeds the entire export for 1936. There is no secret about where this scrap iron is going. A great part of this raw material is going into the making of war. It is being shipped very largely to Japan. It is also alarmingly true to anyone who has made any study of the subject that in exporting this material abroad we are also stripping our own country of resources vital to the national defense and to our peacetime economy.

Statistics given out only yesterday reveal that the current price of no. 1 scrap is from $22.75 to $23.75 per ton at this time. This price constitutes an increase of at least $6 per ton for scrap developing during the past 3 months. American industry is using on an average of 20,000,000 tons of this no. 1 scrap steel annually. Thus we find that the exportation of scrap from this country at this time is on a scale which will cost the consumers of steel and iron in the United States $120,000,000 annually—a figure far in excess of any return that any Americans may realize from the sale of this scrap.

It can hardly be said, then, that the return from this foreign trade is in keeping with our best interests in this country. Indeed, it seems to me that the only return we may expect from a continuation of this exportation, aside from the munificent return in dollars to the several exporting companies, is the probability that one day we may receive this scrap back home here in the form of shrapnel in the flesh and in the bodies of our sons.

The War Department and the Navy Department are both aware of the danger of dissipating our resources of scrap iron and steel. During the 11-year period from 1923 to 1933 our exports of scrap iron and steel averaged less than 300,000 tons a year. During the past 6 months we have exported nearly seven times as much as we shipped abroad in any one of those normal years. If the present rate continues, as it certainly will if it is not restricted, we shall be sending abroad in the

year 1937 more than we exported in all of the previous 11 years combined.

This commodity, scrap iron and scrap steel, is a basic material for war. Approximately 50 percent of the present exportation is going to Japan. Let us look at another phase of the situation. Practically every major country excepting the United States has restricted the exportation of its scrap. I do not know how many innocent women and children have been murdered in Spain by instruments of death fashioned from scrap metal exported from our country; but we cannot close our eyes to the fact that we are assisting in enriching merchants of death at the Nation's expense when we permit them to operate as they are now doing.

Who are the beneficiaries of this traffic, and why should they be permitted to benefit at such a deadly cost?

There are not more than a half dozen companies in the United States doing any considerable business in the exportation of scrap iron and steel. One of these—Luria Bros., of Philadelphia—sold last year 2,200,000 tons of scrap for a record take of $32,000,000. In fact, this firm is so prosperous that, in addition to its seven yards scattered throughout the country, it has now found it necessary to establish a separate concern to handle the enormously increased volume of export business. I have reliable information that Luria Bros. and their immediate relatives and associates divided a net profit of more than $3,000,000 last year, which represents, according to my information, a return of 150 percent on their capital stock.

I remind the Senate that the colossal success of this enterprise, and the four or five or six similar enterprises, is at the expense of this country of ours as a whole. There is no justification, morally, ethically, or nationally, for subsidizing these individuals while our country's resources are being drained for personal profit.

I suggest that it would be extremely advisable, and certainly informative, for the Senate Military Affairs Committee to investigate the profits growing out of this business, coming especially to Luria Bros. and their relatives and associates, and also to inquire if there has been any tax evading through the establishment of dummy holding companies or other devices.

I believe it is of interest to the country to know to what extent these dealers in death have profited and are profiting, and what bonuses, subsidies, and other methods of distribution of enormous profits have been employed.

Scrap iron and scrap steel are vital to our industrial economy, as well as to our national defense. Governmental experts predict that our basic supply of iron ore is very definitely limited. Scrap iron and steel become each year more vital components of finished metal products. Our resources are being used by foreigners for foreign wars. It is quite conceivable that our exports may one day be used for war against our own country.

WILDLIFE-RESTORATION PROJECTS

The Senate resumed the consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. KING. Mr. President, before the bill is passed I wish to state that I have received a telegram from Mr. N. B. Cook, the efficient fish and game commissioner of Utah, in which he requests that the Senate withhold action on the bill until after the western international game conferences are held during this month. I am advised by the Senator from Nevada, in charge of the bill, that the objection which is voiced indirectly in this telegram has been met by the amendment which was offered by the Senator from New Mexico [Mr. CHAVEZ].

Mr. PITTMAN. Mr. President, I feel certain that that is true, because there is in my possession a letter signed by the gentleman who sent the telegram, in which he expressed his hearty approval of the bill. There was one question, however, which I think he desired to submit to the conference, the same question raised by the junior Senator from New Mexico, which the Senator from New Mexico has covered in his amendment. I am therefore convinced that the gentleman who sent the telegram would be satisfied with the bill.

Mr. KING. This telegram was dated August 4, apparently after the communication to which the Senator referred. But assuming he had in mind the proposal suggested by the Senator from New Mexico, and that the objection has been successfully met, I will not object to the measure.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill (S. 2670) was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF PROPERTY OWNED BY FOREIGN GOVERNMENTS

Mr. PITTMAN. Mr. President, I ask that the Senate proceed to the consideration of Senate Joint Resolution 191.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 191) to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes, which had been reported from the Committee on Foreign Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That it shall be unlawful to display any flag, banner, or device designed or adapted to bring into public notice any party, organization, or movement, or the political, social, or economic acts, views, or purposes of any individual, party, group, or organization, within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this resolution; and any person convicted of violating any of the provisions of this resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Mr. PITTMAN. Mr. President, I offer an amendment as a substitute for the amendments of the committee. The amendment I offer is lying on the table. It has been printed in the CONGRESSIONAL RECORD, and I ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 22, it is proposed to strike out all the language of the committee amendment and in lieu thereof to insert the following:

That it shall be unlawful to display any flag, banner, placard, or device designed or adapted to intimidate, coerce, or bring into public odium any foreign government, party, or organization, or any officer or officers thereof, or to bring into public disrepute political, social, or economic acts, views or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass or bring into public disrepute any officer or officers or diplomatic or consular representatives of any foreign government, or to interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises within the District of Columbia used or occupied by any foreign government or its representative or representatives as an embassy, legation, consulate, or for other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

SEC. 2. The police court of the District of Columbia shall have jurisdiction of offenses committed in violation of this joint resolution; and any person convicted of violating any of the provisions of this joint resolution shall be punished by a fine not exceeding $100 or by imprisonment not exceeding 60 days, or both.

Mr. PITTMAN. Mr. President, the object of the pending joint resolution is quite plain from the language used in it. It is intended to protect foreign diplomats in our country in their embassies and legations from harassment and annoyance from acts which would bring into odium the countries they represent, which would bring into disrepute their officers, and which would nullify the inviolability of ambassadors and ministers as they are protected in every country throughout the world.

I believe that since the beginning of government the inviolability of ambassadors and ministers has been universally recognized in all civilized countries. Even in times of vicious wars special ambassadors from one of the hostile countries to the other have gone without guards, realizing that the honor of the country to which they were going was sufficient to protect their lives and to protect them in the performance of their duties. If this were not so, intercourse between governments would be practically impossible. The peace of the world largely depends upon the treatment by governments of all foreign ambassadors and ministers within their borders. I think it is more important to us than to any other government in the world that at this time we maintain this policy.

Mr. President, I consider this a very important question. I feel that if we treat negligently or without consideration or regard an important subject such as this, we endanger the lives of our citizens in countries where there are today serious conflicts. I feel that if we do not take a step to protect foreign ambassadors and ministers and diplomatic officers and their homes, their embassies, and their chancelleries, we cannot expect any different treatment of our ambassadors, our ministers, our embassies, and our legations in other countries of the world.

A few days ago I took occasion to state on the floor of the Senate that there are 500 citizens of our country in Peiping, in a little compound, where they are threatened with destruction at any moment, not through action of the armed forces of either Japan or China, but through action of the great mobs which always follow armies.

The same situation exists today in Tientsin, as well as in Hankow, and our citizens are in the same situation in nearly all countries where there are conflicts today. Yet the subject is treated lightly; it is looked on with little interest. There is a disposition to treat foreign ambassadors as we treat citizens of the United States or unofficial foreigners who come here expecting only the same protection as a citizen of the United States.

We can go far back in legal and diplomatic literature to find references to this subject. We can consult Kent's Commentaries, we can go back to the earliest writers on international law, and we will find that the universal policy and rule has constantly governed in these matters. Let me read from Kent's Commentaries:

> Ambassadors form an exception to the general case of foreigners resident in the country, and they are exempted absolutely from all allegiance and from all responsibility to the laws of the country to which they are deputed. As they are representatives of their sovereigns, and requisite for negotiations and friendly intercourse, their persons, by the consent of all nations, have been deemed inviolable, and the instances are rare in which popular passions, or perfidious policy, have violated this immunity. Some very honorable examples of respect for the rights of ambassadors, even when their privileges would seem in justice to have been forfeited on account of the gross abuse of them, are to be met with in the ancient Roman annals, notwithstanding the extreme arrogance of their pretensions, and the intemperance of their military spirit. If, however, ambassadors should be so regardless of their duty, and of the object of their privilege, as to insult, or openly attack the laws or government of the nation to whom they are sent, their functions may be suspended by a refusal to treat with them, or application can be made to their own sovereign for their recall, or they may be dismissed, and required to depart within reasonable time.

That is the universal law of nations, and has been from the very beginning of governments. As I have said, we cannot treat them as we treat other foreigners within our borders who do not come here under special privileges. Other foreigners are subject to our laws. Such a condition is impossible in the case of an ambassador or a minister. They represent a government. Their embassies and their legations are part of the government they represent. To all intents and purposes, and under legal construction, their embassies, their chancelleries, and their homes are part of a foreign territory.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I call attention to the language of the joint resolution on page 2, beginning on line 3, making it illegal—

> To interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises—

And so forth. Is it legal to interfere with the free and safe pursuit of their duties everywhere else except within 500 feet of the buildings referred to?

Mr. PITTMAN. No; it is not. As a matter of fact, I strained this language very much so as to conform to the very strict interpretation by some of those for whom I have very high respect of the constitutional right of free speech and assemblage.

Mr. VANDENBERG. I ask the Senator what the implication is at this point? Here we definitely state that they must be protected in the free and safe pursuit of their diplomatic privileges within 500 feet of their legation or embassy. Does that not carry the implication that beyond 500 feet they do not have such protection?

Mr. PITTMAN. Beyond 500 feet they would undoubtedly have the protection that every American citizen has. What the joint resolution seeks to do is to protect these sanctuaries and the diplomats and their families within them. It has no other purpose. I seek not to protect its occupants so much from insult as to provide for their safety, to protect against the arousing of the hatred of a people because of mistreatment of the representatives of their government, to protect them in the free and safe use and enjoyment of their sanctuaries.

Mr. President, we have reports from the police department as to a number of incidents that have occurred here during the past year or so in front of various embassies. Not only do such incidents amount to discourtesy, not only is it what amounts to a refusal to protect and maintain the inviolability of the homes of ministers and ambassadors and their families, but it evidences a failure to protect their safety, when demonstrations in any form are allowed to be made before a legation or an embassy which are likely to incite mob violence.

I do not believe that the people themselves who display the banners and placards have in their hearts the intention of doing injury or damage. What is the result of such display and such demonstration? Do Senators think the wife of the ambassador or the children of the ambassador in the building know the intent of the people who are marching up and down in front of the building, with all kinds of devices which display inscriptions that are critical of the ambassador or his country or which tend to bring into odium or disrepute their country or their ambassador? Do Senators think the wife and the children know what the people who are on the outside are going to do? No. They are in their home in fear and trembling.

As a matter of fact, I think we can prove, if it shall be necessary, that some foreign representatives have found it necessary to move their families away from their official homes during such periods of picketing.

Mr. VANDENBERG. Mr. President, will the Senator yield again?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. The Senator from Nevada referred to untoward instances which occurred during the past year or so. I ask the Senator if such incidents could not be prohibited under the terms of the substitute presented by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. PITTMAN. It is the opinion of the Assistant Solicitor in the Department of Justice that they could not be. That is also the opinion of the Attorney General. The Attorney General is very anxious to assure foreign diplomats that they will have the time-honored inviolability that we on our part have demanded in their countries. The Attorney General is very anxious to assure them that their homes will be safe from any attacks, that their families will be safe from any attacks or intimidation, that their government shall not be brought into disrepute, and that odium shall not be placed

upon them right in their faces by the display of placards and banners in front of their embassies or legations.

Mr. VANDENBERG. Mr. President, will the Senator again yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. I share all the Senator's aspirations to which he has just adverted, and I would join him in hoping to provide all the essential immunities. The fact remains that there is involved in this matter an abstract question of the right of free speech and free assembly, in which the whole American people have some concern.

Referring again to the proposal of the Senator from Wisconsin, which seeks to amend the existing law by prohibiting the use of banners, placards, and other means, and which seeks definitely to prohibit not only the things to which the Senator's resolution refers but a great many other things, I confess my inability to understand why the proposal submitted by the Senator from Wisconsin would not cover the legitimate cases of complaint; and I shall be obliged to the Senator from Nevada if he will indicate some incidents that would not be covered by the proposal of the Senator from Wisconsin.

Mr. PITTMAN. Very well. I think I have sufficiently covered the purposes of the joint resolution. A letter from the Secretary of State, most earnestly urging the adoption of this resolution, has been placed in the RECORD. It will be found in the CONGRESSIONAL RECORD of August 7, on page 8486.

Let me read the provision of the District Code. Here is section 117 of the District of Columbia Code. As proposed to be amended by the Senator from Wisconsin [Mr. LA FOLLETTE], it would read, as printed in the RECORD, on page 8519, the change being indicated by italics. This section, I believe, was adopted in 1892:

Unlawful assembly; profanity, etc., in public places, etc.: It shall not be lawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in or around any public building or enclosure.

The Senator from Wisconsin would add these words:

Including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes)—

Then the language of the section follows:

or any park or reservation, or at the entrance of any private building or inclosure, and engage in loud and boisterous talking or other disorderly conduct—

We will assume that they do not engage in any loud or boisterous conduct, or other disorderly conduct, but are walking up and down in front of an embassy with banners on which is contained language bringing into odium and disrepute their own governments, their own rulers.

The section continues:

or to insult—

And then follows the language proposed by the Senator from Wisconsin:

(by the use of banners, placards, or otherwise)—

I continue reading from section 117:

or to make rude or obscene gestures or comments or observations on persons passing by—

I am not interested in persons passing by. The language continues:

or in their hearing—

I am not interested in the question of the hearing of persons passing by. I continue to read:

or to crowd, obstruct, or incommode the free use of any such street, avenue, alley, road, highway, or any of the foot pavements thereof—

That is a matter of minor consideration to me.

or the free entrance into any public or private building or inclosure; it shall not be lawful for any person or persons to curse, swear, or make use of any profane language or indecent or obscene words—

That is a matter of small consideration to me in this matter—

or engage in any disorderly conduct in any street, avenue, alley, road, highway, public park or inclosure, public building, church, or assembly room, or in any other public place, or in any place wherefrom the same may be heard in any street, avenue, alley, road, highway, public park or inclosure, or other building, or in any premises other than those where the offense was committed, under a penalty of not more than $25 for each and every such offense.

I say in the first place that the amendment of the Senator from Wisconsin, while it does not meet the material questions at all, is in the nature of an insult to the very principle and policy that the nations have recognized with regard to ambassadors and ministers since the beginning of government. We are to put them in the same position, it is understood, as passersby on the street; if the picketers do not indulge in any swearing or use obscene language, then the ambassadors or ministers have no right whatsoever to complain.

Mr. LA FOLLETTE. Mr. President——

Mr. PITTMAN. Just a moment, until I finish the sentence; then I shall yield. We are to place the ambassadors and the ministers, the homes in which they and their families live as guests in this country, on the same basis that we place a slum tenement house, such as those we are endeavoring to destroy under the Wagner bill.

I now yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, will the Senator please tell the Senate, if my amendment were agreed to, what could take place that the Senator would consider objectionable if the police officers and the law-enforcement department of the District government enforced the law?

Mr. PITTMAN. Just exactly what the gentlemen who send us telegrams want to do. Let me read some telegrams.

Mr. LA FOLLETTE. Give us some specific examples.

Mr. PITTMAN. I will tell the Senator if he will be patient. I am not going to forget what the Senator has asked. I will show the Senate what could be done and what it is desired to do. But, in the first place, it will be understood, an attempt is being made to influence us to destroy the inviolability of ambassadors and ministers and their residences and their chancelleries, a principle which has been recognized for years, under the foolish assumption that the Constitution in guarding the right of free speech and free assembly, places no restriction thereon. Of course the Senator from Wisconsin knows that there are restrictions on that right. The Congress and State legislatures can prescribe reasonable regulations. True, the statute I have read is a restriction.

Let me read some of these communications by which it is sought to influence the Congress of the United States. This telegram is addressed to me as chairman of the committee:

Many Washington organizations and liberals throughout the country back us in demanding open public hearing on Senate Joint Resolution 191 and opportunity to express our considered opposition on grounds that measure violates letter and spirit of constitutional rights.

AMERICAN CIVIL LIBERTIES UNION.

Here is another telegram:

Strongly protest pending legislation to curb democratic rights in our country to please foreign and domestic Fascists. This refers to Senator PITTMAN's bill to prohibit picketing before foreign consulates and embassies. Request our legislators use their efforts for benefit of our people instead of for Hitler, Mussolini, Franco, Mikado.

Let me comment on that telegram. When persons picket a legation what is the object of doing so? The object of picketing a legation, as they have said in their letters and speeches time and time again, is to show that the government or the ruler of the government whose representative resides in the embassy or legation is cruel or murderous.

They want to show that a certain ruler is a murderer. How are they going to show it unless they have something on their banners and placards to indicate their sentiments and views? Otherwise they do not accomplish what they desire.

Let me read another telegram coming from New York:

North American Committee to Aid Spanish Democracy vigorously protests bill abolishing right of picketing of foreign embassies and legations in District of Columbia as encroachment on elementary American right to protest acts of barbarity and of repression no matter where originated. This bill would deprive great section of American people of their right to bring to the attention of governments concerned their position on issues which overstep the boundaries of states and affects all peoples throughout the world, the outstanding issue being that of fascism versus democracy. Americans must retain the right to demonstrate for democracy and human liberties. This right lost constitutes a betrayal of our great democratic heritage. We believe this issue to be of such importance that we are bringing it to the attention of the American public whose interests are most intimately affected by any denial of democratic rights.

HERMAN F. REISSIG,
Executive Secretary, N. A. C. A. S. D.

Let me ask what they can do besides insult? What can they do without using obscene language? What can they do without swearing? Those are the acts against which the statute protects. What can they do? They can inscribe on a banner and hold it right in front of the entrance of an embassy, "We believe that the Japanese are guilty of violating their treaties; we believe that the Japanese are without excuse in invading China and murdering innocent Chinese people."

Mr. LA FOLLETTE. Mr. President, does the Senator think that such placards would be considered as insults?

Mr. PITTMAN. They would constitute an expression of the belief of those displaying the banner. They would have an absolute right to say as much in any newspaper; they would have a right to say it in any speech wherever they wanted to.

Mr. LA FOLLETTE. If the amendment which I suggest to section 117 of the District Code should prevail, obviously they could not violate the statute if it were enforced.

Mr. PITTMAN. I understand.

Mr. LA FOLLETTE. The statute does not even permit any groups to congregate or assemble.

Mr. PITTMAN. That is all true enough.

Mr. LA FOLLETTE. Under the amendment which I have offered they would be prevented from insulting anyone by word of mouth or by the use of a banner, placard, device, or otherwise.

Mr. PITTMAN. But the question is, Is it necessary to go as far as an insult? Should people who may make speeches which would not be subject to punishment if made in a park be permitted to go to the front door of an embassy and make the same speeches?

Mr. LA FOLLETTE. Let us understand. If the Senator desires, and if it is the objective of his resolution, to prevent any person, no matter how orderly or how peaceful or how properly he may be acting in the exercise of his constitutional right, to go within 500 feet of an embassy or legation or a chancellery, then, of course, I grant the amendment which I have suggested would not take care of the situation.

Mr. PITTMAN. I know it would not take care of the situation.

Mr. LA FOLLETTE. But I contend, if the Senator will permit me, that the amendments which I have suggested are all that are necessary in order to protect the premises or to protect the occupants of the premises from any insult or any untoward incident such as the Senator has stated in the main burden of his argument it was the objective of his resolution to protect against.

Mr. PITTMAN. I say that, under the Constitution, anyone has a right to express his or her opinion with regard to any ruler or with regard to any government, but I say that they have not the constitutional right—if prohibited by law—to make an offensive demonstration in front of an embassy or in front of a legation, the residence of a diplomat, who is our guest here, who depends on us wholly for his protection not only against murder, not only against insult, but against any character of annoyance or interference that will bring the hatred of the people of his country against our people.

Mr. LA FOLLETTE. Then, as I understand, the Senator frankly desires to prevent any person, no matter how well behaved he may be or how orderly he may be, or how respectful he may be, from coming within 500 feet on a public highway of any embassy, chancellery, or legation, unless he actually has business to transact there?

Mr. PITTMAN. Not at all. If the Senator from Nevada indicated any such position, he went beyond his amendment. I will read the amendment again and let the Senator comment on my amendment, since I am commenting on his. Here it is:

That it shall be unlawful to display any flag, banner, placard, or device designed or adapted to intimidate, coerce, or bring into public odium any foreign government, party, or organization, or any officer or officers thereof, or to bring into public disrepute, political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute any officer or officers or diplomatic or consular representatives of any foreign government, or to interfere with the free and safe pursuit of the duties of any diplomatic or consular representatives of any foreign government, within 500 feet of any building or premises within the District of Columbia, used or occupied by any foreign government or its representative or representatives as an embassy, legation, consulate, or for other official purposes, except by, and in accordance with, a permit issued by the superintendent of police of the said District; or to congregate within 500 feet of any such building or premises, and refuse to disperse after having been ordered so to do by the police authorities of the said District.

Let us consider the provisions of the amendment:

That it shall be unlawful to display any flag, banner * * * designed or adapted * * * to bring into public odium any foreign government.

The very object of the picketing is to do that. The telegrams all indicate that the desire is to bring into odium the government whose embassy or legation is being picketed. Otherwise, the picketers do not accomplish anything. They want, as they say in their letters, to let the foreign governments, whose representatives they are picketing, know that they are odious, to know that they are in disrepute. That is their privilege, they say. I say they have not a right to any such privilege in front of an embassy, because it not only threatens safety from mob violence of the men, women, and children in that embassy but it threatens the peace of the United States. It threatens to bring the hatred of people upon us whose embassy is thus besmirched. I say to you, Mr. President, that all the armies that can be furnished will not protect our men and women in China and Japan if we arouse and incur the hatred not of those Governments but of their people by speaking unkindly or in a manner to bring into odium their Governments and their people.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. LA FOLLETTE. The Senator mentions the danger of mob violence. The Senator must realize that there is now on the statute books of the District of Columbia a statute which makes it unlawful for any person or group of persons to congregate or assemble on a public street, highway, or alley. If, under existing statutes, which are adequate to prevent such assemblage, the police department permits a mob to gather in front of an embassy, the passage of the Senator's joint resolution is not going to afford one iota of increased protection. What the Senator is complaining about, if he is alarmed concerning the danger of mob violence, is that the police department of the District of Columbia does not enforce existing law.

Mr. PITTMAN. The police department of the District of Columbia are trying to follow the law. They do not want to arrest a great many people and risk being charged with false arrest and false imprisonment. They have already stated that the language of the present act is quite indefinite, and the reports which I have put into the RECORD disclose the fact that the act is not adequate. But be that as it may, if there be only five or six beautiful women walking up and

down in front of an embassy with placards over their shoulders intended to bring and bringing into actual odium the country represented by the ambassador inside that building, it is liable to arouse a spirit of mob violence that will have its effect before any police force can reach there.

Take our own situation today in Peiping and in Tientsin. In Tientsin we have no compound. In Tientsin we have been allotted a little space of about 3 acres in the former German Embassy grounds not surrounded by a wall. There are a million people in that town. Mobs congregate there as anywhere else, far more mobs and larger than we ever see in this country. In China and in other countries where there are a million people in one community, milling backward and forward, mobs are usually out for murder and loot. The whole history of the world conclusively proves that after every great fight, murder and loot have followed.

The Secretary of State has been appealing to the Japanese Ambassador and to the Chinese Ambassador to protect our legations and our compounds in China, not to protect them from the Armies, but to protect them from mob violence. Let us assume today, Peiping being in control of the Japanese and there being a large Japanese population there, that we permit demonstrations toward the Japanese Ambassador in this city that would bring his country in disrepute or odium. What would be the result? The Japanese people would be angered. Their hatred would be aroused against us. When the hatred of a people is aroused against another people it takes large armies to prevent the wreaking of their vengeance.

The danger to our people in Tientsin and Peiping and Hankow is not from the Japanese Army or the Chinese Army, because they are being moved backward and forward constantly. The danger there is that the sentiment of the Chinese and the Japanese should be aroused against the American people. The sentiment of the Japanese and Chinese at this time is one of friendliness and respect for our people, which is the greatest protection they can possibly have.

But if we attempt to treat this matter as a little police court affair, if we attempt to control it with amendments to the police code under the ordinances of the District of Columbia, if we refuse to recognize the great principle which has come down through history, that our legations and embassies, our ambassadors and consuls shall be considered inviolate throughout the world, as every other ambassador and consul, every embassy and consulate is considered inviolate here, then we would not only destroy one of the greatest agencies for peace in the world but we would tend to bring down the contempt and hatred of the people of the world upon us.

Whence come these protests against the joint resolution? Have we heard the American Legion appealing to us not to protect foreign ambassadors and ministers and their families, their embassies and legations. Have we heard the Veterans of the Foreign Wars appealing to us not to give such protection? Have we heard the Daughters of the American Revolution protesting that by the enactment of this resolution we are destroying constitutional rights? Have we heard any great farm organization making such protest? Have we heard any labor or other great organizations of citizens protesting to us that this would destroy the freedom of press, freedom of speech, or freedom of peaceful assemblage?

No! Telegrams are coming to us, but who are they from? Some day before our committee we will find out who is sending them, but I say now that the forces which desire to put on a show in front of foreign embassies in our national Capital, no matter on which side of a foreign controversy they may be, have no standing whatsoever in this body.

Mr. LA FOLLETTE. Mr. President, I had hoped we might discuss this question with a little more light and a little less heat. So far as I am concerned, I am just as anxious as is any other Member of the Senate to protect the lives of American citizens who happen, unfortunately, to be located at the moment in areas where armed conflicts are in progress; but in the effort to afford such protection I do not desire to have citizens of this country deprived of their constitutional rights.

As I suggested the other day, as a Government we have existed for a great many years without any such statute as that proposed by the joint resolution now pending before the Senate. I do not believe, and I do not think any other Senator believes, that the protection of American lives and American property in China or elsewhere is dependent upon the passage of this joint resolution. The protection of American lives and property will depend upon the action of governments which are engaged in the conflict.

The Senator from Nevada has suggested that the danger to our people in Tientsin, for example, is from a mob. Assuming that the joint resolution which the Senator has introduced were a law and on our statute books, does any Senator imagine for a moment that any mob which intended violence against American citizens in Tientsin would stop to get a permit from the chief of police of that community before committing an act of violence? The proposition is not tenable, as I see it.

In the District of Columbia we have a statute covering the case. It is section 117 of the District Code. I contend that the amendment which I have offered to that section of the code would meet the very situation which the Senator from Nevada has described. That section of the code reads:

117. Unlawful assembly; profanity, etc., in public places, etc.: It shall not be lawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in or around any public building or inclosure.

At that point I propose to insert:

Including any building or premises used or occupied by an foreign government or its representatives as an embassy or for diplomatic or other official purposes.

If the amendment which I have suggested to that section of the code were adopted, it would be unlawful for any person or persons within the District of Columbia to congregate and assemble in any street, avenue, alley, road, or highway, or in any public building or inclosure, including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or for other official purposes. It seems to me that would completely dispose of any argument concerning the danger of mob violence or even the threat of it.

If the section of the code were amended as I have suggested, the police department and the officials of the District of Columbia would be completely and absolutely derelict in their duty if they permitted a mob or even a group of persons to congregate on the streets or sidewalks or in the alleys adjacent to any building or premises occupied by any diplomatic or foreign mission accredited to this Government.

We do not need to have any worry about the picture which the Senator from Nevada in his enthusiasm has drawn of the danger of mob violence. That is completely disposed of, because, after all, the entire question of whether or not the laws are enforced rests upon the officials of the District of Columbia and the police department.

What is it that people may not do under the section of the code to which I have referred, if my amendment should be adopted?—

Engage in loud and boisterous talking or other disorderly conduct.

That is as sweeping as the English language can make it.

Or to insult—

That is a broad term, Mr. President. It covers every possible act that could be criticized; but in order to make certain that it shall not only include acts which might come under the very broad term, "insult", which might be committed by word of mouth, I propose to insert the words:

by the use of banners, placards, or otherwise.

Mr. BORAH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Nevada has amended his original joint resolution by offering a substitute. From a constitutional standpoint, what is the difference between the two proposals—that is, from the viewpoint of the constitutional right of peaceful assemblage?

Mr. LA FOLLETTE. Mr. President, as I see it, the Senator from Nevada is opposed to the harassment or the annoyance—that is the term he has used on several occasions—of representatives of foreign governments.

The issue on these two propositions is very clear and very plain. The Senator from Nevada proposes to create an area on the public streets and highways within 500 feet of any premises occupied by a representative of a foreign government accredited to this Government where no person may go, no matter how well-behaved he may be, no matter how proper his conduct may be, unless he has business to transact there.

Mr. PITTMAN. I do not see where the Senator finds that in the amendment I have offered. Of course, he may use any language he desires to use. He is correct in thinking that I object to harassment and annoyance of the representatives of foreign governments.

Mr. HUGHES. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Delaware.

Mr. HUGHES. Does the Senator mean that a person could not pass by an embassy within 500 yards?

Mr. LA FOLLETTE. No; I mean that the Senator from Nevada proposes to create an area of 500 feet where no person may harass or annoy, or go there for any purpose, excepting as he may have a legitimate purpose of transacting business there.

Mr. PITTMAN. I do not find that provision in the joint resolution. That is in the Senator's imagination.

Mr. LA FOLLETTE. Mr. President, I have gathered it from some of the remarks which the Senator from Nevada has used when his imagination was running away with him.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. SCHWELLENBACH. Looking at the Senator's amendment, after the words "or to insult", the Senator has inserted the words "by the use of banners, placards, or otherwise."

The original law is not quite clear as to who is to be insulted; but I take it, from reading the law, that it means insults to persons passing by, or within their hearing. There is that distinction between the Senator's amendment and the joint resolution of the Senator from Nevada; is there not?

The joint resolution of the Senator from Nevada attempts to prevent insults to foreign governments or the occupants of their embassies—it does not use the same words—while the amendment of the Senator from Wisconsin to the existing act is limited to preventing insults to persons passing by, or within their hearing.

Mr. LA FOLLETTE. Or persons sufficiently near the act, if it may be called an act to carry a banner, so that they may see or read the banner. The difficulty with the language used by the Senator from Nevada in his proposal is that it is too sweeping.

Mr. SCHWELLENBACH. I take it, from reading the joint resolution of the Senator from Nevada, that he wishes to prevent bringing into public odium any foreign government, party, or organization, or any officer or officers thereof.

Mr. LA FOLLETTE. "Or to bring into public disrepute political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass"—and the Senator from Nevada himself has given to the word "harass" the connotation of the word "annoy."

Mr. SCHWELLENBACH. I thought merely about the part of the Senator's amendment which inserts the words "by the use of banners, placards, or otherwise." I am wondering whether or not the Senator from Wisconsin would be willing to extend that portion of it by adding, after the words "persons passing by, or in their hearing", language similar to the language of the Senator from Nevada—"foreign government, party, or organization, or any officer or officers thereof."

Mr. LA FOLLETTE. Yes, Mr. President, I should be willing to modify my amendment accordingly; but I am not willing to accept the language "or to bring into public disrepute political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute", because the Senator from Nevada has given to that language the connotation that he does not want anyone to come within 500 feet of these embassies or legations who may be there for a purpose that might be interpreted as an intent to annoy the occupants of the embassies or legations. I think it is going too far to attempt to deprive American citizens of the right to be on public highways or streets, so long as their conduct is orderly, so long as they do not congregate into a group, so long as their conduct is above reproach, and so long as they do not attempt to insult anyone or to commit any act, either by word of mouth or by banner, placard, or device which could be construed to be an insult or be construed to be provocative of violence, or any of the dire things which the Senator from Nevada has suggested he is alarmed about.

Mr. SCHWELLENBACH. Mr. President, I think I am as anxious to protect the constitutional rights of our citizens as is the Senator from Wisconsin.

Mr. LA FOLLETTE. I grant that.

Mr. SCHWELLENBACH. But I cannot see that anybody has a constitutional right to go out with some wisecracking placard and insult foreign governments. The inevitable result of enough of that is to lead this Government into hostilities with the foreign governments; and I do not think there is a constitutional right to do that. Personally, I feel that it is entirely proper to make such amendments as are necessary to prevent that sort of activity upon the part of our citizens. As I understand, the Senator would have no objection to amending his amendment to include "foreign governments and their officers" after the word "insult", so that they would be the object of that sentence.

Mr. LA FOLLETTE. No; I should not have any objection to that.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Michigan.

Mr. VANDENBERG. From one point of view, the Senator from Wisconsin is offering foreign countries and foreign diplomats a greater measure of protection than is the Senator from Nevada, for under the proposal of the Senator from Wisconsin, if it is appropriately worded in line with the suggestion of the Senator from Washington, the Senator from Wisconsin is going to prevent the display of insulting placards, and so forth, anywhere in the city of Washington, instead of just within 500 feet of an embassy.

Mr. PITTMAN. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. There are other things besides insults. The Senator from Michigan ought to know that. There are many things that may be said that will bring a country or the rulers of a country into disrepute that are not insulting. There is no doubt about that. In other words, the Senator is trying to limit the thing down to the action of rowdies on the streets.

Mr. VANDENBERG. In the absence from the floor temporarily of the Senator from Nevada, the Senator from Wisconsin has been discussing an enlargement of his language which would specifically cover the situation which the Senator is now discussing.

Mr. PITTMAN. He has not attempted so far to do it.

Mr. LA FOLLETTE. Mr. President, just one word in reply to the suggestion of the Senator from Nevada, which he has made on several occasions, that it is disgraceful for protection to be provided to representatives of foreign governments in sections of statutes which have to do with other acts which are of an unfortunate character. Of course, the fact remains that all of our statutes are drawn

to cover a great many different situations; and I cannot conceive that any foreign government, or the representatives of any foreign government, could be annoyed, or could feel that they had not been treated with the proper deference and courtesy, if we were to extend to them the same protection which is extended to all other persons in the District of Columbia, and to extend to them protection which is now enjoyed under this statute by our own governmental officials and the property which they occupy.

Mr. PITTMAN. Mr. President, may I ask the Senator a question?

Mr. LA FOLLETTE. Yes, sir.

Mr. PITTMAN. Does not the Senator believe that the wives and daughters of ambassadors, such as the Chinese Ambassador or the Mexican Ambassador, are justified in being extremely frightened by any form of picketing in front of an embassy or legation?

Mr. LA FOLLETTE. Mr. President, in my judgment, it all depends on the conduct and the character of the representations which are made. The Senator knows that the decisions of our own courts, so far as labor disputes are concerned, are filled with many decisions in which a very clear distinction has been made between peaceful picketing and picketing which is not peaceful.

Mr. PITTMAN. I agree with the Senator on that subject, and I am not an opponent of picketing in matters of domestic affairs; but again I say that the wives and children of foreign diplomats have a right to be frightened at picketing in front of their embassies and legations when the object of the picketing is criticism of their governments and their rulers, even if the criticism does not go to the extent of insult; and I regret to say that I think it is true that certain diplomats here have become so frightened that they have had their wives and families temporarily leave the city.

Mr. LA FOLLETTE. If that be true, then the complaint should be made to the officials of the District of Columbia and to the police department.

Mr. PITTMAN. What would be the complaint?

Mr. LA FOLLETTE. That they have permitted, contrary to section 117 of the District Code, the assemblage of persons in the proximity of embassies in such numbers, or of persons who are conducting themselves in such a way, as to engender or arouse fear of bodily harm or damage to property or to any person who was occupying any legation or embassy.

Mr. PITTMAN. But in some cases there has been no great assemblage. There were only five or six persons. They were not interfering with the traffic of the street. They were not using any language at all, but they carried placards which were critical of the governments represented by the embassies. Back and forward they walked, all day long. That is not illegal under any law of which I know. I am trying to have it made illegal, provided such devices and banners carry upon them a reflection on the government represented by the ambassador, and if they bring that government into odium, no matter whether or not there is now a law against it. It is not illegal picketing in any sense of the word, but it is calculated to frighten those within the building. It has frightened them, and such things should not be permitted. I do not believe we should allow the picketing of a foreign ambassador or a foreign minister or any picketing so close to him that it will cause fright.

Mr. LA FOLLETTE. I have stated on several occasions that the issue is very clear. The Senator from Nevada wishes to prevent people from going within 500 feet of any buildings or premises occupied by representatives of foreign governments unless they are going to those buildings and premises for the purpose of transacting business, or unless they are walking or using the streets in the ordinary course of their progress to and from some other point.

Mr. PITTMAN. I wish the Senator would not get that impression.

Mr. LA FOLLETTE. The Senator from Nevada has once more repeated the statement which is the reason why I have gained the impression, and the Senator has given the connotation of the word "harass" in his amendment, that he does not propose that foreign representatives shall be annoyed. Of course, it might be annoying to some representatives if a man were to walk up and down in front of their premises with the Declaration of Independence printed in sufficiently large letters so that it could be read from the windows by those occupying the premises.

Mr. PITTMAN. Mr. President, the banner or device must be calculated to bring into odium the country and in disrepute the officers, and that is the method in which it is harassing.

Mr. LA FOLLETTE. The Senator's amendment reads:

> To bring into public notice any * * * political, social, or economic acts, views, or purposes of any foreign government, party, or organization, or to intimidate, coerce, harass, or bring into public disrepute—

And so forth. The Senator has again and again indicated that he does not believe that people in this country have the right or should have the right, no matter how well they may conduct themselves, no matter how proper or appropriate their representations may be, to go within 500 feet of any premises occupied by the representative of any government accredited to this country.

Mr. PITTMAN. There is hardly any use in discussing the matter any longer with the Senator. The language shows that it refers to the carrying of banners or devices. If the Senator still thinks that the offense is walking up and down, I cannot go along with him.

Mr. BARKLEY. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. BARKLEY. Does not the Senator recognize the difference between picketing a factory, or store, or any other establishment in the United States growing out of a labor dispute, or any other sort of dispute, and the picketing of an embassy or legation in the United States? Regardless of what any American citizen may feel with respect to the internal policy of any other nation, it strikes me that it is going a long way to allow American citizens to march up and down in front of a foreign embassy, or legation, or consulate, with placards, or in any other way, without placards, expressing their opinion of what is going on in the foreign country. It seems to me that, regardless of whether it annoys them or does not annoy them, it is asking quite a privilege to request that our citizens be allowed deliberately to take any action on the premises or within the precincts of a foreign embassy which is intended to show harsh criticism or disapproval of what may be going on in the foreign country, especially if it is a friendly country, and it would be, of course, if it had an embassy or an ambassador or a minister or consul here.

Mr. LA FOLLETTE. Mr. President, it is a privilege which has been enjoyed by the citizens of this country ever since this Government was established, and, so far as I have been able to ascertain, in not a single democratic government in the world is there any such provision on the statute books as is now proposed to be put on our books by the Senator from Nevada.

Mr. BARKLEY. Let us take the recent situation in China, where there has been quite an internal division among the Chinese people growing out of politics perhaps brought about indirectly by difficulties between China and Japan. At least there has been a division of sentiment in the Chinese Republic with respect to the kind of government they wanted established.

Suppose someone takes it on himself, or any number of people, who desire to side with one faction or another in China, take it on themselves for some reason to march up and down in front of the embassy here with placards, or make a demonstration of any sort. Or let us take the Mexican situation of a few years ago, when Huerta and Villa and Carranza and others were engaged in internal difficulties there, trying to work out their internal policies. Does the Senator believe we ought to allow Americans to take sides with the different factions in such a way as to show their

favoritism or partiality toward one faction or another by meeting at the embassy, or in front of it, or close enough to it to harass it? And if one side can do it, why not let the other side do it, and they might have a clash right in front of the embassy.

Mr. LA FOLLETTE. Bear in mind that no meeting can take place under the existing statute. People cannot even assemble or congregate.

Mr. PITTMAN. Under what?

Mr. LA FOLLETTE. Under section 117 of the District Code. The Senator from Kentucky suggested that rival meetings, public meetings involving conflict growing out of differences, might be held on the premises or near the premises adjacent to an embassy or other property occupied by foreign representatives.

Mr. BARKLEY. Mr. President, if one side can go along with banners and the other side decides it wants to have some banners, there is a conflict of banners, at least, in front of an embassy or legation. Of course, that may be an extreme illustration, but if we are going to allow the people of the United States to express their approval or disapproval of one side or one faction of people in a foreign country, we have to allow others, who may have a different view about it, to do the same, and there could very easily be a conflict of demonstrations.

Mr. LA FOLLETTE. Mr. President, I cannot convince any Senator who thinks we ought to extend around premises occupied by representatives of a foreign government an area of 500 feet where people should not be permitted to go, no matter how well behaved they may be or how appropriate or proper their representations may be. If that is what is desired, the thing to do is to adopt the amendment the Senator from Nevada has offered; but I am contending that we can take care of this matter by simply amending the existing statute, that it will afford adequate and ample protection against any act which ought to be prohibited or prevented on the part of citizens.

I offer as a substitute for the amendment offered by the Senator from Nevada the amendment now on the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert as a substitute for the amendment offered by the Senator from Nevada the following:

That sections 5 and 6, as amended, of the act entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia", approved July 29, 1892, are amended (1) by inserting after the words "any public building or inclosure" the phrase "(including any building or premises used or occupied by any foreign government or its representatives as an embassy or for diplomatic or other official purposes)"; and (2) by inserting after the words "or to insult", the phrase "(by the use of banners, placards, or otherwise)."

Mr. PITTMAN. Mr. President, I merely wish to say that the amendment has been considered by the State Department, because I took it to them, and the Secretary of State feels that in view of the situation as it is now the amendment would not only be inadequate but would be a very undignified way of treating this matter.

Heretofore a letter of the Secretary of State touching this subject has been printed in our report, and I wish to have it printed at this place in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, August 3, 1937.

The Honorable KEY PITTMAN,
Chairman, Committee on Foreign Relations,
United States Senate.

MY DEAR SENATOR PITTMAN: I refer to Joint Resolution No. 191, to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes and to express my approval of the resolution.

As you know, diplomatic officers are clothed with certain immunities under international law to enable them to transact in countries to which they are accredited or assigned the business of their respective governments. The immunity, therefore, is for a practical purpose—i. e., to allow governments to transact official business free from interruption which might flow from molestation of or interference with their representatives. Governments also send to foreign countries representatives who are not clothed with diplomatic immunity in the strict sense of the word, but who are, because of their representative status, entitled to certain special protection under the local law, as, for example, consuls, trade commissioners, et cetera.

The United States with its 338 diplomatic missions and consulates is, perhaps more than any other country, interested in obtaining for its representatives the protection which they must have if they are to function effectively.

If we are to obtain for our representatives in foreign countries that degree of protection to which they are entitled, we should be in a position to show a like consideration for representatives of other governments in this country. Unless we extend such reasonable protection to representatives of other governments, we cannot hope to receive protection for our representatives abroad.

It is extremely embarrassing to the Department to be reminded by representatives of foreign governments in the United States that their missions are being interfered with by individuals or groups, particularly when existing domestic law does not seem to cover the situations of which complaint is made. By the comity of nations, representatives of foreign governments in countries where law and order are supposed to prevail are entitled to freedom from any attempted intimidation or coercion.

I therefore trust that you may find no difficulty in procuring passage of the resolution.

Sincerely yours,

CORDELL HULL.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin in the nature of a substitute for the amendment of the Senator from Nevada.

The amendment to the amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer an amendment to be inserted at the end of the amendment offered by the Senator from Nevada.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to add at the end of the amendment offered by the Senator from Nevada the following words:

Provided, however, That nothing contained in this joint resolution shall be construed to prohibit picketing, as a result of bona-fide labor disputes regarding the alteration, repair, or construction of either buildings or premises occupied, for business purposes, wholly or in part, by representatives of foreign governments.

Mr. PITTMAN. I have no objection to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin to the amendment offered by the Senator from Nevada.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada, as amended, to the committee amendment.

The amendment, as amended, to the committee amendment, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 191) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia."

CALL OF THE ROLL

Mr. BARKLEY. Mr. President, I make the point of order that no quorum is present.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulkley	Ellender	Holt
Andrews	Bulow	Frazier	Hughes
Ashurst	Burke	George	Johnson, Calif.
Austin	Byrd	Gerry	Johnson, Colo.
Barkley	Byrnes	Gillette	King
Berry	Capper	Glass	La Follette
Bilbo	Caraway	Green	Lee
Black	Chavez	Guffey	Lewis
Bone	Clark	Hale	Lodge
Borah	Connally	Harrison	Logan
Bridges	Copeland	Hatch	Lonergan
Brown, Mich.	Davis	Herring	Lundeen
Brown, N. H.	Dieterich	Hitchcock	McAdoo

McCarran	Neely	Reynolds	Thomas, Utah
McGill	Nye	Schwartz	Townsend
McKellar	O'Mahoney	Schwellenbach	Truman
McNary	Overton	Sheppard	Vandenberg
Maloney	Pepper	Smathers	Van Nuys
Minton	Pittman	Smith	Walsh
Moore	Pope	Steiwer	Wheeler
Murray	Radcliffe	Thomas, Okla.	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

RAILROAD TARIFF RATES

Mr. WHEELER. I move that the Senate proceed to the consideration of Senate bill 1261, to amend the Interstate Commerce Act, as amended, and for other purposes. The bill is recommended by the Interstate Commerce Commission.

Mr. WHITE. Mr. President, may I ask what the bill provides?

Mr. WHEELER. The bill for which I have asked consideration is Senate bill 1261, which was proposed by the Interstate Commerce Commission. My recollection is that it gives the Interstate Commerce Commission power to require railroads to publish in their tariff schedules the shorter route as well as the longer route. That practice was one in which the railroads engaged for 19 years. Then the Supreme Court of the United States said they had misinterpreted the law. They are now simply asking that the practice in which they engaged for 19 years previously be made lawful and that they be permitted to continue that practice.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. WHEELER].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment was, in section 1, page 1, line 5, after the word "following", to strike out "The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest" and to insert "If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest", so as to make the section read:

Be it enacted, etc., That paragraph (3) of section 15 of the Interstate Commerce Act, as amended, is further amended by adding the following: "If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

Mr. DAVIS. Mr. President, in the brief time that I shall occupy the floor, I shall devote my remarks not to the pending question but to another measure which is pending on the calendar, being House bill 1507, to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

Mr. President, this year has brought the problems of mob violence and unrestrained lawlessness to the attention of the Nation in a peculiarly emphatic way. Many people who have never allowed ruthless violence and mob hysteria to have a place in their thoughts are now distinctly disturbed by it. But while we have had disorder and confusion in the industrial world, our attention must not be directed away from the age-long villainy of lynching, which we should oppose, irrespective of the locality in which it occurs or the race or color of those affected by it.

Mr. President, all too long lynching has been regarded as a sectional problem. But the problem of maintaining law and order in the Nation—the police power of the country—is not a local but rather a national consideration and one which we cannot dodge or escape. The inevitable logic of the many national laws which have been enacted in the last few decades, especially during the last 5 years, points, beyond all question, to the strengthening of the police power of the States and through the States by the Federal Government. The place to begin the practical application of this power is not alone in the great industrial sections of the land but also in rural districts where, for an extended period of time, mobs have been allowed to work their uncontrolled will in brazen defiance of every law of God and man. We shall not have any success in quieting labor disturbances until we have made a sincere beginning to solve this older and more deeply intrenched resistance to the orderly institutions of government.

Mr. President, I know the kind, generous-hearted people of the South. I have lived and worked among them. As a youth I sought employment as a puddler in the then newly opened steel mills of the great city of Birmingham. There I had an opportunity to rise in my trade to the rank of master puddler. I know, from long personal association with these people, their warmth of heart, their hospitality, and noble generosity of purpose. As a representative of a fraternal order, I have traveled in every State of the South and have made life-long friendships with people in practically every southern city. Therefore what I shall say at this time is not to be construed, in any sense, as a criticism of the South.

Mr. President, I know the improvements that have come in the South since 1890. I know the teeming industry of the new South. I have witnessed during my lifetime the rise in standards of living there. Conditions which prevailed there in my youthful days were greatly improved during the days of the World War. Wages were increased and conditions of labor were lifted to higher standards. No one who has historical perspective will silently stand by to hear rabid criticism of the South, for who would dare to offer justification for the rule of the "carpet baggers" following the death of the great Lincoln? I believe that if Lincoln had lived on to extend his spirit of humanity and understanding to the people of the South, whom he understood so well, economic conditions such as have harassed the southern States for many decades would have been banished and the standards of wages and work would have measured well with conditions anywhere in the land.

Mr. President, in view of the concern which is now being expressed throughout the land over the maintenance of law and order in all of its different phases I believe the Senate should consider and pass House bill 1507 before adjournment. The House approved of this measure by a large majority. The recent Gallup poll showed that 65 percent of the people of the South, with a somewhat larger percentage for the Nation as a whole, favor a Federal antilynching bill. It must, therefore, be apparent that it is no longer to be regarded as a sectional issue.

Mr. President, the discredit which such occurrences bring upon this Nation abroad is not always as well understood as it should be. We read in the press of various attacks upon the citizens of other lands, and our blood boils at the deliberate insults directed against them. We must never forget that lynching, like every other example of lawlessness and violence, in one country reacts in every other and intensifies existing tendencies to resort to intolerance, cruelty, and tyranny. The oppression by foreign dictators of minority groups in Europe is no more reprehensible than are the attacks directed upon minorities here, even though they be of a different race. The abuses in concentration camps and prisons which shame mankind are interrelated with excesses in our own country for which there is absolutely no defense.

Mr. President, in April 1935 the Macon Telegraph, one of the most forceful journals of the cotton South, indicated that in its opinion—

Public sentiment in the South has about crystallized into the feeling that only by Federal intervention can we ever hope to wipe out lynching.

To this is added:

There will be a certain amount of opposition to a Federal measure to prohibit lynching in the South, but it is a fair question to ask, What else are we to do? Lynching goes on year after year, and punishment for the crime is practically unknown. One of the most revolting of these crimes was the latest to gain general attention, when a Florida mob near Marianna, after bringing the victim from an Alabama jail, where he had been taken for safekeeping, sent out invitations in the morning to attend the lynching, which resolved itself into slow torture, with gruesome details hardly fit to be printed.

The Chattanooga (Tenn.) News of April 5, 1935, declares of this incident:

Members of that mob were well known to the officers of the law, who, indeed, might have prevented the lynching in the first place if they had cared to do so; and yet no one was ever punished, as no one in that State has ever been punished for such a crime, although, as the women of the State themselves point out, there have been 30 lynchings.

Mr. President, this unspeakable condition cannot longer be tolerated. The States have had ample opportunity through the years to do something to prevent this barbaric crime. The time has come when something must be done; and a Federal antilynching bill appears to be the answer. If we put a National Labor Relations Act, a Social Security Act, a national wage and hour bill, a National Housing Act, and other Federal measures on the statute books of the land, certainly, by the same power and authority, a national antilynching law can be enacted if those who have sponsored these other extensions of Federal control desire to do so. And we make take for granted that if no antilynching legislation is now passed it is because the administration does not favor it and wishes to enforce its rulings on industry to the exclusion of a much older and a far less excusable breach of the law.

On March 15, 1935, the New Orleans (La.) Item carried the following statement:

A Mississippi mob lynched a Negro for killing a highway worker. It was no crime of lust or hate. The killer was simply drunk and having himself a time with a pistol, firing it promiscuously. The victim demanded that he stop firing lest he hurt someone. So the Negro shot him.

In this unhappy event the apologist for lynch law will seek in vain for any element that might pardonably stir a community to a frenzy of vengeful indignation. Even the brother of the dead man counseled that the law take its course, and sent out messengers to intercept the mob. Mobs must act swiftly, else reviving sanity or decency will disintegrate them. This one lynched its victim in a schoolyard.

A few public lectures in that schoolyard would be timely. The teacher should trace for the audience the connection between a drunken Negro, careering about with a pistol, and white man's laws which permit anybody, criminal, moron, or lunatic, to buy and carry firearms. He might also be able to convince them that they have made themselves in some degree responsible for the present campaign to take the disciplining of lynching away from States and give it to the Federal Government.

President Roosevelt has recognized the need for some practical solution for this problem in his current statement that "Crimes of organized banditry, cold-blooded shooting, lynching, and kidnaping have threatened our security." The graves of more than 5,000 lynch-mob victims killed in the past 50 years testify that local communities have not met this problem in an adequate way. While we are all aware of the fact that the National Association for the Advancement of Colored People favor Federal legislation, I am frank to say that I do not think this problem should be regarded as a racial or sectional one, for I believe that so long as we permit this view to dominate thinking on this subject, we shall have entirely discredited the philosophy and social understanding which has actuated the great national measures which have won the support of the Senate during the last few years. If a Federal law is good for the settlement of labor disputes in the several States, it should also be invoked to protect the entire land from the evils of mob violence and lynching.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an article by Franklyn Waltman on this subject, published in this morning's Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Aug. 10, 1937]

POLITICS AND PEOPLE

ANTILYNCHING BILL SHOULD BE CONSIDERED BY SENATE BEFORE ADJOURNMENT

(By Franklyn Waltman)

Now that the Senate has showed such speed in clearing its calendar of the administration's "must" legislation, there is opportunity for that body this week while waiting for bills from committee and conference reports to take action on a really worth-while measure.

This particular measure has the support of President Roosevelt, and it is a little difficult to understand why it is not on his "must" list. It has the support of approximately 70 percent of the people of this country, according to a Gallup poll. Actually it has received the support of 71 percent of the House membership on a roll call in that body in April. The Senate Judiciary Committee in June voted 13 to 3 in favor of this measure.

And yet this piece of legislation has been on the Senate calendar for almost 2 months without any action on it. But that is not surprising when one considers that the leadership of the Senate comes from the South—for, we make bold to say, this measure is the Wagner-Van Nuys-Gavagan antilynching bill.

It would be indefensible for the Senate to adjourn without a serious attempt to pass antilynching legislation. The only excuse made for not bringing the matter before the Senate—where there is reported to be an overwhelming majority in favor of it—is that it would occasion a filibuster. But that is no excuse at all. If a small handful of Senators is to be able to frighten the Congress away from passing legislation inspired by a sense of decency and morality, then the Senate might as well close its doors.

If a small group of Southern Senators wish to thwart majority rule by filibustering this bill to death, they should have the opportunity to do so. Nothing would be lost through an immediate attempt to pass this bill. The Senate has little of importance to do this week—nothing, if you please, as important as this bill.

Instead of adjourning early to play golf or attend baseball games the Senate might well spend the remainder of this week at least in an effort to get action on the antilynching bill, and if the effort fails we will know those responsible and certain people masquerading as liberals will have the masks torn from their faces.

There is great objection to rushing legislation to passage in the heat of the summer at the fag end of a grinding legislative session. But such an objection cannot be applied to this legislation. Federal steps to prevent lynching, and, in the event of failure, to punish those guilty, have been debated in this country since 1922.

It has received intensive consideration for the last 3 years. Not only in the North but throughout the South tens of thousands of thoughtful men and women have studied this subject and have gone on record in favor of Federal legislation. Indeed, some of the very best research work on lynchings in this country has been done by organizations and men and women in Southern States. Agitation for such legislation has come in large part from the best of the southern press.

Neither is the passage of such a bill an insult to the South, nor is it a force bill. The decent men and women of the South want such legislation, as demonstrated by the attitude of the southern press, by the action of southern organizations, and by the recent Gallup poll, which showed that 65 percent of the sentiment in the South—compared to 70 percent the Nation over—favored a Federal antilynching bill.

It is a peculiar thing that certain gentlemen from the South on Capitol Hill howl about State rights only when it is proposed to take effective steps to stop the lynching of colored men. They forget about State rights when they propose to have the Federal Government tell an employer what wages he may pay and that he must go to jail if he lets any of his employees work longer than a certain number of hours.

They make a mockery of State rights when they propose legislation penalizing a cotton farmer if he grows more cotton than a bureaucrat in Washington decrees. Oh, it is all right, good, and noble for the Federal Government to do these things. But, say they, it would dishonor the sacred memory of Thomas Jefferson for the Federal Government to take steps to save a poor colored man's life.

And passage of this legislation may now be the means of saving the lives of a few colored men between now and next winter; and let it ever be remembered that close to 200 persons, including 25 who were white, have been lynched in this country for crimes of which it subsequently was proved they were innocent. But, guilty or innocent, every person in this country is entitled to his day in court and to be protected from bloodthirsty frenzied mobs. That is the primary guarantee of the Constitution, and until that guarantee becomes a reality nothing else is of very much importance.

RAILROAD TARIFF RATES

The Senate resumed consideration of the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes.

Mr. WHEELER. Mr. President, I desire to make a brief explanation of the bill. The bill would eliminate the provision against short hauling and leave the Interstate Commerce Commission with the necessary right to require the establishment and maintenance of through routes between railroads which it finds to be necessary or desirable in the public interest, just as it can now do in the case of joint rail-and-water routes.

When the bill was drafted it was referred to the Interstate Commerce Commission. After consideration the Commission has recommended the passage of the bill. The Committee on Interstate Commerce held hearings on the bill on two different occasions.

Mr. Eastman wrote a report on the bill, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, February 25, 1937.

Hon. BURTON K. WHEELER,
Chairman, Committee on Interstate Commerce,
United States Senate.

MY DEAR SENATOR: The Chairman of the Commission has referred to our legislative committee your communication of February 2, 1937, requesting comments on S. 1261, introduced by yourself, "to amend the Interstate Commerce Act, as amended, and for other purposes." This bill has had the careful consideration of the legislative committee, and I am authorized to submit the following comments in its behalf:

S. 1261 proposes to amend paragraphs (3) and (4) of section 15 of part I of the Interstate Commerce Act. We shall discuss, first, the amendment to paragraph (4), as being the more important. This amendment would enable the Commission to do what it cannot now do, and that is establish through routes and joint rates between connecting railroad lines "whenever deemed by it to be necessary or desirable in the public interest after full hearing upon complaint or upon its own initiative without complaint." This power is now in terms granted by paragraph (3), but is in part negatived by paragraph (4), which now contains the following provision:

"In establishing any such through route the Commission shall not (except as provided in section 3, and except where one of the carriers is a water line) require any carrier by railroad, without its consent, to embrace in such route substantially less than the entire length of its railroad and of any intermediate railroad operated in conjunction and under a common management or control therewith, which lies between the termini of such proposed through route, unless such inclusion of lines would make the through route unreasonably long as compared with another practicable through route which could otherwise be established."

This is what is known as the prohibition against short hauling, and the effect of the amendment would be to eliminate this prohibition, leaving the Commission with an unrestricted right to require the establishment of through routes between railroads which it finds to be necessary or desirable in the public interest, just as it can now do in the case of joint rail-and-water routes.

The history of this provision is of interest and significance. A major defect of the original act to regulate commerce of 1887 was that the Commission was given no power to require the establishment of through routes and joint rates. This defect was repeatedly called to the attention of Congress by the Commission, and in 1906 an attempt was made to rectify it. The Commission was given the desired power, provided no reasonable or satisfactory through route existed. The Supreme Court held that the existence of such a route could be inquired into by the courts, notwithstanding a finding by the Commission, and that such existence precluded the establishment of any other through route by the Commission, however desirable it might be in the public interest. By the Mann-Elkins Act of 1910, this proviso, which made the power practically ineffective, was eliminated. However, against the opposition of the Commission the prohibition against short hauling was inserted, with the following explanation by Senator Elkins:

"The second exception to the grant of this power is one which has always been recognized in the transportation business of the country. The road that initiates the freight and starts it on its movement in interstate commerce should not be required where it is a line not unreasonably long, to transfer its business from its own road to that of a competitor, especially when the commerce initiated by it can be as promptly and safely transported from the point of shipment to the point of designation by its road as by the line of its competitor."

Until 1929 the Commission interpreted the prohibition in line with this explanation by Senator Elkins. In that year, however, the Supreme Court in *United States* v. *Missouri Pacific* (278 U. S. 269), held that the Commission had been wrong in this interpretation, and that it cannot require a through route to be established which will short-haul any carrier, whether originating, or intermediate, or delivering.

This decision was a shock to the Commission, because it goes far to nullify its power to establish through routes between connecting railroads. This is so because there are innumerable instances where it is impossible to find a route in which two or more railroads would participate which does not short-haul some one of them. If the originating line is given its long haul, the delivering line is left with a haul shorter than it would have over some other route, or vice versa; and if an intermediate line is introduced, the chances of short hauling are magnified. As the situation now stands, paragraph (3) of section 15 might almost as well not be in the law, so far as practical value is concerned.

This situation could be improved by amending paragraph (4) so that it would have the interpretation which the Commission almost uniformly placed upon it for 19 years prior to the decision of the Supreme Court in the above-cited case. But why stop there? In 1920 the prohibition against short hauling was made inapplicable where one of the participating carriers is a water line. Why should it cease to have virtue in such circumstances but continue to have virtue where all of the participating carriers happen to be railroads?

Railroads were built primarily to serve the public interest. If it can be shown that in any particular situation a through route made up of the connecting lines of two or more different railroads is "necessary or desirable in the public interest", why should not the Commission have the power to establish that route, regardless of who may be short-hauled? We know of no good reason. The railroads have no constitutional right to a long haul. The present prohibition in paragraph (4) is wholly a statutory provision, and what Congress has enacted it can repeal. The Commission opposed the prohibition when it was originally enacted.

The objections which trunk-line railroads have raised to this bill seem to rest on the assumption that the Commission will act arbitrarily and without regard to the real public interest. There is no basis for such an assumption. If the bill is passed, the railroads will have full opportunity to present to the Commission their objections to the establishment of any particular through route, and the courts will protect them against any arbitrary findings on the part of the Commission unsupported by substantial evidence.

S. 1261, however, proposes to add a new clause to paragraph (4), as amended, to the following effect:

"In fixing through routes and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another."

Inasmuch as paragraph (4), as it is proposed to be amended, is confined to a grant of authority to the Commission, "in time of shortage of equipment, congestion of traffic, or other emergency" to establish through routes temporarily in a summary manner, it would seem that the more appropriate place for the proposed new clause is paragraph (3), which contains the general grant of authority to establish through routes. To conform to the language of that paragraph, also, the second word in the new clause should be "establishing", rather than "fixing." We are not persuaded, however, that the new clause should be added. There may be instances where there are plenty of good through routes, so that no more are needed to accommodate the actual movement of traffic, but by adding a new through route, over which traffic can move economically, a railroad which is in financial straits but which it is desirable to preserve in the public interest would be given an opportunity to share in the through traffic which might mean to it the difference between life and death. There is a possibility that the proposed new clause would preclude the Commission from taking into consideration this phase of the public interest, and for this reason it does not meet with our approval.

In addition to the proposed amendment of paragraph (4), S. 1261 proposes to add the following clause to paragraph (3):

"The elimination of any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission shall be deemed prima facie unreasonable and contrary to the public interest."

Probably this clause is intended merely to have the effect of putting the burden of proof upon the carriers which seek to eliminate an existing through route or joint rate, etc. Faced by such a declaration of the law, however, it would be difficult for the Commission to avoid suspending any such elimination for investigation, even if there were no protests. We suggest, therefore, that the clause take the following form:

"If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest."

With the exceptions mentioned above, S. 1261 meets with our approval.

Respectfully submitted.

JOSEPH B. EASTMAN,
Chairman, Legislative Committee.

Mr. DIETERICH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. DIETERICH. From what was the Senator reading?

Mr. WHEELER. I was reading from a letter of Mr. Eastman, of the Interstate Commerce Commission. When this particular bill was referred to the Interstate Commerce Commission, they referred it to their legislative committee. I was reading Mr. Eastman's letter with relation to the provisions of the bill.

The only purpose of the bill is to give the Interstate Commerce Commission the power to require a railroad, when the Commission deems it to be in the public interest, to publish routes showing the long haul as well as the short haul. It would give the shipper the right to say whether or not he wants to have his goods shipped over the short route or the long route. That is all there is to the bill.

Hearings were held during the Seventy-fourth Congress on Senate bill 1636, which was similar to this proposed legislation, and testimony was received from railway officials and other interested parties.

Mr. DIETERICH. Mr. President, did the Senator say the bill would give the shipper the right to select the route?

Mr. WHEELER. Yes.

Mr. DIETERICH. Where does the Senator find any such provision in the bill?

Mr. WHEELER. The bill gives the shipper the right, because it provides that the railroads shall publish their routes showing the long route as well as the short route.

Mr. DIETERICH. It would give the Commission the absolute arbitrary right to tell the shipper over which route he must ship.

Mr. WHEELER. The Senator is entirely mistaken.

Mr. DIETERICH. Then I do not understand the language of the bill.

Mr. WHEELER. The bill simply gives the Commission the power to establish routes and to say, in effect, "Here is a route which is the short route and here is another route which is the long route." These routes must be published in the traffic rules and regulations issued by the railroads. The shipper then sees the routes as published, and is given the privilege and the right to ship over either of the routes he may desire. That is all there is to it.

Mr. CONNALLY. Mr. President, may I ask the Senator from Montana a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. Certainly.

Mr. CONNALLY. Under laws enacted heretofore by Congress the initial carrier is responsible to the shipper for the safe delivery of his goods at destination, is it not?

Mr. WHEELER. No. What happens is this——

Mr. CONNALLY. Why is it not? Is not that statute law of the United States?

Mr. WHEELER. It is not statute law of the United States; but the shipper collects from the road on which he ships. If the shipment is injured on some other railroad than the one on which it is shipped, the second man pays.

Mr. CONNALLY. That is the point I am trying to make. If the initial carrier is to assume legal responsibility for seeing that the shipment is delivered to the ultimate consignee, and is under legal liability for doing so, ought not the initial carrier to have some voice as to the route over which it will handle the shipment, and as to the promptness with which the other carrier will repay the initial carrier, and the convenience of the route?

Mr. WHEELER. I think the Senator is wrong in saying that the original carrier is responsible.

Mr. CONNALLY. How about the Carmack Act?

Mr. WHEELER. I do not dispute the Senator, because I must confess that I am not sure.

Mr. CONNALLY. I am asking the Senator because I thought, as chairman of the committee, he would know.

Mr. WHEELER. I am not familiar with that act, I shall have to confess.

Mr. CONNALLY. I have not looked it up since I have been in the Senate; but when I used to practice law I know it was the law that the initial carrier could be sued and compelled to pay damages, no matter where the damage occurred. If we are going to provide for that, we ought to give the initial carrier some right to say over what system it will ship the commodity.

Mr. WHEELER. If that is correct, then we ought to change the other law that is on the statute books at the present time and take away from the Commission the apparent right that they have at the present time to prescribe through routes. The Commission for 19 years exercised this power, thinking they had the right to do so under the law; and the late Senator Elkins, who was the author of the act, interpreted it upon the floor of the Senate to the effect that they did have the power. The Commission put the same interpretation upon the law that Senator Elkins did; but the Supreme Court, in the Missouri-Pacific case, said that they did not have that power. So they are only asking to have given to them the same power that they have been exercising for 19 years; and, as Mr. Eastman says, if they cannot do that, they feel that it is going to handicap them very much in making through routes for the benefit of the shippers.

The shippers of the country have almost uniformly been in favor of this amendment. When the hearings were held and testimony was taken, the shippers' organizations from all over the country, and I think, if I am not mistaken, the shippers' organizations of the State of Texas, favored it; the State utility commissions of Minnesota, Missouri, Idaho Wisconsin, Utah, Iowa, Louisiana, Ohio, Washington, North and South Dakota, and the District of Columbia urged the enactment of legislation designed to remove the prohibition against short hauling; and again at this session various shippers' organizations have written in from all over the country requesting that this bill be enacted.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I do.

Mr. DIETERICH. The Senator speaks of the hearings that were held. No hearings were held on this particular bill, were they?

Mr. WHEELER. Not on this particular bill; no.

Mr. DIETERICH. The hearings that were held were held during the last Congress and by the previous Committee on Interstate Commerce.

Mr. WHEELER. Yes.

Mr. DIETERICH. Not by the present Committee on Interstate Commerce?

Mr. WHEELER. Yes; by the present Committee on Interstate Commerce. There are now some new members of the Interstate Commerce Committee; but hearings were held upon the bill by the committee, and the hearings are available to anybody who wants them.

Mr. DIETERICH. What was the previous bill?

Mr. WHEELER. The previous bill was almost identical with this one.

Mr. DIETERICH. The Senator says "almost identical."

Mr. WHEELER. Yes; the same principle was involved.

Mr. DIETERICH. But it was not the same bill, and it was not exactly identical with this one.

Mr. WHEELER. No, that is true; but the same principle was involved.

Mr. DIETERICH. The hearings were held in the last Congress, and were held by the Interstate Commerce Committee of that Congress; and the Interstate Commerce Committee of this Congress has not had any hearings on this bill.

Mr. WHEELER. That is correct. The Interstate Commerce Committee of the Senate held hearings twice before upon the bill, and in addition the Interstate Commerce Commission recommended the passage of the bill on every occasion.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. I do.

Mr. COPELAND. I am at a disadvantage for the reason that the information I have came to me so recently; but I am informed, as the Senator from Illinois [Mr. DIETERICH] has said, that there were no hearings on this bill, even though they were requested by the Association of

American Railroads. What has the Senator to say about that?

Mr. WHEELER. I am the chairman of the committee. If they ever requested any hearings upon this bill, I never knew anything about it, and I think I would have known about it if they had; but I never knew anything about any request from them for hearings upon the bill, and if they had made a request they would have been granted hearings.

Mr. COPELAND. The Senator from Montana has been engaged in a very much more important matter than this. He has been giving his life and energies to the successful battle to preserve the Constitution and the Supreme Court. Is it not quite probable that in view of his very proper preoccupation he may have overlooked the fact that there was a request from the Association of American Railroads for a hearing on this bill?

Mr. WHEELER. There was no request. If they ever wrote a letter to me requesting a hearing, I feel sure that the clerk of the committee would have brought it to my attention. I will send for the clerk of the committee and inquire about it, but I am sure no request was made for a hearing.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. Has there ever been a subject which has been more completely exhausted by hearings than this subject?

Mr. WHEELER. Not at all.

Mr. VANDENBERG. What could be developed in new hearings that has not already been brought out?

Mr. WHEELER Nothing. For 19 years the Commission did exactly this thing, and no shipper ever complained that he was injured by it. All in the world that the bill does is simply to give the Commission the power, which they say it is necessary for them to have in order properly to carry out the law in the public interest, to say that a certain route shall be established. That does not mean that the shipper has to ship over that route at all.

He has a right to ship over that route, or he has a right to ship over some other route; but the bill gives him the right to say, "This is an established route, and that is an established route. I want to get my goods to market quicker than I can get them to market over this route, and consequently I want to ship them over that route."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. I understand that the substance of the bill is that it authorizes the Interstate Commerce Commission to do what it did for 19 years; namely, that in making out their traffic and tariff schedules, the railroads shall make schedules for short as well as long hauls, so that the public may have that information, still leaving to the public the right of choice as to which route it shall ship its products over.

Mr. WHEELER. Absolutely.

Mr. BARKLEY. Is not that about what the bill does?

Mr. WHEELER. That is exactly what it does. The Commission acts only when it thinks it is in the public interest; and if any railroad is injured by it, the railroad has a right to have a hearing before the Commission, and it has a right to appeal to the courts if the Commission rules against it.

Mr. BARKLEY. In other words, a hearing before the Commission by any railroad which thought it might be aggrieved would be a much more important hearing than one before the committee here to determine whether or not the bill ought to pass.

Mr. WHEELER. Of course. As a matter of fact, the bill says:

> If any tariff or schedule canceling any existing through route or joint rate, fare, charge, or classification without the consent of all carriers parties thereto or authorization by the Commission is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest.

That is all there is to it.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. I yield.

Mr. PEPPER. Since I observe that the bill purports to deal with tariffs and schedules, I desire to ask the Senator from Montana whether there is any possibility that it might have the effect of ameliorating the burdensome rate discriminations that exist against some sections of the country, notably the Southeastern States.

Mr. WHEELER. The bill does not affect those rates in any way, shape, or form, except that the shipment might be over a shorter route to some point. To that extent the bill might affect the rates, but that is all.

Mr. PEPPER. I hope it will not increase the burden.

Mr. WHEELER. The bill will not increase any burden. It simply gives the shipper this right: For instance, if a shipper were shipping citrus fruit from the State of Florida, and desired to get the fruit into Chicago by the shortest route, because time was of the essence of the situation, the shipper would have the right to say, "I want to ship my fruit partly over this route and partly over that one, because it will get my fruit into Chicago quicker than if it were shipped over the other route."

That is all the bill does. It gives the Commission the power to say, and have published, that "Here is a route that is a short route and here is a route that is a long route; and, Mr. Shipper, you have the choice of selecting the route over which you want to ship your product." That is all there is to the bill.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Massachusetts.

Mr. WALSH. I should like to inquire of the Senator whether this bill has any relationship to the so-called Pettingill bill.

Mr. WHEELER. None whatever.

Mr. WALSH. That is what I assume. Some Senators seem to think it has some relation to it. It is an entirely different proposition?

Mr. WHEELER. Entirely different. It has no relation of any kind of character to the so-called long-and-short-haul bill. It is entirely different.

Mr. BONE. Mr. President——

Mr. WHEELER. I yield to the Senator from Washington.

Mr. BONE. For the purpose of my question, assume that a shipment was going from a point on the Pacific coast, Seattle or Tacoma, to St. Louis, and normally, through some harmonious arrangement between two of the western roads, it had been the common practice to send a car through Minneapolis and then divert it south to St. Louis, but there would be a shorter route by diverting the car, say, at Billings, Mont., and sending it down over the Burlington road to the Missouri River terminal.

Assume the route was 500 miles shorter by the Billings diversion. Would the fact that it was 500 miles shorter mean that there was a proportionately smaller charge for the shipment; or is there a through rate, which would not be changed?

Mr. WHEELER. There would be a through rate. In either case the railroads would get the same rate, but it would mean that the man who shipped the goods would say, "You are going to save me 2 days by this shipment by routing it through St. Louis, and I want to ship the goods over that route."

Mr. BONE. Then I take it that the most important element of the proposed amendment lies in the fact that it would expedite the handling of freight, such as perishables?

Mr. WHEELER. Yes. For instance, freight might originate at the present time in the State of Washington, be shipped through Montana, and then, if the shippers wanted it to go to a point north of North Dakota into Canada, or to a point north of South Dakota in North Dakota, the railroad originating it on the west coast would ship it clear to the east coast and then ship it back over some other road to North Dakota, whereas there is a short line coming up from South Dakota through North Dakota into Canada, and it would save the shipper a couple of days, or 2 or 3 days' time.

Mr. POPE. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. POPE. It seems to me the measure proposes a very sensible arrangement, but I am wondering why the railroad companies do not ship their freight by the most direct route anyway. It seems to me it would be to their interest to do so.

Mr. WHEELER. The reason is that they want to claim all the freight charge, and if they shipped it over some other road which was a shorter route the company which first originated the freight shipment might lose a little portion of the charge. That is the only factor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COPELAND. In the Senator's report on page 3 he says:

> Railroads were built primarily to serve the public interest.

Mr. WHEELER. Let me call attention to the fact that that is what Mr. Eastman said. That should be in small type, but when it was printed, a mistake was made. That is Mr. Eastman's statement.

Mr. COPELAND. I will read it, anyway. It proceeds:

> If it can be shown that in any particular situation a through route made up of the connecting lines of two or more different railroads is "necessary or desirable in the public interest", why should not the Commission have the power to establish that route, regardless of who may be short-hauled?

The statement is made to me that it was established in the hearings, and rather conclusively, that thousands of miles of branch-line railroads are unprofitable, a statement with which I think we will all agree, and that the only excuse for their continued operation is the fact that the railroad will get this long haul. This bill takes away that right. It may result, I am informed, in the abandonment of thousands of miles of branch-line railroads.

Mr. WHEELER. The Senator means if the bill does not pass?

Mr. COPELAND. If it passes.

Mr. WHEELER. No; quite the contrary. If the bill does not pass, and the short lines, which were built for the purpose of serving the public, do not get any of the freight, and the great road which originates and controls the traffic does not permit any of the traffic to go over the short line, it may mean that the short lines all over the country will have to be abandoned.

Mr. COPELAND. The Senator is doubtless correct; but the statement made to me is that it may result in the abandonment of thousands of miles of branch-line railroads, seriously affect communities located thereon, decrease employment for railroad employees, and the consequence would be another step toward public ownership.

Mr. WHEELER. There is not a word of truth in that. Let me call attention to the fact that for 19 years, as Mr. Eastman said, this law was in operation and the great railroads of the country did not suffer; there was not anyone thrown out of employment. As a matter of fact, the railroads were employing more men then than they are employing now, and it was only recently that the law was knocked out by the Supreme Court in a decision which I thought was wrong and still think was wrong.

Mr. COPELAND. Was that in the Missouri Pacific case?

Mr. WHEELER. Yes.

Mr. COPELAND. Of course, I am not speaking from my own wisdom, but the statement made to me is that the right of a carrier to the long haul is a common-law right.

Mr. WHEELER. It is not a common-law right, because the only right it has is what the Congress of the United States granted to it, and we granted it that right. At least the Supreme Court claimed we granted them that right; and, if we granted them that right, we have the right to take it away from them, and to provide in the interest of the general public that the Interstate Commerce Commission, which was established for the purpose of making rates and for the purpose of fixing routes, should have the power to say, "When it is in the public interest, you shall have the privilege of choosing as between a long route, that takes you 2 or 3 days longer to get your commodity to its destination, and the route which gets it there 2 or 3 days sooner."

Mr. COPELAND. Let me finish my statement, and then I will not interrupt further. Referring to the Missouri Pacific case, if I correctly understand, the Commission in that case attempted to deprive the Missouri Pacific of the haul from its own terminus in Memphis to within 46 miles of its terminus in Fort Smith, 266 miles, and deprive it also of the revenue from that haul, in order to give the Subiaco Line a haul of 54 miles; and, as was said in the dissenting opinion, it was proposed to take $5 from Peter, the Missouri Pacific, and to give $1 to Paul, the Subiaco, a proceeding which had no justification from any point of view.

Mr. WHEELER. The Commission did not take anything away from anybody. The Commission simply says, "Here is a route and there is a route." The shipper can ship his goods over either.

Mr. MINTON. What it does is simply to give to the Interstate Commerce Commission the right to require the railroad company to file a tariff outlining not only the long route but the short route, and that is all it does.

Mr. WHEELER. That is correct.

Mr. DIETERICH. Mr. President, it might work both ways. If the initial carrier owned the short route, the shipper could also take that, or have the freight shipped over the long route.

Mr. WHEELER. Of course, he could ship it either way; and that is proper.

Mr. DIETERICH. As I understand, that is the opinion of the Interstate Commerce committee, as represented by the chairman.

Mr. WHEELER. Yes. There is not any doubt about it. I think the shipping public should have the right to ship goods in any way they choose, so long as they own the goods.

Mr. DIETERICH. Mr. President, I wish to take up just a little time in the discussion of the proposed amendment.

No hearings were held on this particular bill at this session of the Congress by the Committee on Interstate Commerce. That is the first proposition. If the Congress is going to function through committees, then the committees, if it is necessary to have hearings on a bill of this kind, should afford the interested parties opportunity of being heard. Such opportunity has not been afforded in the case of the particular bill now being discussed. There may have been a similar bill pending in the last Congress, and before the committee, and hearings may have been had on that bill, but no information is furnished as to the difference between the provisions of the previous bill and the provisions of the pending bill. I have not had opportunity to go into the bills, and I doubt whether other Senators have had the opportunity to do so.

It may be that the bills were similar, but the membership of the Committee on Interstate Commerce changes with every session of the Congress; and I protest against the practice which has been indulged in during this session by the Committee on Interstate Commerce, through its chairman, of reporting measures on which hearings were held previously but on which no hearings were afforded during this session.

The bill before us seeks to give the Interstate Commerce Commission the right to control routing over long and short hauls. The chairman of the committee says it gives the shipper that privilege. Possibly it does. There is one thing it does—it absolutely denies every right a railroad has to operate its own property, to make its own contracts with shippers, and to enjoy the advantage of the investment it has made in its effort to accommodate the public.

The matter of establishing long hauls has been the subject of a long fight in this country. It has meant millions of dollars of investment, and those long routes were established for the purpose of accommodating and facilitating the transportation of commodities for the benefit of the citizens of this country, and the railroads which established those routes should have some right to the enjoyment of the property they caused to be created.

This bill absolutely denies them that right. The initial railroad that enters into the contract with the shipper, and whose contract is binding, and which, if the property is damaged or delayed, must respond in damages to the shipper, cannot control the shipment of the commodity. The initial road can receive it, take the responsibility, and perhaps have it diverted, not over a short haul, but have it diverted over a long haul, to its destination. That is manifestly unjust. It is manifestly wrong.

I do not know that I could say anything that would influence Members of the Senate; but I did not want to see this bill enacted into law without registering my protest, first at the action of the Interstate Commerce Committee in not permitting hearings to be held on this particular bill, and secondly, against denying or destroying the legal property rights of the carriers.

Mr. President, this bill should be recommitted, and hearings should be held upon it, and a further investigation made. The bill should not become a law, because it seriously affects property rights and is based upon a hearing held by some previous committee, in some previous Congress, which the chairman of the Committee on Interstate Commerce of the Senate, in his wisdom, determined to be sufficient to take the place of a hearing upon this bill.

Mr. President, I realize that the chairman is a great protector of the rights of the people. I know that he is one of the most zealous guardians of the Constitution. I know that he is the outstanding protector of the Constitution. The trouble is, however, that he has not only taken to himself the chairmanship of the committee, but apparently he has taken to himself to be the committee, and his word on whatever is necessary or not necessary must not be questioned, because it could not be otherwise than correct. In view of the great zealousness that we have seen displayed to have things done exactly right, exactly according to the law, it must seem that it is somewhat irregular to have a hearing by a previous committee on another bill, and then have the chairman translate the findings of the previous committee to the present committee with the resultant amendment to the bill, because we find that the bill sought to be enacted is not even the original bill that was introduced in Congress.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. WHEELER. As a matter of fact, the bill was taken up in the committee, and the committee voted to report it favorably. That was not the action of the chairman. If the Senator from Illinois would attend committee meetings once in a while at other times than when hearings are being held on utility holding-company bills, he would know what is going on in the committee.

Mr. DIETERICH. Mr. President, if every member felt as free as I do when attending the meetings of the committee, there would be just one member present, and that would be the chairman.

GREAT SMOKY MOUNTAINS NATIONAL PARK

Mr. McKELLAR. Mr. President, I know that the Senator in charge of the pending bill wants a vote to be had on it; but I am going to take only about 5 or 10 minutes to speak about another bill which is of the greatest interest to the people of my State and to the people of a great section of the country.

The Senator from Nevada [Mr. McCARRAN] introduced a bill, which is on the calendar, providing authorization for an appropriation to continue to carry forward a park proposal in Nevada. I am interested in a similar situation with respect to the Great Smoky Mountains National Park; and I am going to offer an amendment to the so-called McCarran bill, when it comes before the Senate for consideration, for the purpose of effecting for the Great Smoky Mountains National Park the same thing that is sought to be effected for the forest preserve in Nevada.

As everyone knows who has seen the Great Smoky Mountains National Park, which has been established in eastern Tennessee and western North Carolina, it is one of the most picturesque and beautiful parks in the country. The park was begun in 1926, when I introduced and obtained the passage of a bill providing that the land should be purchased by the States of North Carolina and Tennessee in equal proportions. The line between North Carolina and Tennessee is substantially on the top of the Great Smoky range of mountains.

The proposal made was that the State of Tennessee and the State of North Carolina should buy, in round figures, 436,000 acres of land and create a national park.

The money was raised, for the most part, by bonds issued by the States of Tennessee and North Carolina and also by private subscription. Before the money was raised the depression came in 1929 and the private subscriptions were not paid in full.

The park, as I have said, is composed of 436,000 acres of land, about one-half lying in the State of Tennessee and about one-half lying in the State of North Carolina. Generally speaking, the dividing line between North Carolina and Tennessee is, as I have said, on the top of the Great Smoky Mountains, and the park is divided by this line. All who have seen it know that it is one of the most beautiful spots in America. It is one of the most picturesque and, I believe, the most picturesque and beautiful park east of the Mississippi River.

Under the original proposal Tennessee was to furnish one-half of the land and North Carolina the other half, it being expected that the Government would improve the park after all the lands were donated to the Government. The lands have been donated with the exception I shall now state.

The first bill was introduced in 1926. In the 11 years that have passed there have already been acquired and accepted 383,358 acres, leaving 53,336 acres to be acquired. However, 27,320 acres have been tied up for a number of years by a lawsuit, which lawsuit has finally been adjusted. The money for the 27,320 acres is not in question here. That leaves 26,014 acres to be acquired, and in order to acquire the 26,014 acres within the boundaries of the proposed park it will be necessary to obtain $743,265.29, as proposed in the bill I shall offer as an amendment to the so-called McCarran bill.

After the original bill was passed in 1926 the States of North Carolina and Tennessee went diligently to work, and both provided for the issuance of bonds, and then both undertook to raise large sums of money by public and private subscription. Then the depression came on and the money was not available. The Park Service took the matter to the John D. Rockefeller Foundation, and, after going over the matter carefully, Mr. Rockefeller agreed to put up $5,000,000 upon condition that the park be fully established, one-half by the people of the States of North Carolina and Tennessee and one-half in memory of Laura Spelman Rockefeller. After the $5,000,000 was obtained it was found that in addition to what the States had already put up and what Mr. Rockefeller had put up it would require a little over $1,550,000 more to complete the park. The State of Tennessee could not put up any more under the economic conditions then existing. The State of North Carolina could not put up any more. Yet this $1,550,000 was absolutely needed to match the unmatched Rockefeller fund.

In these circumstances the President, by Executive order of December 28, 1933, allotted $1,550,000 for land acquisition for C. C. C. purposes, which, plus the $500,000 of Rockefeller funds, made available $2,050,000, the amount then considered necessary to acquire all the remaining lands in the park area, the estimates of the States being $2,004,368.

The estimates of the States of North Carolina and Tennessee, however, proved too low. North Carolina had been prosecuting a condemnation suit for a large timber tract. The court award was far in excess of the highest State estimate. The North Carolina timber tract happened to be the last large tract to be acquired by that State, and payment was made into court to stop heavy interest rates. North Carolina was fortunate in securing a larger advance from the $2,050,000 Federal and Rockefeller funds because of the urgency of paying the condemnation award into court, and therefore North Carolina got most of the $2,050,000 and left 26,014 acres of land to be acquired in Tennessee.

Mr. President, Tennessee should not be penalized by reason of this situation. The Government, through the Executive order, has already put up North Carolina's portion of the deficit; and I maintain that the Government should put up the remainder of Tennessee's portion, which is $743,265.29, the amount authorized to be appropriated in the bill to which I have referred.

I want to give the figures:

The total area of the proposed park within minimum taking lines prescribed by the Department now amounts to 436,694.92 acres.

Of this, there have been acquired and accepted 383,358.85 acres.

This leaves still to be acquired 53,336.07 acres.

Of the 53,336.07 acres, funds are in hand to acquire 27,320.57 acres.

Funds amounting to $743,265.29 are needed to acquire the balance, 26,014.50 acres.

When State funds failed, Mr. Rockefeller requested that the area for the park be reduced to 400,000 acres, provided the remainder necessary to acquire the other lands was in hand. Estimates from the two States indicated that $1,550,000 was necessary; but, as I have explained, the estimates were incorrect. But $1,550,000 was secured, and the act was passed. It was made clear in a report to Congress that this minimum was predicated entirely upon the funds in hand being sufficient to achieve the purpose. It later turned out that those figures were inaccurate and that $743,265.29 additional is needed.

I might say the cost originally estimated by North Carolina and Tennessee for the 436,000 acres of land prescribed by the act of May 22, 1936 (44 Stat. 616), as the minimum completed park area was, in round figures, $9,750,000. The States had secured about half the amount needed, or $4,875,000, by State bond issues, land donations, and private pledges, when, upon the Park Service approaching Mr. John D. Rockefeller, Jr., he agreed to match, and did match, those funds dollar for dollar, giving not exceeding $5,000,000 upon condition that the park be fully established "one-half by the peoples of North Carolina and Tennessee and one-half in memory of Laura Spelman Rockefeller."

After approximately $9,000,000 had been expended from these joint funds for the acquisition of approximately 380,000 acres by the two State park commissions, the depression came, as I have stated. Consequently, some private pledges, amounting to approximately $300,000, could not be collected. This left over $500,000 of Rockefeller funds unmatched. Federal funds became available for the acquisition of lands within the park area for C. C. C. purposes. Each State was asked to furnish estimates of the cost of the lands needed to complete the park. North Carolina's estimate was $1,145,540 and Tennessee's $858,828, or a total of $2,004,368. Based on these estimates, only $1,550,000 of Federal funds were needed if the unmatched Rockefeller balance of $500,000 could be used, which would make a total of $2,050,000 available for land acquisition, including nearly $50,000 for contingencies. Mr. Rockefeller agreed to make his $500,000 available to match Federal funds, provided Congress established the park on the basis of the acreage that his original $5,000,000 matched by State and Federal funds would acquire. This was computed at 400,000 acres, and Congress enacted the necessary legislation prescribing 400,000 acres as the minimum for the park, it being clearly understood, however, that the additional 36,000 acres would be needed to round out the park, and for which sufficient funds were then believed to be in hand.

It now appears that $743,000 additional will be required to complete the land acquisition. Therefore, unless Federal funds can be secured to supplement the original $1,550,000 made available by the Executive order of December 28, 1933, by $743,000, North Carolina's equitable share of this deficit is $398,000 and Tennessee's share is $347,000. Neither State is able to put up this sum allotted to them.

One excellent road has been built all the way through the park from Gatlinburg, Tenn., on the Tennessee side, to Bryson City, N. C., on the North Carolina side. Some other roads have been built but none of them have been completed.

Notwithstanding this uncompleted situation in the park, it has proved to be a most popular park. The visitors to the Great Smoky Mountains National Park in 1936 reached the enormous number of 620,222. This year to July 24, 1937, 458,469 have already been to the park and the year not much more than half spent. The figures this year show an increase in 1937 over the same period in 1936 of 129 percent. The park is destined to become one of the most popular and attractive parks in the world.

Compare these figures with those for Yellowstone Park, that famous park in the Middle West, known of all people, one of the most wonderful parks in the world. Compare the figures, I ask you, for that great park which has been established for more than a quarter of a century and, perhaps, for nearly a half century, with the figures for the Great Smoky Mountains National Park. In 1936 there were 432,570 visitors to the Yellowstone Park as compared to 620,222 to the Great Smoky Mountains Park, and to July 24, 1937, there were only 236,670 visitors to the Yellowstone National Park, an increase of only 10 percent, while the visitors to the Smoky Mountains Park numbered 458,000, or nearly double the number visiting the Yellowstone National Park.

Mr. President, it is wholly unfair to the State of Tennessee that this money has not been appropriated. It ought to be appropriated and the park completed, and I am sure that the Congress, believing in doing the fair thing, inasmuch as the money has been furnished for buying up all the necessary lands in North Carolina to complete the park, will furnish the additional sum with which to buy the necessary lands to complete the park in Tennessee.

I appeal to Senators, since the money has been furnished for buying up all the necessary lands in North Carolina, the State of my distinguished friend [Mr. REYNOLDS] who sits beside me, and who, I know, would be willing, as I believe other Senators would be willing, to do the fair thing by the State of Tennessee, to appropriate the necessary amount to buy the land in Tennessee which is necessary to complete the park.

Mr. REYNOLDS. Mr. President——

Mr. LEWIS. Mr. President, may I be permitted——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. McKELLAR. I yield.

Mr. LEWIS. May I be permitted to ask the Senator from Tennessee what is the position of Sir ROBERT REYNOLDS, the representative of the North Carolina and Asheville end of the park?

Mr. McKELLAR. I will say that if my good friend from North Carolina should not be 100 percent for making this appropriation for the benefit of the park in Tennessee I would be the most surprised man in the world, and I am almost tempted to say that I would agree to take my seat.

FOUR HUNDREDTH ANNIVERSARY OF SPANISH SETTLEMENT IN AMERICA

Mr. CHAVEZ. Mr. President, this morning my colleague, the senior Senator from New Mexico [Mr. HATCH] and I introduced a joint resolution (S. J. Res. 204) that will, if enacted into law, provide for Federal participation in the celebration of the four hundredth anniversary of the landing of the Spaniards in the American Southwest. I desire now, with the indulgence of the Senate, to speak briefly on that resolution and on the occasion of the celebration.

Mr. President, since taking my place in the Senate, I have tried to the best of my ability to comport myself in a manner respectful of the rules prescribed for the conduct of this body. I have tried to uphold the duties of the office, to represent a State different from all the rest by reason of its unique racial and historical origin.

In that time, Mr. President, I have addressed the Senate on but a few occasions and then briefly. I have felt that the

rules of decorum required that a new Member should maintain a period of silence and observation.

But today we are faced with events so portentous, the specter of the impending crisis in Europe and Asia is so serious that to remain silent would constitute forgetfulness of duty or evasion of responsibility.

The people of the United States must be made aware that the events transpiring today in Spain and China are but heralds of a New World catastrophe, a historical occurrence which will be more terrible than the last, a war which will bring an end to Old World civilization. War drums rumble in the Orient.

Our role in the event of such a disaster should be well defined. Such a war will not be our war; we must not be dragged into it.

It is well to speak of isolating ourselves from such an event, but we must, nevertheless, recognize the fact that no civilization has ever existed and prospered on a self-contained basis. It was only through the exchange of commerce in the Aegean and Mediterranean that the cultures of Greece and Rome, which remain to this day the greatest cultural landmarks of antiquity, flowered and developed.

Thus today we cannot hope to regain and maintain our prosperity on the basis of an isolated economy. We must create and maintain economic relations which, in the event of another war, will not be shattered, bringing us down into the depths of panic and depression.

Let us direct our foreign policy with practical intelligence and common sense. So far as countries across the seas are concerned, the legacy of the Middle Ages is destroyed.

Let us direct our attention where our natural interests lie. Our great leader, the President of the United States, has led the way. Columbia extends a hand of friendship to her sister republics to the south.

We must cultivate the friendship of Latin America. It will not be enough, however, that we merely give evidence of our friendship. The overbearing and swaggering attitude, both official and commercial, that has characterized our relations with these nations in the past left sores too deep to be healed simply by extending a hand of friendship. It will not be enough to give evidence to assure our neighbors that we are not going to box their ears if they do not do as we say. What we must show these nations is that we appreciate a culture which is in many ways totally different from our own. In place of disdain, we must demonstrate and give evidence of our respect for the Latin culture that characterizes the civilization that extends from the Rio Grande to the southernmost point of South America.

A culture introduced 450 years ago has proved so strong and lasting that it exists even to this day. The southwestern part of this great Nation 400 years ago felt the measured tread of Spanish adventurers. Their descendants retain the language, the customs, and psychology of their kindred folk of the South. They are Americans by the grace of God, and proud of it, but ever mindful, nevertheless, of their glorious past. New Mexico, Arizona, the panhandle of Texas, and the Spanish Southwest constitute a linguistic and ethnological treasure house. It is possible there to form a plowshare on which will turn the success of our Latin American policy.

By making use of the history, of the language, of the viewpoint of these American peoples we can demonstrate to our sister republics the sincerity of our new foreign policy.

Mr. President, I beg the indulgence of my colleagues while I elaborate in a few words upon an event which in my opinion cannot help but arouse the attention of Latin America to the fact that we, too, have felt the influence of Latin civilization and that we respect and admire it.

The year 1940 will be a memorable one in the annals of the State of New Mexico, which I am honored to represent in this body, and in the annals of Arizona and the Texas Panhandle. It will mark the four hundredth anniversary of the journey and vast explorations of New Mexico's explorer, Francisco Vasquez de Coronado. His discoveries in the years 1540 and 1541 gave to the world its first comprehensive knowledge of that part of western America now included within the United States, and embracing the States of Arizona, California, Kansas, New Mexico, Texas, and Oklahoma. This was the real discovery of western America.

So, Mr. President, in order that the memory of the phenomenal accomplishments of New Mexico's first white explorer may never be forgotten, we in New Mexico are now preparing to properly commemorate this event.

This amazing expedition, called by historians one of the greatest land expeditions the world has ever known, wrote the first pages of American history. I may remark that a bare 50 years after Columbus had stumbled upon the American continent and 80 years before the Pilgrim Fathers had landed upon the cold, wind-swept shores of the North Atlantic, Coronado and his intrepid band had fought their way north over the sweeping vastness that is now the American Southwest.

It is difficult for us, living in this different age, to fully appreciate the spirit of religious fervor, adventure, and romance which seized the entire world following the discovery by the Genoese admiral of the new and strange continent. The Spanish explorer, evangelist, and soldier of the fifteenth century are without peers in recorded history. Scarce a score of years had elapsed since the discovery of America before the Spanish had circumnavigated the globe, colonized the islands of the West Indies, conquered the fabulously rich empires of the Incas in Peru, and of the Aztecs in Mexico, and with a never-failing zeal and urge for further conquests covered most of the Western Hemisphere in their explorations.

A product of the day and age was Francisco Vasquez de Coronado. Governor of the Province of Nueva Galicia, he was sought by Mendoza, the first Viceroy of Mexico, as the leader of his expedition for the conquest of the fabulous Seven Cities of Cibola.

No single event in the history of New Spain produced the enthusiasm and excitement that did the expedition for the conquest of the Seven Cities of Cibola. In order to appreciate fully what is meant it is essential to have a little of its background.

In the year 1528 Panfilo de Narvaez, a Spanish sea captain, set sail from Santo Domingo with a fleet of 3 ships, 300 men, and 50 horses. His destination was Florida, which he proposed to colonize. Shipwrecked upon the southern coast of Florida, all his crew but four perished. These—Alvar Nunez Cabeza de Vaca, treasurer of the expedition; Alonzo de Castillo Maldonado; Andres Dorantes; and a Barbary Negro named Estevan, slave of Dorantes—after 8 years of wandering, in which they crossed the continent, met with the Spanish settlements at Culiacan, on the west coast. These four wanderers took back to Mexico the wonderful tidings of the fabulous Seven Cities of Cibola, where gold and silver and precious stones abounded.

The tidings spread quickly and reached the capital, where Mendoza, a calculating, shrewd, and ambitious individual, but above all a man of action, immediately moved to secure for himself any advantage which might result. Having entertained the wanderers in Mexico City and purchased the Negro from Dorantes, he immediately sent the Negro with a Franciscan friar named Marcos de Niza to investigate. Proceeding up the valley of the River Sonora into Arizona and on to New Mexico, Niza, having viewed from afar the tall, towering walls of the Indian pueblo of Zuni—Estevan had proceeded within the pueblo where the Indians killed him—walls rising tier upon tier, the like of which had never been seen before, glistening white as silver in the New Mexico sunshine, was quickly persuaded that he was gazing upon the mighty citadels of the first of the Seven Cities of Cibola, and returned posthaste to Mexico to report to Mendoza.

Mendoza immediately began to organize his army. Recruits flocked from the noblest families in the New World and men even journeyed from the mother country to take part in the expedition. Charles V gave the venture his personal support, supplying arms and accouterments from the royal arsenal and money from the royal treasury. The total expense has been estimated at $1,000,000.

Time does not permit me to follow the entire journey of Coronado. At Zuni he found not a fabulously wealthy city, but one of the many adobe pueblos innocent of wealth except for a few blue-sky turquoises. The Seven Cities of Cibola proved a myth. The gold-paved city of Quivira which Coronado sought and found far east in Kansas proved to be the home of the peaceful Wichita Indians.

In camp for the second winter on a site near the present pueblo of Sandia, thousands of miles from the nearest men of their own race, without means of communication, and almost devoid of food after a stay of 2 years, Coronado was wounded in a jousting match, and while he lay ill with fever his dispirited men and captains induced him to return to Mexico, which he did in the spring of 1541.

In the eyes of his day, Coronado was a failure. The mighty cities he was sent to conquer and the wealth anticipated proved a myth. But he executed an exploration of unbounded magnitude. His explorations led directly to those which followed into this vast country which later men were to colonize—a country of which men have come to realize the value; though not studded with diamonds or paved with gold, yet a country rich in its fertile valleys, wonderful forests, glorious in its majestic mountains and its golden sunshine.

The Coronado Cuarto Centennial will give proper place in history to these events which so long antedate the other beginnings of our country. In brilliant pageant in a series of State-wide celebrations the visitor to New Mexico will see relived the 400 years of our colorful and romantic history. The visitor to New Mexico will see, off the beaten paths, quaint Indian pueblos where life goes on almost as in the day of Coronado. He will see New Mexico the last outpost of Spanish endeavor in the New World where a medieval culture still lingers side by side with a modern American civilization.

New Mexico invites the Nation to be its guests in 1940, to visit and become acquainted with our natural wonders such as the Carlsbad Caverns, our prehistoric sites, scenic attractions, recreational and cultural values.

RAILROAD TARIFF RATES

The Senate resumed consideration of the bill (S. 1261) to amend the Interstate Commerce Act, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. LEE in the chair). The question is on agreeing to the amendment of the committee on page 1.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Interstate Commerce was, on page 2, to strike out lines 16, 17, 18, and 19, as follows:

> In fixing through routes, and in determining what is desirable or necessary in the public interest, the Commission shall not take into consideration the necessity or desirability of diverting revenue from one railroad to another.

The amendment was agreed to.

The bill (S. 1261) was ordered to be engrossed for a third reading, read the third time, and passed.

PRODUCTION AND USE OF HELIUM GAS

Mr. THOMAS of Utah. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 997, the bill (S. 1567) known as the helium gas bill.

Mr. BORAH. Mr. President, before the motion is acted on, I desire to ask the Senator from Utah a question or two. Upon his answers will depend my decision as to whether I shall oppose taking up the bill at this time.

Does the bill provide for the sale of helium to foreign countries?

Mr. THOMAS of Utah. It provides for the sale and exportation of helium to foreign countries under restrictions and regulations to be set up by our Government. There is no provision for the sale of helium to foreign countries as such.

Mr. BORAH. The bill provides for its sale, and it may be sold to foreign countries?

Mr. THOMAS of Utah. It may be sold to anyone under the regulations of our Government.

Mr. BORAH. What are those regulations?

Mr. THOMAS of Utah. The regulations are to be established in the future and are to be determined by an interdepartmental board. Exportation would be allowed only after the issuance of a license by the munitions control board, which in turn is under the direction of several departments.

Mr. BORAH. If the board should see fit, would it be empowered under the terms of the bill to sell helium, for instance, to the German Government?

Mr. THOMAS of Utah. I doubt whether the German Government would ever seek to buy helium as such. If we should sell helium to the German Government or to any other corporation, it could be used only for three purposes—scientific, commercial, and medical.

Mr. BORAH. No; it could be used for other purposes.

Mr. THOMAS of Utah. Including, of course, scientific purposes for use in connection with lighter-than-air craft, but merely for commercial purposes.

Mr. BORAH. The bill says "for medical, scientific, and commercial use, including inflation of passenger-carrying airships." As I understand, the sale might take place, if the board should see fit, for any of these purposes, to any government or to any individual within any government.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LODGE. I point out to the Senator that the provision which makes helium available to foreigners is in accordance with the recommendation signed by the Secretaries of the Interior, State, War, Navy, and Commerce. In their recommendation they advocate the export of helium on the ground that it is the duty of the United States to export helium gas "as a good neighbor" and for the sake of "promoting international good will"; and this recommendation was transmitted to the Congress by the President, who described it as expressing "a sound national policy." We may, therefore, assume that the power which the bill proposes to confer will actually be used and that gas will be exported.

Mr. BORAH. Yes; and for the "good neighbor" purposes.

Mr. LODGE. Yes, sir.

Mr. BORAH. It may be for the very opposite purposes.

Mr. LODGE. That is my contention.

Mr. BORAH. We have no control over how the foreign governments will use it, whether in a good-neighborly way or otherwise, after they get it.

Mr. THOMAS of Utah. Of course that is not true at all. The committee has gone into every phase of problems of that kind. The exportation is limited to peaceful purposes; and if, for example, a foreign government or a corporation in a foreign country should apply for helium to be used as a munition of war or to be used in aid of war craft, the Government of the United States would not export helium for that purpose.

Mr. BORAH. Mr. President, the bill provides, however, that it may be exported for medical, scientific, and commercial use; and if it is exported and sold for commercial use, after it is once purchased and in the possession of a foreign government, it may make such use of the helium as it pleases.

Mr. THOMAS of Utah. The meaning of "commercial use", as I interpret it, is not putting helium into commerce in the world for the purpose of buying and selling it, but the aircraft would be used primarily and entirely for commercial purposes.

It should be remembered, Mr. President, that we must become realists in discussing a bill of this kind.

Mr. BORAH. That is exactly what I am trying to do. I should like to know what it really is that we propose to do.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LODGE. In connection with the use of helium to inflate commercial airships, I think it is noteworthy that Dr. Hugo Eckener, who is the greatest authority in the world on lighter-than-air navigation, appeared before the committee and was asked for his estimate of the military value of the commercial airship; and he said:

I could very well imagine that in view of the geographical location of the United States, which is not surrounded by countries that have military airplanes, and where you have open coast lines and wide oceans dividing you from the next country, that such ships could be possibly effectively used as instruments of scouting.

In other words, he made the point that commercial airships do not have great military value in Europe, but would have considerable military value in operations against the United States.

Mr. LEWIS. Mr. President——

Mr. BORAH. I yield to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. BORAH. I beg pardon; I thought I had. I will speak later.

Mr. THOMAS of Utah. Allow me to answer the Senator from Idaho by referring to the line at the bottom of page 11:

Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act.

And so forth. That is probably an answer to the questions asked.

I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I have joined the junior Senator from Massachusetts [Mr. LODGE] in a written protest in the form of a minority report from the Military Affairs Committee upon this particular measure. I desire to press upon the able chairman of the subcommittee this interrogatory:

In what way, under the name of "good neighbor" or by any other theory, can we prevent Germany—to use an illustration—once possessing helium from America, from transferring it to what is now known as her military adjunct, Japan, for Japan to use in war, in her conflict in the Orient, as against either those friendly to the United States or the United States itself? In what way is there any protection against those who have the helium using it for military purposes of their own after they have possessed it?

Mr. THOMAS of Utah. Questions of that kind, and questions even more complex than that one, were put to both the Army and the Navy authorities; and both the Army and the Navy authorities felt that there was no risk of that sort of thing.

In the first place, the transportation of helium gas is quite a problem. It is a very, very bulky substance. In the second place, its loss through dissipation is also another problem for those who try to retain it. In the third place, helium is probably the easiest discovered of all military aids, and therefore one of the hardest to be hidden. As a military risk, it is one of the least from the standpoint of its use under regulations against us, or for military purposes against any other nation.

I assure the Senator from Illinois that if there were the remotest chance that helium could be used or would be used against us, of course no member of the Committee on Military Affairs would be in favor of that. I also should like to say that if I thought there was the least bit of chance that the exportation of helium to any foreign country could result in the use of that helium in a military way against another country, I would also be opposed to its exportation.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. WALSH. Is helium gas produced in any other part of the world than in the United States?

Mr. THOMAS of Utah. The United States has a virtual monopoly of helium. It is claimed that there are other places in the world where helium may be found, but up to date we practically have a monopoly.

Mr. WALSH. Is it possible to produce helium in any other part of the United States than in Texas?

Mr. THOMAS of Utah. There are reserves in my State, there are a few reserves in Colorado, and the helium which is produced by a private corporation at the present time is produced in Kansas.

Mr. WALSH. Is it not correct that helium can be produced only from certain natural-gas deposits?

Mr. THOMAS of Utah. There are deposits where helium predominates. It is assumed now that by tapping certain oil pipe lines we may, through experimentation, discover a way of getting from other sources helium that is now going to waste.

Mr. WALSH. Is our supply of helium inexhaustible?

Mr. THOMAS of Utah. It is not inexhaustible, but the testimony of the Director of the Bureau of Mines, and also the testimony of both the Army and Navy officials, is to the effect that there is helium in great enough quantities so that that will not be a problem.

Mr. WALSH. So far we have used very little helium in this country?

Mr. THOMAS of Utah. Camparatively speaking, very little.

Mr. WALSH. A very small percentage of the total volume that can be produced has been used?

Mr. THOMAS of Utah. That is correct. We have used up practically all we have produced, because we keep it in reserves.

Mr. WALSH. We have now no lighter-than-air naval craft or Army craft which use the helium gas?

Mr. THOMAS of Utah. I understand that there are a few blimps, both in the Army and the Navy, but there is no great craft in which it is being used at the present time.

Mr. WALSH. I think the Senator is correct, that there are a few small ones in the Navy. Do all the departments of the Federal Government join in recommending the bill?

Mr. THOMAS of Utah. There were five departments associated in the recommendations of the committee. All recommend the bill favorably.

Mr. WALSH. How valuable is helium, if it can be measured in terms of value?

Mr. THOMAS of Utah. The price which the private manufacturers of helium attempt to get, which makes it too expensive for anyone to buy it, is somewhere between $25 and $30 a thousand cubic feet, if that is the measure. I may be wrong in the unit of measurement, but I think that is correct.

Mr. WALSH. Is it not true that in the process of obtaining helium inventions have been such as constantly to reduce the price?

Mr. THOMAS of Utah. If, for example, the experts are successful in taking helium from ordinary oil, from which gasoline is taken, helium will become an entirely new by-product; and if it were taken in sufficiently great quantities, it would become very, very cheap, of course.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. HATCH. I merely desire to ask the Senator from Utah a question in connection with the provision in the bill read by him a moment ago, from which I gathered that it was the intention of the legislation not to export helium for military purposes.

Mr. THOMAS of Utah. That is true.

Mr. HATCH. I find in the bill this further sentence, just preceding the one the Senator from Utah read:

That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State.

Then follows the language the Senator read. That convinces me that the intention is, as the Senator has expressed

it, that no helium shall be exported for military purposes. That is correct, is it?

Mr. THOMAS of Utah. That is absolutely true, and every safeguard we knew how to put into the proposed legislation to provide for just that has been inserted.

It should be remembered that helium has been conserved for two purposes—for the sake of conservation itself, and, second, for its use by our Army and our Navy. Of course, if we think of it only from a military standpoint, it would be very unwise to allow its export to foreign countries.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. LOGAN. I desire to make just one suggestion. The bill is one of considerable importance, and will require some discussion. It seems to me, rather than to ask the Senator from Utah these unrelated questions, if the motion to make the bill the unfinished business should be agreed to, then the Senator from Utah could go into his explanation, and we would all be able to understand the bill more thoroughly than we will by asking him scattering questions before the bill is taken up. So, I hope we may have a vote on the motion to take the bill up and then discuss it.

Mr. CONNALLY. Mr. President, I have been so impressed by the wisdom of the remarks of the Senator from Kentucky that I withhold an inquiry I had desired to make.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah [Mr. THOMAS].

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1567) to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes'", which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial areonautics, and for other purposes", approved March 3, 1925, as amended, is amended to read as follows:

"SECTION 1. That for the purpose of conserving, producing, and selling helium gas the Secretary of the Interior, through the Bureau of Mines, is authorized:

"(a) To acquire by purchase, lease, or condemnation, lands or interests therein or options thereon, including but not limited to sites, rights-of-way, and oil or gas leases containing obligations to pay rental in advance or damages arising out of the use and operation of such properties; but such lands or interests in lands may be acquired by condemnation only when necessary for the production or conservation of helium to meet the needs of the Army and Navy and other agencies of the Federal Government;

"(b) To make contracts and agreements (with optional provisions where necessary) for the acquisition, processing, or conservation of helium-bearing gas;

"(c) To construct or acquire plants, wells, pipe lines, compressor stations, camp buildings, and other facilities, for the production, storage, repurification, transportation, and sale of helium and helium-bearing gas; and to acquire patents or rights therein and reports of experimentation and research used in connection with the properties acquired or useful in the Government's helium operations;

"(d) To dispose by lease or sale of wells, lands, or interests therein, not valuable for helium production; to dispose of oil, gas, and byproducts of helium operations not needed for Government use; and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without interfering with the production of helium.

"Any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this amendatory act shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected: *Provided*, That as to any such properties not acquired within 6 months from date of this act, the Secretary of the Interior shall proceed by condemnation to acquire such properties; and prior to the acquisition thereof the Federal Government shall not sell helium as authorized under section 3 (b) of this act, so long as helium may be procured for medical, scientific, or commercial use, including inflation of passenger-carrying airships, at reasonable prices from the operators of such developed or constructed properties.

"Any known helium gas bearing land on the public domain not covered at the time by leases or permits under the act of February 25, 1920, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain', as amended, may be reserved for the purposes of this act, and the United States reserves the ownership and the right to extract, under such rules and regulations as shall be prescribed by the Secretary of the Interior, helium from all gas produced from lands so permitted, leased, or otherwise granted for development: *Provided*, That in the extraction of helium from gas produced from such lands, it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof.

"SEC. 2. That the Bureau of Mines, acting under the direction of the Secretary of the Interior, is authorized to maintain and operate helium production and repurification plants together with facilities and accessories thereto; to store and care for helium, to conduct exploration for and production of helium on and from the lands acquired, leased, or reserved; and to conduct experimentation and research for the purpose of discovering helium supplies and improving processes and methods of helium production, repurification, storage, and utilization.

"SEC. 3. (a) That the Army and Navy and other agencies of the Federal Government may requisition helium from the Bureau of Mines and make payments therefor from any applicable appropriations by advancing or repaying to and for the use of said Bureau proportionate shares of the expenses incident to the administration, operation, and maintenance of the Government's helium plants and properties.

"(b) That helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President, for medical, scientific, and commercial use, including inflation of passenger-carrying airships: *Provided*, That such sales of helium shall be at reasonable prices (established by said regulations) based upon the cost of acquiring, developing, maintaining, and operating the Government properties used for such helium production; and such sales of helium shall be upon condition that the Federal Government shall have a right to repurchase helium so sold that has not been lost or dissipated, when needed for Government use, under terms and at prices established by said regulations.

"(c) All moneys received under this act, including moneys from sale of helium or other products resulting from helium operations (except moneys received in payment for helium from Government departments or agencies under subsection (a) hereof), shall be credited to a special helium-production fund from which purchasers of helium may be reimbursed for payments for helium in excess of deliveries, and the Secretary of the Interior through the Bureau of Mines may draw on said fund to pay expenses of acquiring, administering, operating, maintaining, and developing helium properties. Amounts accumulating in said fund in excess of amounts the Secretary of the Interior deems necessary to assure payment of such expenses shall be deposited in the Treasury to the credit of miscellaneous receipts: *Provided*, That the Secretary of the Interior shall render to Congress on or before the 1st day of January of each year a report showing the amount of moneys credited to such helium-production fund and the amount of disbursements made therefrom during the preceding fiscal year, and the unexpended and unobligated balances on hand in such fund as of the end of such fiscal year.

"SEC. 4. No helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him on the joint recommendation of all the members of the National Munitions Control Board and the Secretary of the Interior: *Provided*, That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State without such specific recommendation. Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937 (Public Resolution No. 27, 75th Cong.) while such proclamations are in effect, and shall require exporters to submit a sworn statement to the Secretary of State showing the quantity, destination, consignee, and intended use of each proposed exportation.

"Any person violating any of the provisions of this section or of the regulations made pursuant hereto, shall be guilty of a misdemeanor and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment; and the Federal courts of the United States are hereby granted jurisdiction to try and determine all questions arising under this section.

"The National Munitions Control Board shall include in its Annual Report to the Congress full information concerning the licenses issued hereunder, together with such information and data collected by the Board as may be considered of value in the determination of questions related to the exportation of helium gas.

"SEC. 5. The Secretary of War and the Secretary of the Navy may each designate representatives to cooperate with the Department of the Interior in carrying out the purposes of this act, and shall have complete right of access to plants, data, and accounts."

Mr. THOMAS of Utah obtained the floor.

Mr. LOGAN. Mr. President, will the Senator from Utah yield for a statement?

Mr. THOMAS of Utah. I yield.

Mr. LOGAN. An amendment has been offered by me, which lies on the table, and which was agreed to by the subcommittee, and I believe by all the departments which are interested. With the consent of the Senator from Utah, I should like to be permitted to offer the amendment at this time and ask for its adoption, before the Senator from Utah discusses the bill, if he will be so kind as to consent to that.

Mr. THOMAS of Utah. Mr. President, the purpose of the amendment is identical with the purpose of one of the provisions appearing in the bill, and the committee has no objection to the new wording at all.

Mr. LOGAN. Then I ask that the amendment be stated from the desk so that it may be adopted, and then I will have finished my connection with the matter.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Kentucky [Mr. LOGAN], to the committee amendment.

The LEGISLATIVE CLERK. In the amendment of the committee it is proposed on page 8, beginning in line 3, to strike out:

Any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this amendatory act shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected: *Provided*, That as to any such properties not acquired within 6 months from date of this act, the Secretary of the Interior shall proceed by condemnation to acquire such properties; and prior to the acquisition thereof the Federal Government shall not sell helium as authorized under section 3 (b) of this act, so long as helium may be procured for medical, scientific, or commercial use, including inflation of passenger-carrying airships, at reasonable prices from the operators of such developed or constructed properties.

And to insert the following:

The Secretary of the Interior is hereby directed, if possible under the terms hereof, to acquire by purchase all properties developed or constructed by private parties prior to the passage of this act for helium production, such purchase to be at a price or prices recommended to be fair and reasonable by at least two of a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected. The Secretary of the Interior is authorized to incur obligations and enter into agreements for the purchase of such properties, and every such agreement shall be deemed a contractual obligation of the Government for the payment of the cost thereof, such payment to be made from any appropriations hereafter made for such purpose. Prior to the date of execution of an agreement or agreements for the purchase of such properties, the Government shall not sell helium as authorized in section 3 (b) of this act: *Provided*, That the foregoing restriction upon the sale of helium by the Government shall be inoperative in the event that (1) the owner of any such properties shall refuse or neglect to appoint an appraiser within 30 days after approval of this amendatory act, or (2) the owner of any such properties having so appointed an appraiser shall refuse or neglect to execute an agreement or agreements for the sale thereof, at the price recommended by at least two members of the board of appraisers, within 30 days after said appraisers shall have recommended such price.

Mr. CONNALLY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. CONNALLY. I rise merely to suggest that the procedure now suggested by the Senator from Kentucky is hardly in harmony with what he suggested a while ago, to interrupt a speech to get an amendment adopted, when we have not had the bill explained and know nothing about the amendment. I have been trying for 30 minutes to get a copy of the bill, and just this moment have been able to get one.

Mr. LOGAN. If the Senator from Utah will allow me to respond to the Senator from Texas, I shall offer an excuse for making the suggestion at this time. I am not well, and I wish to get away. I am interested in the amendment I have offered because it affects only the people within my own State, the private producers of helium.

Mr. CONNALLY. I am perfectly willing, if the Senator from Utah desires to yield the floor and let the Senator from Kentucky offer his amendment——

Mr. LOGAN. I have not asked that.

Mr. CONNALLY. That is the only way it can be done.

Mr. LOGAN. If the Senator from Texas objects to this proceeding, I shall not press the amendment. I was making the request because the amendment has been agreed upon, and it affects no one except the private producers, who are people from my own State, in connection with some others. They are satisfied with the amendment, the Department of the Interior and other departments are satisfied, and the Senator from Utah is satisfied, so I thought there would be no objection to having the amendment adopted, as I do not desire to remain in the Senate for further consideration of it, because I do not feel able to.

Mr. CONNALLY. I desire to accommodate the Senator from Kentucky, and I think it is perfectly agreeable for the Senator from Utah to yield and allow the Senator to explain his amendment briefly, and I may be for it.

Mr. LOGAN. I have explained all there is to it.

Mr. CONNALLY. All I heard the Senator say was that it was satisfactory to some constituents of his in Kentucky, satisfactory to the Department, and satisfactory to the Senator from Utah, but the rest of us do not know whether or not it is satisfactory to us. We do not know anything about it.

Mr. LOGAN. The amendment takes care of those engaged in the private production of helium at this time. There is only one concern that is producing helium, and the property of that concern will be absolutely destroyed if this bill should be adopted without some provision for taking over their property. The Government is creating a monopoly. The purpose of the amendment is to provide a reasonable and fair way, satisfactory to all parties concerned, for taking over the private property. Otherwise the private property will be completely destroyed.

Mr. BARKLEY. The amendment would have no effect on the general bill at all.

Mr. LOGAN. None whatever.

Mr. BARKLEY. It provides the machinery by which the Government and private owners may get together.

Mr. CONNALLY. I imagine it would have some slight influence on the Treasury, because the money is to come out of the Treasury to pay for the plant. I am not objecting. I am interested in helium, because probably more helium is produced in my State than is produced in any other State, and we want to conserve it. I have no objection to the consideration of the amendment. I simply wanted to know what it was about.

Mr. LOGAN. I have tried to explain to the Senator the best I can, and if the Senator is not satisfied, I shall not press the amendment further.

Mr. McGILL. Mr. President, will the Senator from Utah yield to me?

Mr. THOMAS of Utah. I yield.

Mr. McGILL. I wish to accommodate the junior Senator from Kentucky [Mr. LOGAN] in every way I possibly can, but this is the first opportunity I have had to know anything about the proposed amendment. I did not know such an amendment was pending. From what the Senator has said, and from what I am able to learn from listening to the clerk read the amendment, it is proposed that the Government shall take over all property where helium is produced. Is that correct?

Mr. LOGAN. Let me say to the Senator, first, if the Senator from Utah will permit me, that the only difference between this amendment and the provision which is written on the face of the committee amendment is that my amendment would allow the Government to condemn the property if the parties could not reach an agreement. Property cannot be condemned except for public purposes, and being

afraid that a provision for condemnation of the property would render the whole measure illegal, that is eliminated, and it is provided that the private owners and the Secretary of the Interior shall appoint appraisers to arrive at a price for the property. That is the only difference the amendment makes in the bill as it has been reported, if I understand it correctly. The amendment was prepared by the Department of the Interior at my request.

Mr. McGILL. It appears to me that this is a very important amendment and a very important bill, and we ought to have more time than we are having this afternoon for consideration. Various States are interested in the production of helium, my own among them.

Mr. BARKLEY. Mr. President, as my colleague has said, there is only one private producer of helium at this time.

Mr. McGILL. One corporation that produces helium, or disposes of it on the market, and that is a corporation located in the State of Kentucky, I understand.

Mr. BARKLEY. And its property is in the State of Kansas.

Mr. McGILL. Its property is in the State of Kansas.

Mr. BARKLEY. The Government desires to acquire that property; and the amendment simply provides a method by which the value of it may be determined.

Mr. McGILL. I assume that what the Senator states is quite correct, but I have had no opportunity to look into the bill. I did not know it was to be brought up at this time. Certainly States where helium is produced are interested in the bill.

Mr. BARKLEY. That is undoubtedly true; but this does not at all affect the production of helium in any State. It is a long story.

Mr. McGILL. As I see it, the object is to enable the Government to take over all property where helium is produced, and I presume it would provide the rule affecting helium when it is discovered in the future, as well as for the present.

Mr. BARKLEY. It would provide a method by which, if the Department should desire to have helium as a Government monopoly—and it is desired, as I understand, by the Department involved, that there be only one producer of helium, outside of the Government—that could be done. It has been felt that the Government ought really to control the entire production of helium. While nobody can tell where helium may be discovered or how it may be produced in the future, the present situation is that if the Government is to be allowed, out of the production, in which it is now engaged, to sell helium for commercial purposes, of course the only private producer of helium will be completely put out of business. The Government does not wish to do that. Therefore, it is desired that the Government take over the private property that is now operating as a helium-producing plant, which happens to be in the State of Kansas, although the corporation is in the State of Kentucky. This amendment simply sets up fair machinery by which the value of that property may be ascertained; and if the parties cannot get together on it, then, of course, the right exists in the Government to condemn it, as in other matters. That right is reserved in the Government.

Mr. McGILL. Mr. President, is it contemplated that the Government will take over all the physical assets, including the oil rights, the oil royalties, the production of helium where helium is found, and the production of gas where helium is found?

Mr. BARKLEY. Not by this bill.

Mr. McGILL. They all go hand in hand.

Mr. BARKLEY. Of course, the question whether there will ever be any more helium discovered, or any more fields or areas where helium can be produced, outside of the possibility or probability that helium can be captured in oil and gasoline in ordinary oil fields, has not yet arisen. This amendment is only designed to take care of an acute situation which now exists with respect to one property which the Government desires to take over.

Mr. McGILL. Mr. President, it is my understanding from talking to some of the men who are interested in the corporation in the State of Kentucky that sources of helium are known by some of the producers to exist in this country, and it has not been generally made known just where those sources are located. There is quite a quantity of helium, as I understand, in the State of Kansas other than on the properties owned by the Kentucky corporation.

Mr. BARKLEY. I have no knowledge of that.

Mr. LOGAN. The amendment will not have anything to do with that. Of course, no one will enter into the helium-producing business after this bill shall be passed; and, of course, it will apply to all private producers. The only thing this amendment does is to prevent the United States Government from passing a law which absolutely destroys every nickel of investment of private producers, and they are the only ones affected. The amendment simply provides that the Government shall name one arbitrator, the company another arbitrator, that those two shall choose a third arbitrator, and that the arbitrators shall fix the price. If the owner does not accept the price fixed by the arbitrators within the 30 days in which he has to accept it, he will have to take his chances. The passage of this bill without such an amendment would completely and absolutely destroy the property.

Mr. BORAH. Mr. President, this is certainly a very important bill. It creates a Government monopoly of one of the very important natural resources. I wonder if the Senator from Utah [Mr. THOMAS] will permit the bill to go over until tomorrow. It came up unexpectedly, and there has been no opportunity presented to know the full import of the bill unless a Senator is a member of the committee. I do not know what the program is for tomorrow, but I take it that it will not be very crowded.

Mr. BARKLEY. Mr. President, if the Senator from Utah [Mr. THOMAS] will yield to me for that purpose, I wish now to ask unanimous consent that the Committee on Finance be authorized to make report during the recess of the Senate upon any legislation upon which it may take action.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I will say to the Senator from Idaho that it is expected that the Committee on Finance may take action this afternoon on the sugar bill, being House bill 7667. If it makes a favorable report on the bill, we hope to take up the bill tomorrow.

Mr. BORAH. I was advised by the chairman of the Finance Committee that while the committee were going to make a favorable report on the sugar bill, they would not, for certain reasons, take it up until the next day.

Mr. BARKLEY. Then we shall have tomorrow for the consideration of the bill now before the Senate.

Mr. BORAH. I should like to have it go over until tomorrow.

Mr. BARKLEY. It would be well to have the Senator from Utah [Mr. THOMAS] make an explanation of the bill today, and then consideration of the bill can go over until tomorrow.

Mr. THOMAS of Utah. Mr. President, I have no objection to the bill going over until tomorrow, providing it shall be the pending business, and that I then may start making an explanation of the bill.

Mr. BARKLEY. It will be the unfinished business. I thought the Senator from Utah would desire to make an explanation of the bill this afternoon.

Mr. THOMAS of Utah. I should like to do that.

Mr. SCHWELLENBACH. Mr. President, in the course of his explanation I should like to have the Senator from Utah discuss one question to which I shall call his attention.

I notice that the letter to the President, signed by various members of the Cabinet, contains this language:

> The United States would serve as a filling station, and no great amount of helium would be exported except in airships plying between this and other countries.

I cannot find in the bill a definite provision carrying out that suggestion in the letter. I should like to ask the Senator to discuss it if it is in the bill. If it is not in the bill, I

should like to have the Senator discuss the reason why that particular suggestion was not carried out in the bill.

It seems to me that if that suggestion is in the bill, it will completely answer the argument of the Senator from Idaho [Mr. BORAH] and the Senator from Massachusetts [Mr. WALSH].

Mr. THOMAS of Utah. Mr. President, I will answer that question now. There is no such provision as that in the Senate bill, and the reason why that provision is not here is because of the general limitation put upon the exportation of helium to all countries in the world. It was the feeling of the committee that if helium were allowed to be exported, we should not play favorites. It was suggested that such helium would be used only in ships plying between the United States and some foreign country; but upon analysis, and after going over the conditions in the world and the condition of the corporations in those countries that are able to enter into this kind of business, we discovered that such a provision would bring about a situation in which the only countries between which aircraft filled with helium would be flown would be the United States and Germany.

The committee saw no reason for making the provisions of the bill of such a nature that only one class of foreign users would be the beneficiaries of it, and was definitely opposed to such action. It was pointed out that if, in working out better facilities and a finer and better understanding of the weather and the control of these great ships, the world should come to the time when, for example, Holland would like to establish a line between Holland and the Dutch East Indies, it would be proper for the United States to sell helium to a corporation in Holland for that purpose. It would be just as proper to do that as it is for the United States to sell helium to a German corporation to use in ships which it operates between our country and Germany.

It must be constantly and always kept in mind that for a great number of years we shall get no further along than the experimental stages, and the bill provides an opportunity for the world to experiment with a safe gas in the development of lighter-than-air craft for commercial purposes.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Missouri?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. I dislike to interrupt the Senator at this point in his remarks, because I know he would probably prefer to continue his original exposition of the bill; but I wish to say that it is necessary for me to go to the Committee on Finance to attend a very important meeting of the committee.

I should like to ask the Senator how he or his committee proposes to insure that when we give over possession of helium gas it will be used for commercial purposes. In the hearings held during the munitions investigation we discovered, long before it had been disclosed that Germany was rearming, although at that time Germany was bound under the provisions of the Treaty of Versailles not to rearm, and several months before Mr. Hitler made his announcement of his accomplishments and his purposes, that Germany was buying American airplanes and American airplane parts, ostensibly for commercial use, but, as afterward transpired, actually for secret military purposes. There is no doubt that some of those planes which were purchased by Germany in the United States, ostensibly for commercial purposes but actually in violation of the Treaty of Versailles, were used in such bloodthirsty and heartrending expeditions as the bombing of the ancient capital of the Basques, when women and children, gathered at the market square on market day, were slaughtered by German planes.

What assurance have we now that if we allow Germany to have helium the Germans will not turn around and violate their agreement, as they previously violated the terms of the Treaty of Versailles, and convert some of these big helium-filled ships into bombers to bomb other innocent women and children?

Mr. THOMAS of Utah. The Senator will remember that under the present law we could lease helium to Germany for that very purpose right now.

Mr. CLARK. I will say to the Senator that I think the provisions of the present law are wrong, and we ought not to lease helium. The fact that we now have authority to lease helium does not to my mind justify two wrongs in order to make one right, by going one step further and selling it. I think we ought to cut off the supply, and keep it for ourselves.

Mr. THOMAS of Utah. If the Senator will think the matter through he will discover that we are not making two wrongs by trying to make one thing right, but we are making two things right. In the second place, there are private producers of helium in our country, and they may sell helium to whomever they choose. In the third place, we must always and constantly keep in mind that whenever war is the aim practically every country on earth will turn to a lighter gas than helium for war purposes. All other things being equal, in the case of two ships of the same size, a disadvantage exists in the case of the ship filled with helium gas.

Mr. CLARK. Mr. President, will the Senator permit me to interrupt him further?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. Of course, unquestionably there is less lifting power to helium than there is to lighter gases. Nevertheless, I think it is also unquestionable that helium is very much safer than any other gas, and the reason other countries have not used helium is that we have all the helium and they could not get it.

Mr. THOMAS of Utah. That is hardly correct. The reason other countries did not use helium was because of the expense of helium; it was assumed until the *Hindenburg* disaster that the risk in the use of other gases was not great, and it is assumed now by some authorities that the risk is not great.

Every military authority testified to the fact if lighter-than-air craft were used for war purposes that no military man would shrink from using lighter gas than helium gas. In the first place, the helium-propelled machine is slower; it is heavier. The lighter gas can drive the vessel faster and can enable the craft to carry more. So that, if you can lay aside the one single reason—that is, the destruction of the craft by burning—from the military standpoint the advantages are on the side of the gas which is lighter than helium, and probably that is the type of gas that would be used where risk was not the ultimately important factor.

Coming back to the original question, every safeguard that can be put upon the export of the commodity has been put into this bill. The storage of helium is practically impossible. Our military intelligence would know where every thousand cubic feet of it were. We know that it is dissipated; we know just how much gas is lost in a flight across the Atlantic, for example. We would be able to keep track of that at all times. From the standpoint of military risk both the authorities of the Army and the Navy mark it down as nil. I understand what Germany did, and I understand what some other nations have done, but they could not possibly take advantage of the purchase of the helium for doing what they did because of the physical characteristics of the gas, its bulk, the trouble in exporting it.

Dr. Eckener himself, when we asked the question, How are you going to get this gas over to Germany? said, "That is the biggest problem that faces us." And it is a big problem.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CLARK. If a ship of the Zeppelin type were once filled with helium there would be no great difficulty in converting a ship of that type into a bomber, would there?

Mr. THOMAS of Utah. Not at all. If, for example, the use of the bomber were going to be begun immediately, if one wanted to he could paint a picture of this kind, the

Germans would probably build a ship in our country so that they could fill it with our gas; then use our bombs, and, then, instead of sailing across the ocean, drop the bombs on our country. Of course, that is painting a picture that is possible, but very improbable.

Mr. CLARK. I will say to the Senator that I was not immediately envisioning the picture of craft being used against us. I was thinking of such a situation as has just been before us, before our eyes, the Germans taking aircraft, bought ostensibly for commercial purposes, and using them against a defenseless people with whom they were not supposed to be at war, to wit, in the case of Spain.

(At this point Mr. THOMAS of Utah yielded to Mr. MCCARRAN to present a conference report and then to Mr. BARKLEY to have a resolution considered. The business thus transacted appears at the conclusion of the speech of Mr. THOMAS of Utah.)

Mr. THOMAS of Utah. Mr. President a moment or two may be spent in further explanation of the bill. I think it has been fairly well explained already, but I welcome questions, for it would be definitely wrong if we should pass a bill of this kind if any single person in the United States felt it was unwise, and we were adding to the uncertainty in the world by doing so.

It must be remembered that we now have a law on the statute books which creates, in a way but not absolutely, a monopoly of helium gas for the use of our Army and our Navy. That statute provides that we may lease the gas to anyone who wishes to use it. When the law was written it was assumed that if helium was an element it would never be lost, but experience has shown that it does dissipate into the air, that about 5 percent of the total gas is lost in the flight of an airship across the Atlantic, and that gas is never recovered. It was assumed that helium could be leased much as other products that do not dissipate could be leased, and that we could blend it and use it over again, which is done; but it was soon learned that it was impossible to carry out the leasing provisions, for the simple reason that those who did the leasing could not be responsible for the return of the gas.

Mr. President, as the result of the unsatisfactory condition of the leasing feature, the Bureau of Mines, Department of the Interior, suggested new legislation providing for the sale of helium. The bill was considered by the Committee on Military Affairs, reported favorably, and placed upon the calendar.

Just previous to the bill being placed upon the calendar the great *Hindenburg* disaster took place, and attention in a rather emotional way was attracted to helium. The bill was thereupon withdrawn from the calendar, recommitted to the Committee on Military Affairs, and further hearings were held. A new bill was then reported.

This new bill provides much the same as the first bill except that it adds to the provisions relating to the conserving, production, and sale of helium gas a provision for the creation of a virtual governmental monopoly of helium in our country.

That is where the bill stands today, so at this point I yield the floor.

COURT REFORM AND JUDICIAL PROCEDURE

During the delivery of the speech of Mr. THOMAS of Utah,

Mr. MCCARRAN. Mr. President, will the Senator from Utah yield to me in order that I may present a conference report?

Mr. THOMAS of Utah. I yield.

Mr. MCCARRAN. I present a conference report on Senate bill 2260 and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of Acts of Congress is involved, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

"That whenever the constitutionality of any Act of Congress affecting the public interest is drawn in question in any court of the United States in any suit or proceeding to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is not a party, the court having jurisdiction of the suit or proceeding shall certify such fact to the Attorney General. In any such case the court shall permit the United States to intervene and become a party for presentation of evidence (if evidence is otherwise receivable in such suit or proceeding) and argument upon the question of the constitutionality of such Act. In any such suit or proceeding the United States shall, subject to the applicable provisions of law, have all the rights of a party and the liabilities of a party as to court costs to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of such Act.

"SEC. 2. In any suit or proceeding in any court of the United States, to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is a party, or in which the United States has intervened and become a party, and in which the decision is against the constitutionality of any Act of Congress, an appeal may be taken directly to the Supreme Court of the United States by the United States or any other party to such suit or proceeding upon application therefor or notice thereof within thirty days after the entry of a final or interlocutory judgment, decree, or order; and in the event that any such appeal is taken, any appeal or cross-appeal by any party to the suit or proceeding taken previously, or taken within sixty days after notice of an appeal under this section, shall also be or be treated as taken directly to the Supreme Court of the United States. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 3. No interlocutory or permanent injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any Act of Congress upon the ground that such Act or any part thereof is repugnant to the Constitution of the United States shall be issued or granted by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, unless the application for the same shall be presented to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a circuit judge. When any such application is presented to a judge, he shall immediately request the senior circuit judge (or in his absence, the presiding circuit judge) of the circuit in which such district court is located to designate two other judges to participate in hearing and determining such application. It shall be the duty of the senior circuit judge or the presiding circuit judge, as the case may be, to designate immediately two other judges from such circuit for such purpose, and it shall be the duty of the judges so designated to participate in such hearing and determination. Such application shall not be heard or determined before at least five days' notice of the hearing has been given to the Attorney General and to such other persons as may be defendants in the suit: *Provided*, That if of opinion that irreparable loss or damage would result to the petitioner unless a temporary restraining order is granted, the judge to whom the application is made may grant such temporary restraining order at any time before the hearing and determination of the application, but such temporary restraining order shall remain in force only until such hearing and determination upon notice as aforesaid, and such temporary restraining order shall contain a specific finding, based upon evidence submitted to the court making the order and identified by reference thereto, that such irreparable loss or damage would result to the petitioner and specifying the nature of the loss or damage. The said court may, at the time of hearing such application, upon a like finding, continue the temporary stay or suspension, in whole or in part, until decision upon the application. The hearing upon any such application for an interlocutory or permanent injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day. An appeal may be taken directly to the Supreme Court of the United States upon application therefor or notice thereof within thirty days after the entry of the order, decree, or judgment granting or denying, after notice and hearing, an interlocutory or permanent injunction in such case. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme

Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 4. Section 13 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 17), is hereby amended to read as follows:

" 'SEC. 13. Whenever any district judge by reason of any disability or absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or in his absence the senior associate justice, shall designate and assign a district judge of an adjoining judicial circuit if practicable, or if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided: *Provided, however,* That before any such designation or assignment is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned, as well as on the minutes of the Supreme Court of the United States, to the clerk of which both of such other clerks shall immediately report the fact and period of assignment.'

"SEC. 5. As used in this Act, the term 'court of the United States' means the courts of record of Alaska, Hawaii, and Puerto Rico, the United States Customs Court, the United States Court of Customs and Patent Appeals, the Court of Claims, any district court of the United States, any circuit court of appeals, and the Supreme Court of the United States; the term 'district court of the United States' includes the District Court of the United States for the District of Columbia; the term 'circuit court of appeals' includes the United States Court of Appeals for the District of Columbia; the term 'circuit' includes the District of Columbia; the term 'senior circuit judge' includes the Chief Justice of the United States Court of Appeals for the District of Columbia; and the term 'judge' includes justice."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
FREDERICK VAN NUYS,
WM. E. BORAH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

HATTON W. SUMNERS,
ZEBULON WEAVER,
FRANCIS E. WALTER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CLARENCE E. HANCOCK,
Managers on the part of the House.

Mr. MCCARRAN. I move the adoption of the conference report.

The motion was agreed to.

PRICE OF AGRICULTURAL COMMODITIES

Mr. BARKLEY. Mr. President, I ask unanimous consent to call up Senate Resolution 158; and if my request shall be granted, I desire to offer an amendment to the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. THOMAS of Utah. May I ask what it is?

Mr. BARKLEY. It is a resolution from the Committee on Agriculture and Forestry which provides for hearings and investigations concerning farm legislation.

The PRESIDING OFFICER (Mr. MINTON in the chair). In the absence of objection, the resolution will be read.

The legislative clerk read the resolution (S. Res. 158), as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to conduct investigations and draft legislation to maintain both parity of prices paid to farmers for agricultural commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and, without interfering with the maintenance of such parity prices, to provide an ever-normal granary for each major agricultural commodity; and to conserve national soil resources and prevent the wasteful use of soil fertility; and, in particular, so to consider S. 2787, the committee shall report to the Senate, at the earliest practicable date, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fifth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. BARKLEY. Mr. President, there are amendments to the resolution as reported by the committee. The amendments were authorized this morning by the Committee on Agriculture and Forestry. I should like to have the amendments stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, line 12, after the name "Senate" and the comma, it is proposed to strike out "at the earliest practicable date" and insert in lieu thereof "within one week from the beginning of the next session of Congress", and on the same page, line 14, after the word "recommendations", to insert "for legislation upon the subject covered by this resolution."

The PRESIDING OFFICER. The question is on agreeing to the amendments.

Mr. BLACK. Mr. President, will the Senator from Kentucky yield for a question?

Mr. BARKLEY. I yield .

Mr. BLACK. The Senator from Kentucky is aware of the fact that I offered an amendment, which is pending, which would have required a report to be made or to be ready by October 15?

Mr. BARKLEY. Yes; I remember that.

Mr. BLACK. As I understand the amendments offered by the Senator from Kentucky—and I wish to have it made clear in the RECORD—if adopted, would require a report to be made by the committee during the first week of the next session, whether that session be a regular session or a specially called session of Congress?

Mr. BARKLEY. That is correct. At the time the Senator from Alabama offered his amendment fixing October 15, as indicated by the discussion at the time, it was impossible to ascertain or foresee whether the committee would be ready to report on that particular date if circumstances should make it advisable for an extra session of Congress to be called. Of course, it will be expected that the Executive will be in touch with the committee and its progress, and if the committee should have proposed legislation ready earlier than the regular session, and the President should be so advised, he would then, of course, decide whether Congress should be called together earlier than January; but, whether it be the regular session or any called session, the committee is required or instructed to report within 1 week from the beginning date of that session.

Mr. BLACK. Under those conditions I shall not insist upon the amendment which I have offered. I had, of course, personally hoped, and so expressed myself many times during the session, that we could have passed legislation before the Congress adjourned touching the farm situation; but, in view of the amendments to the resolution as reported by the Agricultural Committee, and with the understanding, which is very clear, as stated by the Senator from Kentucky, that the resolution, as now proposed to be amended, would require a report within a week of the beginning of the session, whether a regular or a special session, I will not offer the amendment which I had suggested.

The PRESIDING OFFICER. The amendment of the Senator from Alabama is withdrawn. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Kentucky.

The amendments were agreed to.

The resolution, as amended, was agreed to.

TAHOE NATIONAL FOREST, NEVADA

After the conclusion of the speech of Mr. THOMAS of Utah,

Mr. McCARRAN. Mr. President, during the call of the calendar recently the bill (S. 2583) to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and for other purposes, was passed over temporarily at the request of the Senator from Tennessee [Mr. McKELLAR]. He has withdrawn his objection. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2583) to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and for other purposes.

Mr. McCARRAN. Mr. President, I have several amendments which I desire to submit. I send them to the desk and ask that they may be stated.

The PRESIDING OFFICER. The first amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 9, after the word "purpose", it is proposed to strike out "except from the general fund of the Treasury", so as to read:

That the Secretary of Agriculture is hereby authorized to acquire, by purchase when purchasable at prices deemed by him reasonable, or by exchange under the provisions of the act of March 20, 1922, as amended, or by condemnation under the provisions of the act of August 1, 1888, on behalf of the United States with any fund or moneys available for such purpose, any of the following-described lands in the State of Nevada now in private ownership.

The amendment was agreed to.

The next amendment of Mr. McCARRAN was, on page 3, after line 11, to insert a new section 5, as follows:

SEC. 5. The Secretary of the Interior is hereby authorized to acquire on behalf of the United States by purchase, at prices deemed by him to be reasonable, the lands needed to complete the Great Smoky Mountains National Park in the State of Tennessee, in accordance with the provisions of the act of Congress approved May 22, 1926 (44 Stat. 616), and the Secretary of the Interior is further authorized when, in his opinion, unreasonable prices are asked for any of such lands, to acquire the same by condemnation under the provisions of the act of August 1, 1888.

The amendment was agreed to.

The next amendment of Mr. McCARRAN was, on page 3, to insert a new section 6, as follows:

SEC. 6. There is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $743,265.29 to complete the acquisition of lands within the limits of said park, such funds to be available until expended.

The amendment was agreed to.

The bill (S. 2583) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park in east Tennessee."

RECIPROCITY IN THE LUMBER TRADE

Mr. McNARY. Mr. President, we are now in the third year of the Reciprocal Trade Agreements Act. Under its authority, 16 trade agreements have been negotiated with foreign countries. Other important pacts are pending.

The renewal of the act for a second period of 3 years, at a time of economic recovery, makes it no longer a temporary or emergency measure. The United States has undertaken a continuing policy of world trade through reciprocal agreement. From now on, for practical purposes, our commerce with the rest of the world will not be governed by old-fashioned tariff legislation but by trade bargains made across the diplomatic table.

The avowed purpose of this policy is to remove barriers to trade between the United States and each contracting foreign nation, through a fair "quid pro quo"—to give him as good as he brings. It is rewriting the tariff structure of the United States and the tariffs and other trade controls of foreign nations on the business principle of a fair deal between willing buyer and willing seller.

It is not my purpose to debate the merits of this policy or to question its wisdom. I wish rather to point out the need for its consistent application to an important field of American industry and land use. To forest industry and to forestry, the foreign trade undertakings of the Government to date have spelled reciprocity in reverse.

I couple forestry with foresty industry deliberately. The trade problems of lumber and other wood products are like the trade problems of agriculture. They go right back to the use of the land. Forest industry represents the only profitable employment of one-fourth of the soil of the United States, five-hundred-odd million acres. This is more than all the land in all forms of agricultural crops, not including pasturage.

This point will bear exploration. The National Recovery Administration has recently determined that the continental United States contains 495,000,000 acres of forest land. This is the aggregate of the acres which bear old timber, second-growth timber, and young forest trees, or which have been denuded by forest fire or by logging and not converted to any other use. But it is all timber-growing land. No parks, no Alpine forests, nor semiarid woodlands are included in this acreage. Nor are the extensive forests of Alaska.

Forest clearing for farms is practically over. A reverse movement is under way. Land is being turned from tillage back into forests. Beyond the nearly half billion acres of original forest land still remaining, over 50,000,000 of abandoned farm land is reverting to forest. Twenty-five million acres more of submarginal farms are expected to revert to forest. Nearly every land use or planning commission in every part of the United States advocates less farming and more farestry. The United States is becoming more of a forested country—not less. Forest industries and markets for forest crops are growing in importance to the economic welfare of this country, because upon them rests the support of more land and more people.

America went through an era of free timber just as it went through a pioneer era of free land. Our conception of the forest problem is still colored by the rapid exploitation of virgin timber and its residue of denuded land. For many years we feared a timber famine. Then the conservation movement demanded a reckoning with our forest resources. It created the national forests and State forests. It organized Nation-wide protection from forest fires. It set in motion tree planting, research in forestry, and new methods of timber use.

The viewpoint of industry toward the forest is changing. A growing number of forest owners recognize their social obligation to cut and protect their forest lands so as to insure a regrowth of timber. Many are undertaking plans for continuous timber cropping and for permanent industries in lieu of the migratory sawmills of earlier days. The old order of working timber as a mine is gradually changing to a new order of growing timber as a crop.

The survey of the Recovery Administration found that during the 5 years ending with 1934 all our forest cutting and losses from fire and other natural causes only slightly exceeded the current growth of timber. One-fifth of the present drain upon our forests is caused by fire, insects, tree disease, and storms. If this tremendous loss, much of which is preventable, were reduced by only one-half, the present forest crop of the United States would fully supply all our timber requirements at the rate of consumption and exportation from 1929 to 1934.

As a national form of land use, forestry has but fairly begun. Its practice is far from complete, either in

application or in technical development. The experts of the Forest Service tell us that under known methods of timber culture, adapted to the different regions and forest trees of the United States, our present timber crop can be increased nearly two and a half times. In broad terms, our half billion acres of forest land will ultimately support a consumption of wood products—at home or abroad—more than double the total consumption of today.

That is to say, just as scientific agriculture is replacing the exhausting usage of virgin soil, scientific forestry is replacing the exploitation of virgin timber. The significance of this fact to national policy is not simply a matter of satisfaction over the future security of a prime natural resource. It imposes a public responsibility to provide a secure economic basis for forestry in the United States.

Here, again, the analogy between forestry and agriculture is direct. One of our chief concerns is to put economic security under the farm to make agriculture pay. Likewise must it be our concern to make forestry pay. We can no more expect the forest owner to grow timber which he cannot sell than we can expect the farmer to produce crops that have no market. Sustained timber culture cannot be brought about on one-fourth of the soil of this country unless forestry in land use is backed up by adequate markets for forest products.

The leading forest countries of Europe learned this lesson generations ago. In Germany, France, and Sweden the security of forest industries and timber values is deeply entrenched in public policy. Economic protection is the foundation of their forestry.

We have not yet learned this truth in the United States. Our forest policies and propaganda have been focused upon the land. Well and good. That was the place to start. But it is high time we carried forestry into our economic thinking and planning. My plea, in a word, is that the economic needs of forestry be accorded the same recognition in national councils and commercial undertakings as the economic needs of agriculture. And the particular undertaking now in point is the expansion of world trade through reciprocal negotiation.

By the high authority of the Secretary of State the lumber industry of the United States has been declared to be "fundamentally an export industry." The Secretary has also pointed out that—

> Improvement of conditions in the American lumber industry depends in general upon economic recovery * * * and in particular upon reduction of barriers to international trade and the removal of discrimination against American commerce.

This sound statement is fully supported by the lumber history of the United States. For a full quarter century prior to 1930 our exports of logs and lumber ranged between three and three and one-half billion board feet annually. We held first place in the international lumber trade, supplying approximately 21 percent of the world's interchange of this commodity. Next in order came Finland, Sweden, Canada, and Russia.

During that quarter century, 9 percent of the total production of American lumber was sold abroad. That was the average for the entire country, including inland manufacturing regions whose exports were nil. In our coastal forest areas, like the Pacific Northwest, export markets took 20 percent of the total production; and mills established in offshore trade frequently exported 50 or 60 percent of their cut. Foreign trade was the chief factor in logging many areas of standing timber adjacent to tidewater and in building many sawmills on our rivers and harbors. The manufacture of lumber items desired by export markets took an important part in the utilization of our timber and in the conservation of material not readily marketable in the United States. Foreign trade created much of the employment in forest industries. It was an integral part of our forest economy. It had an important place in the economic basis on which a permanent timber culture was foreseen and began to take shape.

Today this favorable situation of the American lumber industry in world markets has completely changed. A fundamentally export industry has lost one-half of the foreign trade which it used to have and upon which its present structure was built. From the first we have dropped to fifth place in the world's interchange of lumber.

This enourmous loss has not been due to any shortage of raw material, or to any lack of well-equipped sawmills or efficient labor to manufacture it. The loss has occurred at a very time when hundreds of American sawmills and thousands of millworkers have been idle.

Neither has the loss been due to the reduced consumption of lumber in foreign countries. In fact, the largest international lumber market, Great Britain, has in the last 2 years consumed lumber far beyond its normal requirements.

Our loss of export trade in lumber is the result primarily of discriminatory tariffs imposed upon our forest products abroad, and particularly of the preferential tariffs against American lumber within the British Empire. Discriminatory tariffs against American as compared with Canadian lumber have steadily dried up our trade with United Kingdom, Australia, New Zealand, South Africa, and other British dominions. While the domestic lumber market has been restored to approximately 70 percent of its volume before the depression, the recovery of foreign lumber trade is almost negligible.

This has not resulted from depression in the world's buying power. It arises from a fixed channelization of lumber trade against the United States. On the entire blotter of international commerce there is no more glaring example of international barriers and discriminations against American industries. There is no more outstanding need for the restoration of natural trade relations through reciprocity.

The loss of foreign lumber markets has fallen most heavily upon the Pacific Northwest, whose Douglas fir industry long furnished over one-half of the entire export lumber trade of the United States.

No region more clearly exemplifies the fundamentally export nature of the lumber industry. It contains hundreds of billions of feet of virgin timber accessible to tidewater ports where manufacturing industries were naturally established. Its exports of lumber began shortly after the establishment of the fur trade, when a cargo of clapboards left the sawmill of the Hudson Bay Co. on the Columbia River in 1835 destined for the Hawaiian Islands. Expanding markets in Japan, China, Australia, both coasts of South America, and the United Kingdom had a large part in the growth of west coast lumber manufacture to an industry of substantial proportions. The sailing masters of the eighties and nineties sold Oregon pine in almost every open trading port of the world.

In the late twenties, offshore lumber shipments from Oregon and Washington harbors reached nearly 2,000,000,000 board feet a year, attained an annual value of $35,000,000, marketed from 17 to 20 percent of the entire production of the Douglas fir region, and employed approximately 18,000 wage earners.

In its foreign trade, as in its domestic markets, the lumber industry of the Pacific Northwest had a natural competitor in British Columbia. Both regions had similar forests, similar kinds of lumber, and equal access to the Pacific. Prior to 1930 the lumber manufactured by American and Canadian mills on the North Pacific coast entered world trade, including overseas British Dominions, on a substantial parity. There were no significant trade barriers against the lumber of either country. Offshore shipments of Douglas fir were shared by the two countries, one year with another, in approximately the ratio of their sawmill capacity. That meant about 20 percent to the manufacturers in British Columbia and about 80 percent to the manufacturers in Oregon and Washington.

Beginning in 1930, this normal relationship in foreign trade was broken down. Lumber exports from Oregon and Washington progressively declined; those from British Columbia progressively increased. The outstanding cause of this diversion was preferential trade agreements within units of the British Empire. These began with an agreement between Canada and Australia in 1930. In connection with the

Ottawa Conference in 1932, the system of preferential tariffs was extended in trade pacts between Canada and the United Kingdom, South Africa, New Zealand, and the British West Indies. In the five largest markets of the British Empire a protected status was created for Canadian lumber. Two of them, Great Britain and Australia, were leading world markets formerly shared by the Pacific Northwest.

The effect of discriminatory tariffs against American lumber throughout practically the entire British Empire is plainly revealed in the tables here given. They show, from 1929 through the first part of 1937, the report movement in northern Pacific lumber from British Columbia and the United States respectively. Of the entire world market for these woods, American mills supplied 80 percent in 1929, but were reduced to 32 percent in 1936 and 1937. Of the British Empire markets for North Pacific lumber, American mills supplied 74.5 percent in 1929 but were reduced to 6 percent in 1936.

Take, for example, the largest British Empire lumber markets, United Kingdom and Australia. The sawmills of Oregon and Washington shipped to United Kingdom over 71 percent of its trade in North Pacific lumber in 1929; but less than 5 percent in 1936. To Australia, the mills of Oregon and Washington shipped 84 percent of the Douglas fir and associated lumbers purchased in 1929; but only 4 percent in 1936.

I might run the gamut of British Empire discriminatory tariffs, in South Africa, in New Zealand, in the West Indies; but the statistics tell their own story. The British Empire consumed in 1936 nearly 60 percent more North Pacific lumber than in 1929; but the Empire trade of Oregon and Washington sawmills was only one-eighth of its volume in 1929. This economic support of American industry and American forestry has all but disappeared in a maze of discriminatory tariffs and trade barriers.

Let us now look for a moment at the reverse of this picture. What has been the policy of the United States toward foreign lumber seeking a share of our domestic market?

Prior to 1932 there was no substantial restriction upon lumber imports. The Tariff Acts of 1913 and 1922 placed lumber on the free list. The Tariff Act of 1930 imposed a duty of $1 per thousand board feet, roughly equivalent to 5 percent ad valorem. Up to 1932 tariffs offered no practical barrier to lumber imports. They supplied, one year with another, from 4 to 5 percent of the total consumption in the United States. Approximately 90 percent of all these imports were softwoods from Canada. By far the greater part of the Canadian importations were Douglas fir and west coast hemlock from British Columbia and spruce from the eastern Provinces, competing directly with lumber produced in the Pacific Northwest. From 1927 to 1931 the imports of Canadian fir, hemlock, and spruce ranged from a half billion to over a billion board feet annually, equivalent to 12 or 14 percent of the domestic consumption of Pacific northwestern lumber.

Shipments of Russian softwoods appeared in 1927 and attained a volume of 71,000,000 feet in 1930. Russian lumber entered the North Atlantic ports and created a fresh source of competition with the products of the Northwest as well as of other American forest regions.

To the existing tariff of $1 per thousand board feet, the Revenue Act of 1932 added an excise tax of $3 on imported lumber. The aggregate duty of $4 per thousand board feet cut down the total imports of lumber by somewhat more than one-half. It reduced still more sharply the importations of Canadian Pacific woods. During the 3½ years while the excise tax was in full effect the volume of the more competitive Canadian woods which entered the United States—fir, hemlock, and spruce—was restricted to about one-sixth the footage of previous years.

At this point, before the entry of the reciprocal-trade policy upon the stage, it may be observed that each of the great timber-growing countries of North America had erected a protective wall around a trading area for its lumber industry. In the case of the United States, this was its own domestic market, held by virtue of revenue legislation. In the instance of Canada, it was the world market of the British Empire, gained through preferential tariffs which were rooted in colonial traditions. A balance in lumber trade, of a sort, had been struck by policies of mutual exclusion.

This balance was shattered by the first significant instrument of the Reciprocal Trade Agreements Act. The trade agreement with the Dominion of Canada, taking effect January 1, 1936, reversed the status, not only of Canadian, but of Russian and other imported lumber. The agreement gave Canada a reduction of 50 percent, or $2 per thousand board feet, on her lumber exports to the United States. In the case of Douglas fir and west coast hemlock, the reduction is limited to an annual quota of 250,000,000 feet. On imports of other Canadian woods, there is no limitation. And by virtue of the reciprocity doctrine of "generalization", the reduction on Canadian lumber was automatically extended, without limit, to the lumber of Russia and of every other country exporting this product to the United States.

It might well have been expected that the new reciprocity would work both ways; that in opening the American market to Canadian lumber, the State Department would have obtained an equivalent share of the British Empire market for American lumber. The old trade balance resting upon mutually exclusive markets was destroyed. Surely a new trade balance resting upon mutual reciprocity would take its place.

But this was not done. The Canadian trade agreement contained no concessions to American lumber in the markets of the British Empire, aside from a gesture of meaningless reduction in the Canadian tariff. The agreement, indeed, went out of its way to exclude from any possible effect of its provisions all Canadian rights and benefits under British Empire trade pacts. The lumber industry of Canada may eat its cake and still have it.

By conceding the American lumber market to Canada with no reciprocal concession from the Canadian lumber market in the British Empire, the United States failed to use its bargaining power to reinstate its own lumber industry in the foreign trade formerly enjoyed. The hard facts of commercial competition are realities. Building upon British colonial traditions and Empire sentiment, Canada has shrewdly and effectively created a protected market, almost world wide in scope, for her lumber. She did this at an enormous cost to the lumber industry of the United States. And now the American Government, in the name of reciprocity, has graciously given Canada another market for her lumber, saying in the very grant: "Your British Empire markets are not involved. They remain wholly yours."

The lumber balance sheet of the reciprocal-trade policy, in its first year of practical operation, 1936, stood thus:

American lumber exports declined 33,000,000 feet, or 2½ percent.

American lumber imports increased 218,000,000 feet, or 50 percent.

In the case of the woods most largely manufactured in the Pacific Northwest, Douglas fir and west coast hemlock, the augmented imports during the first year of reciprocity exceeded 100 percent.

This brief review of lumber history supports my initial statement that, to forest industry and to forestry, the foreign-trade undertakings of the Government have brought reciprocity in reverse. I recognize the minor gains for lumber in a few foreign-trade agreements. But last year's balance sheet speaks for itself. The Government has conceded its domestic lumber market to our principal foreign competitor; and gained nothing in return.

Let me again emphasize that this outcome affects not simply some thousands of sawmills and some hundreds of thousands of workers. It goes directly to the employment and earning power of one-fourth of the soil of the United States. It is on all fours with the market needs of agriculture.

Let it also be recognized that the loss of our foreign lumber trade is due to tariffs which discriminate against products of the United States, in favor of products of other countries. The tariffs of Great Britain, Australia, South Africa, and other units of the Empire grant preferentially low rates on lumber produced in the Dominion of Canada. This situation raises several significant questions. Among them is—whether or not Canada, Australia, and South Africa accept an unconditional favored-nation status in their relations with the rest of the world. Or do they play a dual role on the international stage—that of sovereign countries in certain relations and of British colonies in other relations where trade preferences may thereby be gained?

Another question may be asked. How long will the United States tolerate discriminatory tariffs against her products without retaliation by the lawful means now available to the executive departments? Section 338 of the Tariff Act of 1922 was drawn precisely to arm the Government for meeting such situations, by penalty tariffs on the importations of countries which discriminate against products of the United States. It is an effective defense against the discriminations imposed upon American products by British Empire preferential tariffs, when and if this Government sees fit to employ it.

These matters have practical bearing on the immediate situation in the negotiation of reciprocal agreements. We are led to believe that a trade agreement is now under discussion with Great Britain. Under her Ottawa compact of 1932, England gave Canada a preferential tariff on lumber, equivalent to 10 percent of its delivered value at British ports. That preference has practically destroyed the former important lumber trade of the Pacific Northwest with the United Kingdom. Can the United States accept a reciprocal-trade agreement with Great Britain and leave stand such a clear discrimination against our industry and our natural resources? In its recent renewal of the Ottawa pact, Great Britain reserved certain rights as to revision of its terms. The State Department can, with all fairness, now ask that this right of revision be exercised in respect at least to discriminatory lumber tariffs and that American lumber be put on parity with Canadian lumber in the British market.

The Canadian trade agreement itself will, by due notice, be open to revision on January 1, 1939, after 3 years of operation. The Department of State doubtless desired, in the conclusion of this important compact, to demonstrate to the world its good faith in removing barriers to international trade. We may assume that in offering the world this sign and seal of honest intent in reciprocity, the Department even leaned over backward in making concessions; that it hoped its spirit of liberality would be followed by other nations and a world-wide removal of trade barriers set in motion. We may assume that the State Department chose to deal with the preferential lumber tariffs of the British Empire by this method of example and precept rather than by demanding an instant concession across the table.

But if, after a real test of the Canadian agreement and its effect upon the policies of the British Empire, the lumber concessions therein are not met with equivalent reciprocity—as in the pending negotiations with the United Kingdom, it seems to me clear that our Government must adopt a different course. It cannot continue to permit its reciprocal-trade program to weigh so heavily against one of our great primary industries and against the development of our forest culture. The only course open will be to withdraw the concession made to Canadian lumber in the agreement of 1935; or to make its renewal conditional upon equivalent concessions for American lumber in the British Empire.

Mr. COPELAND. Mr. President, I have listened to the address of the Senator from Oregon with great interest. Not only have I listened to it, but I assure him I shall read it when it appears in the RECORD.

Mr. McNARY. I thank the Senator for his complimentary remarks.

The PRESIDING OFFICER. What is the pleasure of the Senate?

LEAVE OF ABSENCE FOR SENATOR M'NARY

Mr. McNARY. Mr. President, I find it necessary to leave the Senate for the remainder of the present session of the Congress. Therefore I refer to rule V, which provides that—

> No Senator shall absent himself from the service of the Senate without leave.

It is my purpose to leave for Oregon on Thursday afternoon next. In view of the rule I ask unanimous consent at this time that I may be permitted to absent myself.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Is there objection to the request of the Senator from Oregon?

Mr. BARKLEY. Mr. President, reserving the right to object, I may say that we all, not only now but always, regret to see the Senator from Oregon [Mr. McNARY] leave our midst. Inasmuch as he has good reasons, which he has already imparted to me, I merely wish to express my hope that he will have a happy trip home and a very delightful and pleasant vacation, and that he will return to us in due season refreshed in mind and body.

Mr. McNARY. I appreciate the kindly remarks of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I withdraw my reservation of the right to object to the Senator's request for leave and hope his request will be granted.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oregon is granted.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

Mr. MINTON. Mr. President, on August 2 the House passed the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne, which was read, as follows:

> Whereas the people of the United States owe a deep debt of gratitude to Gen. Anthony Wayne, whose military career meant so much during the War of Revolution and whose activities in the Indian wars succeeded in opening such a large tract of territory in the Middle West; and
>
> Whereas no adequate memorial exists at the junction of the St. Marys, St. Joseph, and Maumee Rivers where he established his fort and carried on his campaign: Therefore be it
>
> *Resolved, etc.*, That there is hereby established a commission, to be known as the "General Anthony Wayne Memorial Commission", and to be composed of nine commissioners, three to be appointed by the President of the United States, three Senators to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House. Such Commission shall consider and formulate plans for designing and constructing a permanent memorial in the city of Fort Wayne to the said Gen. Anthony Wayne.
>
> SEC. 2. Such Commission may, in its discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans for the construction of such memorial, or other expenses incurred, or to be incurred, in carrying out the provisions of this joint resolution.
>
> SEC. 3. The Commission shall report its recommendations to Congress as soon as practicable.

Mr. MINTON. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert a new section, as follows:

> SEC. 4. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $2,500, which shall be available to defray the necessary expenses of the Commission for the performance of their duties hereinafter prescribed. Disbursement of sums herein authorized to be appropriated shall be made upon vouchers approved by the chairman of the Commission.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The preamble was agreed to.

SUGAR PRODUCTION AND CONTROL—REPORT OF COMMITTEE ON FINANCE

Mr. BROWN of Michigan, from the Committee on Finance, to which was referred the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, reported it with amendments and submitted a report (No. 1157) thereon.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORT OF COMMITTEE ON NAVAL AFFAIRS

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nomination of Capt. William R. Furlong to be Chief of the Bureau of Ordnance, Department of the Navy, with the rank of rear admiral, for a term of 4 years, which was ordered to be placed on the Executive Calendar.

THE CALENDAR

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Eugene Rice to be United States district judge for the eastern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as there is a vacancy in this position and inasmuch as the Senate has just confirmed the nomination, I ask unanimous consent that the President may be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read the nomination of Everett M. Grantham to be United States attorney for the district of New Mexico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William McClanahan to be United States attorney for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read the nomination of Paul E. Ruppel to be United States marshal for the southern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John P. Logan to be United States marshal for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Miles to be United States marshal for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the President may be notified of the confirmation of the nomination of Mr. Miles.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read the nomination of John M. Comeford to be United States marshal for the western district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Gerard D. Reilly, of Massachusetts, to be Solicitor for the Department of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Maj. Frank M. S. Johnson to be a member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The legislative clerk read the nomination of Charles J. Brasefield to be professor (temporary) with the rank of lieutenant commander.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry other nominations in the Coast Guard.

The PRESIDING OFFICER. Without objection, the remaining nominations in the Coast Guard are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Francis P. Griffiths, of New York, to be second lieutenant in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 11, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 10 (legislative day of Aug. 9), 1937

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers of class 3 and consuls general, to be also secretaries in the Diplomatic Service of the United States of America:

Homer Brett, of Mississippi.
Edward A. Dow, of Nebraska.
Dudley G. Dwyre, of Colorado.
John G. Erhardt, of New York.
Carol H. Foster, of Maryland.
Samuel W. Honaker, of Texas.
Wilbur Keblinger, of Nevada.
Graham H. Kemper, of Kentucky.
George A. Makinson, of California.
O. Gaylord Marsh, of Washington.
Lester Maynard, of California.
Myrl S. Myers, of Pennsylvania.
John R. Putnam, of Oregon.
Emil Sauer, of Texas.
Hugh H. Watson, of Vermont.

The following-named Foreign Service officers of class 3 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

George L. Brandt, of the District of Columbia.
Charles Bridgham Hosmer, of Maine.
John D. Johnson, of Vermont.

The following-named Foreign Service officers of class 4 and consuls general to be also secretaries in the Diplomatic Service of the United States of America:

Henry H. Balch, of Alabama.
Walter F. Boyle, of Georgia.
Parker W. Buhrman, of Virginia.
Ralph C. Busser, of Pennsylvania.
Harold D. Clum, of New York.
Leslie A. Davis, of New York.
Edwin Carl Kemp, of Florida.
Dayle C. McDonough, of Missouri.
Lucien Memminger, of South Carolina.
Harold B. Quarton, of Iowa.
Walter H. Sholes, of Oklahoma.
Alfred R. Thomson, of Maryland.

The following-named Foreign Service officers of class 4 and consuls to be also secretaries in the Diplomatic Service of the United States of America:

Richard F. Boyce, of Michigan.
Richard P. Butrick, of New York.
Cecil M. P. Cross, of Rhode Island.
Hasell H. Dick, of South Carolina.
John W. Dye, of Minnesota.
Louis H. Gourley, of Illinois.
Edward M. Groth, of New York.
Robert W. Heingartner, of Ohio.
Frank Anderson Henry, of Delaware.
George D. Hopper, of Kentucky.
James Hugh Keeley, Jr., of the District of Columbia.
William R. Langdon, of Massachusetts.
Robert D. Longyear, of Massachusetts.
Robert B. Macatee, of Virginia.
Charles J. Pisar, of Wisconsin.
John Randolph, of New York.
George P. Shaw, of California.
Samuel Sokobin, of New Jersey.
Harold S. Tewell, of North Dakota.
Henry S. Waterman, of Washington.
Henry M. Wolcott, of New York.

The following-named Foreign Service officers of class 7 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

Lawrence S. Armstrong, of New York.
Roy W. Baker, of New York.
William E. Blitz, of New York.
Sidney A. Belovsky, of New York.
William A. Bickers, of Virginia.
Ellis A. Bonnet, of Texas.
Roy E. B. Bower, of California.
Howard A. Bowman, of New York.
Edward Caffery, of Louisiana.
Augustus S. Chase, of Connecticut.
Warren M. Chase, of Indiana.
Alexander P. Cruger, of New York.
Ernest E. Evans, of New York.
Harvey T. Goodier, of New York.
Franklin C. Gowen, of Pennsylvania.
Leonard N. Green, of Minnesota.
Knowlton V. Hicks, of New York.
Frederick W. Hinke, of New York.
Carlton Hurst, of the District of Columbia.
John B. Ketcham, of New York.
Henry A. W. Beck, of Indiana.
Kenneth C. Krentz, of Iowa.
Rufus H. Lane, Jr., of Virginia.
Harvey Lee Milbourne, of West Virginia.
Hugh S. Miller, of Illinois.
Nelson R. Park, of Colorado.
James E. Parks, of North Carolina.
Joseph P. Ragland, of the District of Columbia.
Albert W. Scott, of Missouri.
Winfield H. Scott, of the District of Columbia.
George E. Seltzer, of New York.
Horace H. Smith, of Ohio.
Harry E. Stevens, of California.
Alan N. Steyne, of New York.
Mason Turner, of Connecticut.
Robert S. Ward, of Ohio.
George H. Winters, of Kansas.
Lloyd D. Yates, of the District of Columbia.

The following-named Foreign Service officers of class 8 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

Gordon L. Burke, of Georgia.
Horace J. Dickinson, of Arkansas.
Edmund J. Dorsz, of Michigan.
Andrew W. Edson, of Connecticut.
Carlos C. Hall, of Arizona.
Monroe B. Hall, of New York.
Thomas A. Hickok, of New York.
Phil H. Hubbard, of Vermont.
Charles A. Hutchinson, of Minnesota.
Robert Jenz, of Oklahoma.
John A. Littell, of Florida.
Odin G. Loren, of Washington.
Edward S. Maney, of Texas.
Harold B. Minor, of Kansas.
James B. Pilcher, of Alabama.
Hugh F. Ramsay, of the District of Columbia.
Edward B. Rand, of Louisiana.
Joseph I. Touchette, of Massachusetts.
Walter N. Walmsley, Jr., of Maryland.
Thomas C. Wasson, of New Jersey.
John H. Madonne, of Texas.

The following-named Foreign Service Officers of class 3 and secretaries in the Diplomatic Service to be also consuls general of the United States of America:

Harold H. Tittmann, Jr., of Missouri.
Joseph Flack, of Pennsylvania.

The following-named Foreign Service Officers of class 4 and secretaries in the Diplomatic Service to be also consuls of the United States of America:

H. Freeman Matthews, of Maryland.

George R. Merrell, Jr., of Missouri.
Hugh Millard, of Nebraska.
Walter H. Schoellkopf, of New York.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

First Lt. Harold Robert Carter, Medical Corps Reserve.
First Lt. Philip Wallace Mallory, Medical Corps Reserve.
First Lt. Jacob Hal Bridges, Medical Corps Reserve.
First Lt. Romeyn James Healy, Jr., Medical Corps Reserve.
First Lt. John Robert McGraw, Medical Corps Reserve.
First Lt. Charles Harold Gingles, Medical Corps Reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Clarence David McGowen, Infantry, with rank from August 1, 1935.

First Lt. Andrew Thomas McNamara, Infantry, with rank from October 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Olin Harrington Longino, Coast Artillery Corps, from August 3, 1937.

Lt. Col. Peter Hill Ottosen, Coast Artillery Corps, from August 7, 1937.

TO BE LIEUTENANT COLONELS

Maj. William Ewen Shipp, Cavalry, from August 3, 1937.

Maj. Carl Smith Doney, Coast Artillery Corps, from August 7, 1937.

TO BE MAJORS

Capt. Neal Creighton, Air Corps (temporary major, Air Corps), from August 3, 1937.

Capt. Alonzo Maning Drake, Air Corps (temporary major, Air Corps), from August 7, 1937.

POSTMASTERS

ARKANSAS

Joseph D. Gault to be postmaster at Dardanelle, Ark., in place of Ray Jones, removed.

Robert R. Holland to be postmaster at Dyess, Ark. Office became Presidential October 1, 1936.

Hazel B. Holt to be postmaster at Joiner, Ark., in place of R. D. Slaton, removed.

CALIFORNIA

Patrick D. Lucey, Jr., to be postmaster at Crockett, Calif., in place of C. C. Wight, resigned.

GEORGIA

Eli B. Cotton to be postmaster at Palmetto, Ga., in place of W. H. Astin. Incumbent's commission expired June 1, 1936.

LOUISIANA

Charles C. Collier to be postmaster at Campti, La., in place of E. M. Perot. Incumbent's commission expired January 9, 1936.

MICHIGAN

Lorenzo F. Maus to be postmaster at Hastings, Mich., in place of W. J. Field, deceased.

Ernest A. Dickson to be postmaster at Watersmeet, Mich., in place of G. A. Buchmiller, removed.

MINNESOTA

Della C. Underdahl to be postmaster at Frost, Minn., in place of I. A. Hanson, deceased.

John C. Myers to be postmaster at Green Isle, Minn. Office became Presidential July 1, 1936.

Edward T. Gibbons to be postmaster at Sherburn, Minn., in place of H. B. Nelson, removed.

NEBRASKA

Blanche E. Kammerer to be postmaster at Ashland, Nebr., in place of R. W. Jones, deceased.

NEW JERSEY

William Joseph Morris to be postmaster at Wyckoff, N. J., in place of Richard Van Iderstine. Incumbent's commission expired February 9, 1936.

NEW YORK

Maurice P. Sullivan to be postmaster at New Lebanon, N. Y., in place of R. C. Williams. Incumbent's commission expired February 24, 1936.

Loretto H. Manning to be postmaster at Plandome, N. Y., in place of P. L. Parrott, declined.

NORTH DAKOTA

Ruth C. Borman to be postmaster at Alamo, N. Dak., in place of R. P. Everson, resigned.

Cleo Flugga to be postmaster at Marion, N. Dak., in place of M. E. Larson, deceased.

OHIO

Albert Daman to be postmaster at Napoleon, Ohio, in place of O. K. Evers, deceased.

Theodore C. Gilroy to be postmaster at Waynesfield, Ohio, in place of J. B. Wells, transferred.

John I. Miller to be postmaster at Van Wert, Ohio, in place of D. J. Gunsett, deceased.

OKLAHOMA

Mr. Laura Lonnie Dolphin to be postmaster at Boley, Okla., in place of P. L. Anderson, Jr., deceased.

OREGON

William E. Logan to be postmaster at Hermiston, Oreg., in place of H. P. DeMoss, removed.

PENNSYLVANIA

Eleanor E. McNally to be postmaster at Aliquippa, Pa., in place of P. J. McNally, deceased.

Daniel Warne Rankin to be postmaster at Dunbar, Pa., in place of E. D. Minerd, deceased.

Moses G. Martin to be postmaster at Gilbertsville, Pa. Office became Presidential July 1, 1936.

Mina H. Corbett to be postmaster at Mont Clare, Pa., in place of W. S. Durham. Incumbent's commission expired February 10, 1936.

Anna C. Young to be postmaster at North Hills, Pa., in place of A. C. Young. Incumbent's commission expired February 10, 1936.

William Lamar Sames to be postmaster at Richlandtown, Pa., in place of W. N. Freed, resigned.

TEXAS

Samuel M. Compton to be postmaster at Celeste, Tex., in place of Nettie Duncan, removed.

VIRGINIA

Mary R. White to be postmaster at Vinton, Va., in place of F. L. Mitchell, resigned.

WASHINGTON

Lonnie M. Crim to be postmaster at Woodinville, Wash. Office became Presidential July 1, 1936.

WEST VIRGINIA

John G. Hammond to be postmaster at Bartley, W. Va., in place of I. J. Richardson, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10 (legislative day of Aug. 9), 1937

UNITED STATES DISTRICT JUDGE

Eugene Rice to be United States district judge for the eastern district of Oklahoma.

UNITED STATES ATTORNEYS

Everett M. Grantham to be United States attorney for the district of New Mexico.

Whitfield Y. Mauzy to be United States attorney for the northern district of Oklahoma.

William McClanahan to be United States attorney for the western district of Tennessee.

UNITED STATES MARSHALS

Paul E. Ruppel to be United States marshal for the southern district of Illinois.

John P. Logan to be United States marshal for the northern district of Oklahoma.

Charles W. Miles to be United States marshal for the western district of Tennessee.

John M. Comeford to be United States marshal for the western district of Wisconsin.

SOLICITOR, DEPARTMENT OF LABOR

Gerard D. Reilly to be solicitor for the Department of Labor.

CALIFORNIA DEBRIS COMMISSION

Maj. Frank M. S. Johnson to be a member of the California Debris Commission.

COAST GUARD OF THE UNITED STATES

Charles J. Brasefield to be a professor (temporary), with the rank of lieutenant commander, in the Coast Guard of the United States.

Evor S. Kerr, Jr., to be lieutenant (junior grade).

Walter S. Bakutis to be lieutenant (junior grade).

Thomas J. E. Crotty, to be lieutenant (junior grade).

Clarence M. Speight to be lieutenant (junior grade).

Edgar V. Carlson to be lieutenant (junior grade).

APPOINTMENTS AND PROMOTIONS IN THE NAVY

To be captains

Monroe Kelly
Freeland A. Daubin
Charles H. Morrison
Holbrook Gibson

To be commanders

Thomas V. Cooper
Frank G. Fahrion
Frank H. Dean
Lisle F. Small
William P. O. Clarke
Colin DeVere Headlee
Francis W. Benson
Carl W. Brewington
Lawrence B. Richardson (an additional number in grade)

To be lieutenant commanders

George C. Crawford
August J. Detzer, Jr.
Harold W. Eaton
Edwin M. Crouch
Carlyle L. Helber (an additional number in grade)
Walter E. Zimmerman
Alden R. Sanborn (an additional number in grade)
Kenneth L. Forster
Henri H. Smith-Hutton

To be lieutenants

William R. Caruthers
John L. Collis
Philip D. Gallery
John B. Webster
Clair LeM. Miller
Leonard O. Fox
Henry B. Twohy
Guy P. Garland
Royce P. Davis
Harry N. Coffin
Rob R. McGregor
Nickolas J. F. Frank, Jr.
Adolph J. Miller
Edwin G. Conley
Francis J. Johnson
George A. Sharp
Claude W. Stewart
Carl G. Christie
George B. Chafee
Alexander S. Heyward, Jr.
Eddie R. Sanders

To be lieutenants (junior grade)

Frederick W. Sheppard
William E. Seipt
Stevan Mandarich
John Harllee
Ernest V. Bruchez
John T. Lowe, Jr.
Charles F. Fischer
George A. Hill, Jr.
James D. Babb
George E. Artz
Heliodore A. Marcoux
Robert E. Bourke
Robert C. Bengston
Charles B. Farwell
Gorman C. Merrick

To be surgeons

Charles C. Yanquell
Lloyd R. Newhouser

To be passed assistant surgeons

Otto E. Van Der Aue
Malcolm W. Arnold
Andrew Galloway
Eugene R. Hering, Jr.
Charles R. Moon
Thomas W. McDaniel, Jr.
Paul Peterson

To be assistant surgeons

Walter R. Miller
Philip J. McNamara
Edward E. Hogan
Edward W. Wilson
Edmund J. Brogan
Robert V. King
Merrill H. Goodwin
LeRoy J. Barnes
John W. Koett
Landes H. Bell
Thomas J. Canty
Clifford P. Phoebus
Norbert U. Zielinski
Richard W. Garrity
Russell H. Walker
Wesley L. Mays
William S. Francis, Jr.
Ellwood V. Boger
Shakeeb Ede
Charles F. Gell
George J. Kohut
Alexander S. Angel
Samuel J. Wisler
Joseph A. Syslo
Nicholas E. Dobos
Arthur L. Lawler
Benjamin W. Vitou

To be dental surgeons

Wadsworth C. C. Trojakowski
George H. Rice
Sidney P. Vail
Theodore DeW. Allan

To be passed assistant dental surgeons

George N. Crossland
Victor A. LeClair
Robert W. Wheelock
James H. Connelly
Merritt J. Crawford
Adolph W. Borsum
William D. Bryan
Paul M. Carbiener
Richard H. Barrett, Jr.
Claude E. Adkins

To be chaplains

Thomas J. Knox
Paul G. Linaweaver
Roy R. Marken
Frederick W. Meehling

To be naval constructor

William G. Du Bose

To be lieutenant

Isaac S. K. Reeves, Jr.

MARINE CORPS

Francis F. Griffiths to be second lieutenant.

POSTMASTERS

ALABAMA

Lewis A. McLean, Livingston.
Henry Leland Cummins, Opp.
Edward O. Mann, Stevenson.
William F. Beverly, Sweet Water.

ILLINOIS

Minnie D. Davis, Mooseheart.

NEVADA

Ferris Mack Doolittle, Boulder City.
Meryl J. Larson, Manhattan.

NORTH CAROLINA

Bonnie E. Henderson, Huntersville.

OKLAHOMA

James Travis Watson, Wetumka.

PENNSYLVANIA

Sara J. Leonard, Groveton.
John E. Pennel, Rydal.
James K. Morrison, Williamsburg.

WISCONSIN

Lila Robie, Danbury.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 10, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we pray that quiet thought, quiet duty, and the freshness of a new day may steal upon us. Teach us a religion of brotherhood and forgiveness that touches the joy and beauty of human life; true merit lies in service

and sacrifice to make the world better and happier. We pray Thee to confirm that which is good in us and rebuke that which is foolish and allow not evil desires to have dominion over us. Give us liberty, our Father, from all fetters and help us to stand erect for the truth and right. As we tread our pathways impress us that life means industry, bravery, and patience. At the last may it mean for us fullness of joy and a glorious sunset. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7642) entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes", requests a conference with the House thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, and Mr. MCNARY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 2253. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes; and

S. 2874. An act requiring the deposit in a safe place ashore of the names and addresses of passengers sailing on vessels plying the inland or coastal waters of the United States.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 172

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THEODORE A. PEYSER, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock meridian tomorrow.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

The SPEAKER. The unfinished business this morning is the question on the motion of the gentleman from Mississippi [Mr. COLLINS] to recommit the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act. The Clerk will read the motion, for the information of the House.

The Clerk read as follows:

Mr. COLLINS moves to recommit the bill H. R. 7950 to the Committee on the District of Columbia with instructions to that committee to report the bill back forthwith with the following amendment: Strike out sections 1 and 2 of the bill.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PALMISANO) there were—ayes 61, noes 31.

Mr. PALMISANO. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Maryland objects to the vote on the ground that a quorum is not present and makes the point of order that a quorum is not present. The Chair has just counted. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 191, nays 119, not voting 120, as follows:

[Roll No. 138]

YEAS—191

Amlie	Fish	Leavy	Rigney
Andrews	Fitzgerald	Lemke	Robertson
Ashbrook	Flannagan	Lewis, Colo.	Robinson, Utah
Atkinson	Fletcher	Lewis, Md.	Robsion, Ky.
Barden	Ford, Miss.	Lord	Rogers, Mass.
Bates	Fuller	Luce	Rogers, Okla.
Bland	Garrett	Luckey, Nebr.	Romjue
Brooks	Gehrmann	Ludlow	Rutherford
Brown	Gifford	Luecke, Mich.	Sanders
Buckler, Minn.	Gingery	McFarlane	Scott
Burdick	Green	McLean	Secrest
Caldwell	Greenwood	McMillan	Shanley
Cannon, Mo.	Greever	McReynolds	Sheppard
Carlson	Griswold	McSweeney	Simpson
Case, S. Dak.	Halleck	Mahon, S. C.	Smith, Conn.
Chandler	Hamilton	Mahon, Tex.	Smith, Va.
Chapman	Hancock, N. C.	Maloney	Snell
Church	Hart	Mapes	Snyder, Pa.
Citron	Healey	Martin, Colo.	South
Clark, Idaho	Hendricks	Massingale	Sparkman
Clason	Higgins	May	Steagall
Claypool	Hill, Okla.	Michener	Stefan
Cluett	Hill, Wash.	Mills	Taber
Cochran	Hobbs	Mitchell, Tenn.	Tarver
Coffee, Nebr.	Holmes	Moser, Pa.	Taylor, S. C.
Coffee, Wash.	Honeyman	Mosier, Ohio	Taylor, Tenn.
Colden	Hope	Mott	Teigan
Cole, N. Y.	Houston	Murdock, Ariz.	Terry
Collins	Hull	Nelson	Thom
Colmer	Hunter	O'Brien, Mich.	Thomas, Tex.
Cooley	Jarman	Oliver	Thomason, Tex.
Cooper	Jarrett	Pace	Thurston
Cravens	Jenkins, Ohio	Patman	Transue
Crawford	Jenks, N. H.	Patterson	Treadway
Creal	Johnson, Luther A.	Patton	Turner
Cummings	Johnson, Lyndon	Pearson	Umstead
Daly	Johnson, Minn.	Peterson, Fla.	Vincent, B. M.
Dies	Johnson, Okla.	Pettengill	Vinson, Fred M.
Disney	Johnson, W. Va.	Pierce	Warren
Dondero	Keller	Plumley	Wearin
Doughton	Kerr	Poage	West
Douglas	Kinzer	Ramspeck	Whelchel
Dowell	Kitchens	Rankin	White, Ohio
Doxey	Kniffin	Reece, Tenn.	Whittington
Driver	Kvale	Reed, N. Y.	Woodruff
Eckert	Lambertson	Rees, Kans.	Woodrum
Eicher	Lanham	Rich	Zimmerman
Faddis	Lea	Richards	

NAYS—119

Aleshire	DeMuth	Kenney	Ramsay
Allen, Del.	Dirksen	Kirwan	Reed, Ill.
Allen, Pa.	Dixon	Knutson	Reilly
Anderson, Mo.	Dockweiler	Kocialkowski	Sabath
Andresen, Minn.	Dorsey	Lesinski	Sacks
Arends	Drew, Pa.	Long	Sadowski
Arnold	Duncan	McAndrews	Sauthoff
Bacon	Dunn	McGehee	Schuetz
Beam	Eberharter	McGranery	Schulte
Beiter	Edmiston	McGrath	Shafer, Mich.
Bell	Elliott	McKeough	Short
Bigelow	Evans	Mason	Smith, Wash.
Bloom	Farley	Maverick	Somers, N. Y.
Boehne	Forand	Mead	Spence
Boileau	Frey, Pa.	Merritt	Stack
Boland, Pa.	Fries, Ill.	Mouton	Sutphin
Bradley	Gambrill	Murdock, Utah	Thompson, Ill.
Buck	Gildea	Nichols	Tinkham
Byrne	Gray, Pa.	Norton	Tolan
Carter	Haines	O'Brien, Ill.	Towey
Champion	Harlan	O'Connell, Mont.	Wadsworth
Cole, Md.	Harter	O'Connell, R. I.	Welch
Costello	Havenner	O'Connor, Mont.	Wene
Crosser	Hennings	O'Leary	Wigglesworth
Crowe	Hook	O'Neill, N. J.	Wilcox
Cullen	Imhoff	Palmisano	Williams
Curley	Izac	Polk	Withrow
Deen	Jenckes, Ind.	Powers	Wolcott
Delaney	Kelly, Ill.	Quinn	Wolverton
Dempsey	Kennedy, Md.	Rabaut	

NOT VOTING—120

Allen, Ill.	Engel	Keogh	Peterson, Ga.
Allen, La.	Englebright	Kleberg	Pfeifer
Barry	Ferguson	Kloeb	Phillips
Bernard	Fernandez	Koppleman	Randolph
Biermann	Fitzpatrick	Kramer	Rayburn
Binderup	Flannery	Lambeth	Ryan
Boren	Fleger	Lamneck	Schaefer, Ill.
Boyer	Ford, Calif.	Lanzetta	Schneider, Wis.
Boykin	Fulmer	Larrabee	Scrugham
Boylan, N. Y.	Gasque	Lucas	Seger
Brewster	Gavagan	McClellan	Shannon
Buckley, N. Y.	Gearhart	McCormack	Sirovich
Bulwinkle	Gilchrist	McGroarty	Smith, Maine
Burch	Goldsborough	McLaughlin	Smith, W. Va.
Cannon, Wis.	Gray, Ind.	Maas	Starnes
Cartwright	Gregory	Magnuson	Sullivan
Casey, Mass.	Griffith	Mansfield	Sumners, Tex.
Celler	Guyer	Martin, Mass.	Sweeney
Clark, N. C.	Gwynne	Meeks	Swope
Cox	Hancock, N. Y.	Millard	Taylor, Colo.
Crosby	Harrington	Miller	Thomas, N. J.
Crowther	Hartley	Mitchell, Ill.	Tobey
Culkin	Hildebrandt	O'Connor, N. Y.	Vinson, Ga.
DeRouen	Hill, Ala.	O'Day	Voorhis
Dickstein	Hoffman	O'Malley	Wallgren
Dingell	Jacobsen	O'Neal, Ky.	Walter
Ditter	Jones	O'Toole	Weaver
Drewry, Va.	Kee	Owen	White, Idaho
Eaton	Kelly, N. Y.	Parsons	Wolfenden
Ellenbogen	Kennedy, N. Y.	Patrick	Wood

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Gregory (for) with Mr. Pfeifer (against).
Mr. Vinson of Georgia (for) with Mr. Hartley (against).
Mr. Cox (for) with Mr. Keogh (against).
Mr. Owen (for) with Mr. Lucas (against).
Mr. Biermann (for) with Mr. O'Toole (against).
Mr. Clark of North Carolina (for) with Mr. Magnuson (against).
Mr. Boykin (for) with Mr. Fitzpatrick (against).
Mr. Fulmer (for) with Mr. Wallgren (against).
Mr. Gearhart (for) with Mr. Boylan of New York (against).
Mr. Bulwinkle (for) with Mr. Kocialkowski (against).
Mr. Ditter (for) with Mr. Gavagan (against).
Mr. Guyer (for) with Mr. Schaefer of Illinois (against).
Mr. Gasque (for) with Mr. Sullivan (against).
Mr. Wolfenden (for) with Mr. Buckley of New York (against).
Mr. Crowther (for) with Mr. Lanzetta (against).
Mr. Starnes (for) with Mr. Sirovich (against).
Mr. Tobey (for) with Mr. Celler (against).
Mr. Patrick (for) with Mr. Kennedy of New York (against).

Until further notice:

Mr. Parsons with Mr. Seger.
Mr. Rayburn with Mr. Martin of Massachusetts.
Mr. O'Connor of New York with Mr. Brewster.
Mr. Sumners of Texas with Mr. Gilchrist.
Mr. Taylor of Colorado with Mr. Thomas of New Jersey.
Mr. McCormack with Mr. Allen of Illinois.
Mr. Kleberg with Mr. Gwynne.
Mr. Burch with Mr. Culkin.
Mr. McLaughlin with Mr. Smith of Maine.
Mr. Drewry of Virginia with Mr. Eaton.
Mr. Scrugham with Mr. Maas.
Mr. Hill of Alabama with Mr. Hoffman.
Mr. Jones with Mr. Millard.
Mr. Boyer with Mr. Englebright.
Mr. Mansfield with Mr. Schneider of Wisconsin.
Mr. Fernandez with Mr. Bernard.
Mr. Miller with Mr. Hancock of New York.
Mr. Allen of Louisiana with Mr. Voorhis.
Mr. Kelly of New York with Mr. Sweeney.
Mr. Smith of West Virginia with Mr. Kee.
Mr. DeRouen with Mr. Boren.
Mr. Harrington with Mr. Randolph.
Mr. Phillips with Mr. Crosby.
Mr. Walter with Mr. Larrabee.
Mr. O'Neal of Kentucky with Mr. McClellan.
Mr. Flannery with Mr. Lambeth.
Mr. Cartwright with Mr. Gray of Indiana.
Mr. Kramer with Mr. Weaver.
Mr. Peterson of Georgia with Mr. Wood.
Mr. Meeks with Mr. Fleger.
Mr. O'Malley with Mr. Barry.
Mr. Griffith with Mr. Cannon of Wisconsin.
Mr. Dingell with Mr. Ferguson.
Mrs. O'Day with Mr. Lamneck.
Mr. Casey of Massachusetts with Mr. Goldsborough.
Mr. Jacobsen with Mr. Hildebrandt.
Mr. Ford of California with Mr. Binderup.

Mr. LORD and Mr. WHITE of Ohio changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. PALMISANO. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H. R. 7950 with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Strike out sections 1 and 2 of the bill.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the section numbers may be corrected.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

By unanimous consent, a motion to reconsider the vote by which the bill was passed was laid on the table.

GENERAL FARM LEGISLATION

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WEARIN. Mr. Speaker, we have heard considerable during the past few weeks with reference to the necessity of general farm legislation and I join with those who feel we should have some action. In order to keep faith with my constituents and the farmers of America I have today filed a petition at the Clerk's desk to discharge the Committee on Agriculture from further consideration of the bill (H. R. 7577), which is a general farm bill introduced by the gentleman from Virginia [Mr. FLANNAGAN]. Farm legislation is imperative before we can have a sound program of commodity loans which are necessary this fall in order to preserve the price of corn at a reasonable figure, and the price of cotton, wheat, and other products. It has been generally understood that such legislation is needed and this Congress should take action with reference to the matter.

Because of the pending crisis with reference to the prices of farm products I have filed this petition and urge the Members of the House to sign it immediately. [Applause.]

We should put forth every effort to maintain a satisfactory price for this year's crop. It is the first normal season we have had for several years insofar as several major farm products are concerned. If farmers receive a satisfactory return on them agriculture will be on a more stable basis than it has been for a decade and if they do not much of our past effort will have been in vain.

I am fully aware of the fact that there is a wide difference of opinion as to the type of legislation that should be passed either at this session or at the next. The bill that I have asked to be discharged from the Committee on Agriculture without any further consideration is not, in my opinion, a perfect measure by any means, but it involves some valuable principles that this House ought to consider, and, furthermore, it constitutes a general farm bill that we can use as a basis of discussion. There should be opportunity for amendments and ample discussion on the floor. It is reasonable to assume that the result of such action would be some constructive legislation.

The statement has been made that no bill that we might pass would have any effect upon this year's crop, but it would, insofar as it could, be used as a basis for commodity loans which will be needed this fall to maintain a stable and satisfactory price level for corn and cotton, not to mention a number of other products, and which we cannot expect without general legislation. If, in setting up the administration of the act during the course of the next few months, we find that it will need further amendments or revision, we will be ready then to obtain such action when the Congress convenes in January. It ought to be easier to make some corrections at that time than to pass a complete legislative program having to do with 1938 crops

in time to make it effective for cotton and wheat, or anything else, for that matter.

An attempt has been made in these Halls of late and throughout the country to shift the burden of our failure to offer American farmers a long-time program to the shoulders of farm organizations upon the basis of the fact that they are not in agreement at the moment as to what type of legislation they desire. In my opinion it is the responsibility of Congress to hear all the evidence in the case and from it draft the most generally satisfactory measure possible under the circumstances keeping the principle of the general welfare as a guiding star. The fact of the matter is that is our job and we are expected to deliver the goods.

The necessity for a farm bill and the form it should take have been a matter of discussion in Washington for the past 7 months, in fact by the Committee on Agriculture throughout the entire Roosevelt administration that has dedicated itself to the cause of American agriculture so we should be ready now to advance a long-time program without being charged with any undue haste. If we cannot do it now, how can we expect to do it during the month of next January?

I repeat that the seriousness of the situation justifies the action I have taken in filing the motion for withdrawal of H. R. 7577 from further consideration of the committee in order to get the subject of general farm legislation before the Congress and I hope the Members will sign motion number 27 immediately.

[Here the gavel fell.]

COMMITTEE ON ELECTIONS NO. 3

Mr. KERR. Mr. Speaker, I ask unanimous consent that the Committee on Elections No. 3 may sit during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I delivered at Plymouth, Vt., on Sunday last.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. OLIVER. Mr. Speaker, my colleague the gentleman from Maine, Mr. SMITH, is unavoidably detained because of illness. Had he been here, he would have voted "yea" on the motion to recommit the bill just passed.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent that the bridge subcommittee of the Interstate and Foreign Commerce Committee may sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that, after the disposition of business on the Speaker's table and at the completion of legislative business in order for the day, and after the disposal of previous orders heretofore made, I may address the House today for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. SABATH. Mr. Speaker, by direction of the Rules Committee, I call up House Resolution 300 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 300

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6963, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, this resolution makes in order the consideration of the bill (H. R. 6963) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplemental thereto. If this resolution is agreed to, the bill will be taken up and considered under the 5-minute rule. At this time I desire to explain the need for the legislation.

During the past three sessions I have repeatedly brought to the attention of the Members the outrageous abuses and collusions that the Select Committee to Investigate Real Estate Bondholders' Reorganizations has brought to light. In the RECORD I have inserted a good deal of information regarding the activities of the self-appointed so-called "protective" committees—what they are, who they represent, and what they have really done to the bondholders whom they are pledged to represent and safeguard.

In the 140 pages of the committee's preliminary and supplemental reports conditions now existing are exposed which are, to say the least, not only deplorable but criminal. This is not a matter of one or two people or a small group being robbed. It is a case of 5,000,000 bondholders and an equal number of industrial security holders being defrauded and deprived of the very last penny of their investments, in many instances by the approval of some of the courts.

By use of deposit agreements these avaricious protective committees are enabled to control the bondholders' properties even without approval of the courts, although in innumerable cases the courts sanction their activities.

Mr. Speaker, this is not the finding only of the select committee. Similar findings have been arrived at by a special commission appointed by former Attorney General Mitchell, by a Senate committee in 1931, by a Senate committee in its report of 1936, by the Judiciary Committee in 1935, by investigative committees of the States of New York, Michigan, and others, and lately by the Securities and Exchange Commission. Bills to end these abuses were introduced as far back as 1931, when Senator Hastings proposed remedial legislation; in the House by our colleague [Mr. MICHENER] and by myself and others in 1933.

When the Securities and Exchange Commission bill was being considered by the Interstate and Foreign Commerce Committee I made strenuous efforts to have embodied in that bill a provision giving the Commission jurisdiction over real estate and other defaulted securities. If such an amendment had been accepted, millions of investors would have been aided and savings made for them to the tune of billions of dollars, or partial protection, at least, would have been afforded them.

So you will see that this is not an obsession with me, but the result of a cold matter-of-fact consideration of facts. On three separate occasions the House has unanimously voted for a thorough investigation by this select committee in order that upon its recommendations legislation might be enacted to safeguard, as far as possible, the unfortunate investors and to prevent a future recurrence of abuses.

Mr. Speaker, for this purpose the House appropriated $110,000 and yesterday an additional $7,000 was appropriated in order that this investigation could be properly made, and, right here, may I say that our work has made

possible the collection of large sums of money by the Treasury Department in taxes which otherwise, I doubt very much, would have been collected.

The bill before us today, Mr. Speaker, is not only based upon the findings of your committee. It considers the recommendations made by all these other investigative bodies I have mentioned. However, as I wished to avoid any question of constitutionality, the select committee has softened many controversial features contained in previous bills. Notwithstanding this, the Judiciary Committee, after reporting the bill H. R. 12064—predecessor to H. R. 6963—last session, eliminated many of its provisions before it was again reported in May of this year. In my desire to secure early consideration I reintroduced the bill in the form in which it now appears, but I can truthfully state that this bill before you now is not my bill but a substitute arrived at by the Judiciary Committee. I am thankful for what the Judiciary Committee has left, since it gives me an opportunity today to bring before the entire House a number of provisions which I believe should be retained, and which I will offer when the bill is taken up under the 5-minute rule.

While I naturally regret the action of the Judiciary Committee, I realize that the group of lawyers, trustees, receivers, and even some judges have been able to mislead and misinform many members of that committee, and I firmly believe that if the Judiciary Committee had been able to spend one-tenth as much time as the select committee did in investigating these abuses that they would not have permitted this group to mislead them.

Had the members of the Judiciary Committee been able to read all the reports of the many other investigative committees and to consider the statements of honest judges and independent groups of lawyers, I feel sure the bill as reported last session, and as I reintroduced it this year, would be before you now, and I would be saved the task of asking that these amendments be enacted.

I do want to take this occasion of thanking the gentleman from Tennessee [Mr. CHANDLER] and members of his subcommittee for their patient cooperation, and to express the appreciation of the entire select committee for their fine assistance. I know they have honestly endeavored to secure the best bill possible, and believe that the present bill, together with the one Mr. CHANDLER has before us referring to the general bankruptcy law, will enable us in the future to prevent many of these abuses.

Mr. Speaker, I am not only interested, and we should not only be interested, in preventing these abuses from recurring. I am interested in the millions of bond and security holders who have in many instances lost their all in purchasing securities which they believed to be gilt-edge investments—not speculative ventures. My aim is to at least save part of their investments and to keep these bankers, lawyers, and their agents from grabbing the last penny. I am interested in seeing that many hundreds—yes, thousands—of properties are taken from the hands of these vultures and turned over to the bondholders, the rightful owners, who in most cases have not received a cent of interest during the past 6 years, even though the properties often were earning profits. During all these years they were not able to even obtain information as to what was being done with the properties; and worst of all, during all these years no taxes at all were paid. The committees, receivers, and trustees permitted an accumulation of taxes which now amount to millions upon millions of dollars, and may cause the complete loss of properties and deprive bond and security holders of an opportunity of ever getting a penny.

It is claimed that these bondholders are being represented when trustees are appointed. Trustees! Trustees! Who are they? Who did the courts appoint as trustees? I will tell you. The very members of these protective committees who represent the houses of issue, the investment bankers, the guaranty companies, and the large law firms.

They are not the trustees that should be appointed to protect the rights and interests of the bondholders and the security holders.

They are given control of the property belonging to bondholders for 10 or 15 years, and from our investigations I am satisfied that the bondholders will never receive a cent, that all income will be absorbed by these same trustees and these same committees unless the amendments I shall propose today are adopted and the bill passed as originally reported.

Now, as to the receivers. Who were the receivers appointed by the courts? Again the representatives of this vicious clique controlled by these protective committees and this group of bankers, financiers, and the large law firms.

In 1934 the Bankruptcy Act was amended, and there was added sections 74 and 77B, which you and I and the country believed would aid the bankrupt, the fee owner, and would also protect the bondholder. But I charge now that uppermost in the minds of those who were instrumental in drafting that bill was the idea of eliminating the fee restrictions in our bankruptcy law, and by the passage of 77B the sky became the limit as to fees.

Under our bankruptcy laws there are very strict restrictions as to the amount of fees, but when 77B was passed they clearly eliminated those restrictions, and the sky has been the limit as to fees, charges, and costs in all these proceedings.

I could give you hundreds of instances where the fees and charges were greater than the value of the property, and properties in many instances were sold for less than the fees and charges of the committees, receivers, trustees, depositaries, appraisers, managers, and subcommittees created by them for the purpose of absorbing every dollar of revenue as well as the proceeds of sales.

The report well shows that in many instances, due to collusion and conspiracy on the part of these committees, receivers, and attorneys, properties have been leased for one-quarter of their real value. I could give you the history of hundreds of outstanding apartment buildings, hotels, and theaters. You would be amazed that such things are possible.

You have perhaps read the report of the Van Sweringen manipulations as disclosed by the Senate committee. I assure you that has been a universal practice on the part of these manipulators, aided by these committees and sanctioned and approved by the courts.

There is pending before the Rules Committee a resolution to investigate the moving-picture industry. Some of you older Members remember the effort I have made to help bring that about, and though my committee has obtained a great deal of information and evidence, we have been unable to complete that work that will prove beyond doubt that some of the equity receiverships and bankruptcies in that was nothing but collusion and fraud to enable them to break the hundreds of leases on theaters built for them by people in nearly every section of the country, whereby the equity owners lost their all and the bondholders nearly all, and if this bill is not speedily passed, all that will be left to the hundreds of thousands of investors will be a few sad memories.

I have hurriedly given you again the reasons why the bill should pass, and why amendments that I will offer should be adopted. I want to extend my sincere thanks to the House for the confidence reposed in me and the committee.

Had the bill passed last session and the select committee been given broad powers of subpena and otherwise, we would have been able to more speedily and efficiently have performed our duty, but I wish to assure you once more that during my entire life I have not worked harder nor more strenuously than I have in bringing to light what to my mind is the greatest crime I know of.

You and I are incensed when we read of a man being held up and robbed. Here we have a condition where nearly 10,000,000 people are being robbed, and this has been going on for 5 long years. I have given 6 years to this work, and today is the day when something should be done.

This wholesale robbery of old men and women, of estates, societies, charitable and labor and benevolent groups, insurance companies, and others, should be stopped at once. They never meant to gamble their money; they looked for a

safe investment for their savings. And now is the time for us to see that robbing them shall no longer be continued with impunity. Now is the time for us to see that confidence in our courts is reestablished, and that is why I urge that this bill, with the amendments, be adopted.

Mr. McGRANERY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. I understand the gentleman's committee served in Philadelphia in connection with the Philadelphia Co. for Guaranteeing Mortgages?

Mr. SABATH. Yes.

Mr. McGRANERY. That company involved a loss to bondholders of some $132,000,000 is that correct?

Mr. SABATH. Well, that is not the only one. There were a great many other such companies.

Mr. McGRANERY. But somewhere in the neighborhood of $132,000,000 for this one company?

Mr. SABATH. Yes.

Mr. McGRANERY. The officers of that company were indicted in the United States District Court for the Eastern District of Pennsylvania last October; is that correct?

Mr. SABATH. The gentleman is correct.

Mr. McGRANERY. Does the gentleman know anything concerning the unusual and extraordinary circumstances in connection with the nolle prossing of certain bills last Thursday in the Eastern District Court of Pennsylvania?

Mr. SABATH. No; I do not. I heard they were nolle prossed, but I do not know how or why. Later on, although the committee is not active, I myself shall endeavor to ascertain why the bills were nolle prossed.

Mr. McGRANERY. Does not the gentleman believe this Congress should know something of those circumstances?

Mr. SABATH. I believe the Congress and the country as well should know them.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. MICHENER. Of course, if criminal cases were nolle prossed, it would be at the direction of the Department of Justice. I am sure that if the gentleman from Pennsylvania will inquire of the Department, he will be given the information he wants.

Mr. SABATH. I believe if the gentleman is correct there must have been a very good reason why that was done.

Mr. McGRANERY. The gentleman will agree that the manner in which that was done is most unusual?

Mr. SABATH. I was not there and I do not know. I had my hands full right here with this investigation.

Mr. FISH. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore (Mr. GRISWOLD). Evidently a quorum is not present.

Mr. CHANDLER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Allen, La.	Fernandez	Kramer	Pfeifer
Binderup	Fitzpatrick	Lambeth	Phillips
Boyer	Flannagan	Lamneck	Reece, Tenn.
Boylan	Ford, Calif.	Lanzetta	Richards
Brewster	Fulmer	Lemke	Scrugham
Bulwinkle	Gasque	Lesinski	Shafer, Mich.
Byrne	Gavagan	Lucas	Shannon
Cannon, Wis.	Gearhart	McClellan	Sirovich
Case, S. Dak.	Gilchrist	McGroarty	Smith, Maine
Celler	Gingery	Maas	Smith, W. Va.
Clark, Idaho	Gray, Ind.	Magnuson	Starnes
Clark, N. C.	Gray, Pa.	Martin, Mass.	Sullivan
Cox	Gwynne	Meeks	Sweeney
Crowther	Haines	Millard	Swope
Culkin	Hancock, N. C.	Miller	Taylor, Colo.
Cummings	Harlan	Mitchell, Ill.	Thomas, N. J.
DeRouen	Hartley	Mitchell, Tenn.	Tobey
Dickstein	Hill, Ala.	Nelson	Treadway
Dies	Hoffman	O'Connor, N. Y.	Wene
Drewry, Va.	Jacobsen	O'Day	White, Idaho
Eaton	Kennedy, N. Y.	Oliver	Withrow
Ellenbogen	Kerr	O'Neal, Ky.	
Englebright	Kleberg	Palmisano	
Ferguson	Kloeb	Patton	

The SPEAKER pro tempore. Three hundred and thirty-seven Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON NAVAL AFFAIRS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that a special subcommittee of the Committee on Naval Affairs may have permission to sit during the sessions of the House this afternoon.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent that a subcommittee of the Committee on Naval Affairs may be permitted to sit during the session of the House this afternoon. Is there objection? [After a pause.] The Chair hears none.

Mr. CHURCH. Mr. Speaker, who made the request that the subcommittee of the Committee on Naval Affairs have permission to meet this afternoon?

Mr. SCOTT. I did.

Mr. CHURCH. Mr. Speaker, in the absence of the chairman, I shall have to object.

The SPEAKER pro tempore. The objection comes too late.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. MAPES. Mr. Speaker, so far as I know, there is no objection to the adoption of this rule. There are some who question the advisability of passing the bill, I understand, in view of other legislation which is pending in the House. Personally, I may say I am for the rule and for the passage of the so-called Sabath bill, which the rule seeks to make in order.

There has been some criticism of the select committee appointed to investigate real-estate bonds, bondholders' protective committees, and related subjects, of which the gentleman from Illinois [Mr. SABATH] was chairman, but, on the whole, I think that committee has done very commendable work. The committee was created over 3 years ago and during the progress of its work held hearings in different parts of the country. As far as the subject matter covered by the investigation is concerned, I think there is no one in the House who does not have a sympathetic feeling toward the work of the committee and the objectives sought to be accomplished by it. The Sabath bill is the result of more than 3 years' intensive work on the part of that committee. If real-estate bondholders can be protected to any extent by the passage of the Sabath bill, I, for one, am in favor of its passage. The general objective of the legislation is to give the Securities and Exchange Commission more jurisdiction than it now has over the so-called bondholders' protective committees, and to give that Commission a voice, at least, before the Federal courts in fixing the fees which are allowed receivers in bankruptcy cases.

My understanding is that the same subject matter is to some extent treated of in the so-called Chandler bankruptcy bill, which has also been reported by the Committee on the Judiciary, but I further understand there is no conflict between the two measures. Also, there is pending before the Committee on Interstate and Foreign Commerce a bill recommended by the Securities and Exchange Commission which treats of somewhat the same subject matter. There may be some pride of authorship with respect to these different bills. However, the Sabath bill is before us for action this afternoon, and I, for one, favor its passage and enactment into law.

Mr. Speaker, there have been no requests for time on the rule on this side, but I have agreed to yield 10 minutes to the gentleman from Texas [Mr. DIES], who, I understand, wants to speak not on the rule but on another matter.

Mr. DIES. Mr. Speaker, ladies and gentlemen of the House, when we first assembled in January we were told that one of the chief items in our legislative program was a farm bill. After 7 months of this session we appear to be no nearer farm legislation than we were the day we convened. In my own congressional district the price of cotton has fallen below the cost of production, and is declining steadily.

Mr. DIRKSEN. Mr. Speaker, on a point of order, is the gentleman going to speak out of order?

Mr. DIES. I hope the gentleman will not press his point of order.

Mr. DIRKSEN. Mr. Speaker, I shall object. There has been so much criticism of this special committee that now that it has a bill before the House I am not going to stand idly by and see anybody torpedo the bill.

Mr. DIES. Very well; I shall talk on bankruptcy. You have here a bill which proposes to do something about bankruptcy.

Mr. DIRKSEN. Yes.

Mr. DIES. I will tell you what you will do. If you undertake to raise the price of everything which the farmers must buy, if you undertake to vote billions of dollars out of the Federal Treasury to subsidize every class of your citizenship except agriculture and then expect the farmers of this country to survive under the problems which now face them, then it seems to me, Mr. Speaker, that the Congress has lost all sense of proportion and of that equal and exact justice which is the foundation of a democracy.

Talk about bankruptcy! The average cotton farmer of the South does well to derive $300 a year from his cotton crop; yet you say you are going to establish a minimum wage for the industrial worker of 40 cents an hour and a maximum workweek of 40 hours a week; you propose to subsidize the man who lives in the city by paying 60 percent of his rent and permitting him to live in quarters that will cost the Government ten or fifteen thousand dollars. Then you are going back to your farmer constituents, some of whom are living in houses without any screens, without running water, and without the convenience and comforts of modern life. When you report to him you are going to say, "Well, I voted for adjournment before a farm bill was passed and I am sorry to see you getting less for your cotton than it cost you to produce it, but I am glad to inform you that I made possible the passage of a wage and hour bill to establish minimum wages and maximum hours for industrial workers, and I made it possible for the man in the city to live in a nice home, with every modern convenience, and with the Government paying 60 percent of his rent." And your farmer constituent is going to say to you, "I have no objection to the low-paid workers receiving better wages or shorter hours, and I have no objection to the abolishment of slums, but all of these things will add to the price that I must pay for the things I buy, and yet you expect me to sell my farm products below the cost of production. I will support some man for Congress who will see that the same consideration is accorded me as is given to industrial workers and people who live in the city. You voted to appropriate $700,000,000 to build houses for the people in the big cities, but you only voted for $10,000,000 to enable tenant farmers to acquire their own farms, which is less than $3,000 for each county, even if you allow nothing for administration costs."

It has been suggested that the President might consent to loan 10 cents per pound on this year's cotton crop. Now, what is 10 cents? It is less than the farmer got when Hoover was President in actual purchasing power. Since that period everything the farmer buys has more than doubled in price. The dollar was reduced in value 40 percent. Actually the farmer made more in 1932 and 1933 from 6-cent cotton than he can make today with 10-cent cotton, because today the farmer is paying considerably more for everything that he buys. There seems to be no difficulty in raising the price of everything that the farmer has to buy, but when it comes to giving the farmer a fair price for his products you say, "We might lend him 10 cents a pound on his cotton", and in so doing you acknowledge that you are putting the farmer back where he was under the Hoover administration.

Now, it does seem to me that if we are going to establish a minimum wage for the industrial worker, in all fairness and justice we ought to establish a parity price for the farmer. Certainly the farmer is entitled to the same return upon his labor and investment as the worker or industry in the city. It must not be forgotten that the farmer not only works the same as the industrial worker but, as a rule, his family works with him and in addition to his labor and the labor of his family he has a capital investment in his farm and machinery. The farmer has no more assurance that he will raise a crop than the average workingman that he will secure a job. He may work ever so hard and yet the fruits of his labor come to naught as a result of droughts, storms, insects, or other unforeseen causes.

How can you say that in one field of activity you can guarantee men a living wage, whereas in another field of activity you refuse the same protection and consideration? If you say to one man, "The Government is going to see that you receive 40 cents an hour for your work and that you will not work more than 40 hours a week", then you can certainly say to the farmer, "the Government is going to guarantee to you a parity price for your products which means a living wage for you and your family." The cotton farmers of my district did not get a parity price under the A. A. A. program and the Bankhead Act. The facts show conclusively that the cotton farmers under the A. A. A. received far less in proportion than the tobacco, the corn, and the wheat farmers. I called attention to this time and time again when the A. A. A. program was in effect, but we were unable to receive any relief at the hands of the Department of Agriculture. Under the Bankhead Act the little farmers in my district who normally raised a bale or two of cotton were given an allotment of a few hundred pounds which meant starvation wages and sweatshop conditions for them. The big farmers got millions of dollars. One sugar refinery received $1,800,000 out of the Federal Treasury, and yet we talk about equal and exact justice. The corporation farm or the big plantation, which was largely responsible for overproduction and which could produce cotton at a much lower cost, got the cream and the little farmers were given the skimmed milk. Now, Mr. Speaker, we are not going to permit this to happen again. The farmer who farms for a living must be given first consideration before we seek to solve the problem of the farmer who farms for profit.

What I wish to emphasize, Mr. Speaker, is that if we are going to provide minimum wages and maximum hours for the industrial worker at this session, if we are going to build homes for people in the cities, the least we can do before we adjourn is to guarantee the farmers for this year's crop a sum of money that will at least give him for his labor as much as you propose to give to the industrial workers. If we do this, there will be no complaint from the farmers, but to say that farm legislation shall go over to another session, and then say that certain other measures shall be considered at this session, is wrong. It does seem to me, Mr. Speaker, that all of these great measures should be placed on a parity so that we, who represent farm districts, can at least have the satisfaction of knowing that we protected the interests of our constituents before adjournment.

Mr. WOOD and Mr. SABATH rose.

Mr. DIES. I yield to the gentleman from Missouri.

Mr. WOOD. Does not the gentleman think that we have ample time to pass an agricultural bill if our Committee on Agriculture will only report a bill out and give us the opportunity?

Mr. DIES. Yes. There is one thing that we know we can do and one thing every man ought to agree upon. We all know what the parity prices of basic farm products are. The parity price for cotton has been established at 17 cents a pound. We know that if the Government is going to undertake to build homes and guarantee certain things for other people, we can guarantee the farmer this parity price. Let the farmer sell this year's crop on the world market and let the Government give him as a tariff benefit or equivalent the difference between what he sells that portion of his crop domestically consumed for and what the parity price is. The farmer is entitled to this consideration as a matter of justice. This is no subsidy any more than the tariff is a subsidy for protected industries. We all know that pro-

tected industries are able to get much more for their products on account of the tariff than the world market price would bring.

Therefore on that part of the farmer's crop domestically consumed he is entitled to as much return upon his labor and investment as industry receives as the result of the tariff. No one complains when protected industries are able to sell their products on the American market at a price from 30 to 100 percent in excess of the world market price. No one denounces this as a subsidy which the American consumer must pay. But when we propose to give the farmer the same tariff protection in the form of tariff payments, such as I propose, then it is called a raid upon the Treasury. We do not tell protected industries that in order for them to get this higher price for that portion of their products sold on the domestic market that they must agree to a reduction program. But, when it comes to the farmer, we refuse to give him any tariff benefit unless he enters into a binding agreement to reduce his production. As I have said many times, Mr. Speaker, either the tariff should be abolished entirely so that all industries in America must compete with foreign industries the same as the farmer is compelled to do today or else the farmer must be given the same tariff benefit in dollars and cents as that received by the protected industries. So it seems to me that with this simple principle acknowledged that a farm bill can be immediately reported that will guarantee to all farmers a tariff benefit on this year's crop.

Mr. WOOD. We can pass an agricultural bill at this session, and I am willing to stay here until January, and I am asking the gentleman if he does not think we can pass a good agricultural bill at this session, if we can get the bill out of the committee.

Mr. DIES. Yes; and I am not willing to agree to a 10-cent loan or a 10-cent price when I know that 10-cent cotton today will buy less than 6-cent cotton would buy in 1932. The cotton farmer must receive as much as 15 cents a pound if we are to guarantee to him what has already been given to other groups.

Mr. SABATH. Does not the gentleman know that those fortunate farmers who had saved a little money have been robbed by conditions that have been permitted, and that by the passage of this bill they will be protected in the future?

Mr. DIES. I will say that the gentleman's bill is logical legislation if the present policy of inaction is to continue, because if we are going to raise the price of everything the farmer must buy and not give him a parity price for his products, the farmers will need the gentleman's bill, because most of them will be in bankruptcy.

Mr. SABATH. This will protect them from being imposed upon and robbed.

Mr. DIES. It will enable them to get over their misery quickly.

Mr. HOOK. Mr. Speaker, will the gentleman yield.

Mr. DIES. Yes.

Mr. HOOK. Does the gentleman know that the Committee on Agriculture called all the farm organizations and their leaders together and conferred with them, and that they could not agree on what they wanted at all?

Mr. DIES. I am not condemning the Committee on Agriculture. I think that it is a splendid committee, and that Mr. JONES is one of the ablest Members of this House. I know that he has the farmers' interest at heart. But, of course, the farm organizations and leaders are not elected by the people to write farm bills. We are the ones who have the responsibility of legislating for the farmers, and we cannot escape that responsibility by saying that the farm organizations and leaders could not agree upon a bill. What I say is that a simple proposition can certainly be agreed on by this House. Whether we have permanent farm legislation or not, the least we can do is to guarantee to the farmer for his present crop, that is now facing ruinous and disastrous market conditions, a fair price, or, if you please, a minimum living wage, the same as we propose to give to others. [Applause.]

Mr. McFARLANE. Will the gentleman yield?

Mr. DIES. Yes.

Mr. McFARLANE. In regard to the question of the gentleman from Michigan [Mr. HOOK], I will call attention of the gentleman to the fact that in January of this year there were about 50 of the 65 farm leaders in the country that met here in Washington and did agree on a program, but later discord arose, and that has blocked farm legislation thus far.

Mr. DIES. I do not know what they agreed to, but that has nothing to do with my responsibility, as a Member of the House, to see that my farmers receive fair consideration. I want to say another thing. I will not support any farm bill that will give the corn farmers one-half of the total payments. I will not support a bill that proposes to give to the cotton farmers less than that received by the tobacco, wheat, or corn farmers. Any bill that is passed must deal fairly and honestly with the cotton farmers, and the small producers must be fully protected. I believe that the Representatives from the Corn and Wheat Belts are willing to agree to that, and it seems to me that we can at least work out a temporary measure in the next 2 weeks that will give to our cotton farmers at least 15 cents a pound.

Mr. WEARIN. That is a responsibility of this Congress at this session, in view of the prices prevailing in corn and cotton at this time.

Mr. DIES. Of course, it is our responsibility at this session. I would like to see immediate action to guarantee a fair price for this year's crop, and I would also like to see a permanent farm bill passed before adjournment. [Applause.]

Let me warn my city friends that if farm products continue to fall and nothing is done to arrest this downward curve, the farmers will not have any money to buy the products of your industries this year. This would mean the end of prosperity for your districts and a further increase in unemployment. You cannot be prosperous unless agriculture has a purchasing power sufficient to buy the products of your industries. No program can be successful that does not include the farmers. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. CHANDLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6963) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6963, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection the first reading of the bill will be dispensed with.

Mr. CHANDLER. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, this bill, to my way of thinking, is one of the most important that has come before the House at this session, and it is here due to conditions that existed in the past and still obtain in this country. It is a relief measure in the truest sense. Naturally when you first look at this measure, unless you study it, if you are a lawyer, your inclination is to be against it. Based on 40 years' experience, I know something about a lawyer's natural tendencies, and I know that we are all more or less inclined toward all laws that will give us good fees, and give

the court permission to allow them to us, but there is nothing in this bill that affects honest, legitimate lawyers; there is nothing in this bill that will affect the fee that will be allowed a lawyer except that all fees of every nature have to pass under the scrutiny of the Securities Exchange Commission. The conditions that brought forth this bill are well known to the older membership of the House. It was of so grave a consequence that this House, with scarcely a dissenting vote, repeatedly appropriated money for the Real Estate Bond Committee to investigate the conditions existing throughout the country. From 1926 to the time of the panic in 1929 a racket developed in the Nation that is a disgrace to American politics and American government, and how on earth we went so long and left the gates down so that such a thing could happen I cannot understand. During that period real-estate dealers, brokers, and bankers made a business of going out and getting a piece of ground, in many instances only a lease, in many instances without even paying for the land, and then issued bonds for more than the property, which they proposed to build, would cost. These bonds were known as gold bonds. They bore 6- or 7-percent interest. They were turned over to brokerage houses, principally to big bankers, to be sent over the country, sent to other banks, and by those banks sold to an unsuspecting public.

In my district they erected no such buildings, but they sold their bonds to old men and old women. They specialized on this class of savers, and widow's and orphans' estates. In the golden era of financing in this country in 1928 and 1929 those bonds sold readily. The big banks in the cities sent these to my bank and your bank to hand out to the public. Our bank thought it was good, and they sold it to their customers. They bore 6- and 7-percent interest, but in many instances not even the first payment of interest was ever paid. It went from bad to worse. Think of it! Thirty-five billion invested in this kind of business; fifteen or sixteen billion dollars of it an entire loss to the American people, and the poor investors of the country are the ones who suffered. One-half the amount of the public debt of the United States has been wiped out by these crooks and parasites.

No sooner did the default occur than they, who were on the inside, constituted what is known as select protective committees. In most instances they were the ones who initiated and sold the bonds. They circularized a contract agreement asking people to sign it so that they could protect them. They were scattered all over the United States. These were cutthroat contracts. These were so drawn that signers absolutely turned their property over to these committees, and the first thing the committeemen would do would be to put those bonds in a bank or trust company and borrow several hundred thousand dollars on them for the purpose of legal expenses, so they claimed, and in a great many instances they wiped it all out, and the people got nothing.

This condition continued until we passed section 77B of the bankruptcy law, that we are today seeking to amend. No one could anticipate that these great institutions would take advantage of that law. You can go to Philadelphia or New York City, or even here in Washington, and see these apartments, these hotels and skyscrapers, and 90 times out of a hundred they were built or financed by this kind of money, and they are now in receiverships or in the Federal court or in bankruptcy under section 77B.

Now, what do we seek to do by this bill? We simply provide that the Securities and Exchange Commission shall act as a friend of the court to see that these bondholders, scattered all over the country, are not further robbed and plundered. Down in your district, in every little hamlet in this country, there are men and women and estates which own these bonds. They have no opportunity to represent themselves. Enough of them cannot get together to come in and hire an attorney to look after them specially; whereas, on the other hand, the protective select committee and the bankers and the brokers always have the best attorneys that money can hire, who are not interested in the little bondholders. As a result, we of this congressional committee had to go up against the legal brains of America in this investigation, and all we could do, with our limited appropriation, was to hire a few lawyers at small fees. A few times some of the best of lawyers would volunteer their services.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. PARSONS. Is this bill the outgrowth of the investigation by this committee?

Mr. FULLER. Yes. It is known as the Sabath bill, the gentleman from Illinois [Mr. SABATH] being chairman of the committee.

Now, what does this bill seek to do? It is very simple. There are 4,000 of this kind of cases pending in the Federal courts today. In every one of those cases a trunk would not hold the files. The files are higher than my head in any case of consequence. The court sits on the bench, and we will concede for the sake of argument that he is honest and wants to do right. My own experience has been, scarcely without exception, that the men who grace the bench in this country are honest and want to do what is the right and proper thing, but they are being criticized, and justly so, because of the way they have approved these reports. Who is it now who helps the court to pass judgment on these matters? It is a bank; it is a trust company; it is a broker that has selected the people who are administering this estate. Courts have a tendency to appoint receivers, trustees, masters, and select attorneys who are their friends, or who the plaintiff recommend. Too often relatives are appointed. This is particularly true of Federal courts. Every lawyer knows it is always easy to get good fees for attorneys, good fees for receivers, and good fees for trustees and masters and everything else. This does not necessarily take that away from them, but this gives the court the information that the court ought to know.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. PARSONS. I want to say to the gentleman that his eloquent appeal has almost persuaded me to support this bill.

Mr. FULLER. That is the reason I am making this speech.

Let us conclude. Here is the court sitting on the bench like the chairman. Here is a case that has taken not only committees and attorneys and several trials and months and months to get ready for the court to decide. How can this court know what is in these papers down here by me stacked as high as my head? How can he know the record? He cannot know it. He has many other cases to hear and try every day and cannot keep the facts and record in his mind. We found out from practical experience, especially in New York, the Federal judges were eager for information and they listened with scarcely an exception to the recommendation that this committee made. The lawyers who grace this House would bow their heads in shame of their profession if they knew the robbery and the outrages that the so-called lawyers of this country have perpetrated on the poor and unsuspecting people of this country through this bond racket.

Some years ago a bill similar to the pending bill was considered. From page 6 of the committee report you will find that Hon. Thomas D. Thatcher, judge of the United States District Court for the Southern District of New York, in a case in which Col. William J. Donovan participated, made similar recommendations. Afterward President Hoover appointed him to bring out this kind of law, and the Judiciary Committees of the House and the Senate have approved this kind of procedure. In summing up he said:

> The courts should be relieved of administrative responsibilities, and these responsibilities should be centralized in the executive branch of the Federal Government. The creditors will not exercise these responsibilities. Their attempted exercise by the courts has been ineffective, burdensome, and generally inefficient, has produced a multitude of rules and legalistic formalities, and has resulted in criticism of the bench itself. Trustees should be supervised and licensed or subject to approval by the executive branch of the Federal Government.

The Judiciary Committee is to be complimented for their excellent services in this matter. The bill was pending before that committee 5 or 6 months. It was not an easy matter to decide. Hon. WALTER CHANDLER, of Tennessee, chairman of the subcommittee has performed a Herculean task and not only deserves but will receive the thanks of a grateful House. Our committee wanted this conservator, and that is all there is in this bill, a conservator in the Treasury Department under the Comptroller to clean up these bankrupt institutions just as they cleaned up the defaulted banks. Nobody ever heard a word of criticism, because they are experts and know their line of business. But it developed that the Treasury did not want it. In the meantime it also developed that the Securities and Exchange Commission has conducted a similar investigation, but not so extensive, as that conducted by the Real Estate Bondholders' Investigating Committee of the House. They brought out an elaborate opinion insisting that something should be done in bankruptcy along the line of this bill. The Judiciary Committee has brought out a bill which will follow this one on general bankruptcy. No Member should vote against that bill any more than they should vote against this bill. I would like to know one reason why a Member should vote against the pending bill. I would like somebody to ask me a question from which an inference could be drawn as to why a vote should be cast against this bill.

This measure does nothing in the world but constitute what is known as a conservator. This conservator is the Securities and Exchange Commission. It is given authority in all reorganizations of these bankrupt cases pending in the Federal court to intervene, and the court is required to notify them in order that they may intervene, in order that they may send their experts there to investigate whether or not the settlement that is sought for these bondholders is right, fair, and honest, or whether the big boys who were on the ground with their legal staff are getting all the best of it. The conservator will make his report to the court, but the court is not bound by this report and can take such action as the court thinks is proper, but in this way they are telling the court what the reorganizers are trying to do.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. FORD of California. Is not this bill designed to break up one of the most iniquitous rackets ever perpetrated on the American investing public?

Mr. FULLER. That is true, but it goes further than that, it is an effort to try to take care of what is left of this $15,000,000,000 in bond issues now tied up in courts and to prevent further dissipation. You know what happened to the people in your district, and there is not a district in the United States that is not affected by it. While the buildings are in the big cities, the bondholders are in every community. They are in the little country hamlets and towns in every congressional district and there are many, formerly in good circumstances but now on relief.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. KENNEY. Have not most of these cases been cleaned up?

Mr. FULLER. No; they have not been cleaned up, 4,000 of them are outstanding in the Federal courts today. About half of the thirty-five billion has been wiped out, and paid small amounts, as results of sales, and many took stock in reorganizations.

Mr. KENNEY. And this bill would apply to all of them?

Mr. FULLER. Yes.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. CREAL. Would this bill apply to present cases?

Mr. FULLER. Yes.

Mr. CREAL. Or will it apply only to future cases?

Mr. FULLER. The bill will apply to all cases now in the Federal court but not to those settled and wound up.

Here is what the bill does: The bill does not command the judge to do anything in the world. All in the world it does, and nothing else, is where these reorganization cases are pending the reorganization cannot proceed until the proposal is investigated by the Securities and Exchange Commission. Every lawyer knows that when you foreclose a mortgage a receiver is appointed. You cannot keep the receiver going all the time; he has got to quit some time.

You have to sell the property or reorganize. In connection with this bond matter they have trustee receivers, and committees which are robbing the estates now, and every Federal court in the United States knows that. These committees and receivers have a chance to graft from insurance premiums, from the management, and they can and often do fix the books so as to show no profit. They do everything to pull down the real value of the property, thereby pulling down the value of the bonds. However, there has to be a day of reckoning in every one of these cases. They will either have to put the property up and sell it to the highest bidder or else there will be some kind of a reorganization. Most of the cases are going through reorganization now. What does this mean? They have to give notice to these people all over the country who hold these bonds. The court will want to know what these people want to do in connection with reorganization. The court wants to know whether it is honest and fair for the people who have money invested in it.

That is what his conservator is supposed to do. He is also supposed to recommend to the court as to whether or not attorneys will receive a million dollars as fees, as has been the case in matters we investigated, or whether they shall receive a fee according to the services performed. He makes recommendations on all fees and matters of settlement and allowance.

Mr. Chairman, this bill cannot harm anybody except the man who has his long bony fingers in the Treasury robbing the unsuspecting people. It will not cost the Government one single cent. When the Exchange Commission sends a man, who is an expert, to do this work, it charges the cost of that work up to the estate, just like the services of a Federal bank examiner when he examines a bank.

Mr. Chairman, I have talked longer than I expected. I have made a rather extemporaneous, rambling statement about the bill, but if the Members will read it—and the bill is not long—they will see that there is no reflection upon the courts. The Members will see this bill takes no authority from the courts, but, on the contrary, gives assistance to the courts. [Applause.]

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the fact that this bill is before the House today is a tribute to the popularity and influence of the gentleman from Illinois, our esteemed friend [Mr. SABATH]. It is here simply for the purpose of pleasing him and the members of his special committee. As we all know, the Sabath investigating committee spent a lot of time and a lot of money investigating certain bankruptcy abuses. I have no doubt that they unearthed some valuable information.

As a climax to their work, they desire the glory of placing some legislation on the statute books. Several bills have been introduced with the Sabath label and discarded. The bill before us today is practically one section of the Chandler bankruptcy bill which will come before the House for consideration in a few hours.

Mr. Chairman, referees in bankruptcy of the United States, district judges, committees of the bar associations of the big cities of the country and representatives of various credit men's associations, as well as the excellent subcommittee of the Judiciary Committee of the House, headed by our able colleague from Tennessee [Mr. CHANDLER], have studied the general revision of the bankruptcy laws of the United States for several years. I do not suppose any bill has come before us that has been as thoroughly studied and as carefully

worked out by so many competent men as the Chandler bankruptcy bill. It embraces the entire subject of bankruptcy. It includes the subject matter of the bill we are now considering.

Mr. Chairman, to pass this bill today would be exactly the same as taking an item out of an appropriation bill and passing it before the appropriation bill itself came before the House for consideration. It is totally unnecessary and a waste of time. There is no serious objection to the bill on this side, as far as I know, but it is foolish to consider it when another bill will be passed later in the day superseding it. As I stated, the bill is simply here for the glorification of one Member, whom we all like, admire, and esteem. We want him to have all the fame and happiness in the world but we are wasting time and money by considering his bill. The bill should be defeated without further discussion so we can attend to the important business of acting on the Chandler bill.

The whole subject of bankruptcy will be dealt with in the Chandler bill. The Sabath bill is merely patchwork, and it is silly that it should be here at all. I do not violate any confidence when I say that the Judiciary Committee reported this bill out on account of friendship for the gentleman from Illinois, never thinking it would reach the floor. It was our idea and the idea of everyone interested in this type of legislation that the whole matter would be dealt with in the Chandler bill. We reckoned without considering the influence of the gentleman from Illinois on the Rules Committee, of which he is a member. Everyone has tried to please the gentleman from Illinois and that is why his bill is here.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. HANCOCK of New York. I yield to the gentleman from California.

Mr. DOCKWEILER. Why is it that under the terms of the bill there is taken into account creditors or bankrupts whose debts amount to $250,000 or more in order to get relief?

Mr. HANCOCK of New York. Of course, the real abuses have been in the big reorganizations, involving large issues of securities that are widely held.

Mr. DOCKWEILER. I understand that, but does the gentleman feel, since these abuses exist in the big reorganizations, amounting to great sums, that $250,000 is a sufficient minimum?

Mr. HANCOCK of New York. There is a difference of opinion as to where the limit should be set. It was the feeling of the members of the committee that the Securities and Exchange Commission should not be required to interfere in small, trivial, and unimportant bankruptcy matters, where no serious abuses could occur. Perhaps the limit is too high or too small; I do not know.

Mr. DOCKWEILER. Why not make it $100,000?

Mr. HANCOCK of New York. Or $50,000 or $500,000? It is a matter of judgment; that is all.

Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it appears to me that this august and enthusiastic legislative body wastes enough time as it is. I shall not be a party to any legislative procedure which by indirection or otherwise has been characterized as a waste of time.

May I ask my friend on the Committee on the Judiciary, the gentleman from Tennessee [Mr. CHANDLER], whether all the subject matter in the bill now pending before the House is embraced in the bankruptcy bill which is to come on for consideration later this afternoon? The gentleman from Tennessee can probably qualify as the most expert authority in the House on this whole subject. I should like to know from the gentleman for the benefit of this committee whether the remarks of my esteemed colleague the gentleman from New York [Mr. HANCOCK] are quite accurate.

Mr. CHANDLER. There are a very few minor provisions in the bill now pending which are different from the bankruptcy revision bill which the Committee on the Judiciary itself has prepared, and which will be before the House this afternoon if we finish the pending bill early enough. The provisions in the Sabath bill, however, are not in conflict with the provisions of the committee's own bill. What the gentleman from New York [Mr. HANCOCK] probably had in mind was that these provisions simply touch one phase of one part of the law of bankruptcy, dealing entirely with the matter of protecting investors in corporations and in large businesses operated by individuals against the loss of their investments. I can point out the differences if the gentleman wishes me to do so, but they are not serious.

Mr. DIRKSEN. No. I think the committee has implicit faith and confidence in the gentleman from Tennessee. If the gentleman states there is a need for this legislation and that its subject matter is distinctive from that which is embraced in the general bill coming on later this afternoon, this thoroughly disposes of the argument just made that this Committee is going to waste time. I would not make that statement if I were a member of the Committee on the Judiciary. I certainly would not commit myself to the position that we were bringing in a bill merely for the glory and honor of a Member of this House. Therefore we, the members of the subcommittee which made investigations in every section of the country, ask you to bear with us this afternoon. We believe this legislation is necessary, and this belief is now supplemented by what the gentleman from Tennessee, who was the chairman of the subcommittee handling all this legislation, has just now retailed to the Committee. I think that is answer enough.

May I say for myself as a Member of this legislative body that I will not lend myself to any proceeding which is so vainglorious and so full of sound and fury without any substance in it. There is a necessity for this legislation. We need only to go back to 1915 and the anterior period to find out why this proposed legislation is before the Committee this afternoon.

I do not know at just what point in the history of this country the trust indenture was invented. Certainly there was some ingenious cuss with all the wisdom of a Solomon who saw the possibilities of a trust indenture as applied to the building of properties, the financing through a house of issue, and the sale of bonds to the general public. However, I do know that in 1915 this procedure of trust indentures came out into the open and was used in wholesale fashion. Because of this fact there is pending before this Committee today a bill which is designed to protect and to defend the uninformed investors of the country.

I need but recite the general pattern for your information, and you will find that it conforms substantially to what happens in almost every metropolitan center in the country. For example, here on the edge of town in some metropolitan center is a rather desirable piece of unimproved real estate. John Jones looks at it and decides that he ought to build an apartment there, so he sends somebody out, if he does not go himself, and makes a deal to buy this parcel of real estate for $50,000. Then, because he is implemented with his own auditors and appraisers, he writes this value up to $100,000, so there is $50,000 in water with which to start. John Jones then builds a building which costs, say, $750,000, and writes it up to $1,000,000, so there is $300,000 in water to start with. He then goes to a house of issue, it makes no difference what the name is, and says to it, "I want to float an issue of bonds to the amount of 65 percent of the value of the property according to the appraisal sheets which I am ready to file with you." Before you can say "Jack Robinson" they have made a deal. When the deal is financed and a 65-percent trust indenture applied against that property, with $300,000 of water in it, the result is that John Jones suddenly becomes the equity owner of a million-dollar property with enough bonds against it to represent almost the entire value of the property, these bonds to be sold either directly by the house of issue or through an underwriting firm. The bonds then fall into the hands of the American public, not thousands, not hundreds of thousands, but millions of people scattered

in every obscure hamlet and village and in every metropolis from the Dominion of Canada to the Gulf and from the Atlantic to the Pacific. This is what we found.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Let me continue this pattern for just a little while longer.

When this trust indenture was applied and the bonds were issued against the building there was a recital in the indenture that first of all nominated a trustee. On page after page there were set out in meticulous fashion the duties of the trustee. All well and good. The rents were collected. Those were the halcyon days of 1926, 1927, 1928, and 1929, when wages were high and when people could afford to pay fancy rentals for apartments. So these apartments rented, and on this inflated value the owners could make it go and pay the interest and retire the serial principal amounts of the bonds.

Then something happened. What was it? Oh, it was what the literati, shall I say, call the economic dislocation of 1929. "Economic dislocation" is such a beautiful phrase, and takes the sting off the shocking word "depression." What happened? Great streams of people were spewed out into the streets jobless. They had suddenly exhausted their earnings and did not have the wherewithal to pay their rent. They vacated their properties overnight and went to live with their fathers, their mothers, their fathers-in-law, and their mothers-in-law. They doubled up. And so there were vacancies. In a little while the vacancies caught up with the day when the interest had to be laid on the line in the house of issue, the bank, or the trustee, and then what happened? They suddenly sent notice that they had to default on the interest, and there was a property suddenly in default.

What was the duty of the trustee under these trust indentures? He was supposed to conserve this properey, he was supposed to look after the rent, he was supposed to pay the taxes. He stood in a fiduciary relationship under the law of every Commonwealth of this country to the people who bought these bonds. He was their trustee and he should have administered the property for their benefit and welfare, as economically and as conservatively as possible. Is that what he did in most cases? Oh, no; there was no disposition to go in and ask for an equity receivership. There was no disposition to go in and probably summarily liquidate the property. Here was a beautiful plaything with millions of dollars involved and potentialities of thousands in fees. In fairness, of course, it must be said that trustees could not always liquidate the properties because the market was demoralized and the bondholders would have suffered. So what happened? Well, the wise men got together again and decided there ought to be a bondholders protective committee, and then they wondered who was to go on that committee. Here was a bank over here that was interested, and we will put the vice president on the committee. Here is the house of issue that had a third mortgage or the equity in the property and we will put one of its members on, and the first thing you knew you had thousands of bondholders protective committees in which a conflict of interest was just as abrupt as if two billy goats had come together.

We saw so many such instances, and you simply could not defend this conflict of interest but it was there.

Now, what did the bondholders' protective committee do? The first thing it did was to hire a lawyer. I hold no prejudice against members of the bar. I am a kind of young member of the bar myself and I like to see them make fees, but I do believe there is a way of dealing morally and justly with the considerations that involve the people of this country who cannot defend themselves. So they hired a lawyer, and the first thing that was done was to draw up a deposit agreement, 40 pages long usually, and so involved that not even a Philadelphia lawyer can understand it.

All the astuteness and all the wisdom that has been contrived since the days of Chitty, Coke, and Blackstone have gone into the fabrication of these deposit agreements. Then they asked these people to surrender their bonds. They went to the house of issue that sold the bonds and got hold of the salesmen and said to them, "Do you want a job?" "Sure; what doing?" "You go out and contact your old customers and we will give you $1 a hundred on the bonds you bring in." So, as a general thing, they got from 90 to 95 percent of the bonds which were surrendered under this deposit agreement. The people did not know what was in these agreements. Most of them could not even read the first paragraph, let alone understand the legal implications of the agreement. And what was in the agreement? Oh, sinister clauses like this: Once you had surrendered your bonds under this agreement you had given this committee power to take your bonds and lay them down on the counter of a bank and pledge them for a loan on the property. There was a paragraph in most of these agreements which said that once you had deposited your bonds, it would cost you 5 percent to get your bonds back. So they had these bondholders in a sack where they could not wiggle, and then they began to manipulate the property. Fees were taxed up to the limit.

We not only went into apartment and hotel financing but we went into the Paramount-Publix case in New York City. Do you know what the legal fee was in that case to the firm of Root, Clark, Buckner & Ballantine, of which Arthur Ballantine, former Assistant Secretary of the Treasury, is a member? They taxed a fee of $970,000 for legal services. God save the mark! Nine hundred and seventy thousand dollars was the fee taxed. We went before the eight district judges in chambers after supper in New York City and we protested that fee, and those judges could understand that that was an unreasonable fee and they cut it down to something like $400,000, but the essential point for this Congress to remember is, Who was going to pay this fee? Wts it the committees, the fiduciaries, or one of those strange instrumentalities and legal fictions that had been set up? No; it is the poor devil out in the country who by the wily and oily tongue of a salesman had been sold one of these bonds. He is the one who pays the fee and the one who does not have protection.

This is the way these bondholders' committees operated, and then they set up committees within committees. When they got control of the property they often set up a management corporation and too often you could not even buy a can of scouring powder for a bathroom in one of these apartments without paying through the nose to a management corporation that was hooked up with the original committee.

Is there anybody in this Chamber or elsewhere who will defend that kind of proceeding and that kind of public morality in the year of our Lord 1937?

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. FULLER. Is it not a fact that the Roosevelt committee had over 100 of the biggest hotels in New York, and if the bond committee did not have over 200 of these different kinds of bond issues, and each one had a bond committee and an attorney to look after it?

Mr. DIRKSEN. That is true. As time went on the committee had to supply a plan of reorganization, they had to reorganize this property, and do you know what the common plan was? A liquidation trust. What a swell legal name for a fiction that has been created to bilk the people—a liquidation trust! How does it work? They will take the salvage of property and they will set up a new corporation. If you have a thousand dollars worth of bonds, you are asked to surrender your bonds. You get one of two things. You get an income bond which has nothing behind it and under which you have surrendered your right to foreclose on whatever interest you had in the tangible property, and that bond says to you that you will get a return if and when any income is earned—just as wide open as the paneled ceiling of this Chamber—an income bond, or they will give you stock in this new corporation that they set up. Somebody has to administer it, and who is designated in the first instance? Three or more trustees. Yes, they are going to administer

the property, and they administer the income, and you are going to get something if and when anything is left over.

The three trustees are sitting in the driver's seat. You may not agree with what they do, but how are you going to get them out? By indirection they have recited in this trust agreement that it will take 66⅔ of all of the bondholders to change the trustees. Where are the bondholders in these properties? They live in Chicago, in Cleveland, in Milwaukee, in New York—scattered all over the country. These were interstate transactions, and how can you expect a humble coal miner who goes into the bowels of the earth day after day and works to support a family to know anything about what is going on or get to a place where the trustees hold a meeting, for the purpose of inquiring into the management of a reorganized property?

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. HANCOCK of New York. Can the gentleman conclude his remarks in a few minutes? I have some other requests for time and I understand that as soon as this is disposed of, the Chandler bill will be taken up for consideration.

Mr. DIRKSEN. When this committee went to New York and Milwaukee and Chicago and elsewhere we were confronted, not with hundreds but thousands of people with blood in their eye. I saw Polish women start across the barrier in the courtroom in Chicago ready to lay hands of violence on somebody who was appearing before that committee, because they saw there, vicariously represented, the loss that represented the frugality and accumulations of a lifetime. Can you understand how millions of people have been looking to the Congress of the United States for some kind of affirmative remedy that can be applied to this very distressing situation? That is why that bill is here today.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. COCHRAN. In view of what the gentleman has just said, it is very important that the gentleman make it plain that there is no power which the Congress has by which we can do anything that might bring back to these poor people the billions of dollars that they have lost. This bill is to prevent in the future what might have occurred in the past. The gentleman must have had letters, as I have had, from people expecting, as a result of your committee's investigation, that some of their losses might be recovered.

Mr. DIRKSEN. The gentleman is right. We cannot restore the money. The protective committee that went around and brought these people before the committee had a very wholesome effect in bringing about some semblance of morality in them so that these bonds went up, and those who hung on probably will get something.

Mr. COCHRAN. That is true, but we can do nothing for these people by this or any other legislation? We cannot get a dollar of their money back, and I think the RECORD should show that. However, I join the gentleman in supporting legislation that will prevent a recurrence of what happened in the past. I only wish it was possible to recover some of the losses of the people who were robbed—that is the correct word in describing what happened in the past.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. FULLER. What we are trying to do is to protect these people who hold bonds now where their cases are pending in the Federal courts, 4,000 of them, and where there is going to be a reorganization.

Mr. DIRKSEN. Let me complete my statement about this bill. All this bill does is to provide that the Commission shall act as an auxiliary arm to the Federal court. How can you expect a Federal judge sitting on the bench to deal with cases that involve two or three thousand pages of documents in a single case? One judge in New York said it is manifestly impossible; you cannot do it unless you work yourself to death 24 hours a day.

They have been wanting some assistance. This is the best kind of assistance that can be rendered, under an administrative agency that shall examine into plans and proposals that are offered with respect to these organizations; an administrative agency that shall put the seal of approval or disapproval upon committee membership and certain limitations upon their solicitation of proxies, and so forth, and certain limitations upon fees. That is what this bill seeks to do, and nothing more. It is very timely and necessary legislation. It is not to be supplanted by the bill that will come after this in the form of a general bankruptcy bill. You have just had it from the chairman of the subcommittee, who has handled this, that this is necessary legislation, that it contains new substance that you will not find in the other bill. That is the recommendation for it.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. McGRANERY. The gentleman has described a picture of the distress in connection with the reorganization plans. What has been the gentleman's experience, as a member of the Sabath committee, where they had deliberately sold mortgages already in default?

Mr. DIRKSEN. Oh, we have seen so much of that that it was almost a common occurrence in different parts of the country.

In connection with this and other legislation we have so often reproached lawyers, we have so often reproached trust companies, we have thrown handfuls of abuse and vituperation, but I prefer to be charitable about it, because they were all a part and parcel of the great economic maelstrom that took values away up and then dropped them precipitately. So too often they were only part and parcel of a very irresistible force that was operating in this country. One instance will suffice. We had Mr. Halsey, of Halsey-Stuart Co., on the stand at Chicago. I asked him about the financing of the Steuben Building there. I think on the basis of $250,000 and half a lot, they put up a building for about $5,000,000 that will not yield the bondholders so much as 1 cent on the dollar today. I said to him, "Mr. Halsey, is that sort of thing defensible?" He said, "Well, Congressman, you will have to remember that we were in that period of inflation when everybody was subject to mass hysteria and emotion, and everybody was reaching up to see where the ceiling was." So instead of throwing too many abuses let us be charitable about that which is water over the dam and support this bill that is aimed at those cases now pending in the courts and those that shall come on in the future. It is the least that the Congress of the United States can do for these sorry bondholders. [Applause.]

Complete fairness and candor demands that one say that most of the hotels, apartments, theaters, commercial structures, and others that were built in those lush days of 10 years or more ago were bona-fide ventures. The bond houses which placed trust indentures on them and sold the bonds that were issued against such mortgages were reputable houses which had been doing business for many years. It was a hysterical market. People had money, and they clamored for investments. Hence any kind of a bond could be sold, including many that advertised a yield of 7 and 8 percent. People should have been suspicious of such bonds, but they were not. There was evident everywhere in the land that clamor for securities, and it is small wonder that human fortitude was not substantial enough to withstand that profit lure. Every conceivable kind of promise and inducement was made, and the public eagerly swallowed them up. But when the crash struck in 1929, and jobless men were everywhere, then came the day when the properties yielded an insufficient amount to pay interest or retire the principal, and then the day of reckoning was at hand. So, as we seek to fasten the blame, one must regard it as the evil product of those hectic and unregenerate days when the sky was the limit.

But it is difficult to defend the despoiling of the carcasses after the crash of 1929 fell. I realize full well that many

men of integrity who had been instrumental in issuing and selling those bonds could stand the pressure and took a short cut to their mortal end. It was not all beer and skittles in seeking to rehabilitate these properties and bring order out of chaos in a demoralized real-estate market. On the other hand, there can be no defense for the complete looting of many of these properties. I believe that lawyers, and especially those skillful lawyers who know the reorganization business, are entitled to generous fees for their time and learning. But is that an excuse for so complete stripping the property of its last farthing of income that millions of bondholders were deprived of every cent and ushered into the relief lines? In no other nation in the world could such a thing have happened, and often it inspires some doubts about our collective morality and our boasted enlightenment. Fancy an apartment where the cost of taking out the ashes for a single winter was more than the cost of the coal that was consumed. Yet such a case came to our attention.

To be sure, we cannot gather up spilt milk, but there is one thing this Congress can do and that is to provide the machinery for supervising property reorganizations in the future. There is little big-type construction now. The pain of the losses occasioned by the last crash is still too fresh and vivid. But we have an amazing capacity for forgetfulness. How easily we forget the losses of yesterday. Like children playing with matches, the lesson is forgotten. But another generation will be coming on. They, too, may get caught in the maelstrom of skyrocketing values and then we shall be ready for another crash. Shall we then go through all the misery, the anguish, and the heartache that marked the last one, or shall there be legal machinery upon the books of this Nation to soften the blow and carry assurances to the humble holders of bonds in every corner of the land, that the very majesty of the sovereign power will stand by to see that equity is done.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HANCOCK of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, first I want to say we appreciate very much the fine speech we have just heard from Mr. DIRKSEN, with reference to conditions that have existed and the terrific losses that have been sustained by various individuals and corporations because of the failure of the present Bankruptcy Act to do certain things it should have done to protect innocent investors from the losses they sustained. I think we all sympathize with these people and do not want the situation repeated. I believe our attention ought to be directed to some matters of importance in connection with this paricular bill that is before us here and now, known as the Sabath bill.

It has been suggested that as a matter of fact this bill was considered by a subcommittee of the Judiciary Committee, which gave it some consideration and thought. It seems they decided not to recommend the bill to the general committee. The Judiciary Committee itself seems to have turned down the measure at one time, and then it appears they got together and reconsidered the matter and decided to bring the bill out. But here is a situation that seems rather peculiar this afternoon. One member of the Judiciary Committee has told us that after all this measure was brought out because of one man whom they appreciated very much as a Member of the House. They appreciate the work he has done on the special investigating committee that worked to do something in investigating the situation regarding the losses of bondholders in Chicago and elsewhere. But here is an interesting thing about it: There are 25 members of the Committee on the Judiciary, all of whom are leading and influential Members of this House. How many of them have spoken on this bill this afternoon? Only one, as far as I know, possibly two. The one who spoke is against it. Where are the rest of them? Have they run out on us? It just looks as if they would rather not hurt the feelings of one individual Member of Congress, and they feel quite sure the Chandler bill, which covers the features embodied in this bill, together with many other questions, will be passed.

One thing more; you will notice when you examine this bill that the original bill of the gentleman from Illinois is all stricken out, and someone has inserted other sections to the bill which appear, at least, to be the same sections that are embodied in the Chandler bill. Now, I am advised that the Chandler bill will be considered by this House following this measure. The Chandler bill is one that has received hours and days and weeks of consideration by members of this committee. As a matter of fact, the substance of this legislation has been considered by the Judiciary Committee of the House for the past 3 or 4 years. Extensive hearings have been held on it, and I have been informed by members of the Judiciary Committee that it is a most comprehensive and constructive piece of legislation.

I am also informed that the entire membership of the Judiciary Committee recommends the Chandler bill. It is a bill upon which a great amount of work has been done. It is a bill which covers the entire ground of the Bankruptcy Act. Here we are spending our time, so we are told by a member of this committee, to please one individual member; to bring this bill out for the reason that his name appears as author of the measure, even though the committee or someone has stricken out everything he put in the original bill and inserted new sections in lieu thereof. Even at that, of course, he is entitled to consideration as author of the bill.

I am sure that every Member of this House is in sympathy with the purport of this bill. Each and every one of us wants or should want to see that the damage which has been done shall not be repeated; and that measures and safeguards should be provided so far as it is possible, to prevent unscrupulous individuals and corporations from swindling, and causing losses to innocent investors. We can take care of all the desirable features of this measure by adopting the Chandler bill; and in doing so we will also provide a good many additional safeguards that are not included in the measure which is under consideration.

Mr. KNUTSON. Will the gentleman yield?

Mr. REES of Kansas. I will be glad to yield to my friend from Minnesota.

Mr. KNUTSON. Can the gentleman inform the House whether it is true or not that the Committee on the Judiciary refused to report this bill out?

Mr. REES of Kansas. I can only tell you what I have heard, and that is that they refused at one time to report it out, and then it seems they got together and decided they would let it come out, anyway, thinking it would not pass, or, so I am informed, they thought it would not even get to the floor of the House. That is just hearsay as far as I am concerned. As I have said before, it seems to me that we ought to pass the Chandler bill and let this one go by. If we pass the Chandler bill we will cover all the features of the present measure, and in addition thereto will provide efficient legislation that should be for the best interests of our people.

Mr. CHANDLER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, it seems to me that the statement made by the gentleman from New York in the early part of the discussion that this bill was silly, is very characteristic of a certain type of mind in this country, that type being the one which thinks that anything that will protect, by and large, the great mass of people is silly.

It is my reasoned judgment that the so-called bondholders' protective committee—and when I use the word "protective" I do so repeating the exclamation of the gentleman from Illinois, "God save the mark"—is probably one of the most outrageous, inexcusable, indefensible rackets that has ever been perpetrated on the investing public. I know of instances where protective committees took a property over and absolutely looted it, and they had no other purpose in mind when they took it over. What astounds me is that Congress should wait for 3 or 4 years, being thoroughly conversant with the situation, and not take action long ago.

The investigation made by the Sabath committee was a long, intensive, intelligent, and strenuous one; and they bring to us today in this bill the results of their investigation in the hope that Congress will take some action to remedy the situation and that will render that investigation and its disclosures effective for the future protection of the investing public of the United States.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. REES of Kansas. In view of the fact that the Chandler bill covers the same field, and covers it more thoroughly, does not the gentleman feel it would be well to pass the Chandler bill?

Mr. FORD of California. I have the word of the chairman of the subcommittee that the matter contained in this bill is entirely outside of the purview of the Chandler bill, that it touches a separate and distinct situation; and for that reason I believe we ought to enact this bill into law.

Mr. REES of Kansas. Will the gentleman explain that particular part of the bill?

Mr. FORD of California. I am taking the word of the chairman of the subcommittee.

Mr. REES of Kansas. But the gentleman having the floor cannot give us that material?

Mr. FORD of California. It is not necessary that I should. The gentleman from Illinois [Mr. DIRKSEN] covered that. I am merely making a general statement of the broad characteristic of this measure, and anybody who has had any experience, who has had any contact with these so-called protective committees in the manner in which they have looted and robbed, and scandalized morals and decency in the conduct of these so-called reorganizations should not be opposed to the passage of a measure which tends at least to correct that abuse.

Mr. REES of Kansas. We agree with the gentleman that those conditions exist, but it is my contention that they are covered more comprehensively in the Chandler bill.

Mr. FORD of California. My information is that they are not fully covered, that they do not touch the matter reached by this bill.

I am convinced that this measure, if enacted, will save millions of dollars to investors who hold securities in the 4,000 cases still pending in the courts.

It seems to me, regardless of the more general bill which comes from the Judiciary Committee dealing with bankruptcy matters, that since this bill deals specifically with the control of fees paid in so-called reorganization rackets, that the bill stands on its own feet and should be passed.

I shall therefore vote for the Sabath bill.

Mr. Chairman, I yield back the balance of my time.

Mr. CHANDLER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, it has become apparent from some of the discussions, particularly from some of the remarks of two gentlemen upon the Republican side, that a number of Members of the House have not read the long and extensive report of the hearings of the special investigating committee into real-estate bonds. I appreciate that when a committee makes an investigation and renders a report covering many volumes that it is quite a job for a Member of Congress to read even a portion of the report, but if every Member of this House would just browse through the report of the special committee on which I had the honor of serving for nearly 3 years, they would find there the history of the worst financial skulduggery that ever existed in this country, and the answers to the need for passage of this bill.

My colleague the gentleman from Illinois [Mr. DIRKSEN] portrayed what some of these protective committees did.

The reason for this bill is very simple. Millions, yes, billions of dollars worth of bonds were sold to men and women in all parts of the country, in the cities, as well as out in the "stocks", as some people in New York would say. These bonds were sold by advertisements: "47 years without loss to an investor"; "you cannot lose any money if you buy our bonds", and similar phrases. They were sold by mail, they were sold by oily-tongued salesmen; and people who knew nothing about finance, many who could neither read nor write, invested their life savings in these bonds. Then what happened? In my city, millions of dollars' worth of bonds were sold on a building. When the bonds were sold the company that promoted the building did not even own the land on which it had built the building. Then they went to the Railroad Commission and said: "We have got to sell another bond issue in order to protect the bonds already sold. We did not know that we had not paid in full for the building lot." And the Railroad Commission, like securities commissions in other States, let them sell another issue of bonds to pay for the land in order that the first purchasers might not be wiped out. The result was, quite naturally, that a building like that could not survive. It was over-bonded to begin with. The bonds went into default a few months after they were issued. Then what happened? A bondholders' protective committee was formed, and that bondholders' committee was composed of the sellers of the bonds, the promoters of the building, and the owners of the stock in the corporation that issued the bonds—not a bondholder on it.

The fellows who sold them the bonds figured they did not have enough brains to protect themselves, supposedly because they were able to sell them the bonds in the first place. So it turned out that the company that sold the bonds administered the building. The protective committee for a number of years made no attempt to reorganize that property and give those bondholders either new securities or beneficial interests in the property. They wanted to carry it on as long as they could until these people who owned the bonds were forced to sell the bonds at 1 and 2 cents on the dollar. A good many of the bondholders gave up their bonds to the bondholders' protective committee; others sold them on the market at great loss.

The house of issue sent a salesman around to buy the bonds from them and in certain instances our committee has known members of the bondholders' protective committee, also employed by the house of issue, buying on the side, under assumed names, the bonds from the people whom they were supposed to protect, and using those bonds later to bid in the property.

This bill does only one thing. This bill protects the people that our committee found suffering from this evil, people who cannot afford lawyers in most instances. They are the people who have their life savings invested in these bonds. The bill sets up a conservator and does nothing more than put a Government agency upon the side of millions of people who own these bonds in order to protect them from the depredations of crooked lawyers and crooked financiers.

Mr. Chairman, some mention has been made of New York, and I want to say right now that 50 percent of the evils we investigated emanated from New York. Fifty percent of the skulduggery that these protective committees participated in was patterned and diagrammed in offices in New York and later was copied in all parts of the country, right down to the wording of deposit agreements.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. O'MALLEY. Mr. Chairman, this bill does nothing more than appoint the Securities and Exchange Commission as a sort of public defender for millions of people who have their life savings in these bonds. If there is any Member of Congress who wants to deny to the poor, to the millions of people in this country who still have the hard-earned dollars of their savings at stake in these reorganization proceedings in the various courts, the right to have Uncle Sam protect them from thievery, it would be a reflection on the high character of this body.

Mr. McGRANERY. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. The gentleman served on the committee that investigated the Philadelphia company in Philadelphia?

Mr. O'MALLEY. Yes.

Mr. McGRANERY. Does the gentleman know the indictments against the defendants were nolle prossed on last Thursday?

Mr. O'MALLEY. I know that. I happened to be a member of the committee that investigated the matter and sent the evidence to the United States district attorney upon which he obtained the indictments. I read with a great deal of regret that in spite of the work of our committee, a jury of their peers was not able to pass upon the guilt of those gentlemen. The public has a right to suspect the integrity of such summary proceedings in such a prominent case.

Mr. McGRANERY. As a result of the gentleman's experience, would he support a resolution which might give the real facts to the people of this country concerning the nol-prossing of those true bills?

Mr. O'MALLEY. I will support any resolution that will give any facts which show that justice has been interfered with or the orderly processes of the law have been set aside through influence.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. What did the investigation of the gentleman's committee disclose with reference to the Federal courts and other courts that were permitting all this skulduggery to go on? As a Member of Congress I am rather anxious to learn if something should not be done to those courts.

Mr. O'MALLEY. I may say to the gentleman that our investigation discovered two types of courts, one type of court that as long as the lawyer for the protective committee happened to be a friend of the court, the court passed on the matter very quickly; and another type of court that went as thoroughly as it could into the case and in many instances appointed masters who had no connection with the case to hold long and extensive inquiry. It depends on the judge. But in this bill we want to give the people some protection from a disinterested agency, thus helping the court to get at the facts, and this bill should pass for that reason.

[Here the gavel fell.]

Mr. HANCOCK of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I have asked for this time because I wanted to ask the Members of the Committee some questions and ascertain some facts relative to this entire proceeding.

It is a matter of regret that a matter involving $36,000,000,000, five times the amount we voted for relief, equal in fact to the entire national debt, a matter that affects 10,000,000 investors and probably four times that many indirectly, should have less than one-third of the membership of the House present to take part in its deliberations. As far as I am concerned, I am going to vote for the bill, but I regret exceedingly that it does not go farther than it does, for to me it seems fully possible under this measure as now written to have the same thing happen as happened before, i. e., the fleecing of innocent and unsuspecting investors, and that is the thing we are trying to prevent.

May I call attention to one or two things that the gentleman from Illinois [Mr. SABATH] wrote to us in a communication received this morning. He stated, among other things:

> Fraud and misrepresentation was originally employed in the sale of these bonds. Under fraudulent deposit agreements, these groups secured absolute power over properties and over the bonds. Later they purchased many of the bonds from unfortunate bondholders at a few cents on the dollar after further false representations as to their value.

Mr. Chairman, fraud voids every transaction from the beginning. That being the case, may I ask, What has been done to recover these properties that have been fraudulently taken from the bondholders? I wish the gentleman from Illinois would give me some information on that subject. What action has been taken by the Government to restore these properties?

Mr. SABATH. We have done everything humanly possible and even have gone in some instances further, perhaps, than the jurisdiction of our committee, by having our attorneys appear in court and calling the court's attention to the fraud that has been perpetrated on the courts and to the misrepresentation that was indulged in. May I say that in many instances, when we called the court's attention to these things, the reorganization, sale, and so forth, has been stopped and in a number of cases we forced these crooked committees to turn over the property to the bondholders themselves, and within a few months after the bondholders obtained possession and control of the properties they started to earn and declare dividends on the bonds.

Mr. SAUTHOFF. That is exactly what I want to know, and I want to compliment the committee for its conduct. Now, let us go a step further. The gentleman from Illinois in his communication also makes this statement:

> That some courts are indifferent. Others are being imposed upon, and still others are even sanctioning the activities of these committees and unscrupulous groups.

Mr. Chairman, we, the Members of the House of Representatives, are the judge of the actions of the Federal courts. If they have acted in anywise contrary to the best ethics of the profession, then we should impeach them and ask the Senate to hold a hearing, and, if possible, oust them. No judge is fit to sit upon a Federal bench and permit fees to be charged that are utterly out of line with the service rendered. It has been stated that fees have been charged which were greater than the value of the building that was bonded. If that is true, then a judge who sits idly by and permits it to be done is himself a party to the crime and is unfit to sit upon the bench. I will go further than that: I assert that any judge who will permit the charging of fees out of line with the income and value of the property under his jurisdiction is not fit to pass solemn judgment on grave matters affecting human rights and property rights.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Yes; I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Does not the gentleman think a few impeachments of judges of that character would do more to clear the situation than all we can do in the way of legislation here today?

Mr. SAUTHOFF. Absolutely. I am for it, and I hope the gentlemen of the special committee will bring before the House the names of the judges who sanction such practices as the gentleman from Illinois has set forth in his communication and will file charges in the Committee on the Judiciary against such judges.

I again read from this communication:

> That through collusive sales and unconscionable leases these combinations, through their committees, are acquiring control and ownership of most valuable businesses and properties and eliminating the interests of investors.

No doubt this statement is correct. Then let us proceed to take action against the guilty parties.

This is our business. It has been stated here we are doing all we can when we pass this bill. I challenge that statement. It is not true and it is not correct. We are not doing all we can. The Department of Justice has all the machinery it needs to proceed against anyone who has used the mails to defraud, or who has in anyway by fraud and misrepresentation worked a scheme on these investors in order to get their money.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. May I point out to the gentleman that our committee, as the result of hearings and evidence submitted to a grand jury in Philadelphia, is supposed to have

been responsible for the indictment of 12 men who participated in what we believed to be fraud. The daily papers last week gave the information that upon motion of the Department of Justice the cases were nolle-prossed.

Mr. SAUTHOFF. Then, may I ask my colleague, the gentleman from Wisconsin, why not have the gentleman's committee send a communication to the Attorney General of the United States asking for the facts in the matter, so that we may know all the facts?

Mr. O'MALLEY. I think the gentleman's suggestion is very good.

Mr. SAUTHOFF. May I quote again from this communication:

That in every district in the United States there are hundreds—yes; thousands—of unfortunate men and women who are being defrauded through this Nation-wide racket, and their investments wiped out.

This has been true in my district. I have had clients who were bilked out of their money, and I may add that I myself was a sucker.

Over 400,000 investors who purchased these "gold bonds" and invested their all were forced on relief.

From my own experience, I know that a client of mine, a printer, 68 years of age, who had saved up $30,000, lost it all in one of these bond swindles.

I say, Mr. Chairman, that this is our business. We are paid $10,000 a year to see that such frauds are not permitted. It is our duty to impress upon the Department of Justice and upon the judiciary their particular function of taking care of these people. If they have sat idly by and permitted the defrauding of investors, then we should impeach them, throw them out, put an end to them, and put honest men in their places. [Applause.]

Mr. CHANDLER. Mr. Chairman, I do not desire to yield further time and ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Conservator in Bankruptcy Act."

Mr. FULLER. Mr. Chairman, on behalf of the Committee on the Judiciary, I offer a committee amendment to strike out all after the enacting clause and insert——

The CHAIRMAN. The gentleman wi'l have to receive unanimous consent that the further reading of the bill be dispensed with.

Mr. FULLER. The Clerk read the first sentence. I may offer the amendment now, may I not?

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. FULLER. Mr. Chairman, a parliamentary inquiry. After the Clerk has read the first paragraph, cannot my amendment be offered?

The CHAIRMAN. The Chair may state to the gentleman from Arkansas that the Clerk has not yet read the first section.

Mr. FULLER. The Clerk started the reading of the section.

The CHAIRMAN. The Clerk has not yet read the first section.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the reading of the original bill may be dispensed with, and that the committee amendment may be read in lieu thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. CREAL. Mr. Chairman, I object.

Mr. BOILEAU. Reserving the right to object, Mr. Chairman, may I ask a question of the chairman of the subcommittee in charge of this bill? As I understand, the gentleman is also the author of a bill which is to be considered probably after we conclude the consideration of this bill.

I have been advised by numerous Members of the House that the provisions of the bill we are now considering are identical with the provisions contained in another bill which it is understood we will take up later this afternoon, with the exception of one matter concerning the limitation of fees. May I ask the gentleman from Tennessee if this is not correct?

Mr. CHANDLER. Yes; they are the same in substance, except with respect to the limitation on the fees of trustees. There are a few slight changes.

Mr. BOILEAU. Is it the intention of the gentleman to call up the other bill later this afternoon?

Mr. CHANDLER. I should like to call it up if I can get the consent of the House.

Mr. BOILEAU. I appreciate the importance of this measure, and am certainly willing to do any honor I can to a Member of this House, especially my distinguished friend the gentleman from Illinois [Mr. SABATH], who has worked hard and done splendid work on this investigation. I approve of all the gentleman has done. I believe that legislation such as this should be enacted, but I do not understand why we should be wasting 2 or 3 hours this afternoon in considering this bill when we are going to consider the same thing right over again in the next few minutes. I do not know any good reason for this.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Arkansas.

Mr. FULLER. I think the members of the Committee on the Judiciary are more interested in their bill than in our bill. We are for this bill. I may say to the gentleman and to the members of the Committee on the Judiciary that the committee's bill does not start to hit the mark we are seeking to hit with this bill. This bill has more to do with reorganizations and the appointment of conservators for that purpose. Their bill is a general revamping of the bankruptcy laws of the United States, and has somewhat indirectly, so they say, the same object and purpose as ours. Why should the gentleman or any members of this committee worry about our bill or their bill when the Committee on the Judiciary wants our bill to pass? Is this not true, may I ask the gentleman from Tennessee [Mr. CHANDLER]?

Mr. BOILEAU. Will not the gentleman admit the same provisions are to be considered later on this afternoon?

Mr. FULLER. I do not admit that. They are not the same.

Mr. BOILEAU. The gentleman has made the statement, and the chairman of the subcommittee has made the statement, that with the exception of the limitation on fees the provisions are identical.

Mr. FULLER. I never said that.

Mr. BOILEAU. The gentleman from Tennessee [Mr. CHANDLER] made that statement, and he is chairman of the subcommittee. I think this question ought to be clarified.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BOILEAU. Mr. Chairman, I am reserving the right to object, because there seems to be a difference of opinion here this afternoon between two distinguished gentlemen who are very much interested in this bill. One gentleman makes one statement while the other gentleman makes an entirely different statement.

The CHAIRMAN. If the gentleman will permit the Chair to make a statement, the gentleman can only reserve the right to object to dispense with the reading of the original bill. The gentleman cannot prevent its consideration by the Committee at this stage.

Mr. BOILEAU. I appreciate that fact, Mr. Chairman, and I am reserving the right to object until I am satisfied about the matter, because I propose to do all I can to prevent the consideration of duplicate bills, and unless I can get some assurance about getting the matter clarified at this time, I shall object.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Reserving the right to object, I will be pleased to yield to the gentleman in order to get the information I seek.

Mr. HOBBS. Mr. Chairman, I wonder if the distinguished gentleman from Wisconsin [Mr. BOILEAU] is acquainted with the fact that the Chandler bill is the first and only thorough

revision of the entire Bankruptcy Act ever attempted, and in its scope it covers every phase of the Bankruptcy Act. The pending measure, which deals with section 77B only, is one of its many provisions.

Mr. BOILEAU. The gentleman is a member of the committee and can give us the information I seek. Do I understand that the gentleman from Tennessee [Mr. CHANDLER] is correct or the gentleman from Arkansas [Mr. FULLER] is correct? One gentleman states the provisions of this bill are practically identical or that all the provisions of this bill are in the other bill which we are to consider this afternoon, while the gentleman from Arkansas states that is not the fact. I would like to have the gentleman give the members of the Committee his idea about which statement is correct.

Mr. HOBBS. I do not think there is any conflict between the two statements when they are rightly interpreted.

Mr. BOILEAU. I am attempting to interpret them properly, but the gentleman from Arkansas [Mr. FULLER] said that the provisions of this bill are not substantially the same as the provisions of the Chandler bill.

Mr. HOBBS. If the gentleman will yield in order that I may attempt to interpret them, I may say that both this bill and the Chandler bill, deal with 77B, corporate reorganization, and therein they are similar. Many of us prefer some of the provisions dealing with 77B that are in this bill. Personally I do. I think it is an erroneous criticism of the Committee on the Judiciary to say that it would have reported out this bill unless there was a bona-fide desire that this bill should be given favorable consideration by the House, but I do say that many of the provisions of this bill are, in substance, covered in that provision of the Chandler bill relating to the subject matter of 77B, but I think when we come to the consideration of that measure, the distinguished gentleman who is now reserving the right to object and every other Member of the House will see that there is room for both, and I sincerely hope the gentleman will not object to the request in order that we may expeditiously conclude the consideration of the amendments and pass the bill.

Mr. CREAL. Mr. Chairman, I did not reserve the right to object, but I objected to the request.

The CHAIRMAN. Objection is heard. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Conservator in Bankruptcy Act."

SECTION 1. Chapter VIII, as amended, of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by adding at the end of such chapter the following new section:

"CONSERVATOR IN BANKRUPTCY

"SEC. 77C. (a) As used in this section—

"(1) The term 'individual debtor' means a debtor as used in section 74 of this chapter, whose liabilities include obligations in a total amount of $50,000, or over, which are evidenced by at least 10 credit instruments severally owned by not less than 10 persons.

"(2) The term 'proposal' means a proposal for a composition or extension as used in section 74 of this chapter.

"(3) The term 'debtor corporation' means a debtor as used in section 77B of this chapter, whose liabilities include obligations in a total amount of $50,000, or over.

"(4) The term 'plan' means a plan of reorganization as used in section 77B of this chapter.

"(5) The phrase 'proceeding involving an individual debtor or a debtor corporation' means a proceeding under section 74 or 77B (as the case may be) of this chapter, as amended.

"(6) The term 'securities' means interests in or claims against any individual debtor or a debtor corporation.

"(7) The term 'committee' means any person or group of persons acting, or proposing or purporting to act, for or in behalf of owners or holders of securities for the purpose of protecting, preserving, and forwarding, or either, the common interests of owners or holders of such securities in connection with, or in contemplation of, any proceeding involving an individual debtor or a debtor corporation.

"(8) The term 'committee agreement' means any agreement by which the owner or owners, or holder or holders of securities confer upon a committee authority to act for or in their behalf.

"(9) The term 'depositor' means any person conferring upon a committee power to act for or in his behalf.

"(b) (1) There is hereby established a Conservator in Bankruptcy (hereinafter referred to as 'Conservator'), who is charged with the duty of aiding the courts in the administration of the laws by the exercise and performance of the various powers, functions, and duties conferred or imposed upon him by this section. The Comptroller of the Currency, ex-officio, shall be Conservator. The principal office of the Conservator shall be located in the District of Columbia, but the Conservator may establish branch offices in any city or cities of the United States or of any Territory. The Conservator shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. In carrying out the provisions of this section, the Conservator may avail himself of the information, services, and facilities of any other governmental or quasi-governmental agency, subject to the consent of the executive authority of such other agency. The Conservator shall make an annual report to Congress at the commencement of each regular session thereof.

"(2) The Conservator shall appoint, and prescribe the duties of, such persons as are necessary for the enforcement of this section. The employment, compensation, and expenses of such persons shall be without regard to the provisions of other laws applicable to officers or employees of the United States and shall be governed solely by the provisions of this section, specific amendments thereto, and rules and regulations of the Conservator not inconsistent therewith. The Conservator shall determine and prescribe the manner in which his obligations shall be incurred and his disbursements and expenses allowed and paid. Attorneys appointed by the Conservator are authorized to act as counsel for the Conservator in any matter in which the Conservator is acting in any capacity authorized under the provisions of this section. The Conservator is authorized to conduct, supervise, and direct all litigation in the trial or appellate courts pertaining to the powers, functions, and duties authorized by the provisions of this section to be exercised and performed by him through such attorneys as may be designated by him for that purpose. Any power, function, or duty conferred or imposed upon the Conservator may be exercised and performed by a Deputy Conservator under the direction of the Conservator. During any vacancy in the office of Conservator, or during the absence or inability of the Conservator, the Acting Conservator shall exercise and perform all powers, functions, and duties conferred or imposed upon the Conservator.

"(3) The Conservator is hereby authorized and empowered to prescribe such rules and regulations as are necessary and proper to enable him effectively to exercise and perform the powers, functions, and duties conferred or imposed upon him by this section. The rules and regulations prescribed by the Conservator, and any alteration, amendment, or revocation thereof, shall be published in the Federal Register.

"(4) For the purpose of any investigation or examination which, in the opinion of the Conservator, is necessary and proper for a thorough study of any proposal or plan, or of any proposed allowance or payment of compensation or reimbursement, or is necessary and proper in the exercise or performance by him of the powers, functions, and duties conferred or imposed upon him by the provisions of this section, the Conservator, or any officer or employee designated by him, is empowered to administer oaths and affirmations, take evidence, and require by subpena or otherwise the attendance of witnesses and the production of any books, papers, or documents which the Conservator deems relevant or material to the inquiry. Such attendance of witnesses and the production of such books, papers, or documents may be required from any place in the United States or any Territory at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to any person, any Federal court (the term 'Federal court' having the same meaning in this section as when used in section 77B of this act, as amended) within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides, upon application by the Conservator, may issue to such person an order requiring such person to appear before the Conservator, or officer or employee designated by him, there to produce books, papers, or documents, if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. No person shall be excused from attending and testifying or from producing books, papers, or documents in obedience to the subpena of the Conservator, or officer or employee designated by him, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(c) In any proceeding now pending or hereafter instituted involving an individual debtor or a debtor corporation, the Conservator, when so appointed by the court in which the proceeding is pending, is authorized to exercise and perform the powers, functions, and duties which, by this act, as amended, are conferred or imposed upon any official designated in this act, as amended. In any equity receivership proceeding in any Federal court, the Conservator, when so appointed by such court, is authorized to exercise and perform any power, function, or duty which by this section he is authorized to exercise or perform in connection with proceedings involving an individual debtor or a debtor corporation. The Conservator, when exercising or performing any powers, functions, or duties conferred upon him by the provisions of this subdivision (c), shall not be required to furnish bond and shall have the right to appoint agents to assist him in the exercise or performance of such powers, functions, or duties.

"(d) In any proceeding under section 77B of this chapter, as amended, for the reorganization of a debtor corporation, the Conservator shall be deemed to be a party in interest within the provisions of subdivision (f) of such section 77B. The Conservator shall be entitled to be heard in any proceeding involving an individual debtor or a debtor corporation upon all questions with respect to which the debtor, any creditor or shareholder, or any intervening party in any such proceeding, may be heard. A proposal or plan in any proceeding involving an individual debtor or a debtor corporation may be proposed in the first instance by the Conservator.

"(e) In any proceeding involving an individual debtor or a debtor corporation, the debtor shall file a proposal or plan within 6 months of the entry of the order approving the petition or answer (as the case may be) as properly filed. In the case of any such proceeding pending on the date of enactment of this section, in the event such 6 months expires within 180 days from such date of enactment, the debtor shall file such proposal or plan within 60 days from the expiration of such 6 months, or if such 6 months has expired on or before such date of enactment, within 60 days from such date of enactment. The judge may from time to time extend the period within which a debtor is required to file such proposal or plan, but no single extension shall be for more than 90 days.

"(f) The Conservator shall be given due notice of all steps taken in connection with any proceeding involving an individual debtor or a debtor corporation; and there shall be transmitted to the Conservator a copy of the petition in such proceeding; the answer, if any; the order approving or dismissing a petition; any order determining the time in which claims or interests of creditors may be filed or evidenced and allowed; any order for the division of creditors and stockholders in.to classes according to the nature of their respective claims and interest; all orders extending the time in which such claims may be filed or evidenced; any order for a hearing issued upon the report of a special master; any order fixing the time for confirming the proposal or plan; any order confirming the proposal or plan; any order directing the liquidation of the debtor's assets; any order adjudging the corporation to be solvent or insolvent; any order dismissing the proceeding; and such other papers filed in the proceedings as the Conservator may request be transmitted to him.

"(g) (1) Prior to the confirmation of any proposal or plan by the court, the following provisions shall be complied with—

"(A) The proposal or plan shall have been filed in the proceeding and a copy thereof transmitted forthwith to the Conservator.

"(B) In accordance with such orders or rules of procedure as such court may prescribe, the Conservator shall have been allowed a reasonable time for a thorough study of the proposal or plan.

"(C) In case such proposal or plan is disapproved by the Conservator, after the statement of disapproval and recommendations, or after the acceptances, have been filed in the proceeding, whichever occurs later, a reasonable time shall have been allowed within which any creditor or stockholder who has theretofore accepted such proposal or plan shall be allowed to withdraw his acceptance, and the trustee, custodian, or receiver, or, in case no trustee, custodian, or receiver has been appointed, the debtor, shall have transmitted to each such creditor and stockholder a copy (which shall be furnished by the Conservator) of such statement of disapproval and recommendations, together with a notice stating that such creditor or stockholder has the right to withdraw his acceptance within such time.

"(2) The Conservator shall disapprove any proposal or plan unless he finds that it is fair and equitable. The Conservator shall, so far as possible, determine what securities, if any (including certificates of deposit therefor), have been purchased or transferred after the commencement, or in contemplation of, the proceedings and what consideration was paid therefor, and, if in his opinion the provision made for such securities in the proposal or plan is unfair or inequitable in any material respect, he shall disapprove such proposal or plan. In case of an approval by the Conservator he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator he shall file a statement of disapproval of the proposal or plan and his recommendations with respect thereto, and shall take such further action, not inconsistent with the provisions of this section as may be proper, in order that a fair and equitable proposal or plan may be developed.

"(h) (1) No committee shall solicit, or permit the use of its name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to represent any such creditor or stockholder in a proceeding involving such individual debtor or debtor corporation, or any matter relating to such proceeding, or to vote in his behalf for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding;

"(2) No petition praying for leave to intervene in any such proceeding, filed by or on behalf of any committee, shall be granted; and

"(3) In any proceeding involving a debtor corporation, no payment to a committee, or to any member or employee thereof, or attorney therefor, in his capacity as such, of any compensation, reimbursement, or other amounts, for services or expenses incident to the reorganization or in connection with the proceeding, whether or not such payment is to be made by the debtor or by any corporation acquiring the debtor's assets, shall be approved or allowed, unless—

"(i) There have been filed with the Conservator the committee agreement under which such committee is acting, or proposing or purporting to act, a statement regarding the membership of such committee and the affiliations of the members thereof and counsel therefor; a statement of the reasons for and the circumstances surrounding the selection of each member of such committee and counsel therefor; and a statement of any changes in such agreement, membership, or counsel made prior to such solicitation, and of the reasons for and the circumstances surrounding such change;

"(ii) The provisions or limitations of such agreement and the membership of such committee, together with any such changes in such provisions or limitations or such membership, have been approved by the Conservator, or the action of the Conservator disapproving such provisions, limitations, or membership, or any such changes, has been set aside as provided in subdivision (i) (4) of this section;

"(iii) There have been filed with the Conservator, at such times as the Conservator may direct, but not more frequently than once every 30 days, a statement of the activities, receipts, and expenditures of the committee for the period not covered by previous statements (including, in the case of the first statement, the period since the date of formation of the committee), and a statement showing the securities (including certificates of deposit therefor) directly or indirectly acquired or sold by the committee or any member thereof during such period, the dates of any such acquisition or sale, the amounts paid in pursuance of any such acquisition, and the amounts received in pursuance of any such sale; and

"(iv) There have been filed with the Conservator copies of advertisements, letters of solicitation, and all other communications addressed to depositors either before or after the commencement of the proceeding.

"Whoever aids, abets, counsels, commands, induces, or procures any committee to violate any provision of this subdivision (h) shall upon conviction be fined not more than $5,000 or imprisoned for not more than 2 years, or both.

"(i) (1) The Conservator shall either approve or disapprove the provisions or limitations of any such committee agreement and the membership of any such committee. In case of an approval by the Conservator, he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator, he shall file a statement of disapproval in the proceeding, together with his reasons therefor.

"(2) The Conservator shall approve the provisions or limitations of a committee agreement (including any changes therein) unless he finds that such provisions or limitations (A) deny, or place undue restrictions upon, the right of depositors to withdraw their securities from such committee; (B) deny to depositors the right to withdraw their acceptances to a proposal or plan in accordance with the provisions of subdivision (g) of this section; (C) give to such committee power to hypothecate such securities for any purpose other than that of paying actual and reasonable expenses of the committee (as such expenses may be defined by rules and regulations of the Conservator); (D) give to such committee the right to dispose of such securities without notice and affirmative consent subsequent to such notice; (E) entitle such committee to an unreasonable amount for the purpose of paying fees, expenses, or other remuneration to members of such committee, attorneys for the committee, or any person performing services for such committee; (F) otherwise prejudice the formulation or acceptance of a fair and equitable proposal or plan.

"(3) The Conservator shall approve the membership of a committee (including any change therein) unless he finds (A) that any member of such committee is or has been directly or indirectly connected with the debtor, issuer, underwriter, or guarantor of the securities deposited with the committee and that such connection prejudices the formulation or acceptance of a fair and equitable proposal or plan; (B) that the membership of such committee otherwise gives rise to a conflict of interest prejudicial to the formulation or acceptance of a fair and equitable proposal or plan; (C) any member of such committee has previously violated any of the provisions of subdivision (h) of this section; or (D) that any advertisements, letters of solicitation, or other communications addressed to depoistors are or have been misleading.

"(4) Any committee or member thereof aggrieved by the action of the Conservator disapproving the provisions or limitations of a committee agreement, or membership of such committee (including any changes in such agreement or membership), may obtain a review of such action in the court in which the proceeding is pending by filing in such court, within 30 days after the filing by the Conservator of his statement of disapproval, a written petition praying that the action of the Conservator be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the Conservator and thereupon the Conservator shall certify and file in the court a transcript of the record upon which the action complained of was taken. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such action, in whole or in part. No objection to the action of the Conservator shall be considered by the court unless such objection shall have been urged before the Conservator or unless there were reasonable grounds for failure so to do. If application is made to the court

for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence before the Conservator, the court may order such additional evidence to be taken before the Conservator and to be adduced in such manner and upon such terms and conditions as to the court may seem proper. The Conservator may modify his findings as to the facts, by reasons of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original action. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such action of the Conservator, shall be final, subject to review by the circuit court of appeals and by the Supreme Court of the United States as provided by law in other cases.

"(j) (1) Prior to the allowance or payment of any compensation or reimbursement (except fees and commissions allowed as compensation for services pursuant to sections 40, 48, and 52 of this act, as amended, and except amounts provided for in subdivision (l) of this section), to whomsoever paid or to be paid, whether or not by the debtor or by any corporation acquiring any debtor's assets, the Conservator, in accordance with such rules of procedure as the court may prescribe, shall have been allowed a reasonable time for the investigation and examination in respect of the proposed allowance or payment provided for in paragraph (2) of this subdivision.

"(2) The Conservator shall before the expiration of such time either approve or disapprove the proposed allowance or payment, either in whole or in part. During such time the Conservator shall conduct an investigation and examination in respect of each item of the proposed allowance or payment, and if he finds as a result of such investigation and examination that any such item (A) in case it is to be paid by the debtor or any corporation acquiring the debtor's assets, should not be charged against the debtor or such corporation, or (B) whether or not it is to be so paid (i) exceeds the value of the services rendered, or is otherwise unreasonable, or (ii) constitutes reimbursement for expenses not actually incurred, or compensation for services not actually rendered, or (iii) is to be or has been paid to any person or committee which has purchased or sold securities of the debtor (including certificates of deposit therefor) during the pendency or in contemplation of the proceeding, he shall disapprove such item. In case of an approval by the Conservator he shall file a statement of approval in the proceeding. In case of a disapproval by the Conservator he shall file a statement of disapproval, together with his objections to the item disapproved, and his recommendations with respect thereto which in his opinion may be necessary.

"(k) In any proceeding involving an individual debtor or a debtor corporation, wherein a trustee, custodian, or receiver (other than the Conservator) has been appointed, and where, under the provisions of section 48, as amended, of this act, such trustee, custodian, or receiver would be entitled to receive for his services in such proceeding an amount which by itself or when added to other amounts received by him during the same calendar year for services performed by him as a trustee, custodian, or receiver in any such proceeding, will exceed $10,000, the court shall not allow to such trustee, custodian, or receiver compensation in any amount which by itself or when added to such other amount will exceed $10,000.

"(l) The Conservator shall be entitled to the costs of administration, supervision, and services in the performance or exercise by him of his powers, functions, and duties under the provisions of this act, as amended; such costs shall be equitably allocated to, assessed against, and payable out of the property of the debtors in such amount or amounts as shall be determined by the Conservator and approved by the judge and shall be in lieu of all fees to which the Conservator would otherwise be entitled by law. The funds derived from such costs, as well as all funds coming into the possession of the Conservator in any capacity in which he is authorized to act under the provisions of this section, shall be deposited with the Treasurer of the United States, subject to the order of the Conservator, or in any regular Government depositary or in any national banking association, or in any State bank, the deposits of which are insured under the provisions of section 12B of the Federal Reserve Act, as amended: *Provided, however,* That any deposits in any national banking association or in any State bank in excess of the amount insured under the provisions of section 12B of the Federal Reserve Act, as amended, shall be secured by bond satisfactory to the Conservator or by the deposit of United States bonds or other securities satisfactory to the Conservator with the Treasurer of the United States for the safekeeping and prompt payment of the funds so deposited and such funds shall not be construed to be Government funds or appropriated moneys.

"(m) There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000, which shall be available for expenditure by the Conservator in connection with the carrying out of the powers, functions, and duties authorized to be exercised and performed by him under the provisions of this section."

SEPARABILITY CLAUSE

SEC. 2. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. FULLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert:

"That chapter VIII, as amended, of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, is amended by adding at the end of such chapter the following new section:

"'SEC. 77C. (a) As used in this section—

"'(1) The term "individual debtor" means a debtor as used in section 74 of this chapter, whose liabilities include obligations in a total amount of $250,000, or over, which are evidenced by at least 10 credit instruments severally owned by not less than 10 persons.

"'(2) The term "proposal" means a proposal for a composition or extension as used in section 74 of this chapter.

"'(3) The term "debtor corporation" means a debtor as used in section 77B of this chapter, whose liabilities include obligations in a total amount of $250,000, or over.

"'(4) The term "plan" means a plan of reorganization as used in section 77B of this chapter.

"'(5) The phrase "proceeding involving an individual debtor or a debtor corporation" means a proceeding under section 74 or 77B (as the case may be) of this chapter, as amended.

"'(6) The term "securities" means interests in or claims against any individual debtor or a debtor corporation.

"'(7) The term "committee" means any person or group of persons acting, or proposing or purporting to act, for or in behalf of owners or holders of securities for the purpose of protecting, preserving, and forwarding, or either, the common interests of owners or holders of such securities in connection with, or in contemplation of, any proceeding involving an individual debtor or a debtor corporation.

"'(8) The term "committee agreement" means any agreement by which the owner or owners, or holder or holders of securities confer upon a committee authority to act for or in their behalf.

"'(9) The term "depositor" means any person conferring upon a committee power to act for or in his behalf.

"'(10) The term "Commission" means the Securities and Exchange Commission.

"'(b) (1) The Commission is hereby charged with the duty of aiding the courts in the administration of the laws by the exercise and performance of the various powers, functions, and duties conferred or imposed upon it by this section.

"'(2) The Commission is hereby authorized and empowered to prescribe such rules and regulations as are necessary and proper to enable it effectively to exercise and perform the powers, functions, and duties conferred or imposed upon it by this section. The rules and regulations prescribed by the Commission, and any alteration, amendment, or revocation thereof, shall be published in the Federal Register.

"'(3) For the purpose of any investigation or examination which, in the opinion of the Commission, is necessary and proper for a thorough study of any proposal or plan, or of any proposed allowance or payment of compensation or reimbursement, or is necessary and proper in the exercise or performance by it of the powers, functions, and duties conferred or imposed upon it by the provisions of this section, the Commission, or any officer or employee designated by it, is empowered to administer oaths and affirmations, take evidence, and require by subpena or otherwise the attendance of witnesses and the production of any books, papers, or documents which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of such books, papers, or documents may be required from any place in the United States or any Territory at any designated place of hearing. In case of contumacy by, or refusal to obey a subpena issued to any person, any Federal court (the term "Federal court" having the same meaning in this section as when used in section 77B of this act, as amended) within the jurisdiction of which such person guilty of contumacy or refusal to obey is found or resides, upon application by the Commission, may issue to such person an order requiring such person to appear before the Commission, or officer or employee designated by it, there to produce books, papers, or documents, if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. No person shall be excused from attending and testifying or from producing books, papers, or documents in obedience to the subpena of the Commission, or any member thereof, or officer or employee designated by it, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be

exempt from prosecution and punishment for perjury committed in so testifying.

"'(c) In any proceeding under section 77B of this chapter, as amended, for the reorganization of the debtor corporation, the Commission shall, upon the filing of a notice of its appearance, be deemed to be a party in interest, with the right to be heard on all matters arising in such proceeding, and be deemed to have intervened in respect of all matters in such proceeding with the same force and effect as if a petition for that purpose had been filed with and allowed by the court. The Commission shall be entitled to be heard in any proceeding involving an individual debtor or a debtor corporation upon all questions with respect to which the debtor, any creditor or shareholder, or any intervening party in any such proceeding, may be heard. A proposal or plan in any proceeding involving an individual debtor or a debtor corporation may be proposed in the first instance by the Commission.

"'(d) In any proceeding involving an individual debtor or a debtor corporation, the debtor shall file a proposal or plan within 6 months of the entry of the order approving the petition or answer (as the case may be) as properly filed. In the case of any such proceeding pending on the date of enactment of this section, in the event such 6 months expires within 180 days from such date of enactment, the debtor shall file such proposal or plan within 60 days from the expiration of such 6 months, or if such 6 months has expired on or before such date of enactment, within 60 days from such date of enactment. The judge may from time to time extend the period within which a debtor is required to file such proposal or plan, but no single extension shall be for more than 90 days.

"'(e) The Commission shall be given due notice of all steps taken in connection with any proceeding involving an individual debtor or a debtor corporation; and there shall be transmitted to the Commission a copy of the petition in such proceeding; the answer, if any; the order approving or dismissing a petition; any order determining the time in which claims or interests of creditors may be filed or evidenced and allowed; any order for the division of creditors and stockholders into classes according to the nature of their respective claims and interest; all orders extending the time in which such claims may be filed or evidenced; any order for a hearing issued upon the report of a special master; any order fixing the time for confirming the proposal or plan; any order confirming the proposal or plan; any order directing the liquidation of the debtor's assets; any order adjudging the corporation to be solvent or insolvent; any order dismissing the proceeding; and such other papers filed in the proceedings as the Commission may request be transmitted to it.

"'(f) (1) Prior to the confirmation of any proposal or plan by the court, the following provisions shall be complied with—

"'(A) The proposal or plan shall have been filed in the proceeding and a copy thereof transmitted forthwith to the Commission.

"'(B) In accordance with such orders or rules of procedure as such court may prescribe, the Commission shall have been allowed a reasonable time for a thorough study of the proposal or plan and shall have made a report thereon to the court, or has notified the court that it will not file a report, or until the expiration of such reasonable time for the filing of the report, whichever first occurs.

"'(2) Any reports which the Commission is required to make by this section shall contain such findings or comments as the Commission may deem necessary or appropriate with respect to the fairness and equity of the treatment accorded various classes of security holders and claimants by terms of the proposal or plan; the adequacy of the steps taken to discover, disclose, and collect all assets of the issuer or of individual security holders or claimants, including causes of action against officers and directors of the issuer and underwriters of its securities; the reasonableness and propriety of the fees and the expenses of the reorganization charged or to be charged, directly or indirectly, against the assets of the issuer or against security holders; whether or not the provision which has been made in the proposal or plan for management of the reorganized issuer is in the interests of the security holders; and any other phase or phases of the plan. The Commission shall notify the court before which any proceedings for reorganization are pending of all action taken by it under this act in respect of any such proposal or plan.

"'(g) (1) No committee or other person shall solicit, or permit the use of its or his name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to vote in behalf of any creditor or stockholder for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement which has, or may have, the effect of an acceptance of or consent to a proposal or plan; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding—

"'(i) Until a report, if any, thereon has been made by the Commission and the court has authorized the submission of such proposal or plan to the creditors or stockholders; and

"'(ii) Unless there shall have been transmitted to such creditors and stockholders (A) a proposal or plan or proposals or plans authorized to be submitted, together with a summary thereof; (B) the opinion of the court, if any, approving the proposal or proposals or the plan or plans or a summary thereof approved by the court; (C) the report, if any, filed in the proceeding by the Commission as provided in subsection (e) of this section, or a summary thereof prepared by the Commission; and (D) such other matters as the court may deem necessary or desirable for the information of the creditors or stockholders.

"'(2) Unless the conditions specified in paragraph (1) of this subsection are satisfied, no person shall solicit any acceptance, conditional or unconditional, of a proposal or plan, or any authority, conditional or unconditional, to accept a proposal or plan, whether by proxy, deposit, power of attorney, or otherwise; and any acceptance or authority given, procured, or received in violation of the provisions of paragraph (1) of this subsection shall be invalid. Whoever aids, abets, counsels, commands, induces, or procures any committee to violate any provision of paragraph (1) of this subdivision (g) shall upon conviction be fined not more than $5,000 or imprisoned for not more than 2 years, or both.

"'(h) (1) The Commission shall either approve or disapprove the provisions or limitations of any such committee agreement and the membership of any such committee. In case of an approval by the Commission, it shall file a statement of approval in the proceeding. In case of a disapproval by the Commission, it shall file a statement of disapproval in the proceeding, together with its reasons therefor.

"'(2) The Commission shall approve the provisions or limitations of a committee agreement (including any changes therein) unless it finds that such provisions or limitations (A) deny or place undue restrictions upon, the right of depositors to withdraw their securities from such committee; (B) give to such committee power to hypothecate such securities for any purpose other than that of paying actual and reasonable expenses of the committee (as such expenses may be defined by rules and regulations of the Commission); (C) give to such committee the right to dispose of such securities without notice and affirmative consent subsequent to such notice; (D) entitle such committee to an unreasonable amount for the purpose of paying fees, expenses, or other remuneration to members of such committee, attorneys for the committee, or any person performing services for such committee; (E) otherwise prejudice the formulation or acceptance of a fair and equitable proposal or plan.

"'(3) The Commission shall approve the membership of a committee (including any change therein) unless it finds (A) that any member of such committee is or has been directly or indirectly connected with the debtor, issuer, underwriter, or guarantor of the securities deposited with the committee and that such connection prejudices the formulation or acceptance of a fair and equitable proposal or plan; (B) that the membership of such committee otherwise gives rise to a conflict of interest prejudicial to the formulation or acceptance of a fair and equitable proposal or plan; (C) any member of such committee has previously violated any of the provisions of subdivision (g) of this section; or (D) that any advertisements, letters of solicitation, or other communications addressed to depositors are or have been misleading.

"'(4) Any committee or member thereof aggrieved by the action of the Commission disapproving the provisions or limitations of a committee agreement, or membership of such committee (including any changes in such agreement or membership), may obtain a review of such action in the court in which the proceeding is pending by filing in such court, within 30 days after the filing by the Commission of its statement of disapproval, a written petition praying that the action of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon the Commission and thereupon the Commission shall certify and file in the court a transcript of the record upon which the action complained of was taken. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such action, in whole or in part. No objection to the action of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence before the Commission the court may order such additional evidence to be taken before the Commission and to be adduced in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendation, if any, for the modification or setting aside of its original action. The judgment and decree of the court affirming, modifying, or setting aside, in whole or in part, any such action of the Commission, shall be final, subject to review by the circuit court of appeals and by the Supreme Court of the United States as provided by law in other cases.

"'(i) (1) Prior to the allowance or payment of any compensation or reimbursement (except fees and commissions allowed as compensation for services pursuant to sections 40, 48, and 52 of this act, as amended, and except amounts provided for in subdivision (k) of this section), to whomsoever paid or to be paid whether or not by the debtor or by any corporation acquiring any debtor's assets, the Commission, in accordance with such rules of procedure as the court may prescribe, shall have been allowed a reasonable time for the investigation and examination in respect of the proposed allowance or payment provided for in paragraph (2) of this subdivision.

"'(2) The Commission shall before the expiration of such time make a report to the court on the proposed allowance or payment.

During such time the Commission shall conduct an investigation and examination in respect of each item of the proposed allowance or payment, and if it finds as a result of such investigation and examination that any such item (A) in case it is to be paid by the debtor or any corporation acquiring the debtor's assets, should not be charged against the debtor or such corporation, or (B) whether or not it is to be so paid (i) exceeds the value of the services rendered, or is otherwise unreasonable, or (ii) constitutes reimbursement for expenses not actually incurred, or compensation for services not actually rendered, or (iii) is to be or has been paid to any person or committee which has purchased or sold securities of the debtor (including certificates of deposit therefor) during the pendency or in contemplation of the proceeding, it shall so report such item.

"'(j) In any proceeding involving an individual debtor or a debtor corporation, wherein a trustee, custodian, or receiver has been appointed, and where, under the provisions of section 48, as amended, of this act, such trustee, custodian, or receiver would be entitled to receive for his services in such proceeding an amount which by itself or when added to other amounts received by him during the same calendar year for services performed by him as a trustee, custodian, or receiver in any such proceeding, will exceed $10,000, the court shall not allow to such trustee, custodian, or receiver compensation in any amount which by itself or when added to such other amount will exceed $10,000.

"'(k) The Commission shall be entitled to the costs of administration, supervision, and services in the performance or exercise by it of its powers, functions, and duties under the provisions of this act, as amended; such costs shall be equitably allocated to, assessed against, and payable out of the property of the debtors in such amount or amounts as shall be determined by the Commission and approved by the judge and shall be in lieu of all fees to which the Commission would otherwise be entitled by law. The funds derived from such costs, as well as all funds coming into the possession of the Commission in any capacity in which it is authorized to act under the provisions of this section, shall be deposited with the Treasurer of the United States.'"

Mr. FULLER (interrupting the reading of the committee amendment). Mr. Chairman, I ask unanimous consent that the further reading of the committee amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SABATH. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. SABATH: Page 24, line 9, after "(c)", insert "(1)"; and after line 23, insert the following paragraph:

"(2) In any proceeding now pending or hereafter instituted involving an individual debtor or a debtor corporation, the Commission, when so appointed by the court in which the proceeding is pending, is authorized to exercise and perform the powers, functions, and duties which, by this act, as amended, are conferred or imposed upon any official designated in this act, as amended. In any equity receivership proceeding in any Federal court, the Commission, when so appointed by such court, is authorized to exercise and perform any power, function, or duty which, by this section, it is authorized to exercise or perform in connection with proceedings involving an individual debtor or a debtor corporation. The Commission, when exercising or performing any powers, functions, or duties conferred upon it by the provisions of this subdivision (c), shall not be required to furnish bond and shall have the right to appoint agents to assist it in the exercise or performance of such powers, functions, or duties."

Mr. SABATH. Mr. Chairman, some gentlemen say that all of the provisions of our bill are contained in the so-called Chandler bill. Our bill goes much further, and we are trying to reach in our bill the activities of these crooked committees and all cases that are pending now in the courts, so that the rights and interests of these unfortunate bondholders and stockholders may be protected. This amendment that I have offered gives the Securities and Exchange Commission the right to act when designated by a court as a receiver or trustee, eliminating the high fees and unnecessary costs that are brought about by the so-called professional receivers and trustees in these matters. Later on in the bill we endeavor to, and the bill, if passed, will, eliminate those excessive fees in the future. We do not desire to take jurisdiction away from the court. However, these excessive fees and costs will be eliminated if the court who finally has the power will see fit in the interest of economy and justice in matters of that kind to appoint the Securities and Exchange Commission. In view of the fact that they have made an investigation and examination and report to the court, we feel that it will simplify the procedure and to a greater degree safeguard the interest of all.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. WALTER. In the event the gentleman's amendment is adopted, how many additional employees will be required to carry out the provisions?

Mr. SABATH. I do not know; but it will not cost the Government any money at all, because in our bill we provide that the actual cost of such an investigation and examination, and so on, shall be borne by the estate, and the cost will be nominal and may not be 10 percent or even 5 percent of what it costs the property owners or bondholders or security holders today.

Mr. WALTER. And the more employees that are added to the Securities and Exchange Commission, the greater will be the cost of the administration of the estate, and the less there will ultimately be derived by the poor unfortunates we are trying to protect.

Mr. SABATH. Oh, no, there will not be any additional employees added, with the exception of those men who will be actually required to do this work, and their compensation will be repaid to the Securities and Exchange Commission from the estate and I assure the gentleman the cost will be less than 10 percent of what the costs have been and what they are today. If the gentleman from Pennsylvania would see some of the tremendous costs in these reorganizations, he would agree that this amendment is necessary, together with those other amendments that I am going to offer, to eliminate in the future the exorbitant fees and costs and charges that have been imposed against these properties that these unfortunate bondholders are obliged to pay.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. SAUTHOFF. Does the gentleman's amendment put any ceiling on the fees that they are to receive?

Mr. SABATH. Oh, yes, we restrict that. For the information of the House let me say that in our bankruptcy law there is a provision where only 1 percent can be charged for trustees' fees where the amount exceeds $10,000, and the fees of the attorneys and receivers and trustees are restricted. When these gentlemen put over on the Congress section 77B we believed that that was for the best interests and for economy and for protection, but in 77B they very nicely and cleverly eliminated the restriction on the fees and the sky was and is the limit. In many instances there are three-, four-, and five-hundred-thousand-dollar fees on some properties that fell into the hands of these committees.

Mr. WALTER. Mr. Chairman, will the gentleman point out where in his bill there is a limitation placed on the fees that may be charged?

Mr. SABATH. We have a limitation on page 33, subdivision (j).

Mr. WALTER. Where is the provision with respect to the payment by the estate?

Mr. SABATH. I assure the gentleman that there is a provision that the cost shall not be borne by the Government, but by the estate. This provision may be found on page 33 and provides that the Commission shall be entitled to the costs of administration supervision and services in the performance of its duties, such costs to be assessed against and payable out of the property of the debtors in such amount as shall be determined by the Commission and approved by the judge, and the funds derived from such costs to be deposited with the Treasurer of the United States.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. We all remember when the Securities and Exchange Commission legislation was pending, that its passage received severe opposition. The law was in operation not more than a year when those who bitterly opposed the passage of the bill were loud in their praise of the manner in which the law had been administered under the very skillful direction of the then chairman, Joseph P. Kennedy.

As chairman of the Commission, Mr. Kennedy commanded the attention and respect of all persons for the constructive and courageous manner in which he administered the law, doing so in accordance with the intent of Congress and in the able manner in which he performed the duties of his office. At great expense to himself he gave the Government the benefit of his profound knowledge and broad experience. Under his leadership, he and the members of the Commission have shown the workability of the law which established the Securities and Exchange Commission, the necessity for its passage, and in a manner which thoroughly protects the interest of the public and commands the respect and support of the great majority of those covered by the law. Mr. Kennedy resigned after he had laid the foundation for the success of the Commission, to return to private business, and later was recalled into service when he was appointed Chairman of the United States Maritime Commission, in which capacity he is laying the foundation for the future success of this Commission.

Most of those who bitterly opposed the bill when it was pending would equally bitterly oppose a bill to bring about its repeal. The Securities and Exchange Commission has been rendering fine service in the administration of the law. The legislation was necessary to correct certain abuses—abuses in connection with the issuance and sale of stock and of bonds; abuses that existed not only in connection with the original issue of stock and bonds but in connection with reissues and of recapitalization of corporations.

This bill is simply a step in another direction, which is a necessary consequence of the passage of the original bill creating the Securities and Exchange Commission.

I am glad to note that the bill has been changed from its original provisions by placing the jurisdiction of this bill under the Securities and Exchange Commission. I want to congratulate the special committee, under the chairmanship of the distinguished gentleman from Illinois [Mr. SABATH], for the wonderful work they have done; for the service they have rendered in disclosing to the American public the abuses in connection with this particular activity. The sale of bonds, in the main, is to persons of average means. The Securities and Exchange Commission, in protecting the American investing public against any misrepresentations, against false statements in connection with corporate organizations, must see that the interest of the investor is safeguarded and protected. It is reasonably necessary, and it is proper that the American investing public be protected. That is what this bill also aims to do. I am not concerned with all of its details. There may be some provision here and there therein that I am not in agreement with, but I am not concerned with that. I am concerned with the objective of this bill, its worthy and deserving objective. It is proper and fitting that the operation of the law should be placed within the jurisdiction of the Securities and Exchange Commission.

I want to congratulate the special committee, and I want to congratulate the chairman of the special committee for the great work they have rendered to the American public in disclosing the abuses in connection with the type of reorganizations covered by the pending bill, and the vicious methods employed, as a result of which millions of American citizens in the past have been mulcted out of hundreds of millions of dollars. [Applause.]

[Here the gavel fell.]

Mr. WALTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I dislike very much to be compelled to oppose the amendment just offered by the distinguished chairman of this committee, who has worked so diligently in an endeavor to recommend legislation that will enable us to work out a way to perhaps save something of the wreckage of investments made by a great many of our people, but I feel it is my duty to do so because during the many months of discussion, not only of this bill but of the Chandler bill, all of the matters contained in this bill were very thoroughly discussed, and it was agreed there would be nothing additional offered. We now have an amendment before us that members of the committee have not had an opportunity to study. We do not know whether its adoption will bring about a situation which we complained of or not, namely, that in the original Sabath bill it would have been necessary to appoint approximately 4,000 conservators, and our committee felt very much opposed to any legislation that would have brought about a result such as that.

The bill which we are considering today was reported by the Committee on the Judiciary upon my motion and at the time I made this motion I felt I knew entirely what the scope of the bill would be.

I trust the House will vote against this amendment.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WALTER. Yes; surely.

Mr. SABATH. This amendment was in the bill that was reported last year, H. R. 12064. That is all it is. It strengthens the bill to some extent and does not in any way affect the bill. I know that if the gentleman would have time to read it he would not oppose it. All we are interested in is to offer two more amendments to the bill which I believe are necessary to make the bill workable and that will not in any way affect the bill.

Mr. WALTER. Mr. Chairman, I decline to yield further. Had this amendment been necessary, I am quite certain the distinguished chairman could have convinced the members of the Judiciary Committee of the importance of the matter contained in this amendment, and that the bill would then have been reported with that subject matter in the bill. I do not feel that amendments offered at a time like this ought to be adopted, particularly in view of the fact that with the exception of the $10,000 limitation placed upon fees, the Chandler bill covers in the section dealing with 77B identically the same subject matter.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

The question is on the adoption of the amendment offered by the gentleman from Illinois [Mr. SABATH] to the committee amendment.

The question was taken; and on a division there were ayes 19 and noes 30.

So the amendment to the amendment was rejected.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY to the committee amendment: Page 21, lines 1 and 8, strike out "$250,000" and insert in lieu thereof "$100,000."

Mr. O'MALLEY. Mr. Chairman, I offer my amendment to reduce the amount which must be involved in order that the authority and power granted in this bill may be operated in behalf of the bondholder. I do that because as a member of the special investigating committee hundreds of people had bonds in buildings on which the capitalization was $100,000 or less. There were bond houses throughout the country that took a number of buildings and joined them all together and put $100,000 on each of them. These will escape investigation unless my amendment is adopted. If the limit, $250,000, remains in the bill as written, properties under that amount will escape and the Securities and Exchange Commission will not be able to aid bondholders in such properties by investigating the protective committees. I want to say as one member of the special committee—I will be frank—let us take the hair down this afternoon—I do not agree that this bill goes far enough to help the bondholders, but our committee had no power to bring a bill before this House. We had to take what we could get; we had to take this bill or nothing if we hoped to get legislation this session; and we have been 2½ years trying to reach this stage in the interest of protecting 10,000,000 bondholders. This amendment will strengthen the bill. My amendment was not submitted to any committee in advance, but I do say that unless this bill takes in properties that are capitalized at $100,000 all we shall do will be to skim the surface and

not reach the fellows who have been operating most of the rackets of these protective committees.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. WALTER. How many additional cases will be involved?

Mr. O'MALLEY. If we put the limit at $100,000, it will bring in possibly 20,000 cases, many, of course, not yet in the courts.

Mr. WALTER. How many additional employees would be required to handle these 20,000 cases?

Mr. O'MALLEY. I say to the gentleman that I do not know, but if we have employees working for the Government on these cases they can well afford to watch the interest of the little fellow instead of reading newspapers in their offices. One agency of Government can protect people who have lost millions of dollars because Congress has not acted before this even though they may need a few more employees to do it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. McFARLANE. The gentleman mentioned that it took his committee 2½ years to get this bill to the floor. I wonder if he will tell the House what has blocked it before.

Mr. O'MALLEY. The gentleman knows as well as I do that a bill designed to take some money away from a lot of fellows who have been operating in the shadowy field of high finance always has a hard time reaching the floor. I do not have to tell the gentleman why, he has been here as long as I have.

This bill is not everything we wanted, but we had to take what we could get in the hope that when it reached the floor we could put a few teeth in it. The amendment I have offered is necessary if the bill is to be of real good, the amount must be reduced from $250,000 to $100,000.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is all very well to make speeches such as that made by the gentleman who just preceded me. The whole afternoon has been taken up in a discussion of what has happened in the past. What we are attempting to do today is to write a prescription to cure an evil. These splendid speeches which wring our hearts and bring tears to our eyes will not, however, get any of this money back. The Judiciary Committee feels just as the gentleman feels so far as helping people is concerned, but we do not want to do any demagoguing. We want to write a bill that will get results.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Not for the present.

The gentleman would reduce the limit from $250,000 to $100,000. The bonds of a concern capitalized at $100,000 are not, as a general rule, scattered all over the country. It is not always that the holders of the securities of concerns capitalized at $100,000 resort to protective committees. That is the first thing.

If we are going to write effective legislation, we must listen somewhat to the Securities and Exchange Commission, the people who are going to enforce the legislation. They tell us what kind of legislation can be enforced. I am ready to vote for that kind of a bill. They do not want the $100,000 limitation in the bill, for, they say, it would be impracticable, that it would not be workable, and it would require the employment of a great many additional employees. The Sabath committee wanted a conservator. The gentleman from Illinois [Mr. SABATH] told us about that on the floor. The bill originally provided for a conservator under the Comptroller of the Currency, but the Comptroller of the Currency in substance said, "Do not give us that; we are not qualified; we cannot do it. We would have to set up another bureau; we would have to set up a lot of professional receivers and trustees to go about the country"—something like the Sabath committee went about the country.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. No; I cannot yield.

The Committee on the Judiciary attempted to get results. We have attempted to do the best we could.

The gentleman from Wisconsin said Government workers might do something besides sitting around reading newspapers, but we must all realize that just any fellow reading a newspaper in any agency of the Government could be of no possible help in rendering the type of service here to be required. I know, and you know, that this amendment means another agency. As suggested by the gentleman from Pennsylvania [Mr. WALTER], it would require a lot more employees.

There is no objection to the Sabath committee and the splendid work the Sabath committee has done. They have called attention to these things.

If they made a mistake, it is the mistake of leaving the impression with the people of the country that they are going to get back some of this money which has already been lost. The horse has been stolen. It is too bad the barn was not locked before, but you cannot get that horse back. We are trying in the Chandler bill to take care of everything that can be taken care of as suggested by the Sabath committee, and in a sensible, proper, and effective way.

Mr. O'MALLEY. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Will the gentleman explain, if $100,000 is too small an amount to put in this bill, why the Securities and Exchange Commission was given $100,000 as the base upon which it could start registrations and investigations in reference to stock and bond issues?

Mr. MICHENER. There is a whole lot of difference.

Mr. O'MALLEY. Will the gentleman tell me the difference?

Mr. MICHENER. If you are going to form a company and issue stock or bonds and the issue has to be passed upon, the set-up must be passed upon as well. If the gentleman were a practicing attorney at the present time he would not ask that question.

Mr. O'MALLEY. I may say to the gentleman I am not an attorney.

Mr. MICHENER. I suspected as much.

Mr. O'MALLEY. And I could say more on that, but I will not.

Mr. MICHENER. If the gentleman were an attorney and he had anything to do with the Securities and Exchange Commission at this time, he would know if he wanted to get authority to issue securities, he would have to prepare his set-up and no one else could prepare it. The facts warranting the bond issue must be presented to the Commission. The Commission's work will be entirely different under this proposed law.

[Here the gavel fell.]

Mr. TOWEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in opposing the amendment I want to give to the Committee some of the facts that arose in connection with this particular proposition. When originally proposed in the bill the figure was $50,000. It was pointed out to the committee that that was a very small amount and most of these bond issues—I am sure the gentleman from Illinois [Mr. SABATH] will corroborate what I am saying—exceeds that amount.

We are trying to salvage the wreckage from this real-estate debacle. After the committee discussed this matter, we sent for the Securities and Exchange Commission in order to get their expert advice, and they told us that the figure we now have written in the bill of $250,000 was too low. They suggested a much higher amount. We finally agreed to compromise on $250,000.

If you attempt to bring it down to $100,000, the administrative machinery which will be necessary to carry this out and the creation of the bureaucracy which will follow will defeat the very worthy purpose of the bill.

I would like to know from the gentleman from Illinois [Mr. SABATH], if the statistics are available, how many genuine real-estate bond issues his committee has under consideration in excess of $100,000 in amount? One of the members speaking for this bill said altogether to date, without any limitation as to amount, there are only 4,000 cases. I understood the gentleman from Wisconsin [Mr. O'MALLEY] to say there were 20,000 cases.

Mr. O'MALLEY. If the gentleman will yield, the gentleman from Arkansas said their were 4,000 cases pending in the courts. That is cases that have come into court on petition under 77B proceedings. There are thousands and thousands of cases that have never gone near the courts, which cases have been operating under a protective committee for years, which we hope by this bill to force in, if possible, under reorganization proceedings.

If you are going to exclude anything under $250,000 you are, of course, going to cut down the work the Commission will have to do; but there are thousands of cases in which a bond issue over $100,000 was issued. If you will read the record of the hearings had before our committee, you will find in there a list of first and second mortgages upon which there were bond issues of $100,000, $150,000, and upward. If we set this figure at $250,000 before they can get in, it will be a very large amount. The gentleman in his own city knows of many apartment buildings in which the equity is $100,000 and there was a $100,000 bond issue placed on the property and those bonds have gone bad.

Mr. TOWEY. My professional experience has been very broad in this particular field. In fact it covered a period of 10 years. I do not think there are that many bond issues that the gentleman speaks of; that is, approximately, 15,000, of around the sum of $100,000.

Mr. O'MALLEY. I said it was my opinion there must be that many in the brackets between $100,000 and $200,000. There may be a great many under that. Let us speak of the ones now between $100,000 and $250,000.

Mr. TOWEY. I have not the basic statistics that probably the gentleman's committee has. I can only give the considered judgment of the Securities and Exchange Commission, which has dealt with this problem, and that Commission states it will be impossible to administer the act if we set such low amount as $100,000.

Mr. O'MALLEY. I may say to the gentleman, if you leave it at $250,000, all of us are going to have to write back to the thousands of bondholders in our respective districts, "It is too bad. Nothing can be done for you under this bill, because the bill only takes in property on which there is a bond issue of at least $250,000."

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY] to the committee amendment.

The amendment was rejected.

Mr. SABATH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Beginning on page 27, line 16, strike out all of subdivision (g) and insert in lieu thereof the following:

"(g) (1) No committee or other person shall solicit, or permit the use of its name to solicit, from any creditor or stockholder of an individual debtor or debtor corporation (A) any proxy, authorization, or power of attorney to represent any such creditor or stockholder in a proceeding involving such individual debtor or debtor corporation, or in any matter relating to such proceeding, or to vote in his behalf for or against, or to consent to or reject, any proposal or plan in connection with such proceeding; or (B) the deposit by any such creditor or stockholder of any securities under a committee agreement; or (C) the acceptance or consent of any such creditor or stockholder to, or rejection of any such creditor or stockholder of, a proposal or plan in connection with such proceeding;

"(2) No petition praying for leave to intervene in any such proceeding filed by or on behalf of any committee shall be granted; and

"(3) In any proceeding involving a debtor corporation, no payment to a committee, or to any member or employee thereof, or attorney therefor, in his capacity as such, of any compensation, reimbursement, or other amounts, for services or expenses incident to the reorganization or in connection with the proceeding, whether or not such payment is to be made by the debtor or by any corporation acquiring the debtor's assets, shall be approved or allowed, unless—

"(i) There have been filed with the Commission the committee agreement under which such committee is acting, or proposing or purporting to act, a statement regarding the membership of such committee and the affiliations of the members thereof and counsel therefor; a statement of the reasons for and the circumstances surrounding the selection of each member of such committee and counsel therefor; and a statement of any changes in such agreement, membership, or counsel made prior to such solicitation, and of the reasons for and the circumstances surrounding such change;

"(ii) The provisions or limitations of such agreement and the membership of such committee, together with any such changes in such provisions or limitations or such membership, have not been disapproved by the Commission, or the action of the Commission disapproving such provisions, limitations, or membership, or any such changes, has been set aside as provided in subdivision (h) (3) of this section;

"(iii) There have been filed with the Commission, at such times as the Commission may direct, but not more frequently than once every 30 days, a statement of the activities, receipts, and expenditures of the committee for the period not covered by previous statements (including, in the case of the first statement, the period since the date of formation of the committee), and a statement showing the securities (including certificates of deposit therefor) directly or indirectly acquired or sold by the committee or any member thereof during such period, the dates of any such acquisition or sale, the amounts paid in pursuance of any such acquisition, and the amounts received in pursuance of any such sale; and

"(iv) There have been filed with the Commission copies of advertisements, letters of solicitation, and all other general communications addressed to depositors either before or after the commencement of the proceeding.

"(4) The statements required by this subdivision to be filed with the Commission shall be in such form, and shall contain such information and documents as the Commission may by rules and regulations prescribe as necessary to enable it to make the findings provided for in subdivision (h).

"(5) Whoever aids, abets, counsels, commands, induces, or procures a committee to violate any provision of paragraph (1) of this subdivision, or in any statement required by this subdivision to be filed with the Commission, to make any untrue statement of a material fact, or to omit to state a material fact required to be stated or necessary to make the statements made not misleading, shall upon conviction be fined not more than $5,000 or be imprisoned for not more than 2 years, or both."

Mr. SABATH. Mr. Chairman, I greatly appreciate the many complimentary statements made about me personally and the acknowledgment of the accomplishments and activities of the select committee, but I assure you I would rather prefer if the House would see fit to adopt the amendment which would actually give the Securities and Exchange Commission supervision and control of these protective committees.

Mr. Chairman, this is the only other amendment I shall offer.

Under the bill as reported by the Committee on the Judiciary, there are no enforcible provisions relating to the regulation of protective committees. The very heart of the amendment now proposed is an attempt to regulate the activities of such protective committees. It is not necessary for me to state how these committees have been organized by the houses of issue. Many of these committees have already obtained hundreds of thousands of dollars of fees. If this provision is not adopted, the chances are the so-called protective committees will collect in fees hundreds of millions of dollars under the depositary agreements, and these sums will all be taken from the residue of the estates or the pieces of property.

I say to you frankly I consider this a very important amendment. You have heard it said there are thousands of cases in the courts, but do you know there are more properties in the hands of the protective committees in cases which have not reached the courts? And over which even courts have no jurisdiction? There are committees which have 300, 400, and 500 properties but have not turned over a single cent of interest to the bondholders for the last 6 or 7 years. They have even failed to pay the taxes, notwithstanding the fact that they have collected tremendous revenues from many of these large and valuable properties.

This provision has the approval of many judges and of many lawyers, and even of Olive G. Ricker, chairman of the standing committee on commercial law and bankruptcy

of the American Bar Association, who wrote me on December 21, 1936, that she feels the former bill should have passed to remedy admitted evils.

Mind you, none of the members of these committees has a dollar of its own invested in these properties, yet they are managing and controlling them. When they get through, they will own the properties, and I fear the bondholders will not receive a single dollar of the money they have invested. The President of the United States has endorsed the principle of this bill, and many judges have written me urging that these committees should be controlled somehow, in some way. I have their letters here, but I am not going to take up your time in reading them.

I regret to differ with the gentleman from Tennessee, Mr. CHANDLER, and with the committee in their statement that the bill as reported by them will protect and safeguard the rights of the people and will control the activities of the protective committees.

I fear that they have been imposed upon by the gentlemen representing the various associations composed of receivers, referees, and special masters, the same as they drafted and advocated the passage of amendments 74 and 77B, and where they finally restricted the provision pertaining to fees.

I am, indeed, pleased that the gentlemen who have spoken on the floor of the House, many of them Republicans and others, came to me the last few days and congratulated me and stated that I am entitled to the appreciation of the House, as well as the country, upon the service I have rendered, but I really would prefer your vote for this amendment even to these complimentary remarks, which, indeed, I do appreciate to the bottom of my heart. Otherwise, I feel my work will not have been completed and not appreciated by the House if it should fail to receive your approval.

I realize that I am at a disadvantage as few Members can be prevailed upon to vote for any amendment that is opposed by the committee reporting a bill, but I again repeat that if the gentlemen of that committee had studied and weighed the provisions in my amendment, they would be honor bound to accept it, thus giving the Securities and Exchange Commission additional power.

Personally, I regret that the Commission felt this would be a great burden to them and too great a task and that the administration would criticize them in going too far, but in view of the Nation-wide interest and that States are unable to cope with the situation and in view of the fact that tremendous sums and many properties could be saved by the Government, that it would tend to eliminate many abuses and reestablish confidence in our courts, I urge that this amendment be accepted.

I regret that due to conditions I have been unable to complete the final report of the committee, but I assure the House that it will be done as soon as time will enable me to submit the consummation of this tremendous task.

Before I close I desire once more to thank the members of the select committee, its counsels, and investigators, and the staff who served so loyally during the committee's 2½ years' investigation in my task to bring about the enactment of legislation that would protect these unfortunate bondholders and security holders to prevent in the future these shameful and outrageous practices that in the past has mulcted our most thrifty and representative citizens of their life's savings.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I direct the attention of the Committee to page 27 of the bill now pending? Beginning with line 16, you will find language which was written by the chairman of our subcommittee in conference with the Securities and Exchange Commission, which is better language, more succinct, and more to the point than the provisions of the amendment which the distinguished chairman of the select committee is now seeking to substitute for the provisions in the bill.

In spite of the fact, which we do not challenge in the least, that some judges may favor what the gentleman from Illinois wants, we submit that it is an abortive attempt to substitute the Securities and Exchange Commission for the United States district judges, and this is not what either the Securities and Exchange Commission or the Committee on the Judiciary recommends to this body. Therefore, we ask you to vote down this amendment. I believe the sanity of this House may be depended upon to vote down this kind of back-door treatment of a bill brought in here in good faith.

May I ask the distinguished gentleman from Wisconsin [Mr. O'MALLEY] if I correctly understood him to say that the reason this bill had taken 2½ years to reach the floor was the influence of some moneyed power, directly or indirectly?

Mr. O'MALLEY. I do not think the gentleman quotes me exactly; but, since he has asked me the direct question, I may state that I said it took 2½ years to get this bill to the floor because there were a lot of people who did not want a bill like this passed.

The gentleman knows, if he was present at the hearings, that the representatives of the bankruptcy committee of the American Bar Association were most strenuously opposed to the original Sabath bill and to the bill which followed it. They spent a great deal of railroad fare in coming down here and presenting many arguments, and in filing many fine briefs of a large number of pages, which I assume cost a lot of money. These people were opposed to a bill like this. We had numerous hearings over a period of 2½ years. Some of the lawyers who came down here and opposed the bill have been tied up with these reorganizations and with the protective committees. If the gentleman wants to verify this he can look at the list of witnesses we have had before us and then look down the roster of the bankruptcy committee of the American Bar Association. These are the influences which were opposed to the bill. They advanced many objections to it and asked that the bill be rewritten.

Mr. HOBBS. What I am asking the gentleman is whether or not he meant to intimate that these forces had played upon the Committee on the Judiciary.

Mr. O'MALLEY. The gentleman knows I would not intimate that. I think the Committee on the Judiciary in its wisdom has brought out a bill which it thinks will solve the problem. I believe the committee has done an excellent job, and I should be the first to praise it.

Mr. HOBBS. I appreciate the gentleman's statement. I did not think the gentleman had such an idea, but I wanted to clarify his former statement so that it might not be misunderstood.

Mr. O'MALLEY. I may say to the gentleman I am sure he will admit that if in certain minor details I do not happen to agree with the committee it is my privilege to offer amendments.

Mr. HOBBS. Of course; and I know the gentleman from Wisconsin is entirely too fair to want to have remain in the mind of any Member of the House such an intimation, which I believe is foreign to his thought.

Mr. O'MALLEY. I am sure the gentleman understands I did not mean to make such an intimation.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Yes, sir.

Mr. DOCKWEILER. Is it possible under the terms of this bill for the Commission to regulate the fees of trustees under the terms of trust indentures, as well as the fees of attorneys, receivers, and others who might be given fees?

Mr. HOBBS. Not at all. The idea of the Securities and Exchange Commission and the idea of all of the proponents of this bill, so far as I know, is that the Securities and Exchange Commission shall act in an advisory capacity to the court having jurisdiction of the pending reorganization, as an investigatorial arm of the court, if you please. This provision is not intended to give the Commission control over the court. It is called in to render its expert service and give its expert advice to the court.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. SABATH].

The amendment was rejected.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: Page 32, line 17, after the word "subdivision", insert a colon and the following: "*Provided*, That in no case shall the fees exceed 10 percent of the gross income of the estate during the time for which said fees are claimed."

Mr. O'MALLEY. Mr. Chairman, one of the things that our investigating committee found to be among the greatest evils of this protective-committee racket was the way in which lawyers and financiers and accountants and everybody else connected with these cases reached their hands into the pockets of the bondholders' estate. We provide in this bill that the Securities and Exchange Commission shall pass upon the fees that these people get out of handling the corpse, which is the defunct corporation.

I propose to limit the entire take of all these gentlemen concerned in reorganization proceedings to 10 percent of the gross income of the property during the time these experts and these great legal minds are administering the property.

There is not anyone in this House who should object to putting a limit upon what these fellows that we are trying to control by this bill take away from the bondholders.

I want to point out that a judge in my State refused to allow fees to any intervener in a 77B case who was not able to prove that he had added something to the estate. Of course, this judge was reversed by the court of appeals, a regrettable decision, in my opinion, on the part of the court of appeals. This judge said that no one who intervened in these cases had any right to reach in and take out fees if he could not show he had added something to the estate.

If my amendment is adopted, it will do one simple thing. It will prevent all those participating in the management of this property or participating in a 77B reorganization from being allowed by the Commission any more than 10 percent of the gross income.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman.

Mr. REES of Kansas. What would the gentleman do in cases where there is no income?

Mr. O'MALLEY. I will tell the gentleman that from the lawyers I met while a member of the special committee, and from the accountants I met, they never take cases of that kind into court, and so I would not worry about that. I know the bondholders do not worry about it.

Mr. REES of Kansas. The gentleman will concede, I am sure, that there may be quite a large amount of value in an estate, but no income.

Mr. O'MALLEY. Then I would say in those cases—and most of them would be where they could not find a lawyer—the bondholder or some small-town lawyer with a bond of his own on the property would usually take care of them, and such cases usually get into the courts if the courts can do any good.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. COLDEN. What is the gentleman going to do about the attorneys and appraisers and receivers of Los Angeles who get $4.75 where the investor gets $1?

Mr. O'MALLEY. I will say to the gentleman from California that is the very reason I have offered my amendment limiting the amount to 10 percent. I do not want to leave it to the Securities and Exchange Commission or anybody else to let these vultures come in with claims greater than that. The Securities and Exchange Commission will have a hard job as it is, and we do not want to add to their work by compelling them to fight with these fellows over fees, which is their principal stake in the racket.

Mr. COLDEN. I may say to the gentleman that I heartily approve of the amendment.

Mr. O'MALLEY. I am pleased that the gentleman approves of the amendment, and I hope I will get more votes on this amendment than I did on the other one.

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word.

I want to ask the gentleman from Tennessee [Mr. CHANDLER] whether he thinks under the terms of this bill there will be produced a reduction in the fees charged by the trustees under trust indentures. I understand that most trust indentures provide that a certain percentage can be charged by them if the estate they have control of goes into receivership, bankruptcy, or the like. Will this bill produce a reduction in the fee that is usually a fixed fee?

Mr. CHANDLER. This bill, in my judgment, will not produce a reduction in that fee. That is a fee which comes out of the amount of money realized by the trustee in the indenture rather than from the estate in reorganization.

The purpose of the gentleman's amendment, as I understand it, is to limit the fees allowed out of the estate in reorganization to a maximum of 10 percent.

Mr. DOCKWEILER. Under the terms of this bill you are not able to touch the regular fee that would be allowed a trustee under a trust indenture for his services under the trust indenture.

Mr. CHANDLER. That is correct.

Mr. DOCKWEILER. That is fixed by contract and the trust indenture.

Mr. CHANDLER. Yes; and in the bill which the Judiciary Committee has reported, the question of indenture trustees is covered, but not in this bill, because this bill deals specifically with two phases of bankruptcy matters.

Mr. O'MALLEY. And the fee of the trustee is covered in the original trust indenture.

Mr. CHANDLER. And the trustee fee in a reorganization proceeding is covered at page 33, paragraph (j), with a maximum of $10,000.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY].

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the Committee amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6963, and that, under House Resolution 300, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BONNEVILLE PROJECT

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7642) to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill H. R. 7642, the Bonneville project, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER.

EXTENSION OF REMARKS

By unanimous consent leave was granted to Mr. SABATH, Mr. DIES, Mr. COLLINS, and Mr. CHURCH to extend their own remarks in the RECORD.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks on the bill H. R. 6963, just passed.

The SPEAKER. Is there objection?

There was no objection.

REVISION OF THE NATIONAL BANKRUPTCY ACT

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 301, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 301

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8046, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. FULLER. Mr. Speaker, before the gentleman from Indiana begins his address will he yield to me?

Mr. GREENWOOD. I yield.

Mr. FULLER. Mr. Speaker, I ask unanimous consent that the provision in the rule for 2 hours of debate be changed to 1 hour.

Mr. MICHENER. Is that satisfactory to the gentleman from Tennessee?

Mr. CHANDLER. That is satisfactory.

The SPEAKER. The Chair suggests to the gentleman from Indiana that he offer such an amendment to the rule, if he desires.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

This resolution from the Committee on Rules provides for the consideration of the revision of the Bankruptcy Act, known as the Chandler bill. This is a very important piece of legislation which a subcommittee of the Committee on the Judiciary has spent much time upon, and as to which I express my appreciation and compliment the gentleman from Tennessee [Mr. CHANDLER] and others of his subcommittee. It deals with a revision of the bankruptcy law which investigation has shown is very much needed. The last bankruptcy bill was passed in 1898, almost 40 years ago, and there have been so many changes in our economic condition and in many features of the law, that many items in the law are obsolete and need severe amendment. There has been a great deal of corruption and of irregularity in the handling of bankruptcy estates in the Federal courts, and committees have demonstrated that the law should be fundamentally amended.

The matter has been investigated by committees of the American Bar Association, by committees appointed by the Federal courts, and by a subcommittee of the Committee on the Judiciary, with the assistance of the Securities and Exchange Commission, and the bill before us undertakes to submit those amendments which seem to be advisable. The bill itself carries many technical features. I believe it would be to the advantage of the consideration of the bill that very little time be taken upon the rule, so that the gentleman from Tennessee [Mr. CHANDLER] and others on the committee may give the information that is desired.

I reserve the remainder of my time.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, there has been a lot of oracular wisdom here this afternoon about an alleged difference between the Chandler bankruptcy bill we are about to consider and the bill which we just passed. It was a beautiful exhibition of statements made upon the basis of hearsay. I heard somebody say that we have learned on reliable authority that the bills are the same, and that the bill just passed was nothing more than an empty testimony to the gentleman from Illinois [Mr. SABATH]. Others said that they had learned from creditable sources that the bills were not alike, so that I am satisfied that there must be some confusion in the minds of Members as to what these bills are. Well, as the gentleman from Wisconsin [Mr. O'MALLEY] would say, let us take down the hair and see. The so-called Sabath bill defines a debtor corporation as one with $250,000 of liabilities represented by at least 10 creditor interests. Then you will find that the word "shall" is used all through that bill, and that any documents filed in a bankruptcy court or Federal court must go to the Securities and Exchange Commission because they are made a party in interest. Along with everything else, this bill we just passed gave the Securities and Exchange Commission the power to actually initiate a plan of organization. You will find it on page 24. Now, let us look through this 250 pages of legal literature that we are going to consider right now. Look on the bottom of page 134 and see what it says. It says that "after the hearing, as provided in section 169 or section 170 of this act, and before the approval of any plan, as provided in section 174 of this act, the judge may, if the scheduled indebtedness of the debtor does not exceed $3,000,000, refer to the Securities and Exchange Commission for an advisory opinion."

In other words, if it is under $3,000,000 indebtedness, the judge may submit the matter to the Securities and Exchange Commission. If it is over $3,000,000, the judge shall do so. But what about all those under $3,000,000, who come within the compass of the $250,000 bracket in the bill we just passed? I have tried as hastily as possible to examine all this literature this afternoon that we are going to adopt after 1 hour of debate, and I suppose we ought to accept it on faith, because, after all, it represents a lot of earnest effort on the part of men who are qualified to do this job of revising the bankruptcy law. But I can find nothing there with respect to the power over committee organizations and limitations upon bondholders' committees.

The only reason I am taking this time is to dissipate the idea that grew up here this afternoon that these two bills are identical, when, as a matter of fact, they are not. The gentleman from Tennessee [Mr. CHANDLER] has stated on the floor in response to questioning of mine earlier this afternoon that there were points of difference with respect to fees and otherwise. Now I find this tremendous difference as far as jurisdiction is concerned, and there must be differences with respect to the power of the Commission over bondholders' protective committees; and that ought to be ample answer to a lot of these oracular statements that were made this afternoon about the previous bill being but a gesture.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. LUTHER A. JOHNSON. As I understand it, this is a reorganization of the entire bankruptcy law?

Mr. DIRKSEN. Yes.

Mr. LUTHER A. JOHNSON. Is the gentleman sufficiently familiar with the bill to tell us whether or not there is anything done in the bill with reference to the limitation of fees and expenses incurred in the administration of bankrupt estates? My experience as a lawyer has been that the costs of administration and the fees allowed on many of the smaller estates that get into bankruptcy have been so large that they have taken up the entire assets of the estate and nothing is left for distribution.

Mr. DIRKSEN. I am in precisely the same position that the gentleman is. My mind, no matter how agile it may be, is bouncing around these 250 pages of assorted ideas, and I want to say it will take weeks of constant, painstaking study before any Member of this House can go through and see what is in that bill, and we are going to have to accept it on faith from the Judiciary Committee.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MAPES. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. FULLER. Is it not a fact that the real-estate bond investigation committee bill was introduced almost 2 years prior to this bill, and it was considered by the Judiciary Committee and favorably passed last year, and also this year, before the bill (H. R. 8046) now being considered was introduced?

Mr. DIRKSEN. I think the gentleman is quite right.

The SPEAKER. The time of the gentleman has again expired.

Mr. GREENWOOD. Mr. Speaker, I offer a committee amendment to the resolution.

The Clerk read as follows:

Amendment offered by Mr. GREENWOOD: Page 1, line 11, after the word "exceed", strike out "two" and insert "one."

The committee amendment was agreed to.

Mr. GREENWOOD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

APPROPRIATION FOR CONSTRUCTION OF SMALL RESERVOIRS UNDER FEDERAL RECLAMATION LAW—CONFERENCE REPORT

Mr. GREEVER submitted a conference report and statement on the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation law, for printing in the RECORD.

REVISION OF THE NATIONAL BANKRUPTCY ACT

Mr. CHANDLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8046, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. CHANDLER. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, it is with a great deal of joy and pride that I address the House in the Committee of the Whole this afternoon. For I wish to pay tribute where tribute is due, to render unto Caesar at least one of the things that are Caesar's—a slight word of praise to one of our most beloved Members. I refer to the distinguished gentleman from Tennessee, Hon. WALTER CHANDLER, who has done a piece of work in the short time he has been a Member of this House the like of which has not been seen in this sphere in 40 years. [Applause.]

This is the first attempt at a general, thoroughgoing revision of the bankruptcy law of this Nation since it was first written as a temporary measure in 1898. Not only has this distinguished expert in the field of bankruptcy law given of himself unstintedly for 2½ years to this work, but in addressing himself to the problem he proceeded in the wisest way imaginable. He summoned to his aid the experts of the Nation on the subject of bankruptcy.

For more than 2 years men like James A. McLaughlin, professor of law, Harvard University, and member of the National Bankruptcy Conference; Watson B. Adair, member of the National Bankruptcy Conference, also chairman of the conference committee of the National Association of Referees in Bankruptcy; David Teitelbaum, representing the bankruptcy committee of the Association of the Bar of the City of New York; Reuben G. Hunt, member of the National Bankruptcy Conference; W. Randolph Montgomery, attorney for the National Association of Credit Men; Jacob I. Weinstein, member of the National Bankruptcy Conference; Charles True Adams, referee in bankruptcy, eastern division, northern district of Illinois; Clarence O. Sherrill, president, American Retail Federation; R. P. Shealey, Washington counsel for National Retail Credit Association; Harry Zalkin, attorney at law, New York City; Harold Remington, attorney at law, New York City; Homer J. Livingston; M. R. Sturtevant, chairman, committee on bankruptcy, American Bankers Association; Commissioner William O. Douglas, Securities and Exchange Commission; Aubrey Barbour; C. F. Baldwin, representing the National Association of Credit Men; Valentine J. Nesbit, referee in bankruptcy, Birmingham, Ala.; Charles Banks, member of the National Bankruptcy Conference; Edwin S. S. Sunderland, member, committee on bankruptcy, American Bar Association, and member of the National Bankruptcy Conference; Alfred N. Heuston, representing the bankruptcy committee of the Bar Association of the City of New York; John Gerdes, chairman, committee on bankruptcy and reorganization, Trade and Commerce Bar Association, New York; Irving L. Ernest, New York; Percival E. Jackson, New York; Hon. Arthur H. Kent, Assistant General Counsel, Treasury Department; Martin Riger, associate attorney, Securities and Exchange Commission; Hon. John C. Knox, United States district judge, southern district of New York; have been giving of their best thought to the subject, and expressing it to the subcommittee. Out of this background has grown this bill—a monument to their devoted, self-sacrificing service.

I do not believe that there is one word in this 290-page bill which has not had the scrutiny of some of the very best minds in that field in America. It is an achievement worthy of unusual note when a bill comes in from that sort of source. And those men back of it have given enough time to the subject really to do the job in a most creditable way. It comes here with the unanimous report of the entire Judiciary Committee. There is no dissent!

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. HOBBS. Yes, sir.

Mr. MARTIN of Colorado. Did these experts have a slant in favor of the debtor, the bankrupt, or in favor of the creditor?

Mr. HOBBS. They had a slant both in favor of the debtor and in favor of the creditor, and diametrically opposed to those vultures who have been hovering around our bankruptcy courts seeking to prey upon both bankrupt and creditor. That has been the pole star which has guided the deliberations of this committee throughout the whole 2½ years of its deliberations. [Applause.]

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Of course.

Mr. McLAUGHLIN. Answering the question just propounded by the gentleman from Colorado, if the gentleman will permit me as a member of the subcommittee, I may state that, as the gentleman from Alabama well knows, creditors and debtors both have appeared before the committee. The hearings have been open to all parties interested in the subject of bankruptcy in any way, and there has been no restriction whatsoever, no attempt to curtail testimony. The hearings have been fair in every respect.

Mr. HOBBS. I thank the distinguished gentleman from Nebraska, a valued member of our committee and of the subcommittee on bankruptcy, for that statement, which is absolutely true.

Please let me point out one of the provisions of this admirable bill, which expands the law to cover a long-felt need. It charges the courts with the duty of acting as the fiscal agents to delinquent wage earners who wish to pay their

debts in installments. It gives such debtors a stay of proceedings, a living allowance to their families meanwhile, an equitable distribution of the remainder of their earnings to their creditors, and a chance to avoid the stigma of bankruptcy.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly.

Mr. ROMJUE. I would be very glad if the gentleman would point out the specific instances in which the present law is changed.

Mr. HOBBS. It would be utterly impossible. I assure the gentleman from Missouri, Judge ROMJUE, I would love to do anything I could, but in a bill of this magnitude, within my limited time, it is utterly impossible. I suppose there have been not fewer than 1,000 changes.

This poor man's relief that we have set up in the bill particularly addresses itself to my sense of justice.

There are thousands of wage earners all over this land who desire to pay their honest debts but who cannot. For the first time we have the machinery set up in this bill whereby a court order is issued to stay all creditors' actions against a wage earner. A hearing is had, he sits at a table with his creditors and the judge, and they decide how much he and his family need to live on during the pendency of the settlement, and then in the most friendly way they arrive at how much he can pay into the treasury for the benefit of his creditors, to be distributed week by week. That has been done under a voluntary system that has grown up in Birmingham, Ala., under the blessing of the late Judge Grubb and the directing hand, brain, and heart of Judge Valentine J. Nesbit, where in some 2,000 cases it has worked out and the creditors have gotten dollar for dollar of what was due. In practically all of these cases bankruptcy has been avoided.

Mr. FISH. Mr. Chairman, I make the point of order that a quorum is not present. This is a monumental bill and the Members should be here during its consideration.

The CHAIRMAN. The Chair will count. (After counting.) One hundred and six Members are present, a quorum. The gentleman from Alabama will proceed.

Mr. HOBBS. Another feature of this bill which further illustrates the spirit in which the problem has been approached is this: Since 1898 we have run along with a very foolish proviso in our bankruptcy law which stipulated that a bankrupt could not apply for a discharge at the time he filed his petition nor unless he made the application within 11 months.

The result has been, although very few people know it, that about half of those who file petitions in bankruptcy never are discharged from their obligations; and discharge is the only purpose of going into bankruptcy. We have taken the sane and sensible view, wiped out those restrictions, and provided that in his initial petition the bankrupt may apply for his discharge, which will be granted in due and ancient form, in due season. So, throughout this bill you will find instance after intance where expert advice has smoothed the way to justice and paved the paths to peace. We have the honor of presenting for your consideration today the most finished piece of legislative workmanship of modern times.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. HOUSTON. I wish to compliment the chairman of the subcommittee and the chairman of the Committee on the Judiciary for bringing in this bill, and to state that I have received over 100 letters from the State of Kansas, all for this bill, not one against it.

Not one letter have I received against it. It is the first bill of major importance to which I have not heard some objection. My constitutents have long since made up my mind how I should vote on this bill.

[Here the gavel fell.]

Mr. CHANDLER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOBBS. Mr. Chairman, I want to say in conclusion that I hope this bill has been studied and that the exemplary report of the bill by the committee has been studied, and that the House is ready to put its sanction upon the very splendid work of the distinguished gentleman from Tennessee [Mr. CHANDLER], and all of his estimable colaborers, to whom I believe we owe a sincere vote of thanks, not only for ourselves, but for all debtors and creditors, of every size and description. The gentleman from Tennessee has done a big job well. I hope he may find that the lasting gratitude of this House, this Congress, and of the Nation is his. [Applause.]

[Here the gavel fell.]

Mr. CHANDLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am really very much overwhelmed by what my good friend the gentleman from Alabama [Mr. HOBBS] has just stated. It is not deserved, therefore I am not going to pay serious attention to it. Of course, I appreciate his remarks and am appreciative of any statement of that kind. You know, he and I are twins, in that we were born on the same day in the same year, and I am proud to call him brother.

This is not my bill in any sense of the word, but, on the contrary, is the work of the House Judiciary Committee extending over a period of 4 or 5 years. It happens to have my name attached to it because when I came to Congress I introduced a bill to provide for a poor man's bankruptcy proceeding whereby a wage earner could pay his debts without being harassed by garnishments and attachments, similar to the law which the State of Wisconsin has recently passed, and somewhat along the line of that law. When I introduced that bill the chairman of the Committee on the Judiciary gained the impression I was active in the practice of bankruptcy law and assigned me the responsibility of working on this bill. That is how I happen to have the responsibility, and since that time, over a period of two and a half years, I have given some time and attention to the matter, with the active assistance of one of the most efficient committees in the House, the subcommittee on bankruptcy of the Judiciary Committee. It is as fine a body of men as I have ever worked with, just like this Congress.

The subject of bankruptcy is neither a pleasant nor an agreeable one, but this bill represents the discharge of an obligation of Congress, because the Constitution places on Congress the responsibility for passing uniform bankruptcy laws applicable all over the country. The States deprived themselves of the same right when they adopted section 10 of article I of the Federal Constitution providing that no State shall pass any law impairing the obligation of a contract. Bankruptcy is an impairment of such an obligation, and the right of impairment is given exclusively to Congress and, well, the Almighty. The States took from themselves the right to do what Congress can do; therefore you will see this bill is an effort to discharge one of the exclusive functions of the Congress.

This bill is a general revision of the act of 1898, passed nearly 40 years ago. Conditions have changed materially, and I need not tell you that. Many of the conveniences we are accustomed to at the present time were not in existence in 1898. There have been amendments to certain sections of the bankruptcy law at various times, but no substantial ones until the amendments of 1926, and the amendments required by the depression in 1932 and 1933, when the new concept of bankruptcy, that is, reorganization in bankruptcy, was introduced and became a part of the law of bankruptcy by sections 77, 77B, and 80.

Mr. Chairman, we have taken the Bankruptcy Act of 1898, as amended, and have gone through it paragraph by paragraph and have brought it down to date, so to speak, by modernizing its present sections. We did not change the section numbers, because the decisions of the courts refer to the existing sections of the act, and if we changed the section numbers it would encumber the work of the student, the lawyer, and the judge to a very serious extent and upset precedents and judicial construction. While this bill appears voluminous, so far as the number of sections are concerned, as you will see by the report, which is comprehensive, only a few words are changed in certain sections.

For example, we have brought into the bankruptcy court jurisdiction in admiralty proceedings, which never existed before, and which by reason of conflict of decisions has caused a good deal of confusion in the law.

We have taken the definitions in the first two sections and have brought them down to date, and also added new definitions, such as that of "relatives" to determine who are relatives within the provisions of this law. We have also tried to avoid the overlapping of certain acts of bankruptcy, the third and fourth acts of bankruptcy, for example.

We have tried to increase efficiency in the administration of bankruptcy by hastening the conclusion of proceedings, so that a man may be rehabilitated quickly. As the gentleman from Alabama has pointed out, as a fair sample of the work we have tried to do in this bill, we have provided that when a man files a voluntary petition in bankruptcy along with that petition goes an application for discharge from the obligations that he has scheduled in the bankruptcy petition, and, of course, all his debts have to be scheduled in the petition. Heretofore, a man would file a petition for adjudication in bankruptcy and would not be allowed to file an application for discharge for 30 days after adjudication, and then must do so within 12 months. In the meantime he would go off to the outside world, thinking he had cleared himself of his overburdening obligations.

In the course of 12 months, those obligations would rise up and haunt him, and this is particularly disastrous to the poor man. Now we have, as a part of the petition in bankruptcy itself, attached an application for discharge, and unless there is objection and a hearing following objection, the bankrupt is automatically discharged from his debts. This is a progressive step, especially as the whole purpose of bankruptcy is a discharge from the bankrupt's debts. The time has been shortened for meetings of creditors. Provision has been made for filing of schedules and statements of the assets and liabilities of the bankrupt prior to the first meeting. This applies particularly to business concerns where creditors have an interest in determining whether or not it is an entirely honest proceeding, with full disclosures.

We have gone through all of the procedural sections of the act and have tried to improve them and bring them down to date also. We move much faster than those of 1898. We have avoided trying to take sides with any group, any set of people, any association, or any organization desiring to further its own purposes. We have endeavored to protect the estate of the bankrupt against exorbitant fees and compensations. We have provided very strict regulation and control of the hearings to determine the reasonableness of fees which are allowed out of bankrupt estates. We have provided also steps to minimize evasions by bankrupts who do not want to be honest and who do not want to turn over their assets and their property, for the benefit of their creditors, as the law requires every bankrupt to do. A great many people have used the bankruptcy court as a fence to avoid their just obligations. We have tried to make this impossible, but at the same time have tried to protect and give a clean bill of health to the honest bankrupt who is overburdened by his obligations, and particularly to those whom this depression has overburdened, in order that we may give them a new, a fresh, and a clean start in life.

Not all the sections of the Bankruptcy Act have been changed. There are some sections which remain as they were, but those which have been changed have had to be rewritten in full, and this has added to the length of the bill. There are approximately 79 sections of the Bankruptcy Act. A few of these have been declared unconstitutional, but in general, this is about the number. In working out this new conception of bankruptcy known as reorganization in bankruptcy, we adopted the expansive system of numbering, which has been in effect in Congress for a number of years but has not been called into use, as I understand it, since the present Federal code was adopted. The system was put into effect to enable convenient changes and additions to laws with the passage of time. Therefore, after going through the old act section by section, we set about writing the reorganization or composition sections by the new method; that is, the section which is known as the section on corporate reorganization has been written so as to be in short sentences and simplified so that any person may take the chapter and read it instead of having to go through a quadratic equation in algebra in finding 1a2, 2a3, 3b1, and problems of that kind. We have tried to make the new law so plain that anyone can read and understand it.

Section 77B is the new chapter X and begins with section no. 101, and goes through section 276. Then we skip section numbers and go to section 301, and there we take up chapter XI, individual arrangements. Then we go another 100 sections and take up real-property arrangements. Then we begin the wage-earner proceeding at section 601.

There is not a single part of this work of rearranging the affairs of corporations and individuals that does not have particular requirements to meet each situation. The purpose is that those who seek the benefits of the charters, under proper hearings and consideration, may retain their property, readjust their obligations, and continue in business without entire loss of capital. The public has an interest in saving a valuable business and those employed in it.

This is a long bill and, of course, a great deal of work had to be done on it. It is something which Congress has to do, something which possibly should have been done a number of years ago. The Congress has tried ever since 1929 to complete study of this subject and has carried on extensive investigations and hearings to try to bring the law down to date. We are simply meeting the obligation of the Congress to provide efficient, fair, honest, and up-to-date bankruptcy statutes for those who are entitled to their benefits.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Missouri.

Mr. ROMJUE. Under the present law, once the bankrupt has begun the procedure, after the lapse of a certain length of time he may file his application for discharge?

Mr. CHANDLER. The gentleman is correct.

Mr. ROMJUE. As I understand the gentleman's explanation, the procedure now, which I think is quite an improvement, is that the bankrupt makes his request for a discharge at the same time he puts in his application?

Mr. CHANDLER. That is correct.

Mr. ROMJUE. Now, this is automatic——

Mr. CHANDLER. Yes.

Mr. ROMJUE. But how much time must elapse before action can be taken?

Mr. CHANDLER. Action can be taken promptly unless there is objection.

Mr. Chairman, the bill is not as radical as some would have it, nor as conservative as others would wish. It is a composite, and deals with the subject from every viewpoint—the court and its administrative officers, the bankrupt, the creditor, the debtor, the public, and the economist. The House Judiciary Committee has written the report so that each section is explained, each change pointed out, and each new provision covered, and we earnestly hope and believe that the bill will meet the approval of the House.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am not going to take any time explaining this bill. It is technical and no superficial explanation will be very helpful. The gentleman from Tennessee [Mr. CHANDLER] has stated the objectives and it would take several hours to discuss all of the bill's provisions. However, I do want to call the attention of the House to the committee report. This report is a valuable document, and I suggest that Members get copies of the report and the bill and send to attorneys practicing bankruptcy law in your districts. In my time in Congress—and I think I have been tolerably diligent—I believe I have never seen accompany a bill a report so complete in every detail. The report will not be readily understood by those not familiar with the bankruptcy law,

but one having any knowledge of the bankruptcy law will appreciate it.

The bankruptcy law is entirely different today from what it has been. A new concept of bankruptcy has been accepted during the last 4 or 5 years. The constitutional powers have been liberalized. In fact, permanent insolvency is not an essential before the protecting check of the bankruptcy court is available to the harassed debtor. The theory now is to conserve rather than liquidate the estate, give the debtor a chance to work out his financial difficulties and not destroy his business. No longer is it necessary to seek a discharge from one's debts, but a compromise can be worked out that is more advantageous to all concerned. Today bankruptcy under the law and under the holdings of the Supreme Court may mean composition. It means that which it did not mean at all a few years ago. It means that when financial evil days come upon one he may seek the aid of the bankruptcy court of the United States, and by this method may keep his creditors at bay until he has had time to regain his financial equilibrium. Possibly he may remain in possession of his property until his creditors are brought to a realization of the fact that perhaps there is more in it financially for them and that it is better for the bankrupt and for the country if the bankrupt is permitted to continue in his business and the creditors compromise their claims. This is what bankruptcy is today.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. MASSINGALE. I am just a little interested in what happens under the new provision of the law to the owner of the estate where bankruptcy proceedings have been begun in this respect. When you undertake to carry on the business of an individual, as you do corporate business in bankruptcy, does the individual himself manage it or do you turn it over to some trustee or conservator, or how do you take care of it?

Mr. MICHENER. It is taken care of by proper officers under the direction of the court. That was a very controversial question in the committee, and I believe that the bill provides the best solution.

I hope this bill will pass. I hope it will pass unanimously and at once, because it is a bill that should not be amended on the floor. No technical measure should be. This bill has the unanimous support of every member of the committee. Of course, the bill is a composite, and necessarily represents some honest compromises. There is not a dissenting idea, as I take it, about the passage of the bill—something that very seldom happens—and as suggested by the gentleman from Tennessee [Mr. CHANDLER], this is the fruition and the work of not only days and months, but of several years of honest toil by those honestly interested in a good bankruptcy law, that is, not only those in Congress but out of Congress as well. The only group who was not officially represented and did not officially sanction the bill was the bankrupt himself, and I believe the Judiciary Committee has taken very good care of that particular individual.

I want to join in complimenting our subcommittee chairman. He is entirely too modest. To the worker belongs the credit. This is the Chandler bill. That gentleman knows every word in the bill and he knows its relation to the rest of the bill. I have been pleased to cooperate. Work of this nature is not spectacular, yet it is most important. Writing a formula for the reorganization of industry in times of distress is a fundamental task. [Applause.]

Mr. CHANDLER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, during the course of the discussion of the last bill, as well as the present one, mention was made of the quashing of indictments against officials connected with the Philadelphia Co. for the Guaranteeing of Mortgages.

I do not know whether or not it was intended to reflect on the honesty, ability, or the integrity of the United States attorney or the representative of the Department of Justice who recommended to the court that the cases should be nolle prossed, but I wish to state that I think the nolle prossing of these cases was a great exhibition of courage. It was not an easy thing for these men to subject themselves to the sort of criticism they must have known their action would bring not only from certain Members of Congress but from the people who suffered losses as the result of the failure of the Philadelphia Co. for the Guaranteeing of Mortgages.

Recently the Philadelphia Record, editorially, commented upon the nolle prossing of these cases. I do not believe anywhere in America there is a more liberal newspaper than the Philadelphia Record, and I do not believe there is another newspaper in the United States that has been more zealous in its efforts to safeguard the interests of the common people and lead any fight for decency in Government and its institutions, and when that great newspaper comments, as it did, upon this nolle prossing, I think the criticism that came here today is entirely unwarranted.

For one I wish to take this opportunity of commending the courageous Assistant Attorney General, the Honorable Brien McMahon, and the United States attorney for the eastern district of Pennsylvania, the Honorable J. Cullen Ganey, in seeing that justice was done to the citizens who were indicted for purely technical violations of the laws committed in an endeavor to keep the company going during the chaotic period through which we were passing. They are not persecutors. They, indeed, are representatives of all of the people and are entitled to a great deal of credit. [Applause.]

The CHAIRMAN. If no further time is desired to be used, the Clerk will read the bill for amendment.

The Clerk proceeded to read the bill.

Mr. HOBBS. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. SABATH. Mr. Chairman, reserving the right to object, may I ask the gentleman a question? Although I have endeavored to familiarize myself with the bill, unfortunately I have been so engrossed in other work, as the gentleman knows, that I have been unable to find the provision relative to the restriction of fees in the present Bankruptcy Act. The present Bankruptcy Act restricts the fees in all bankruptcy proceedings. Has any change been made in that respect?

Mr. HOBBS. No change whatever.

Mr. SABATH. Those restrictions remain?

Mr. HOBBS. The same restrictions; yes.

Mr. SABATH. And do they apply also to the new provisions of the bill that have been added to the old act?

Mr. HOBBS. Yes.

Mr. SABATH. The provision would apply to all of them?

Mr. HOBBS. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 8046, and pursuant to House Resolution 301, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question was ordered. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by me over the National Broadcasting system.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

COMPENSATION OF CUSTODIAL SERVICE, POST OFFICE DEPARTMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7415) to authorize payment of compensation to head charwomen, charwomen, and charmen of the custodial service of the Post Office Department, included in the Connery amendment to the Treasury and Post Office appropriation act (H. R. 4720) for the next fiscal year, and for other purposes, which I send to the desk and ask to have read.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That authorization be granted the Fourth Assistant Postmaster General to compensate all head charwomen, charwomen, and charmen of the custodial service of the Post Office Department $60 each in 12 consecutive monthly payments in addition to their regular hourly compensation for the next fiscal year, which sum has been included in the Connery amendment to the Treasury and Post Office appropriation act (H. R. 4720) and approved by both Houses.

This act shall apply to all head charwomen, charwomen, and charmen who have been regular employees of the custodial service of the Post Office Department since July 1, 1936.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That notwithstanding any provision of the Classification Act of March 4, 1923, as amended, the rate of pay for charmen and charwomen in the custodial service of the Post Office Department shall be 55 cents per hour, and the rate of pay for head charmen and head charwomen shall be 60 cents per hour, effective upon the passage of this act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department."

EXTENSION OF REMARKS

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks on the bill H. R. 8046, passed this afternoon.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATION OF JURISDICTION, PROCEDURE, ETC., OF UNITED STATES COURTS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 287, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 287

Resolved, That the Committee on the Judiciary, as a whole or by subcommittee, is authorized and directed to investigate the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court; the jurisdiction, both as to territory and subject matter; the procedure; rules of practice; and costs.

The committee shall report to the House during the present Congress the results of its investigation, together with such recommendations for legislation as it may deem advisable.

For the purposes of this resolution, the committee or any subcommittee thereof is authorized (1) to sit and act during the present Congress, at such times and places within the United States as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned; (2) to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it may deem necessary; (3) to issue subpenas under the signature of the chairman of the committee, or any member designated by him which shall be served by any person designated by such chairman or member; and (4) to administer oaths to the witnesses, respectively, by the chairman or any member of any committee acting hereunder.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I did not understand the gentleman's request.

Mr. CHURCH. Mr. Speaker, I object. Let us know what this is.

Mr. HOBBS. Mr. Speaker, will the gentleman reserve his objection?

Mr. CHURCH. Mr. Speaker, I reserve the objection.

Mr. HOBBS. Mr. Speaker, this resolution is one that grew out of the routine work of our Committee on the Judiciary. It authorizes the investigation of the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court—the jurisdiction, procedure, rules, and costs. It speaks for itself. Many petitions have been filed with the Committee on the Judiciary for investigations which we do not care to make as a pointed thrust at any one man. There is a widespread dissatisfaction with the cost systems of the various Federal courts. Some of them are excessively high, and it is thought that a thoroughgoing survey of the cost structure employed in various sections of the United States might be very beneficial in the administration of justice. Again, it is thought that a survey of the territorial jurisdiction of the several courts might be made with great profit, laying the predicate for a more convenient and equitable division of the work.

This has nothing whatsoever to do with anything that is controversial in the minds of our committee. We have a rule from the Committee on Rules under which we might have brought this up this afternoon, but we thought it a matter so noncontroversial that there would be no objection. Therefore we asked unanimous consent for its consideration.

Mr. CHURCH. Mr. Speaker, still reserving the right to object, this is a matter concerning our courts. That is a matter that has been very vitally discussed lately. I am going to object so that we can study the matter more fully and know what is in the resolution brought in so suddenly. It certainly should not be considered this late in the day, with so few Members here, under a unanimous-consent request.

Mr. MICHENER. Mr. Speaker, will the gentleman yield for a moment?

Mr. HOBBS. Certainly.

Mr. MICHENER. I think that possibly the statement of the gentleman from Alabama [Mr. HOBBS] might be just a little difficult to understand. If it is the purpose of this bill to do what the gentleman says it is, namely, to investigate a judge without pointing the finger at him directly, then I am opposed to it, because I am not in favor of setting up any permanent "smelling" committee to go around investigating the conduct of judges and the judges not know about it. If that is the purpose, then I am absolutely opposed to it.

If the purpose of the bill is to make a study as to what changes in procedure are necessary, as suggested in the latter part of the gentleman's argument, then I may favor it; but, of course, I did not know it was coming up, although I am a member of the committee, and I am wonderfully surprised if we are embarking upon a policy of setting up a permanent investigating committee in the Judiciary Committee, which will necessarily be required to be furnished with money—and, if it is not in this resolution, it will be followed with a request for an appropriation—to carry on the work of this "smelling" committee, if that is what it is.

I want to study procedure. I want to get at these things, but if we are going to impeach a judge, if we are going to judge his acts and what he is doing, I think we should point the finger at him, and I think we should call the attention of the country to it, and I think we should investigate it, but I do not think we should have any investigators or men of that type out in the country going from place to place, investigating a judge, and he not knowing anything about it and no one else knowing anything about it except some dis-

gruntled litigant, and the investigation controlled and limited only by the good judgment and discretion of the Judiciary Committee, which committee's judgment is always good and which committee's discretion is always wise, but some time there may be a committee where they do not use proper discretion.

Mr. HOBBS. In answer to the gentleman's contention I would like to state that I did not know it was coming up this way myself until a few minutes ago. I thought it would come up in the regular way under the rule, but in answer to the gentleman's objection I will say that I think the Judiciary Committee of this House may be safely trusted to interpret this resolution in the safe and sane way the House wishes it to be interpreted. In regard to the money that may be appropriated, I wish to say that the conservation of money is one of the most prideful facts in the record of the Judiciary Committee. Out of eight resolutions, I think, authorizing that committee to make investigations during the chairmanship of the present incumbent, the Honorable HATTON W. SUMNERS, $35,000 has been appropriated to that committee carte blanche, and only $18,000 has been expended. Over $16,000 has been left in the Treasury. I think that is worthy of mention to the House in this connection.

Mr. SNELL. Reserving the right to object, Mr. Speaker.

The SPEAKER. Is it the purpose of the gentleman from Illinois to object?

Mr. CHURCH. Yes, Mr. Speaker; it is.

Mr. HOOK. Mr. Speaker, the regular order.

The SPEAKER. The regular order has been demanded. Is there objection?

Mr. CHURCH. Mr. Speaker, I object.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitutional Sesquicentennial Commission, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. KELLER, Mr. SECREST, and Mr. TREADWAY.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, but not on the Jefferson Memorial at St. Louis.

The SPEAKER. The Chair will state that, under a previous order of the House, the gentleman from Texas [Mr. MCFARLANE] is entitled to be recognized for 30 minutes. Unless the gentleman from Texas yields for that purpose, the Chair does not feel he should entertain the request of the gentleman from Kansas at this time.

The gentleman from Texas [Mr. MCFARLANE] is recognized for 30 minutes.

RADIO MONOPOLY MUST BE CURBED

Mr. MCFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MCFARLANE. Mr. Speaker, on July 19 I appeared on this floor and condemned a situation which had all the earmarks of a conspiracy on the part of the Columbia Broadcasting System and the officials of the New York Stock Exchange to swindle the investing public. Before delivering that speech I addressed an inquiry to the Securities and Exchange Commission, asking whether the present law was adequate to protect the public or whether additional legislation was necessary. Their reply is indeed significant. This letter is as follows:

As your letter implies, this Commission has no power to deny an application for registration of securities on a national securities exchange when such application contains a full and accurate statement of the information called for by the appropriate registration form and when the exchange upon which registration is sought has certified to the Commission that the issue has been approved by the exchange for listing and registration.

In this particular case I may say that the application was filed with the Commission on June 7, 1937, and that certification by the New York Stock Exchange was received by the Commission on July 2, 1937. Under section 12 of the Securities Exchange Act of 1934, as amended, registration becomes effective 30 days after receipt by the Commission of the exchange's certification—unless the Commission in particular cases acts to shorten this period—so that in normal course the registration may be expected to become effective on August 1, 1937.

The foregoing will perhaps answer your specific inquiry as to the nature and extent of this Commission's powers with respect to applications for registration of securities on national securities exchanges. The broader question presented by your letter, as to whether the mechanics established by the Securities Exchange Act for the protection of the investing public are adequate to their purpose, is less easy to answer. Certainly the basic theory of the registration requirements of the act is that publicity of itself is a great purifier. No more apt statement of this view can be made than that of the House Committee on Interstate and Foreign Commerce in its report on the Securities Exchange Act of 1934:

"No investor, no speculator, can safely buy and sell securities upon the exchanges without having an intelligent basis for forming his judgment as to the value of the securities he buys or sells. The idea of a free and open public market is built upon the theory that competing judgments of buyers and sellers as to the fair price of a security brings about a situation where the market price reflects as nearly as possible a just price. Just as artificial manipulation tends to upset the true function of an open market, so the hiding and secreting of important information obstruct the operation of the markets as indexes of real value. There cannot be honest markets without honest publicity. Manipulation and dishonest practices of the market place thrive upon mystery and secrecy. The disclosure of information materially important to investors may not instantaneously be reflected in market value, but despite the intricacies of security values truth does find relatively quick acceptance on the market. That is why in many cases it is so carefully guarded (H. Rept. No. 1383, 73d Cong., 2d sess., p. 11)."

This letter is signed by the Assistant General Counsel.

WHY DID LEHMAN KNIFE ROOSEVELT?

You will recall that immediately following favorable action on the part of the officials of the New York Stock Exchange to list this Columbia Broadcasting System stock, Governor Herbert Lehman, of New York, supposedly a close friend of President Roosevelt's, without the slightest warning, issued a bitter denunciation of the attempt to liberalize Federal court procedure. It may be significant to learn, as printed in the Washington Merry-Go-Round, July 26, 1937, that—

Behind Governor Lehman's blast against the Supreme Court bill was his wife, the former Edith Altschul.

Mrs. Lehman is the sister of Frank Altschul, member of Lazard Freres, international bankers, and chairman of the listing committee of the New York Stock Exchange. Partly because of the influence of her brother, she always has been cool toward the New Deal.

Those who entered into this apparent conspiracy to loot the public by unloading upon the investor securities in this company at a valuation in excess of more than $50,000,000, apparently have received sufficient assurance from those in control of affairs at Washington, that since January 2, 1937, or about the time that our late colleague, Billy Connery, presented a resolution for an investigation, they have advanced the value of the securities of the Columbia Broadcasting Co., as shown by supposed market values, from $42,616,700 in January 1937 to $52,140,100 on July 27, 1937. The figures which I have quoted herein have been furnished by the Securities and Exchange Commission.

Several Members of the House, following my address of July 19, seemed unable to believe that this radio monopoly, which is wholly dependent upon its holding of broadcasting licenses issued by the Government for earnings, had invested, as I stated, less than $1,600,000 in cash and had paid in dividends, since 1931, almost eight millions of dollars.

However, the S. E. C., in a letter of July 27, 1937, states that the actual cash investments in this company, since its creation, was $1,540,000.

SABOTAGING THE NEW DEAL PROGRAM

The public press indicates that Congress is about to adjourn. When we return in January we will then possibly be asked to lock the door after the horse thief has emptied the barn.

It appears that the public is about to be looted again. What is Congress going to do about it?

CONCENTRATION OF WEALTH

On Tuesday, June 15, my colleague from Texas, Mr. PATMAN, in a very fine and carefully prepared speech traced the concentration and control of wealth into the hands of a few banks. Not only is the wealth of the Nation controlled by a handful of individuals situated in Wall Street, but the very molding and controlling of the public mind also resides in this citadel of wealth and under their control.

R. C. A. CONTROL A WALL STREET DIRECTORY

An analysis of the board of directors of the Radio Corporation of America bears witness to the correctness of the remarks of my colleague from Texas, Mr. PATMAN.

Gen. James G. Harbord is a Morgan representative on the board of the Radio Corporation of America and is also a director of the Morgan-controlled Bankers Trust Co. Newton D. Baker is legal adviser to many of the Morgan-controlled utility companies. Cornelius Bliss is a member of the firm of Bliss, Fabyan Co., a Wall Street firm, and is also a director of the Morgan Bankers Trust Co. The elder Bliss was for many years treasurer of the Republican National Committee. Arthur E. Braun, of Pittsburgh, is president of the Mellon Farmers Depositors National Bank, one of whose directors is A. M. Robertson, chairman of the Westinghouse Co.

Bertram Cutler is listed in Poor's Register of Directors as being connected with John D. Rockefeller interests. Edwin Harden, the brother-in-law of Frank Vanderlip, is a member of Weeks & Harden, a Wall Street firm. Dewitt Millhauser is a partner in Speyer & Co., underwriters of utility issues. Frederick Strauss represents J. W. Seligman & Co., a Wall Street firm. James R. Sheffield is a corporation lawyer, a former president of the Union League Club and the National Republican Club. As a former Ambassador to Mexico he used his political connections with the Hoover-Coolidge State Department to get concessions for R. C. A. in South America.

C. B. S. CONTROL DITTO

Although the control of the Columbia Broadcasting System is supposedly a Paley family affair, the bankers are not without influence.

When the Columbia network was purchased back from the Paramount Picture Co., the representatives of the financiers who put up the money for this purchase were added to the board. In return for the cash which the bankers put up they received approximately 50 percent of the Columbia Broadcasting System's class A stock. These banking interests were Brown Bros., Harriman & Co., W. E. Hutton & Co., and Lehman Bros. The members of the board of directors who represent these bankers are Prescott S. Bush, partner in Brown Bros.; Joseph A. M. Iglehart, partner in Hutton & Co.; and Dorsey Richardson, of Lehman Bros.

WAS RADIO TRUST EVER DISSOLVED?

At this point I should like to say something about the Radio Trust formed by R. C. A., General Electric, Westinghouse, A. T. & T., et al., and which was supposedly dissolved by the Government in the notorious consent decree of 1932.

As early as 1930, 2 years before the decree and during the Government's suit against the Radio Trust, a Member of this body and now a member of the Federal Trade Commission, recognized and spotted what now gives the appearance of the beginning of the "Hoover sell-out" in this decree.

Permit me to read to you from a speech by the Honorable Ewin L. Davis, made here on June 19, 1930:

> However, a strange and disappointing feature of this suit is that the petition does not clearly cover the Radio Trust monopoly in the communication field, and furthermore, two companies whose contracts and conduct clearly aline them with this powerful Radio Trust, and who were specifically charged by the Federal Trade Commission with being members of this monopoly, are conspicuous by their absence, as defendants.
>
> One of these members of the Radio Trust is the United Fruit Co., with assets of about $250,000,000. The United Fruit Co. also has a virtual monopoly of the banana business in this country and in Europe. It has powerful influence in Washington. It operates a fleet of ships, primarily for the transportation of its bananas; many of these ships are operated under foreign flags and with alien crews.
>
> This company desired some valuable ocean-mail contracts, and with the aid of two other hybrid shipping companies and of the Postmaster General, who eagerly rushed to their rescue, succeeded in having chloroformed the bill which very properly provided that no ocean-mail contract should be awarded to any company operating foreign-flag ships in competition with American-flag ships, after such bill had been unanimously reported by the Committee on Merchant Marine and Fisheries, a resolution for its consideration had been unanimously reported by the Committee on Rules, and it had passed the House without a dissenting voice or vote. While this bill was still pending in the Senate committee, the United Fruit Co. succeeded in inducing the Postmaster General to award it three valuable mail contracts amounting in the aggregate to about $9,000,000. This unseemly haste notwithstanding the fact that performance under two of said contracts was not commenced for about 3 years, for the very good reason that the United Fruit Co. does not now have adequate American ships to perform the service.
>
> Great is the Radio Trust! Great is the banana monopoly! The other member of the Radio Trust not included among the defendants in this suit is the International Telephone & Telegraph Co., with assets of $389,914,333, which has an agreement to buy the Radio Trust foreign communication services worth about $15,000,000, for $100,000,000 worth of stock in said International Telephone & Telegraph Co., if and when Congress can be induced to so far forget the public interest as to repeal section 17 of the Radio Act of 1927, which prohibits such a monopoly. The Radio Trust has for more than a year been disseminating false propaganda and exerting strenuous efforts to effect the repeal of said section, but has made no appreciable impression upon the Members of Congress.
>
> Not only are these two companies omitted from the defendants in the Government suit, but likewise the communication subsidiaries of the Radio Corporation of America, particularly R. C. A. Communications, Inc., and the Radio Marine Corporation.
>
> No explanation has been offered as to why these members of the Radio Trust were omitted. Surely the Department of Justice does not wish to safeguard this monopoly against the very salutary provisions of section 13 in the Radio Act of 1927, which directs that the licensing authority shall refuse a radio license for broadcasting, commercial communication, or other purposes, to any corporation which has been adjudged guilty by a Federal court of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or by any other means, or to have been using unfair methods of competition. This provision of the radio law is self-enforcing. However, immunity from its provisions continues so long as the violator of the law is not adjudged guilty, notwithstanding the fact that the members of the Radio Trust are daily and flagrantly violating the laws. These omitted companies hold licenses for the use of hundreds of most valuable wave lengths in the field of both domestic and international communication.
>
> Furthermore, it is admitted that the Radio Corporation of America and its communication subsidiaries have an absolute monopoly in international radio service between this and foreign countries. David Sarnoff, vice president and general manager of the Radio Corporation of America, testified before the Committee on Merchant Marine and Fisheries "that the international radio service is a natural monopoly and should be." Owen D. Young, the leading figure in the Radio Trust, has several times given utterance to similar sentiments.

Before the consent decree, R. C. A., who, under the illegal cross-licensing agreement with A. T. & T. et al., controlled the patents to radio-equipment manufacture, began to issue licenses to others—probably with the idea of convincing the Government and the public that they were not such a bad trust. But, after the consent decree, I have learned of no licenses for radio-set manufacture that were given by R. C. A.

THE PUBLIC PAYS

When the Government seemed to be pressing suit against the Radio Trust, the cost of radio sets dropped to $10 and below. This permitted millions of homes to enjoy the benefits of radio, and millions of people were able to listen to the issues of the day aired over the wave lengths. A new note in democracy was being struck. However, just as soon as the Hoover administration and the Radio Trust entered into the now infamous consent decree the price of radios began to rise again until now $30 and up is the price for a decent radio.

PHILCO RADIO SUIT INTERESTING READING

Not content with their monopolistic control and the 5 percent on gross revenue they take from all licenses they began to terrorize even those who had licenses to compete with them. The case of Philco Radio & Television Co., which filed a suit against the R. C. A., charging espionage and other terroristic practices to R. C. A., is eloquent testimony.

PATENT RACKETEERING

Other independents, if they desired to compete, were forced to run the gamut of patent-infringement suits brought by R. C. A. To fight a case of this sort costs a great deal of money. The adjudication of a patent through the Supreme Court sometimes costs over $100,000. Such a cost is prohibitive to most independents. His choice is due in one of two directions: Either he fights and the cost of litigation plus threats to his customers drive him out of business; or, he wisely goes out of business upon the receipt of a threat of an infringement suit. In either case, the independent gives up the ghost. Such is the power of the patent racketeering of the Radio Trust.

THE SPIDER VERSUS THE OCTUPUS

It is interesting to find that the R. C. A. monopoly has lived up to the practices of other monopolies of the past. The records of the investigation conducted by the Federal Communications Commission into the telephone monopoly disclosed the fact that R. C. A. prepared suit showing violation of the antitrust laws on the part of the Bell Telephone monopoly and while the papers were prepared for presentation to a Federal court, they were never sent there. This bill of complaint, copy of which I have in my hand, was filed with the Bell Telephone monopoly and as a result of such findings it is my understanding that the monopoly then possessed by the Bell Telephone Co. was divided into two parts with R. C. A. sharing the spoils.

This bill of complaint which I hold in my hand is a photostatic copy of the complaint on file in the investigation made by the Federal Communications Commission of the telephone industry, and it shows to just what extent the monopoly exists, as admitted by the monopolists themselves. I wish I had time to read to this House the provisions of this suit prepared by R. C. A. against the A. T. & T., but filed only with A. T. & T., and not in court. This complaint, setting up and alleging the monopoly that exists in the sound motion-picture industry which existed in 1933 when this suit was prepared and which monopoly exists today. Now, bear in mind that the only thing this sandbagging suit was prepared for was this: This suit was prepared to be filed only in case the A. T. & T. and their subsidiaries did not divide the swag in sound motion-picture industry field in the United States. The A. T. & T. came in, and rather than have their monopoly exposed to the public, divided the swag, but where was and is the Department of Justice? Why has not the Department of Justice filed suit to protect the public against this antitrust law violation?

Let me quote from this photostatic copy of the complaint filed by R. C. A. against A. T. & T. and their subsidiaries, and the different sound motion-picture corporations. After setting forth the jurisdiction that the suit is brought under the act to protect trade and commerce against unlawful restraints and monopolies, known as the Clayton and Sherman Antitrust Acts and naming the nine different motion-picture corporations who principally control the production and distribution and exhibition of motion pictures in America, and describing how A. T. & T. and their subsidiaries and licensees, through cross-licenses and patent pooling, have set up their controlled radio and telephone and the reproduction of sound pictures and all loudspeaking equipment, they then in part allege:

Prior to December 1926 Telephone and Western, in violation of sections 1 and 2 of the Sherman Act, combined and conspired together to monopolize and to restrain the interstate trade and commerce in the production, the sale or lease, and the installation of recording and reproducing equipments in the manner hereinafter set forth, and said combination and conspiracy have continued to this date.

The principal purposes and objects of said conspiracy were to secure for the primary defendants a monopoly of said trade and commerce; to protect the said defendants in the enjoyment of the profits resulting from such monopoly; and to prevent and to restrain others than the said defendants, and especially to restrain Radio and its affiliated companies, from engaging in said trade and commerce in competition with the defendants, although Radio and its affiliated companies, in addition to having rights under their own patents, were and are fully licensed, royalty free, under the patents of the Telephone group with respect to such recording and reproducing equipments.

To accomplish their purposes the primary defendants took advantage of the conditions existing in the motion-picture industry in 1927 and 1928 to secure a monopoly of such trade and commerce before Radio and its affiliated companies were in a position effectively to enter the field. In order to effect, to strengthen, and to continue this illegal monopoly, the primary defendants secured the execution of long-term, exclusive-dealing, and tying contracts with the principal producing, distributing, and exhibiting companies in the industry, and thus prevented the potential competition of Radio from becoming actual and substantial competition by means of such tying clauses, discriminatory provisions, and restrictions on the right of lessees of Electrical Research Products, Inc. (E. R. P. I.), equipments to deal with others, and especially with Radio and its affiliates.

The primary defendants substantially have accomplished their purpose to monopolize and to restrain the aforesaid trade and commerce and they still illegally monopolize and restrain the aforesaid trade and commerce, and threaten to continue to do so, to the irreparable and continuing injury and damage to the plaintiff, primarily by and as the result of the following and other illegal acts, arrangements, and contracts:

1. The organization of E. R. P. I. by Telephone and Western to act as their agency and instrumentality in acquiring and in maintaining a substantial monopoly of the trade and commerce in recording and reproducing equipments.

2. The destruction of the exclusive rights of Vitaphone under its contract with Western so as to enable E. R. P. I. to enter into the contracts with all the secondary defendants and with other producers, distributors, and exhibitors of sound pictures.

3. The execution of tying and exclusive dealing contracts between E. R. P. I. and the secondary defendants and others whereby E. R. P. I. secured a monopoly for a long term of years of at least 80 percent in value of the business of supplying recording equipments to motion-picture producers.

4. The execution of tying and exclusive-dealing contracts between E. R. P. I. and the secondary defendants and other producers and exhibitors whereby E. R. P. I. secured for a long term of years a monopoly of the business of furnishing reproducing equipments to at least 85 percent of the key theaters in the United States, and a monopoly of approximately 75 percent in value of the entire business of furnishing such equipments.

5. The use of E. R. P. I. of a standard form of installation contract for reproducing equipment which contains recitals and restrictive provisions having the purpose, tendency, and effect of preventing exhibitors from using sound records not produced by Western recording equipments.

All as is described more fully hereinafter.

For 25 pages of pleadings the petition carefully sets forth how E. R. P. I., a wholly owned subsidiary of A. T. & T., was able through their airtight contracts to completely monopolize all sound motion picture and sound-recording loudspeaking equipment, and so forth, for the Nation. The petition states:

As to the 2,000 key motion-picture theaters in the United States, the numbers, percentages, and seating capacities of such theaters equipped, respectively, (1) with E. R. P. I.'s reproducing equipment, (2) with plaintiff's reproducing equipment, and (3) with reproducing equipment of others than the plaintiff or E. R. P. I.:

Key motion-picture theaters

	Number	Percentage	Seating capacity
Theaters equipped with E. R. P. I. reproducing equipment	1,664	85.2	2,397,960
Theaters equipped with R. C. A. reproducing equipment	196	7.5	323,859
Theaters equipped with other than R. C. A. or E. R. P. I. equipment	138	7.3	164,030

The above described substantial monopoly of Western and E. R. P. I. of the trade and commerce which consists of the manufacture, of the sale or lease and of the installation of reproducing equipment in the key motion picture theaters in the United States, as described above, was acquired by the R. C. A. as the result of the exclusive dealing and tying provisions inserted by E. R. P. I. in its recording license agreements with the motion picture concerns, and other producers.

Rather than permit R. C. A. to file this petition in the Federal District Court for the Southern District of New York

where the complaint was prepared to be filed, the A. T. & T. and their subsidiaries, Western Electric and the Electrical Research Products, Inc., Metro-Goldwyn Pictures Corporation, Warner Brothers Pictures, Inc., Fox Film Corporation, Universal Pictures Corporation, First National Pictures, Inc., Educational Pictures, Inc., Eastern Service Studios, Inc., United Artists Corporation, Columbia Pictures Corporation, and Charles D. Hilles and Eugene W. Leake, as trustees of Paramount Publix Corporation, formerly known as Paramount Famous Lasky Corporation, preferred to admit what the facts clearly show, that an absolute monopoly did exist and they preferred to divide the swag between themselves rather than permit the suit to be filed in court, which naturally would force the Department of Justice to intervene at least under the guise of protecting the public from such monopolistic practices.

As this is a public document and presuming the Department of Justice is interested in investigations being conducted by governmental agencies, I wonder why the leading officials of the Hoover administration seemingly have so much influence with the Department of Justice under this administration that no action has been taken in this case. I note that the principal attorney for R. C. A. in this blackjacking against the public interests is William J. Donovan, who I understand was the head of the antitrust administration during the Hoover administration, and associated with him are several legal lights, most of whom I believe will be found advocating the principles of the Hoover administration rather than those of the New Deal administration. As this petition contains some 27 pages of printed matter, I will not burden the RECORD with it, but I am sending a copy of the petition to the Department of Justice and asking why, if a monopoly existed when possessed by the Bell Telephone octopus, did the monopoly pass out of existence when the spoils were shared with the R. C. A. spider?

Is it not passing strange why the Department of Justice, bound to be familiar with this suit which was filed to divide the swag between these two monopolistic groups, refuses to protect the innocent investing public and to file suit on this and other known existing monopolies in the communications field that is taking such handsome profits from the consuming public? It is up to them to answer this question. Why has the Department of Justice failed to file suit and enforce the antitrust laws?

COMMUNICATIONS COMMISSION ON SIT-DOWN STRIKE

It must be recalled at this point that the Federal Communications Act of 1934 provides that a company which engages in antitrust practices as they relate to radio-apparatus manufacture may have their broadcasting licenses denied. The act provides as follows:

APPLICATION OF ANTITRUST LAWS

SEC. 313. All laws of the United States relating to unlawful restraints and monopolies and to combinations, contracts, or agreements in restraint of trade are hereby declared to be applicable to the manufacture and sale of and to trade in radio apparatus and devices entering into or affecting interstate or foreign commerce and to interstate or foreign radio communications. Whenever in any suit, action, or proceeding, civil or criminal, brought under the provisions of any of said laws or in any proceedings brought to enforce or to review findings and orders of the Federal Trade Commission or other governmental agency in respect to any matters as to which said Commission or other governmental agency is by law authorized to act, a licensee shall be found guilty of the violation of the provisions of such laws or any of them, the court, in addition to the penalties imposed by said laws, may adjudge, order, and/or decree that the license of such licensee shall, as of the date of the decree or judgment becomes finally effective or as of such other date as the said decree shall fix, be revoked and that all rights under such license shall thereupon cease: *Provided, however,* That such licensee shall have the same right of appeal or review as is provided by law in respect of other decrees and judgments of said court.

COMMISSION TRIED AND FOUND WANTING

The Federal Radio Act of 1927 included even a more drastic provision, making it mandatory upon the old Federal Radio Commission to deny licenses when an apparatus monopoly was established. In the supposed dissolution of the Radio Trust by the Consent Decree in 1932, it was proven that R. C. A. possessed such a monopoly. There is evidence to show that despite the consent decree, this monopoly still persists in violation of the antitrust laws. Yet testimony before the House Appropriations Committee shows that broadcasting licenses of R. C. A. are renewed every 6 months without ever having the question of the apparatus monopoly or public interest raised. I sincerely believe that the issue of reexamining the effects of the consent decree is resting squarely on the shoulders of Congress. Shall we face the issue or evade it as has been the custom in the past?

The gentleman from Massachusetts [Mr. WIGGLESWORTH], who, as a member of the appropriations committee, has given much time and consideration to this subject, has spoken several times favoring the immediate clearing up of this communications monopoly. His work in the committee bringing out some of the existing known facts, I am sure has the hearty approval of the Congress. Several other Members have spoken, pointing out the great need of an investigation.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. WIGGLESWORTH. Does the gentleman know any reason in the world why the so-called Connery resolution providing for an investigation into this entire field should not be reported out by the Rules Committee of the House? It has been there since January, I think.

Mr. McFARLANE. In answer to the gentleman's inquiry, I may say that I do not know of any reason why it has not been acted upon. Apparently different members of the Rules Committee with whom I have talked are all highly in favor of it, yet we get no action, action which I believe the gentleman from Massachusetts and other Members of the House will agree is necessary if we are going to run this octopus out into the open and be able to frame proper legislation to correct the known existing evils.

Mr. WIGGLESWORTH. I agree with the gentleman that action is essential, and that it is essential now, if we are to accomplish anything before the horse gets out of the stable. A number of Members on this side of the aisle, as the gentleman knows, have been interested in a thoroughgoing investigation for some time. For over a year and a half I have personally urged upon the Members of the House the importance of such an investigation. I hope the gentleman from Texas will succeed in prevailing upon the committee to report the resolution now.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes; I yield.

Mr. VOORHIS. Does not the gentleman feel that perhaps the root of this whole matter is to be found in the fact that these corporations have been able to call a certain radio channel their own; that, as a matter of fact, if there is any natural resource that ought to belong to the people it is the air, and that we are gradually building up here a vested interest in the ownership of channels of communication through the years? Would not the gentleman favor some tax measure which would levy a good stiff franchise tax and take the water out of the situation so that the only advantage would be a temporary license, or a license running for a certain period of time? Would not this prevent the building up of a vested interest in these channels?

Mr. McFARLANE. Answering the gentleman, I may say that there has been tax legislation pending before the Ways and Means Committee since the early part of this year, but we have been unable to get any action on it. This would require the radio industry, which is the only public utility operating in interstate commerce in the United States today that does not at least pay the cost of its supervision, to pay a suitable tax; but this bill, like the others which should have been brought to the floor of the House, never has been considered by this committee and still lies buried there.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes; I yield.

Mr. LEAVY. The gentleman's remarks indicate that he has given much thought and study to this question, and he is making a strong case. I am wondering if he has covered the further abuse that is generally recognized of large, metropolitan newspapers of the country acquiring radio stations and then hooking in with the great radio chains and thus controlling channels of news through radio as well as through the press?

Mr. McFARLANE. If the gentleman will read my remarks of July 19, he will see that I dwelt upon that very question; that I pointed out that some 200 of the large daily newspapers of this country own the largest radio stations in America, and through this method of radio broadcasting and sound motion-picture equipment and through the press, through that tie-up, they absolutely control and mold public opinion in this country today; and this is why Congress is having such a terrific fight to get any worth-while legislation enacted for the benefit of the people. [Applause.]

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes; I yield.

Mr. WEARIN. That tendency on the part of the newspapers coupled with the operation of the present chain does constitute a serious threat in the way of a monopoly to influence public opinion, does it not?

Mr. McFARLANE. There is no doubt about it.

Mr. WEARIN. I am sure the gentleman is familiar with the fact that I have a bill now pending before the Committee on Interstate and Foreign Commerce to prevent a continuation of this monopoly.

Mr. McFARLANE. I know the gentleman has had such a bill pending for some time, but he does not seem to be able to get action on that any more than the rest of us are on these other bills. We cannot, apparently, get these bills out of these committees which would be of such tremendous benefit of the people. And this communications monopoly is becoming more powerful all the time. Until now many Members dare not speak their sentiments against it, lest they be opposed by it for reelection.

Mr. MARTIN of Colorado. May I ask the gentleman a question?

Mr. McFARLANE. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. The gentleman has found out that the big newspapers control the radio. I want to ask him if he has dug in deep enough to find out who controls the big newspapers of the country?

Mr. McFARLANE. The same crowd that controls almost everything that is worth while—the banking interests of Wall Street.

Mr. MARTIN of Colorado. The fact is that the big newspapers of the country are nothing but the loud speakers on the cash registers of big business?

Mr. McFARLANE. The gentleman is correct.

THE R. C. A. SPIDER

But does the grasping of the monopoly stop there? Let me quote the following from the Hollywood Reporter of July 1937:

R. C. A. NOW BELIEVED AIMING TO CONTROL COMMUNICATIONS

WASHINGTON.—There is a well-authenticated report that the Department of Justice is now willing to withdraw its objections to a merger of Western Union and Postal Telegraph. In inside circles this is seen as an indication that R. C. A. is moving to control the entire communications field.

The ultimate battle, of course, will come over the control of commercial television. In view of President Roosevelt's determination for a unified communications system, it is possible that if the big wire companies merge, R. C. A. might let the merged outfit have the communications business and devote itself to the amusement field and broader television activities. However, this possibility is not credited by those in the know.

They believe that R. C. A. will make every effort to control both Western Union and Postal in an effort to broaden its telegraph business, and that the fight will then be between R. C. A. and A. T. & T. for full control of both communications and television.

It is not thought possible that if the wire companies do merge, the new company would be able to protect itself against the threat of radio competition by acquiring R. C. A., the supremacy of R. C. A. being seen as much more logical. In any event, it is believed that the merger would make commercial television much more imminent.

R. C. A.'S STOCKHOLDERS' $220,000,000 GIFT FOR WHAT?

There is an interesting sidelight to the relation between R. C. A., G. E., and Westinghouse, but nevertheless important, and bears mentioning here.

When General Electric, Westinghouse, and R. C. A. were busy dividing up the radio field amongst themselves a very peculiar transaction took place. In return for certain stock and physical assets given to R. C. A. and which R. C. A. itself valued at $42,864,812 plus the exclusive manufacturing rights and the royalties to radio device field, General Electric and Westinghouse received 6,580,375 shares of R. C. A. stock, the market value of which was $263,215,000. In other words, R. C. A. paid $220,350,147.50 for the exclusive rights in the radio-apparatus field, and gave the control of R. C. A. to G. E. and Westinghouse. The facts are borne out in an unchallenged affidavit on file in the Federal court. It is difficult to believe that they were worth that much. It is far easier to imagine the innocent investing public who owned R. C. A. stock, through no choice of their own, made a gift of these hundreds of millions of dollars to Westinghouse and General Electric. And from the message I read to you earlier from S. E. C. the law is unable to cope with this manifest racketeering.

FACTS UNCHALLENGED

Stock jobbing and looting of concerns on the part of majority holders is well illustrated in excerpts from an unchallenged affidavit found in the files of the R. C. A. case:

On or about January 1, 1930, the market value of 6,580,375 shares of Radio stock was approximately $263,215,000, the market price being about $40 per share.

In the actions and motions made before Judge Knox, reference to which is made in the petition, Otto S. Schairer, a vice president of Radio, made an affidavit therein verified December 2, 1932, in which he purports to set forth the considerations and the value thereof which were received by Radio from General Electric and Westinghouse for this block of 6,580,375 shares. He places a value upon every consideration except the exclusive right to manufacture, the right to retain 100 percent of certain royalties, and goodwill and the transfer of personnel.

His figures summarized are as follows:

Release from an obligation of a subsidiary of Radio	$32,000,000.00
Depreciated value of plants, machinery and equipment of the manufacture of radio apparatus, etc.	5,025,167.50
Stock of R. C. A. Photophone Co., Inc.	3,600,000.00
Stock of National Broadcasting Co., Inc.	1,651,685.00
Stock of General Motors Radio Corporation	588,000.00
	42,864,852.50
Subtracting from the value of the stock, which was	263,215,000.00
The sum of	42,864,852.50
Leaves a balance of	220,350,147.50

* * * * * * *

The value of these manufacturing rights of approximately $220,000,000 is arrived at from Otto S. Schairer's own affidavit, based of course upon the value of the stock in the open market at the time of the issuance and transfer. * * *

If the defendants would have this court believe that the transaction in January 1930 was honest and clean and Radio was getting dollar for dollar, then these exclusive manufacturing rights must have had an approximate value of $220,000,000.

I will go a step further. Even the amount of $42,864,852.50, which represents according to Mr. Schairer the aggregate amount of the other considerations that were received by Radio in January 1930, may be a fictitious amount. * * *

Under agreement "M", which was dated as of January 1, 1930, said choses in action and physical properties making a total of $42,864,852.50 were transferred to Radio through the medium of two subsidiaries known as General Electric Co., Inc., and Westinghouse Radio Co., Inc.

As a condition for the transfer it was provided that these properties be taken over by Radio subject to the payment of all the liabilities and obligations of these two subsidiary companies.

Those liabilities have never been disclosed so far as I have been able to ascertain. These other liabilities might have been very substantial, in which event they might partly or wholly cancel the $42,864,852.50 which is the valuation of the choses in action and physical properties fixed by Mr. Schairer.

In such event the actual value of the exclusive right to manufacture under the patents would be even greater than the approximate $220,000,000; and the practical result would be that the only real thing of value which was given for this enormous block of stock was the exclusive right to manufacture under the patents.

Let these defendants explain to this court now on what theory they have consented to permit General Electric and Westinghouse to retain this block of stock which had a value of approximately $220,000,000, or more, when the exclusive right to manufacture has been taken away from Radio * * *.

At this point I want to ask that the committee now investigating tax evasions and tax loopholes investigate this gift of $220,000,000 to Westinghouse and General Electric and learn just what taxes were paid on this $220,000,000. I also ask that they report their findings to this body.

The people of the United States have paid $2,262,375 last year to regulate the communications industry. In all other kinds of industries operating under Government franchise the cost of their regulation is placed on the industry. Why, then, should the taxpayers continue to keep up the cost of the Federal Communications Commission? I think it is now time for Congress to shift this burden from the shoulders of the taxpayer on to the communications industry, which operates under Government franchise for which they pay nothing.

I cannot repeat too often the query, "What does Congress intend to do?"

FOURTEEN POINTS BUT NO PEACE TREATY

July 19 I addressed the House, outlining the evils and monopoly existing in the radio industry and the lack of authority to protect the public in the communication and securities and exchange law. At that time I charged the following:

First. It was demonstrated that radio censorship and dictatorship exists, not by the Government or any Federal agency, but by the vested interests and the radio monopoly.

Second. That radio and motion pictures, the main means of controlling and molding public opinion, are in the hands of the Telephone and Radio Trust with television about to be added.

The Natural Resources Committee pointed out that television may become a wonderful boon or if misused and misregulated a horrible monster. To permit the present Communications Commission, as it has in the past regulated radio, or rather misregulated, is a thing that Congress must prevent, and one way we can do it is by cleaning up the radio cesspool.

I should like to insert in the RECORD an editorial on television appearing in the Washington Herald of Sunday, August 1:

THE MAGICAL EYE

You can build a television set today out of things on sale at the 5- and 10-cent store.

That's the somewhat ecstatic way in which electrical engineers talk to make it understood that visual broadcasting is ready for citizens' appreciation.

Indeed, the National Resources Board in its recent report on technological trends, stated:

"Color television is already a laboratory accomplishment. It, too, may become practical before long. Developments have been started in three-dimensional sight and sound.

"And if we consider past progress in this field, is it too much to expect that a future generation of Americans will be able to sit at their firesides and see reproduced before them in actual colors and in three dimensions, both visually and acoustically, scenes which are being instantaneously transmitted from the interior of some forest, accompanied with all the fragrant odors of nature, and eventually the addition of a vicarious, tactual sensation?"

Well, having experienced the wonders of our age so far, who are we to shrink from the idea of bringing far-away sights, smells, and the feeling of distant objects to the fireside by radio?

Rather it becomes our era to think who is going to pay for all this magic and how.

What the exurberant electricians mean when they talk about "five and dime" television is that most of the instruments that make up a television receiving set are "in the public domain", or not patentable. They are expensive, however, and so far only three companies in the United States are jockeying to put them on the market.

But once they are available, who is going to distribute the programs? Broadcasting by radio waves so far appears impracticable, as 30 miles is the present limit of distance from a station that a radio televised program can be picked up.

The American Telephone & Telegraph Co. has a device, however, known as a coaxial cable, which will allow television programs to be sent right into homes just like telephone calls. This could be done today.

A movie, for instance, could be "piped" to your living room by television, you would be saved the trouble of driving downtown, parking, and all that. The movie houses would go dark, but you should worry.

But there are added factors. Movies cost anywhere from $350,000 to $2,000,000 each. Suppose Mutiny on the Bounty had been played all over America on a single night, just as W. C. Fields and Charlie McCarthy do now? Obviously, it wouldn't have stayed on the air a week, and new movies would have been necessary for the next night. But no commercial sponsor could afford a Mutiny on the Bounty to advertise his coffee, even if people would stand for such a thing.

Perhaps the practical way to get television into the homes now is to lease sets just as telephones are leased, and let customers buy their service as they want it. That calls for a lot of governmental regulation and guidance, to avoid either big organizations like A. T. & T., or a sinister outfit like a political party on dictatorship bent, from getting control of a dynamic propaganda weapon.

How would you like to have your television?

It's up to Congress to start making a public analysis and a public policy, before television falls in with bad company of any kind, for the problem is of today.

Third. That the public was apparently in the process of being fleeced by stock racketeering in radio securities.

Fourth. Specific evidence was presented to show that the S. E. C. is helpless to cope with the present Columbia Broadcasting System's stock-issue registration and distribution, which has the appearance of fleecing an innocent investing public; neither can it cope with the issuance of securities by R. C. A., which controls all of the stock of N. B. C.

Fifth. That the trafficking in radio frequencies, for which broadcasting companies pay the Government nothing, has proven a flourishing racket.

Sixth. That the F. C. C. was on the verge of giving two frequencies allotted to the Navy to the Columbia Broadcasting System. A situation which has all the appearances of another Teapot Dome.

Seventh. That the F. C. C. officials have admitted the present existence of the radio monopoly and its racketeering practices and are either unwilling or unable to protect the public and enforce the law. And this monopoly costs the Government $2,262,375 annually to maintain the Federal Communications Commission to grant free licenses to this monopoly to enable this monopoly to take from the public through advertising over $140,000,000 annually, with no regulation of the advertising rates to be charged.

Eighth. That unfair competition prevails whereby privileged individuals, with unsual political connections, are enriched by millions of dollars through the continued holding of so-called experimental licenses.

Ninth. That the consent decree of 1932 contains elements so suspicious that they fairly shout for complete exposure.

Tenth. That two governmental agencies, the F. C. C. and the F. T. C., specifically instructed to protect the public against monopoly and monopolists, are either unable or unwilling to enforce the law.

Eleventh. That the Radio Trust has a complete monopoly of the 40 cleared channels.

Twelfth. That 93 percent of all the broadcast power is in the hands of this monopoly.

Thirteenth. That radio control of newspapers is a widespread evil.

Fourteenth. That the illegal monopoly conditions existing before the consent decree of 1932 were not changed by that decree and still flourish.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LUDLOW. Mr. Speaker, reserving the right to object, my colleague from Indiana has a very important matter on which he desires to speak; that is, the wages and hours clause. Would the gentleman be content with 3 additional minutes?

Mr. McFARLANE. That will be satisfactory. I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. There is resting in the Rules Committee the resolution presented by the late and beloved Billy Connery to investigate this cesspool. What is the Rules Committee waiting for? Are they waiting for the Radio Trust to put the F. C. C. and the S. E. C. on wheels and roll them off into their own back yard?

Congress will soon adjourn, and this special investigating committee should properly be put to work during the recess of Congress investigating this whole communications mess to the end that remedial legislation be promptly offered early next session to clean up this whole Department. A bill by the gentleman from New York [Mr. BOYLAN], H. R. 6440, has been pending before the Ways and Means Committee since April 15, 1937, to require the communications industry to, at least, pay the necessary expenses for operating and maintaining this Commission. This monopolistic public utility is the only such existing utility in the Nation not paying for the costs of its own regulation. The radio monopoly is the only public utility not having some regulatory commission to properly regulate its rates. From every standpoint the existing practices now knowingly being permitted in open violation of our antitrust laws cry out for the immediate action of Congress to either insist upon law enforcement or to impeach the Government officials who refuse to do their duty and enforce the law. [Applause.]

SELECT COMMITTEE ON GOVERNMENT REORGANIZATION

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the Select Committee on Government Reorganization may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, when is it the intention of the chairman of that committee to bring this matter up for consideration?

Mr. COCHRAN. I may say to the gentleman that is a matter for the Speaker and the majority leader to decide, and I cannot answer the question. I express the hope it will be called up before the week is out.

Mr. TABER. It will not be called up tomorrow?

Mr. COCHRAN. I do not think it will be, as far as I know.

Mr. RAYBURN. It will not be called up tomorrow.

Mr. TABER. What about Thursday?

Mr. RAYBURN. I doubt whether it will be called up Thursday. I do not think it will come up before Friday or Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONFERENCE REPORT ON H. R. 7051

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight tonight to file a conference report and statement on the bill H. R. 7051, the rivers and harbors bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Does the gentleman from Indiana [Mr. GRISWOLD] yield for that purpose?

Mr. GRISWOLD. I do not.

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, supplementing the remarks I made a few days ago in the House and also supplementing the remarks made by the gentleman from Iowa [Mr. WEARIN] this morning.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

WAGE AND HOUR LAW

The SPEAKER. Under a special order previously made, the gentleman from Indiana [Mr. GRISWOLD] is recognized for 30 minutes.

Mr. GRISWOLD. Mr. Speaker, I come before you as a member of the Labor Committee, as one who believes in the principle of a minimum wage established by law, to discuss this bill not with a view of asking your support of it or with a view of suggesting your opposition, but with the intent of giving you facts concerning the bill. I myself shall support the bill with certain amendments; because I shall do so is not even a remote reason for any other Member to do so. If you have no better reason for voting for this bill than the fact that some other Member is doing so or that William Green, of the A. F. of L., or any other person, no matter how high his office or great his name, asks you to vote for it, you are, in my opinion, committing an unpardonable crime both against American labor and American industry.

I want to call your attention to the fact that William Green by no means voices the wishes of all labor in his advocacy of this bill. Nor does the Association of Manufacturers or National Chamber of Commerce speak for all of industry in their opposition to the bill. As a matter of fact, when Mr. Green speaks, even though he speaks for his whole membership, he speaks for only a very small percentage of labor. Such a small percentage as to be almost negligible. And 90 percent of that small percentage of his members is excluded from the operation of this act. So, as a matter of fact, Mr. Green can only speak officially for about one-half of 1 percent of the labor that is affected by this act. Ninety-nine and one-half percent of the total labor affected by this act Mr. Green has no official connection with as the president of the A. F. of L. and has no more authority to speak for them than have you or I or any other citizen. He is interested in them beyond a doubt. He wishes them to prosper and be content. I presume he hopes they will some day come into his organization and contribute to its upkeep and support of its officers. I, too, hope they may unionize. I believe the A. F. of L. is a good thing, but I do not believe its president has any more right to speak or to be accepted as speaking for those outside its membersh'p than any other citizen has, and even in the A. F. of L. the executive heads of many of the member organizations are actively opposed to this bill.

The same thing can be said of the National Manufacturers Association and the United States Chamber of Commerce. There are actually thousands of independent businessmen in the United States whom neither of those organizations represent and who would repudiate those organizations for their opposition to this bill if they were members. In fact, I hazard the guess that the percentage of businessmen of the United States for which the manufacturers association and chamber of commerce speak officially is even smaller than the percentage of labor for which Mr. Green speaks.

"It isn't hard to tell the truth if you only know what the truth is." You should know the truth about this bill. You, as Members of the House, should have in your possession as many of the facts as you can get—the good features and the bad, and weigh them in the scales of thought and reason before you determine your vote. I warn you that there are gentlemen here who are going to a political Gethsemane when they vote on this bill. There are gentlemen who will be politically crucified no matter which way they vote. I have some friends here whom I like and respect. Good, conscientious legislators who are going to vote for this measure and sink into political oblivion. I know men who are just as good and just as conscientious who are going to vote against it and suffer defeat as a consequence.

We have, in this wage-and-hour bill, gone into the legislative laboratory and have taken from the shelf a little of the knowledge of wages, a little of the knowledge of hours, less of the knowledge of business competition, slightly less of the knowledge of plant management, a teaspoonful of the machine age, a couple of drops of freight rates, a great amount of hope, and an insignificant portion of faith and mixed them all together and bottled them into the high explosive in this bill. Congress has mixed it hastily and we can know the old adage will hold true that "what is done in haste can be regretted at leisure."

There is a great need for regulation of wages and hours in this Nation if our present industrial competitive system is to survive. My colleague from Texas, Judge SUMNERS, has on numerous occasions sounded the need for action on the floor of this House when he has stated the results of the machine age whereby we continually increase the man-units

of production while reducing the man-units of consumption. He has called upon us to decide whether we shall have 1 man operating a machine that does the work of 10 with 9 men on the industrial scrap heap or whether we are going to so regulate hours as to continue to use all 10 men in productivity so that all 10 men will have financial ability to consume. We must either keep men on private pay rolls or we must keep them on governmental charity, as we have been doing for the past 4 or 5 years. There is no middle ground.

Back of this legislation in its inception was the theory that welfare or profits of a private business should not destroy the welfare and livelihood of human beings as a whole. That under a just economic order we could not continue to deprive human beings of a decent standard of living. That Congress should determine the amount of the wage that was so harmful to individuals and general welfare as to be oppressive and make it a criminal offense for any private employer to pay that oppressive wage. The original intent was to establish a floor and say to the employer: "When you go below this floor you go into the cellar and we will not permit an employer of labor to descend into that cellar." The original intent was to fix a ceiling for hours and say to the employer of labor: "Thus far you can go, beyond it you cannot pass." This theory and this intent were both laudable and commendable and because of that I shall support the principle involved in this bill.

I realize that in my home town in Indiana today approximately one-sixth of the native white families receive some income, either in cash or in kind, from relief or W. P. A., and that 50 percent of the native white families in that town received an income below $1,152 last year. That in Atlanta, Ga., 30 percent of the white families had less than $1,250 a year. That means that many of those families had very much less than $1,250 per year—in many instances, only a few hundred dollars per year.

We need legislation to cure this evil, but we do not want legislation that will raise the standards of living for the low paid either a very little or not at all, and which will at the same time reduce or destroy entirely the income of the laborers more fortunate now.

We have no adequate information on which to base a wage and hour bill at this time. Mr. Lubin, of the Department of Labor, the only man who testified before our joint committee who could give us any statistics, stated to us "that it is impossible to distinguish workers that are engaged in intrastate commerce and those engaged in interstate commerce." The bill is presumed to affect only those in interstate commerce, and no one knows how many there are. No one has any figures on which to base even a guess, and of those in interstate commerce we have exempted all who work 40 hours or less a week or receive 40 cents or more per hour. The bill exempts all railroad men who we are positive are engaged in interstate commerce; all employees engaged in motor transportation under the act of 1935; all executive, administrative, and professional people. We have exempted seamen, those employed in the canning industry, all employees engaged in agriculture, employees of cooperative dairy plants but not of privately owned plants, persons employed in connection with ginning, compressing, and storing of cotton or of processing of cottonseed, those employed in the processing of beet, cane, and maple sugar. We have also exempted outside salesmen. Those who are left and engaged in interstate commerce will come under the provisions of the act.

While we exempt cotton and the processes of its handling in compresses and cottonseed mills we do not exempt tobacco and these employed in its processing or handling after it ripens. We do not exempt lumber, which in many localities is a seasonable occupation. We do not exempt plants privately owned engaged in the production of butterfat and other animal fats produced by the American farmer which are in keen competition with the vegetable oils produced from cottonseed. We do not exempt those engaged in the production of fertilizer which is a product 90 percent of which is sold and shipped during 9 weeks of the year. There is no logical explanation for the fact that we should exempt one nonperishable, such as cottonseed, merely because it is partially seasonable and at the same time failing to exempt other nonperishables which are also seasonable, such as fertilizer, lumber, and tobacco or other perishable products such as animal and butterfats. It is very evident that the pressure from the cotton-producing groups was much greater and better organized than the pressure from the tobacco, lumber, and animal-fat-producing groups.

We place under the penalties of the bill local retail establishments, exempting outside salesmen of local retail establishments only. We make the act apply to the man or woman who sells you a pound of butter, suit of clothes or necktie across the counter but we exempt from the act the man who knocks at the door of your home and says: "I am the Fuller Brush man" or the team of girls who make your town selling magazines on the pretense of sending them through college. This is a situation in this bill to which the Members of this House should give serious consideration, so they may be able to answer questions of the taxpaying people at home as to why the local retailing clerk who lives in your own community should be made to meet the requirements of this act while at the same time you make the sky the limit both as to wages and hours to the itinerant salesman who comes into your community to compete with your local retailers.

I have been asked whether the positions under this act will be civil service or patronage. I am explaining that feature simply because I have been questioned so many times about it. Under section 3, page 9 of the act the President, by and with the advice of the Senate, shall appoint a Labor Standards Board composed of five members and every other appointee under that Board, bar none, must be subject to the civil-service laws and their salaries must be fixed in accordance with the Classification Act of 1923. Even the Secretary of that Board and the private secretaries of the members of that Board under the bill as reported by the House, must comply in every particular in their appointments with the civil-service rules and regulations and would have to come off of an eligible list established by the Commission. The Senate bill does not provide for these civil-service requirements.

Under section 8 of the bill, if in your State a concern is producing or selling an article that is wholly intrastate and the product does not leave your local community, and a firm in a neighboring State makes the same article in compliance with an order of the Board, that firm in the neighboring State may file a complaint with the Board against your local firm and the Board, because your local firm in its operation of purely intrastate local business, interferes with the business the firm in the neighboring State is doing in your local community, the Board can make an order requiring your local firm to act in accordance with the orders of the Board. It shall be unlawful for any person to employ any employees in that purely local business in violation of any term or provision of the order of the Labor Standards Board. This section gives the firm in interstate commerce a right to dictate the terms under which your local firm can operate, but does not allow your local firm any right to be heard or protest against the firm in interstate commerce.

Under part 4 of the act the board may create differentials not only as between territories and localities, but between individual plants in the same occupation, and under the powers of the board it can even discriminate between classes of employers, employees, or employment. And if it exercised its powers wrongly it could make one industry or one industrialist within an industry the favored child of fortune while wrecking and destroying another industrialist or individual plant engaged in the same identical business.

The board must under the bill, in declaring a minimum wage, consider "such considerations as would be relevant in a court in a suit for value of services rendered where services are rendered at the request of an employer without contract as to the amount of wage to be paid." Under any order of the board this would be a question of fact which could be only determined by a court and subject to a review by a court under well-established rules of evidence. This, combined with the fact that the cost of living must also be considered

by the board, makes it probable that the board would be forced to fix in those localities where labor is now the cheapest and the most underprivileged a wage little, if any, above the present wage, while fixing a high rate in those communities that already have the higher rate of wage, giving an undue advantage and unfair competition to those employers who now work their labor under sweatshop conditions and allow them to sell their goods with governmental approval in the very localities where the high rate of wage is now paid. House amendment to the Senate bill makes it necessary that the board shall also consider the relative cost of transportation of goods from points of production to the consuming markets. This makes it necessary for the board of five men to go into a thorough, extensive, and complete study of freight rates. Today it costs more to ship pottery from the pottery plants in Kokomo, Ind., to the city of Chicago than it costs to ship pottery from Asiatic countries to the city of Chicago. This is without considering that the powers of the board might conflict with the powers of the Interstate Commerce Commission.

The board cannot declare hours of less than 40 per week, but there is no limit to which the board may not go in granting exceptions and declaring maximum weekly hours above 40 hours. Under the House bill the board is required to fix hours and wages on the basis of conditions in separate and segregated communities. Should the board in a community where unskilled labor is plentiful and cheap, with the cost of living low, fix an hourly rate of 30 cents and weekly hours of 48, while at the same time fixing an hourly rate at 40 cents and an hour maximum of 40 hours per week in a community where wages are now higher, it is easy to see the vast increase in the cost of production in the community that is now the least oppressive to labor while the competitive advantage goes to the community where labor is now oppressed and underprivileged. Under such a system the oppressed labor is not materially benefited in either earning capacity or weekly hours, while the industry and labor in the fair section of the country is destroyed by the unfavorable competition. This legislation contains geographical differentials in its worst and most vicious form and penalizes those sections of the Nation and those communities that now have a decent standard of living while rewarding the sections that are now notoriously unfair to labor.

We prohibit under this act the transportation of goods in interstate commerce which were manufactured in this country with the employment of child labor, but we admit to interstate commerce competitive goods manufactured in foreign countries under sweatshop child-labor conditions.

While under State labor compensation laws and most Federal acts we exempt the small employer, there is no exemption under this act for any employer no matter if he has only one employee, both himself and employee are subject to the act, and if the employee is on the employer's premises, working or not working, with or without the consent of the employer, at an hour not covered by his employment such presence on the premises, unless he is paid time and one-half, shall be prima-facie evidence of a violation of the act.

The little-business man, the small independent merchant and plant owner on the main streets of America, is an unremembered man in this legislation. No high-power, acute-pressure lobbyist represented him or organized propaganda in his behalf. His voice was not heard, largely because he does not know what the legislation is attempting to do to him. Congress has not heard him, but his voice will be loud when the blow strikes.

The act goes to great length to establish an advisory committee, the representation on the committee of an equal number from labor and industry as well as from the public, the employment of clerical assistance by the committee, and unlimited compensation for the personnel. The details for the work of the committee and the expense involved would lead one to believe that the committee was a thing of importance and authority to protect the public from a dictatorial attitude on the part of the board; but on page 29, line 19, the act reads:

> The board may reject in whole or in part the recommendations of an advisory committee.

The act provides that in any suit instituted by the board, criminal or civil, against a transgressor of this law the board shall have a right to institute its complaint in the United States district court; but if the citizen of your community who feels that the board has made an improper order desires to institute suit against the board and make the board a party defendant or asks for a hearing in the courts or a review of the order of the board, he shall not be permitted to file his suit in the United States district court. He must be taken far away from his home to file his suit and can only file it in the United States circuit court of appeals of a circuit in which he resides.

While the cost of filing in the United States Circuit court of appeals and the difficulties to be surmounted by your local citizen who feels himself aggrieved would be much greater than filing it in the district court he is forced to go to the additional expense, time, and difficulties while the act specifically provides that no costs shall be assessed against the board in any proceedings in the act brought by or against the board in any court. The board need have no worry about costs and may hail a citizen into court on the slightest pretext. The citizen, as was demonstated in the Schechter case, even though right and upheld by the court makes himself a bankrupt in getting justice because it costs him a fortune to try his case and the taxpayer pays the bill of the board in the board's unjust persecution.

The Secretary of Labor in testifying before the joint committee stated that this bill had vast ramifications. Careful reading of the bill will, I think, convince anyone that its ramifications are so vast that it would be impossible for any man to follow them to their final conclusions. The great liberal, Justice Cardozo, said of the N. R. A.: "This is a delegation run riot." If the N. R. A. was a delegation of power running riot then under the labor standards board we have a delegation of power running far more riotious. Mr. Donald Richberg has stated that it was the administrative features that destroyed the N. R. A. At its height the N. R. A. had thousands of applications for exceptions before it. A board of five men being neither omnipotent or omniscient cannot possibly handle the vast proposition of controlling wages and hours in all industries of the United States fairly, justly, and reasonably because that board of five men cannot possibly know how much it will hurt in one instance or benefit in another. If Congress has the power to delegate this authority to fix wages and hours to a board of five men then Congress itself has the authority to fix minimum wages and maximum hours that will apply to all people in all industries alike. If a wage below 40 cents an hour is oppressive in the case of one man it is oppressive in the case of all men. It is the duty of Congress to find what wage is oppressive and to enact legislation making it a criminal offense to pay that wage or any lesser wage.

Congress should fix a floor for wages and a ceiling for hours on its own responsibility. Write the act on our book of Criminal Laws and make those who violate it criminals as are the violators of other criminal laws.

My sincere hope is that the House, when the bill comes on the floor, will amend it so as to make it just and workable—a proper law to accomplish the desired results.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Indiana.

Mr. PETTENGILL. What happened to the Wheeler-Johnson child-labor amendment adopted in the Senate? Why was that stricken out?

Mr. GRISWOLD. If the gentleman asks me why it was stricken out, I am perhaps like the five members of the board who are going to handle all industry; I am neither omniscient nor omnipotent, and I cannot tell the gentleman why, but the House committee inserted another amendment

there, and I should, perhaps, answer the gentleman in this way. There are several amendments that should be considered together in that respect. For one thing, they talk about minors and women, and yet they do not define at any place in the bill what constitutes a minor.

Under this act, as I understand it, we prohibit anything that is produced by child labor to enter into any interstate commerce in this country, but at the same time we allow everything produced by child labor in foreign countries to enter into interstate commerce in this country.

Mr. PETTENGILL. I am personally very much in favor of the philosophy of the Johnson-Wheeler amendment and would like to know why that philosophy of prison-made goods, with respect to protecting a State, could not apply to all substandard labor conditions anywhere in the Union, and thus make a very simple bill out of it, which I would be very glad to support if it were done along that line. I would like to know what is the general objection to reaching a solution of this problem along the philosophy of the Johnson-Wheeler amendment.

Mr. GRISWOLD. The only way that I could answer the gentleman would be to say that two people, one from a governmental department and one not connected with a governmental department, appeared very, very late in the consideratiion of this bill before the committee, and that they probably had something to do with the change.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. O'MALLEY. Just how many exceptions are there now in the House version of the wage and hour bill, approximately? How many classes of workers in industry are excepted?

Mr. GRISWOLD. Directly and indirectly I would say 25 or 30.

Mr. O'MALLEY. Does not the gentleman think a better name for the bill would be a bill of exceptions?

Mr. GRISWOLD. It might be apropos.

Mr. O'MALLEY. Does the gentleman recall that at any time during the last campaign any Democratic speaker, any Democratic candidate in the course of his remarks in favor of the wage and hour bill told various classes in the audience that they would be excepted from its provisions?

Mr. GRISWOLD. I do not.

Mr. O'MALLEY. Does the gentleman recall of anything in the last campaign in which the voters were told that we were going to pass a wage and hour bill and that some of them were to be excepted from it?

Mr. GRISWOLD. I do not recall that, but there were a lot of things in the last campaign that I missed. Mr. Speaker, before I forget, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mrs. ROGERS of Massachusetts. Does the gentleman feel that the so-called graveyard-shift provision, which I was so anxious to have placed in the bill, does protect the women from working the graveyard hours from 12 o'clock midnight to 6 o'clock in the morning? We have such a provision in Massachusetts today.

Mr. GRISWOLD. My understanding of the so-called graveyard-shift amendment is this: It will positively prevent the employment of women and minors between the hours of midnight and 6 a. m. I have not gone into this thoroughly enough to determine what relation it will have to the laws affecting women now in force in the several States.

Mrs. ROGERS of Massachusetts. I do not believe any Members will be very likely to go back to their districts and tell the women of their districts that they were willing to have women work from 12 o'clock midnight until 6 o'clock in the morning. I believe that provision will stay in the bill. Under this provision also, a man who works from 12 o'clock midnight to 6 o'clock in the morning is to be paid time and a half. This will tend to give more employment in Massachusetts and will be helpful.

Mr. GRISWOLD. I say this to the gentlewoman from Massachusetts: I think there are two conflicts in principle in the bill. One is the House amendment which provides that there shall be no discrimination as to sex. The other is the graveyard-shift amendment, which provides that you must discriminate because of sex. I do not know how to reconcile those two.

Mrs. ROGERS of Massachusetts. They will have to be amended. One more question. I understand the gentleman feels this board of five will act as a board of Hitlers to regulate how people shall work and where and when, and so forth, but without danger of punishment. It can regulate wages down to the lowest level.

Mr. GRISWOLD. Mr. Speaker, I like to give everyone the benefit of the doubt. I feel the bill is going to pass with the board in it, and I hope that this board will be possessed of all knowledge and be divinely just.

Mr. PETTENGILL. And brave and courageous.

Mr. GRISWOLD. Courageous and above reproach. If they are that, then we need have no fears about what will happen under their jurisdiction of the bill.

Mr. LUDLOW. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. LUDLOW. My colleague is a lawyer and a good one and he knows all about the subject matter that is covered by this bill.

Mr. GRISWOLD. The gentleman flatters me. I do not pretend to know all the ramifications of the bill. I am only trying to bring before the House a few things I do know.

Mr. LUDLOW. I am stating what I believe to be the fact, and I am coming to him for enlightenment. I yield to no one in the earnestness of my desire to help the underpaid and the underprivileged people of this country. I believe in well-considered wage and hour legislation. I have tried to study this bill and I find some provisions in it that appear to be very peculiar. For instance, on page 30, line 9, I find that the labor standards board may send out its investigators to conduct investigations and determine whether any person has violated or, mark these words, or is "about to violate" any provision of this proposed act or any labor standard order. My question is this: Does the gentleman believe that any person should be put through the ordeal of an onerous investigation and submit himself to a gruelling inquisition with the prospect of court prosecution on a mere suspicion by somebody that he is going to do something wrong? [Laughter.]

Mr. GRISWOLD. I think the gentleman is right in his conclusion that under the wording of this bill they could send out investigators on mere suspicion, because I think the bill reads that way. I want to call his attention to another thing: That whether it be on mere suspicion or whether they have facts or whether they are merely investigating to determine the number of his employees, under this bill all his correspondence and all his books are open to inspection, and there is no provision in the bill that makes that information confidential.

Mr. LUDLOW. Will the gentleman tolerate me for two or three more questions?

Mr. GRISWOLD. I yield to the gentleman.

Mr. LUDLOW. On page 33, lines 18 to 22, we find that the mere presence of any employee at the place of employment at any other hours than those stated in the schedule applying to him shall be deemed prima-facie evidence of a violation of such order. Suppose an employee forgot his dinner bucket and went back to get it? [Laughter.]

Mr. GRISWOLD. I discussed that. I think under the act he would, prima facie, be guilty of a violation of the act, unless the employer was paying him time and a half. The bill I know did not have such an intent but whether it intended it or not it does make a prima-facie case against the employer. It is one of the many instances in this bill of the certain results of too hasty consideration.

Mr. LUDLOW. I now come to my final question. I think it is an important question because I believe that nine-

tenths of the opposition of this legislation is against the board that is created by the act. Could not Congress, in the exercise of its constitutional powers, write a law that would provide maximum hours and minimum wages with suitable differentials as to geographical sections and occupations? Why is it necessary to have a governmental board at all?

Mr. GRISWOLD. Personally, I think that Congress has the right, not only the right, but the duty and responsibility to handle this thing itself. I think if there is a wage that is so oppressive that an American laborer cannot live under it, that is below a decent standard of living, it is the duty of Congress to see what that oppressive wage is, state it in the law, and make the man who violates that law and who goes into the cellar below this floor that Congress fixes, a criminal just the same as any other criminal.

Mr. LUDLOW. Is it not obvious that if Congress could delegate powers it certainly has those powers itself?

Mr. GRISWOLD. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I served on the Labor Committee with the gentleman for 8 years, and we agreed pretty generally. Two things I cannot understand about the gentleman and his speech, but first of all, a letter that we all received today from William Green says that "it is reasonably acceptable and fairly satisfactory to labor." That tells me that he is not for it. He qualifies his support of it by saying it is reasonably acceptable. William Green does not say things that way when he is for things, does he? [Laughter.] After our 8 years on the Labor Committee together, does William Green speak that way when he is in favor of something? I want your judgment.

Mr. GRISWOLD. I will answer the gentleman this way: I think he was considerably more emphatic when he wanted the committee to adjourn 24 hours.

Mr. LAMBERTSON. Yes. John Lewis said before the hearings that he positively wanted section 5 out. That is the section dealing with the board. He would not commit himself to the bill unless section 5 went out. That is in there now. We know John Lewis is not for it. We know William Green is not for it at heart. But there is one person that makes William Green say this little thing about it. But what I cannot understand about you is that you are against every part of the bill and you voted to report it out of committee and you are going to vote for it in the House. I was against it in the committee and I am going to vote against it on the floor. I am just exactly like you. [Laughter.]

Mr. GRISWOLD. If the gentleman would qualify that a little. [Laughter.] He may recall that I voted to report it out of committee, making the statement that I reserved the right to oppose the bill or any parts of it on the floor, although it is not my intention to oppose the principle of the bill on the floor. I favor some parts of this bill. I favor the general idea of a floor for wages and a ceiling for hours. I favor the prohibition of child labor in industry. I am sorry that this bill does not go far enough in that respect. I am sorry that we say to the world in this bill that we oppose child labor for our own children but will gladly accept in interstate commerce goods produced by the labor of children in other nations—foreign children that are worked under conditions so much worse than ours that even our sweatshop conditions are paradise in comparison. I think this legislation started with good intent. Somewhere along the course of its travels it fell into unfriendly hands—a beautiful thing was warped and twisted and made into a monstrosity. I hope the House will operate on it—try to restore its beauty and usefulness. That is why I am talking now.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman any hope of amending it on the floor, of striking out the wage differential, for instance?

Mr. GRISWOLD. I have not much hope of materially amending the bill on the floor. The House is in a temper to adjourn. It will accept, in my opinion, legislation that it would give more consideration to were it earlier in the session. I shall present amendments. Others will present amendments. Some will be adopted.

Mrs. ROGERS of Massachusetts. But the gentleman expects to get a rule to bring the bill to the floor.

Mr. GRISWOLD. I do not know; I am not a member of the Committee on Rules. I feel that the Rules Committee will act conscientiously and do as they think best. I presume they will grant a rule. Whatever action they take will be agreeable to me. They are all excellent and able gentlemen.

Mr. HILL of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. HILL of Oklahoma. I conceive by the statement that the gentleman has made, although I have not studied the bill, that there will be a great array of inspectors and investigators sent all over the country to look into every man's business. I am wondering if we could not fix up the bill so that they would all come under civil service.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. The Chair will state to the gentleman from Indiana that there is still pending another special order.

Mr. LUDLOW. Mr. Speaker, I withdraw the request. I had overlooked the fact that there is another special order.

EXTENSION OF REMARKS

Mr. DORSEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address I delivered at Independence Hall in Philadelphia on August 7.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. O'CONNELL of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by a former Member of the House, Mr. Marcantonio, of New York.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a special order heretofore made, the gentleman from Alabama [Mr. HOBBS] is recognized for 10 minutes.

Mr. HOBBS. Mr. Speaker, this morning there appeared in the Washington Post an article which seems to me to be unworthy of a great columnist. In his column "Politics and People", Mr. Franklyn Waltman damns the opponents of the so-called antilynching bill, now pending in the Senate, and claims virtues for the bill which it does not even pretend to possess.

He says:

> But, guilty or innocent, every person in this country is entitled to his day in court and to be protected from bloodthirsty, frenzied mobs.

All of which sounds well, unless the bills have been read. There is no word in these bills about protection. They deal exclusively with punishment.

Of course this is true. Lynching may be as swift as an automobile or a bullet. How could far-distant Federal authorities possibly be expected to protect against mob violence? The answer is, they are not. Does Mr. Waltman use that ultra-vires sob stuff because he lacks legitimate arguments and fears that his abuse of those who disagree with him may not be as moving as he desires?

Again I find myself differing from Mr. Waltman as to the inspiration of this proposed legislation. He says it was "inspired by a sense of decency and morality." If this were all of the truth, why are there dozens of identical bills introduced every year? If the high and holy purpose which burns in my breast has already been embodied in a dozen bills now pending, why should I introduce another bill in exactly the same language? The question answers itself.

I should not and would not. But if I want political credit back home, and such a bill is popular there, why, of course, I might.

Not for a second do I question that the desire to stop lynching is decent and moral. It is, and 99 percent of the people in the United States are insisting that it be stopped. That is one of the reasons why it is being stopped. But I say most positively that, in my judgment, the inspiration of antilynching bills is seasoned liberally with the pepper of politics.

To punish a county in Alabama for the killing of one man by several is statesmanship. But there must be no danger of punishing a county in New York when a group of gangsters kills one of their gang or another gang, charged with crime, to prevent his trial for fear that he might talk too much. So the bill pending in the Senate provides:

Provided, however, That lynching shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers, nor violence occurring during the course of picketing or boycotting or any incident in connection with any labor dispute as that term is defined and used in the act of March 23, 1932 (47 Stat. 70).

It is not my purpose to enter into any extended discussion of the antilynching bills. I tried to express myself on that subject last spring when the Gavagan bill was being debated in this House. You heard me then.

My main criticism of Mr. Waltman's article is of his statement—

The decent men and women of the South want such legislation, as demonstrated by the attitude of the southern press, by the action of southern organizations, and by the recent Gallup poll, which showed that 65 percent of the sentiment in the South, compared to 70 percent the Nation over, favored a Federal antilynching bill.

I called him up by telephone this morning about that. He said he did not mean it the way it sounds. I accept his statement at full face value. But I cannot refrain from giving this public expression to my resentment at such a careless use of words by an expert, nor can I permit to go unchallenged the intimation, as false as it was unintended, that those men and women of the South who are against such legislation are not "the decent men and women" of that section.

GENERAL FARM LEGISLATION

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Speaker, the reason I am taking a moment of the time of the House this afternoon is because the United States Department of Agriculture has issued its estimate of the crops of the United States as of August 1 this year; and I make these remarks supplemental to the remarks I made the other day concerning crop insurance, and supplemental to the remarks of the distinguished gentleman from Iowa [Mr. WEARIN] this morning, showing the necessity for some legislation at this session of Congress for the benefit of the farmers of the United States.

Since the New Deal began, the weather has been abnormal and both critics and proponents of farm legislation have said that the situation will be different when there is a return to normal weather. The critics have grudgingly conceded that the farm programs of this administration have been of some help during the abnormal weather of the last few years, but they say that as soon as we have normal weather again we can throw out the farm programs and go back to the good old days.

The proponents of farm legislation, of whom I am proud to count myself as one, look at this situation from another viewpoint. We realize, far better than the critics, that New Deal farm legislation has been the salvation of millions of our farmers. But we realize that the return to normal conditions will be just the time when farmers must have adequate Government aid to meet the surplus situation which normal conditions will bring.

For 4 years we have talked about normal conditions returning. I say that we are now back to normal. I hold in my hand the general crop report of the United States Crop Reporting Board, issued Tuesday and a copy of the cotton report issued yesterday, Monday. We all know what a bombshell the cotton report was, with its estimate of 15,593,000 bales. This is just a taste of what lies ahead for all of our farmers. The general crop report shows that a serious situation is facing our corn and feed-grain farmers as well as our cotton farmers. The crop report estimates 2,658,748,000 bushels of corn, as compared with 1,529,327,000 bushels last year and a 5-year average for 1928–32 of 2,554,772,000 bushels. Our wheat crop this year is now estimated at 890,419,000 bushels, the highest since 1931. This compares with a crop last year of 626,461,000 bushels and a 5-year average of 864,532,000 bushels. Our rye crop is now estimated at 51,869,000 bushels, more than double the crop of 25,000,000 bushels last year. The barley crop is estimated at 227,398,000 bushels, as compared with 147,452,000 bushels last year. Oats at 1,130,628,000 bushels compared with 789,100,000 bushels last year and a 5-year average of 1,215,102,000 bushels.

The last 6 weeks have given us dramatic proof of what can happen to farmers' prices in this country when things are nearly normal. Take oats for instance. I have here the average weekly cash price of No. 3 White oats at Chicago for the last 6 weeks. For the week ending July 3 these prices averaged 51 cents a bushel. Three weeks later the average dropped to 38 cents a bushel, and last week this decline continued on down to 30 cents a bushel. Remember that these are Chicago prices. Prices to farmers, of course, are even lower as there are freight differentials which must be taken into consideration.

Corn farmers also realize what getting back to normal means. The closing prices of corn futures at Chicago on Monday tell this story in a way that every farmer can understand all too well. On that day September corn futures at Chicago closed at $1.03 a bushel. That is what the market figured corn was worth under abnormal conditions before this year's crop comes to market. But look at December futures, which show what the speculators think corn is worth under nearly normal conditions when this year's crop will be on the market. December corn futures closed Monday at Chicago at 68 cents a bushel. In other words, the difference between the abnormal conditions and the normal conditions that many critics of farm legislation want means just 35 cents a bushel to corn farmers.

Yes, we are getting back to nearly normal. The weather has come back to a much more normal situation and growing conditions this year are much better in most of the country than they have been in the last few years.

In my State of Montana, I regret to state that many of our farmers were in practically the only area of the entire country where drought struck again this year. But even the farmers in my State of Montana can read the signs in the crop reports and in the falling prices of corn and cotton. They are close to the Canadian border and they realize that their Canadian neighbors have shared the drought disaster with them. In fact, they realize that Canadian drought has been a most important factor in holding up the price of this year's wheat crop. They realize full well that an end of drought in Canada and normal crops in the United States will mean the same downward trend in their wheat prices next year as is occurring in corn, cotton, oats, and other prices this year.

Many point to the possibilities of wheat exports this year as lessening any need for early farm legislation for wheat. I grant that there is an opportunity to export a considerable quantity of wheat this year. But I ask you why this is so. Once more we need only look across the Canadian border to find the answer. A small Canadian crop means that the principal wheat exporter of the world becomes a minor factor this year. But are we going to depend on Canadian crop failures year after year for protection against falling prices of wheat? What are we going to do when Canada gets back to normal? What are we going to do when the

crop reports on wheat show prospective surpluses such as is the case in corn and cotton this year?

I have already spoken in this Chamber on the question of this Congress enacting adequate farm legislation to meet the problem of normal conditions as well as abnormal conditions. My convictions on that point remain unchanged. I know that the farmers in my State of Montana want protection against the hazards of normal weather and I believe that we in this session must move as far as possible toward enacting legislation that will give our farmers such protection. The Agriculture Committee of the House has given this problem much consideration, and I have only the highest praise for the committee and its chairman, Mr. JONES, for what has been done up to now. I know, too, that I speak the sentiment of the farmers of Montana when I say that the action of the committee in reporting favorably the crop-insurance bill will prove one of its most popular moves.

But the cotton and crop reports have created a new crisis for agriculture; a crisis which this session of Congress must do something about. We must face the problem of nearly normal yields, normal weather, and only a fair export trade. I do not say that we must enact final legislation now, but we must decide where we are going, and we must make provision for swift passage of legislation in advance of next year's crop so that our farmers may know where they stand. This administration has a mandate from agriculture that must not be ignored.

EXTENSION OF REMARKS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD and to include therein a certain letter and parts of certain agreements and court proceedings heretofore referred to by me in the real-estate bondholders' discussion.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TEIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by me in Washington recently advocating the franchise for the citizens of the District of Columbia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a copy of an address made by myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LANZETTA, for 1 day, on account of attendance at a funeral.

To Mr. CROWTHER (at the request of Mr. SNELL), for 4 days, on account of illness.

COURT REFORM AND JUDICIAL PROCEDURE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a conference report and statement on the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, it has been a very long day. We do not have a very heavy program for tomorrow; and if the gentleman will make his request to address the House tomorrow after the business of the day has been disposed of, I shall not object. Mr. Speaker, I object to the gentleman proceeding at this time.

The SPEAKER. Objection is heard.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick; to the Committee on the Judiciary.

S. 2253. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature, which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes; to the Committee on Indian Affairs.

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes; to the Committee on Labor.

S. 2874. An act requiring the deposit in a safe place ashore of the names and addresses of passengers sailing on vessels plying the inland or coastal waters of the United States; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest, in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the Office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday; and

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 169. An act to provide for a term of court at Benton, Ill.

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1114. An act for the relief of Agnes Ewing Harter;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the Naval Air Station, Hampton Roads, Va., May 15, 1936;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckinridge County, Ky., to the Commonwealth of Kentucky;

H. R. 4716. An act authorizing the construction and equipment of a marine hospital in the State of Florida;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5194. An act granting a renewal of patent no. 60731, relating to the badge of the Girl Scouts, Inc.;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5860. An act making further provision for the fisheries of Alaska;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the Government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6453. An act to increase the minimum salary of deputy United States marshals to $2,000 per annum;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptacle in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any

device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 6693. An act to legalize a dike in the Missouri River 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6976. An act to provide for the establishment of a Coast Guard station on the coast of Alabama at or near Dauphin Island, Ala.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street in the city of Bridgeport, Conn., a nonnavigable stream;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence;

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes;

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the North Canadian River in Oklahoma;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts;

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island; and

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 11, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

Special Subcommittee on Naval Affairs appointed by Chairman CARL VINSON will hold continued open hearings on H. R. 7777, to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496), Wednesday, August 11, 1937, at 10:30 a. m.

COMMITTEE ON THE CIVIL SERVICE

A meeting is being called for Wednesday, August 11, 1937, at 10:30 a. m., for the purpose of holding a hearing on the bills H. R. 2280 and H. R. 3483, proposing to classify special-delivery messengers of the Post Office Department.

COMMITTEE ON INVALID PENSIONS

There will be a meeting of the Committee on Invalid Pensions on Thursday, August 12, 1937, at 10 a. m.; hearings on H. R. 3580, H. R. 6884, and H. R. 6904.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 7486. A bill to increase the efficiency of the Coast Guard; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House on the state of the Union.

Mr. DUNCAN: Committee on Ways and Means. H. R. 8174. A bill to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 3021. A bill to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park; without amendment (Rept. No. 1473). Referred to the Committee of the Whole House on the state of the Union.

Mr. MASSINGALE: Committee on the Public Lands. H. R. 3418. A bill to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma; with amendment (Rept. No. 1474). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 6350. A bill to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks; without amendment (Rept. No. 1475). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on the Public Lands. H. R. 6589. A bill to conserve the watersheds and water resources of portions of Santa Barbara and San Luis Obispo Counties, Calif., by the withdrawal of certain public land included within the Los Padres National Forest, Calif., from location and entry under the mining laws; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on the Public Lands. H. R. 7436. A bill to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1397. An act to create a Federal Crop Insurance Corporation, and for other purposes; with amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes; with amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 476. Joint resolution authorizing participation by the United States in the Inter-American Radio Conference to convene at Habana, Cuba, November 1, 1937; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 481. Joint resolution authorizing participation by the United States in the Eighth International Road Congress, to be held at The Hague in June 1938; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON of Texas: Committee on Military Affairs. H. R. 7210. A bill to authorize an exchange of lands at the new Cumberland General Depot, Pa.; with amendment (Rept. No. 1483). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of Montana: Committee on Indian Affairs. H. R. 2534. A bill to authorize the Secretary of the Interior to investigate and report on the loss of title to or the encumbrance of lands allotted to Indians; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Select Committee on Government Organization. H. R. 8202. A bill to provide for the reorganization of agencies of the Government to establish the Department of Welfare, and for other purposes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHEPPARD: Committee on Indian Affairs. H. R. 5753. A bill to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations; with amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. S. 2159. An act for the relief of George R. Slate; without amendment (Rept. No. 1478). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens; with amendment (Rept. No. 1484). Referred to the Committee of the Whole House.

Mr. MAVERICK: Committee on Military Affairs. H. R. 6479. A bill for the relief of Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner; without amendment (Rept. No. 1489). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 8200) for the relief of certain applicants for oil and gas permits and leases; to the Committee on the Public Lands.

By Mr. WOLVERTON: A bill (H. R. 8201) to amend the act entitled "An act to amend the act entitled 'An act for the relief of certain purchasers of lands in the Borough of Brooklawn, State of New Jersey', approved May 6, 1936"; to the Committee on Claims.

By Mr. WARREN: A bill (H. R. 8202) to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes; to the Select Committee on Government Organization.

By Mr. LEAVY: A bill (H. R. 8203) for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes; to the Committee on the Public Lands.

By Mr. DE ROUEN: A bill (H. R. 8204) to amend the act providing for the establishment of the Richmond National Battlefield Park, in the State of Virginia, approved March 2, 1936 (49 Stat. 1155), and for other purposes; to the Committee on the Public Lands.

By Mr. SUTPHIN: A bill (H. R. 8205) to amend an act entitled "An act for the improvement and protection of the beaches along the shores of the United States", approved June 26, 1936; to the Committee on Rivers and Harbors.

By Mr. LESINSKI: Joint resolution (H. J. Res. 485) to establish the General Casimir Pulaski Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. KELLER: Joint resolution (H. J. Res. 486) to authorize the painting of "The Signing of the Constitution" for placement in the Capitol Building; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLER of Minnesota: A bill (H. R. 8206) for the relief of certain claimants who suffered loss by fire at or near Ebro, in the State of Minnesota, during October 1918, and who did not receive payment under Private Law No. 336 of the Seventy-fourth Congress entitled, "An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918", approved August 27, 1935; to the Committee on Claims.

By Mr. HILL of Oklahoma: A bill (H. R. 8207) for the relief of Glenn Morrow; to the Committee on Claims.

By Mr. HOBBS: A bill (H. R. 8208) for the relief of Ernest Lamar; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 8209) granting a pension to Mollie Clinkinbeard; to the Committee on Invalid Pensions.

By Mr. LUECKE of Michigan: A bill (H. R. 8210) for the relief of Anastasia Linehan; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H. R. 8211) for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

By Mr. WHELCHEL: A bill (H. R. 8212) for the relief of Sam Kimzey; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3191. By Mr. CURLEY: Petition of the American Federation of Musicians of the United States and Canada, urging enactment of House bill 4947 and Senate bill 2369,

to commission the band leaders of the Regular Army and National Guard; to the Committee on Military Affairs.

3192. By the SPEAKER: Petition of the International Union of Mine, Mill, and Smelter Workers, urging serious consideration of the Fort Peck project and its early passage; to the Committee on Rivers and Harbors.

3193. By Mr. CURLEY: Petition of the Board of Estimate and Apportionment of the City of New York, urging enactment of the Allen-Schwellenbach bill to rescind and stop cuts on Works Progress Administration; to the Committee on Appropriations.

3194. Also, petition of the Young Men's Christian Association of the City of New York, urging adoption of the Allen-Schwellenbach bill providing for the reinstatement of needy persons dismissed from the Works Progress Administration who have not found employment in private industry; to the Committee on Appropriations.

3195. Also, petition of the Domestic Workers Union League, Local 149, New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3196. Also, petition of Local 802, American Federation of Musicians, endorsing the Allen-Schwellenbach bill for the reinstatement of needy persons dismissed from the Works Progress Administration who have not found employment in private industry; to the Committee on Appropriations.

3197. By Mr. COLDEN: Resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., on the 3d day of August 1937, appealing for aid to those who are being dropped from Works Progress Administration rolls and who are suffering additional hardships because of increased rentals, and urging that a low-cost housing project be established in the county of Los Angeles, and that the Wagner-Steagall housing bill be passed; to the Committee on Banking and Currency.

3198. By Mr. PFEIFER: Petition of the Merchants' Association of New York, concerning House bill 8129, to amend the Motor Carrier Act of 1935; to the Committee on Interstate and Foreign Commerce.

3199. Also, petition of the American Federation of Labor, Washington, D. C., urging support of the wage and hour bill; to the Committee on Labor.

3200. Also, petition of the National Coal Association, Washington, D. C., concerning the Black-Connery Labor Standards Act; to the Committee on Labor.

3201. Also, petition of the New York State Association of Manufacturing Retail Bakers, New York City, concerning the wage and hour bill (H. R. 7200); to the Committee on Labor.

3202. Also, petition of the Brotherhood of Railroad Station Porters, Philadelphia, Pa., concerning the Fair Standards Labor Act (S. 2475); to the Committee on Labor.

3203. Also, petition of the Department Store Employees Union, Local, No. 1250, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3204. Also, petition of the Domestic Workers' Union, Local 149, American Federation of Labor, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3205. Also, petition of the Board of Estimate and Apportionment, City of New York, endorsing the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3206. Also, petition of the State of New York, Department of Taxation and Finance, Albany, concerning income-tax laws; to the Committee on Ways and Means.

3207. Also, petition of the American Federation of Musicians of the United States and Canada, Newark, N. J., concerning House bill 4947 and Senate bill 2369; to the Committee on Appropriations.

3208. By Mr. KEOGH: Petition of the New York State Association of Manufacturing Retail Bakers, New York City, concerning the wage and hour bill (H. R. 7200); to the Committee on Labor.

3209. Also, petition of the Brotherhood of Railroad Station Porters, Philadelphia, concerning the wage and hour bill; to the Committee on Labor.

3210. Also, petition of the Board of Estimate and Apportionment, City of New York, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3211. Also, petition of the Department Store Employees Union, Local 1250, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3212. Also, petition of the United Hospital and Medical Workers, Local 413, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Appropriations.

3213. Also, petition of the Domestic Workers Union, Local 149, American Federation of Labor, New York City, concerning the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3214. Also, petition of the Merchants Association of New York, concerning amendment to the Motor Carrier Act of 1935 (H. R. 8129); to the Committee on Interstate and Foreign Commerce.

3215. Also, petition of the American Federation of Musicians of the United States and Canada, Newark, N. J., concerning House bill 4947 and Senate bill 2369; to the Committee on Military Affairs.

3216. By Mr. LUTHER A. JOHNSON: Petition of Pat E. Hooks, Itasca; H. E. Chiles, A. N. Robertson, and C. C. Pruitt, of Hillsboro; and J. E. Hintz, F. E. Groover, and B. R. Manning, of Mexia, all of the State of Texas, opposing the Black-Connery wage and hour bill; to the Committee on Rules.

3217. Also, petition of H. E. Bardwell, president of the Texas State Federation of Federal Employees, San Antonio, Tex., favoring House bill 1595, the 5-day-week bill; to the Committee on the Civil Service.

SENATE

WEDNESDAY, AUGUST 11, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Tuesday, August 10, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7642) to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. GAVAGAN, Mr. DEROUEN, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KELLER, Mr. SECREST, and Mr. TREADWAY were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6963. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 7415. An act to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department; and

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents and for other purposes.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, inasmuch as we will have need of a quorum because of the measures coming before the Senate today, I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Pittman
Andrews	Copeland	Lee	Pope
Ashurst	Davis	Lewis	Radcliffe
Austin	Dieterich	Lodge	Reynolds
Barkley	Ellender	Logan	Schwartz
Berry	Frazier	Lonergan	Schwellenbach
Bilbo	George	Lundeen	Sheppard
Black	Gerry	McAdoo	Shipstead
Bone	Gillette	McCarran	Smathers
Borah	Glass	McGill	Smith
Brown, Mich.	Green	McKellar	Steiwer
Brown, N. H.	Guffey	McNary	Thomas, Okla.
Bulkley	Hale	Maloney	Thomas, Utah
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Moore	Truman
Byrd	Hitchcock	Murray	Tydings
Byrnes	Holt	Neely	Vandenberg
Capper	Hughes	Nye	Van Nuys
Caraway	Johnson, Calif.	O'Mahoney	Wagner
Chavez	Johnson, Colo.	Overton	Walsh
Clark	King	Pepper	White

Mr. LEWIS. I again announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate. I ask that this announcement stand of record for the day.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent on official business in connection with his duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

LOW-COST HOUSING

Mr. WALSH. Mr. President, during the debate on the so-called slum-clearance housing bill, I inserted in the RECORD a table which set forth the cost of housing projects of the Public Works Administration Housing Division. The head of that division, Mr. Gray, states that the table was not in all respects accurate, and asks me to insert in the RECORD a table which is accurate, and which sets forth the cost more definitely than the table which I used during my speech and which I had inserted in the RECORD. In order that no injustice may be done the Public Works Administration Housing Division, I ask that Mr. Gray's letter, and the table annexed to it, may be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter and table are as follows:

FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS,
Washington, D. C., August 10, 1937.

Hon. DAVID I. WALSH,
United States Senate.

MY DEAR SENATOR: My attention has been called to the publication in the CONGRESSIONAL RECORD for Thursday, August 5, on page 8288, of a table intended to show the cost of nine Public Works Administration Housing Division slum-clearance and low-rent housing projects as compared to certain other projects financed by the Reconstruction Finance Corporation and the Federal Housing Administration. This table was printed in the RECORD at your request.

I was impressed throughout the housing bill debate on the Senate floor by your sincere interest to have all the facts in connection with this measure presented in the RECORD. On several occasions you specifically made reference to your wish that the RECORD carry full information about this bill.

I am sure that it was your desire to present accurate facts and figures in this connection. However, the table of costs to which I have referred is so glaringly inaccurate, insofar as the P. W. A. Housing Division figures are concerned, that I am writing you to present the correct information. I do not know the source of your information, but it obviously is not a reliable one. Even the heading of the table, "Cost per room of buildings actually constructed", is misleading, because the table includes one of our projects in Detroit on which work on the buildings has only been started within the last 2 months, and therefore does not qualify as being "actually constructed."

I am enclosing herewith a corrected table showing the actual figures for the projects published in the RECORD. The figures in the third column, "Price per room (building only)", are based on actual contracts and commitments to date. Whereas for Boston your table shows 3,912 rooms, a building cost of $6,124,751, and a price per room of $1,566, the actual figures are 3,860 rooms with a building cost of $5,441,704 and a price per room of $1,410.

The table shows a price per room in Chicago of $1,746. The actual cost is $1,463. The table shows a price per room in Miami of $1,112, whereas the actual costs were $958. In Birmingham the table showed a price per room of $1,318, whereas the actual cost is $1,101. For Enid is shown a room cost of $1,711, whereas the proper figure is $1,306. In Omaha the table gives a figure of $1,530 and the correct figure is $1,280. In Detroit you show $1,643, whereas the contract price is $1,335.

Incidentally, the table shows Knickerbocker Village, in New York, as being financed by private capital "under Federal Housing Administration." Knickerbocker Village was financed not by F. H. A. but by the R. F. C. before F. H. A. came into existence.

Should you desire to obtain other information about P. W. A. housing projects, you may rest assured that our records are always open for your inspection and we will be glad to furnish any information you desire. Naturally the Housing Division is in a position to supply more accurate information about its projects than any other agency.

Inasmuch as someone has taken advantage of your desire to have this question thoroughly aired and understood and has supplied you with misleading data, I wonder if you would not like to have the enclosed table with correct figures printed in the RECORD.

Sincerely yours,

H. A. GRAY,
Director of Housing
(For the Administrator).

	Project no.	Number of rooms	Building cost (committed costs as of June 30, 1937)	Price per room (building only)	Price per unit (of 4 rooms)
Boston (Public Works Administration in depression years)	H-3302	3,860	$5,441,704	$1,410	$5,640
Chicago (Public Works Administration in depression years)	H-1401	2,501	3,659,611	1,463	5,852
Do	(H-1408)	(1,733)	(2,586,096)	(1,492)	(5,968)
Do	H-1405	1,070	1,411,367	1,319	5,276
Do	H-1406	3,254	4,589,706	1,410	5,640
Miami (Public Works Administration in depression years)	H-4002	860	$23,584	958	3,832
Birmingham (Public Works Administration in depression years)	H-2902	1,588	1,749,048	1,101	4,404
Enid (Public Works Administration in depression years)	H-5401	311	406,070	1,306	5,224
Omaha (Public Works Administration in depression years)	H-2001	1,114	1,426,311	1,280	5,120
Detroit (Public Works Administration in depression years)	H-1201	2,360	3,149,762	1,335	5,340
Do	H-1205	(2,827)	(3,719,371)	(1,316)	(5,264)
New York (Public Works Administration in depression years)	H-1301	5,688	8,648,485	1,520	6,080
Do	H-1302	1,940	2,751,764	1,418	5,672
Total		29,105	40,362,879		
Public Works Administration, Housing Division, low-cost projects, weighted average for above 13 projects	13			1,387	5,548

PETITIONS AND MEMORIAL

The VICE PRESIDENT laid before the Senate the following concurrent memorial of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

Concurrent memorial requesting additional buildings and equipment for the Veterans' Administration Facility at Tucson

To the Congress of the United States and the Veterans' Administration:

Your memorialist respectfully represents:

Because of the unsurpassed climatic advantages of its location, the Veterans' Administration Facility at Tucson is operated primarily for the treatment of tuberculosis. The capacity and resources of the institution are constantly taxed to the limit in the hospitalization of tuberculars.

It is a fact, however, well established by competent medical authority and the testimony of thousands of patients who have experienced its benefits, that the climate of southern Arizona possesses equal therapeutic value in the treatment of arthritis, neuritis, asthma, bronchitis, sinusitis, and various other diseases.

During the past year, because of the lack of adequate accommodations for their treatment, approximately 500 cases of these special types were denied hospitalization.

It is believed that every disabled veteran should have the benefit of the most favorable climatic conditions and the most effective therapeutic aids indicated for his particular type of disease to enable him to regain his health.

Wherefore your memorialist, the Senate of the State of Arizona (the house of representatives concurring), urgently recommends:

1. That the Veterans' Administration include in its budget requests an item for the construction of additional buildings at Tucson to take care of at least 200 general medical patients; that an adequate number of single rooms be provided in each ward; that each building be equipped with the most efficient dry air cooling system; and that ample facilities be provided to take care of the increased bed capacity at the hospital, including accommodations for the necessary personnel.

2. That the Congress of the United States give effect to this recommendation by the enactment of appropriate legislation.

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to abolish the Federal Reserve System as at present constituted, and also praying that Congress exercise its constitutional right to coin money and regulate the value thereof, which were referred to the Committee on Banking and Currency.

Mr. WALSH presented resolutions adopted by the Western Massachusetts Federation of Mayors and Selectmen, at Northampton, Mass, favoring the prompt adoption and ratification, without amendment, of the Connecticut River Interstate Flood Control Compact, which were ordered to lie on the table.

PARITY PRICES FOR COTTON

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD, and appropriate reference, as part of my remarks a resolution adopted at a farmers' meeting at Amarillo, Tex., on July 28, 1937; a resolution adopted at a farmers' meeting at Waco, Tex., on July 29, 1937, and a resolution adopted at a farmers' meeting at Lufkin, Tex., on July 30, 1937, all relating to the necessity of obtaining parity prices for cotton.

The resolutions presented by Mr. SHEPPARD were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution passed at farmers' meeting, Amarillo, Tex., July 28, 1937

Panhandle farmers appreciate beyond measure the great advantage to agriculture of the Triple A. Although adopted as an emergency measure, with amendments it could no doubt have been made more perfect as a permanent program. It was extremely unfortunate that the Supreme Court declared it unconstitutional. The Soil Conservation Act has furnished a splendid substitute and must be maintained at all hazards for the purpose of conserving soil fertility, but the soil-conservation program must be supplemented with additional legislation if stability is to be attained and parity prices for basic farm crops maintained.

We favor a program to provide an ever-normal granary as a matter of public interest. We insist it not be done at the expense of the producer.

Parity prices in years of normal supply must be provided for if agriculture is to absorb its share of the rising costs of industry and labor.

In years of abnormally large production direct control of surpluses must be available and a permanent system of commodity loans be put into effect as a price stabilizer.

We, therefore, favor and endorse the principles of the farmers' bill now pending in the Congress and urge upon the administration and the Congress that legislation of this type be passed at the present session of the Congress.

W. M. DECK, *President.*
WALTER A. GILLESPIE, *Secretary.*

Resolution passed at farmers' meeting, Waco, Tex., July 29, 1937

We, the farmers of the great Cotton Belt of Texas, in mass meeting assembled, do hereby adopt the following resolution:

We favored and cooperated in the original A. A. A. and the farmers of this country were dealt a severe blow when this was invalidated by the Supreme Court.

The Soil Conservation Act has justified itself and must be maintained. To conserve the soil fertility is essential, but this alone will not solve the problem and assure the farmers a fair and reasonable income.

To insure equal opportunity with other groups the farmer must receive parity prices for his products.

Production must be adjusted in line with normal domestic and export demand.

In years of overproduction positive control of surpluses must be provided, together with commodity loans at reasonable levels.

We therefore favor the farmers' bill—H. R. 7577—now before Congress, as embodying the above principles and strongly urge its enactment by Congress at this session as protection against the recurrence of disastrously low prices for farm products.

GEORGE CLARK,
McClennan County, Chairman.
B. F. CHAPMAN,
Bell County, Secretary.

Resolution passed at farmers' meeting, Lufkin, Tex., July 30, 1937

Resolved, That we, the farmers of east and southeast Texas, speaking in behalf of the farmers of more than 33 important cotton counties in Texas, note from the press with bitter disappointment that the Congress may adjourn prior to adoption of House bill No. 7577, the 1937 A. A. A. bill, also known as the ever-normal granary law. This bill meets the approval of the President, the Secretary of Agriculture, and the overwhelming majority of our farmers. It is the first proposal as compared to prices farmers are required to pay.

Industry, through the protective tariff, has for more than 100 years, enjoyed a thinly disguised subsidy, and this proposed law will bring to farmers governmental benefits to equalize this long-continued discrimination and in a measure correct this inequality. A parity price for cotton now is 17 cents and not 11.5 cents, the prevailing price. The increase in farm tenancy will be checked by fair prices for farm products.

The existing soil-conservation law is not effective to either prevent an unmarketable crop surplus or to maintain a fair price for cotton. The price of cotton has recently declined nearly 3 cents, already bringing a $70,000,000 loss to farmers, and is still falling. Should Congress adjourn with no farm bill to sustain the price of cotton, our farmers will incur untold loss and misfortune. No Texas Member of Congress can have a more important mission than to act now on this farm bill, and failure to act may be little short of dereliction of duty.

We, therefore, bring to the attention of our officials the seriousness of the present situation and imperative necessity for immediate action, and call upon all Texas Members of Congress to vigorously work for this bill and urge that they resist every suggestion to adjourn Congress until favorable action is had.

That there be forwarded to each Texas Member of Congress a copy of this resolution and that copies be sent to Franklin D. Roosevelt, President of the United States; Henry A. Wallace, Secretary of Agriculture; Senators ALBEN W. BARKLEY and J. H. BANKHEAD; MARVIN H. JONES, chairman, House Agricultural Committee; and ELLISON D. SMITH, chairman, Senate Agricultural Committee.

EDWIN HAWES, JR.,
Chairman, Wharton County.
OTHO MORRIS,
Secretary, Rusk County.

REPORTS OF COMMITTEES

Mr. O'MAHONEY, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 1972) giving superintendents at classified post-office stations credit for substitutes serving under them, reported it with an amendment and submitted a report (No. 1158) thereon.

Mr. MURRAY, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 2550) to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes, reported it with amendments and submitted a report (No. 1159) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (H. R. 7092) to provide for the transfer of Scotland County to the middle judicial district of North Carolina, reported it without amendment and submitted a report (No. 1160) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (H. R. 7430) for the relief of Mary Lucia Haven, reported it without amendment and submitted a report (No. 1161) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 1609) to

credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion, reported it with amendments and submitted a report (No. 1163) thereon.

Mr. McKELLAR, from the Committee on Interstate Commerce, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

H. R. 6586. An act to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes (Rept. No. 1162); and

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties together with the properties of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park (Rept. No. 1164).

Mr. REYNOLDS, from the Committee on the District of Columbia, to which was referred the following joint resolution (H. J. Res. 171) for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues, reported it without amendment and submitted a report (No. 1166) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 3406) for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia, reported it without amendment and submitted a report (No. 1167) thereon.

Mr. RADCLIFFE, from the Committee on Commerce, to which was referred the joint resolution (S. J. Res. 162) to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof, reported it without amendment and submitted a report (No. 1168) thereon.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2863) to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes, reported it without amendment and submitted a report (No. 1169) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2886) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended by the act of June 4, 1920, reported it without amendment and submitted a report (No. 1170) thereon.

Mr. SHIPSTEAD, from the Committee on Indian Affairs, to which was referred the bill (S. 2120) for the relief of Rev. C. G. Eidnes, reported it with amendments and submitted a report (No. 1171) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

Mr. BLACK, from the Committee on Education and Labor, reported favorably the nomination of Clarence Poe, of North Carolina, to be a member of the Federal Board for Vocational Education (reappointment).

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Gen. Walter Perry Story, California National Guard, to be major general, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of Brig. Gen. Lewis Bacon Ballantyne, New Jersey National Guard, and Brig. Gen. Harcourt Hervey, California National Guard, to be brigadier generals, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of several Medical Corps Reserve officers for appointment in the Medical Corps, Regular Army.

He also, from the same committee, reported favorably the nominations of several Infantry officers for appointment, by transfer, in the Quartermaster Corps of the Regular Army.

He also, from the same committee, reported favorably the nominations of several officers for promotion in the Regular Army.

The VICE PRESIDENT. Without objection, the reports will be received and placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes; to the Committee on Commerce.

By Mr. GREEN:

A bill (S. 2941) for the relief of Mary, Ethel, and Richard Farrell; to the Committee on Claims.

A bill (S. 2942) for the relief of John F. H. Doyle; and

A bill (S. 2943) for the relief of James F. Feeley; to the Committee on Military Affairs.

By Mr. TRUMAN:

A bill (S. 2944) to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; to the Committee on Finance.

By Mr. ASHURST (by request):

A bill (S. 2945) to permit appeals by the United States to the Circuit Courts of Appeals in certain criminal cases; and

A bill (S. 2946) to extend privileges of the Navy post exchanges to officials and employees of the United States Court for China; to the Committee on the Judiciary.

By Mr. BERRY:

A bill (S. 2947) to create a National Economic Board, and for other purposes; to the Committee on Commerce.

By Mr. BARKLEY:

A bill (S. 2948) for the relief of A. J. Moses; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 2949) to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COPELAND:

A bill (S. 2950) providing for the naturalization of alien minors adopted by citizens of the United States; to the Committee on Immigration.

By Mr. LUNDEEN:

A bill (S. 2951) authorizing the State of Minnesota to acquire certain lands for highway purposes by purchase, gift, or condemnation, over and across certain lands owned in whole or in part by Indians or Indian tribes or held in trust by the United States Government for Indians, and providing for possession thereof; to the Committee on Indian Affairs.

CONFIDENTIAL INFORMATION, BUREAU OF FOREIGN AND DOMESTIC COMMERCE—REPORT OF COMMITTEE ON COMMERCE

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes, reported it without amendment and submitted a report (No. 1165) thereon.

DIVISION OF WATER POLLUTION CONTROL, PUBLIC HEALTH SERVICE—AMENDMENT

Mr. LONERGAN and Mr. BARKLEY submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to the bill (H. R. 2711) to create a Division

of Water Pollution Control in the United States Public Health Service, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

SUGAR QUOTAS AND TAXES—AMENDMENTS

Mr. PEPPER submitted 16 amendments intended to be proposed by him to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, which were severally ordered to lie on the table and to be printed.

PLAN FOR DEVELOPMENT OF ALASKA

Mr. SCHWELLENBACH submitted the following concurrent resolution (S. Con. Res. 20), which was referred to the Committee on Territories and Insular Affairs, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is requested to prepare or cause to be prepared by the present departments and agencies of the Government, and within the regular appropriations of such departments and agencies heretofore made for the fiscal year 1938, and to report to the Congress within 30 days after commencement of the second session of the Seventy-fifth Congress, a comprehensive plan to be carried out over a period of approximately 10 years, for the development of the resources of the Territory of Alaska, and the expansion and development of the facilities of commerce between the United States and Alaska, and within the Territory. The plan so prepared and reported to Congress may, in the discretion of the President, embrace a statement of such works and facilities to be established in Alaska as may be desirable for national defense.

PAYMENT OF MILEAGE TO CERTAIN SENATE CLERKS

Mr. BONE (for himself and Mr. STEIWER) submitted the following resolution (S. Res. 175), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That for each regular and special session of Congress the Secretary of the Senate is authorized and directed to pay, out of the contingent fund of the Senate, to one clerk and to one assistant clerk to each Senator and each standing committee of the Senate, mileage at the rate of 10 cents per mile for one round trip based upon the most direct route of travel by railroad between Washington, D. C., and the place, within the State of the Senator or the chairman of the standing committee by whom such clerk or assistant clerk is employed, in which is located the official residence or office of such Senator or chairman. Such payments shall be made on vouchers certified, as to the performance of the travel and incurring of expense therefor, by the respective Senators and chairmen of committees employing such clerks and assistant clerks and approved by the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate. Such vouchers may be submitted subsequent to the performance of the travel or any part thereof.

THE DEMOCRATIC PARTY, INDIVIDUAL INITIATIVE, AND PRIVATE ENTERPRISE—ADDRESS BY SENATOR SHEPPARD

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address on the subject of The Democratic Party, Individual Initiative, and Private Enterprise, delivered by Senator SHEPPARD at the Democratic harmony dinner given in honor of the senior Senator from Kentucky [Mr. BARKLEY] on Aug. 10, 1937, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY AT OCONOMOWOC, WIS.

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, Postmaster General, at the dedication of the new Federal building, Oconomowoc, Wis., on July 27, 1937, which appears in the Appendix.]

PEACE IN THE EAST—LETTER BY MAJ. GEN. WILLIAM C. RIVERS

[Mr. NYE asked and obtained leave to have printed in the RECORD a letter from Maj. Gen. William C. Rivers, U. S. Army, retired, on the subject of Peace in the East, printed in the New York Times of the issue of Sunday, June 20, 1937, which appears in the Appendix.]

CONDITIONS AFFECTING POULTRY PRODUCERS

[Mr. WALSH asked and obtained leave to have printed in the RECORD correspondence between Senators from the New England States and the Department of Agriculture with respect to feed supply and other matters of interest to poultry producers, which appears in the Appendix.]

PRODUCTION AND USE OF HELIUM GAS

The Senate resumed the consideration of the bill (S. 1567) to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes.'"

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. LOGAN] to the amendment reported by the committee.

Mr. THOMAS of Utah. Mr. President, just before the Senate recessed last evening I had finished a brief statement giving the history of the bill which is now before the Senate. This morning I should like to take up the bill section by section, because there are not only many questions which I am sure will be asked but because there are real controversial points in regard to governmental policy in this bill.

The first section provides, in part, that the Secretary of the Interior, through the Bureau of Mines, in order to conserve, produce, and sell helium gas, may acquire lands, interests therein, or options thereon. Stipulation is made that any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this measure shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which board shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected.

This provision refers primarily to the acquisition by the Government of the major private property which is now in existence. If the policy of this bill becomes the policy of the Government, the acquisition of this property will virtually make the production and control and the sale of helium a Government monopoly.

There is at this time one private helium company in the United States, which company has its headquarters at Louisville, Ky., and which owns helium properties in Kansas and Colorado. When the committee had before it the proposal to give the Government the power to sell helium, it gave careful consideration to the rights and interests of this private company, which has been in the helium business since 1927. Unquestionably, the granting to the Government of the power to sell helium would result in putting out of business the one private producer of helium in this country. The committee was confronted with the problem of seeking an equitable solution of this situation. The private company indicated its willingness to sell its helium properties to the Government. It is believed that inasmuch as the Government already has a virtual monopoly of helium, due to helium resources acquired between 1927 and 1933, the monopoly should be made complete especially in view of the proposed change in policy to permit the Government to sell helium. In accordance with the provision already noted relating to the acquisition by purchase of properties developed or constructed for helium production by private parties prior to the enactment of this measure, the acquisition by purchase of this private helium company now in existence would be at a price recommended to be fair and reasonable by a board of three appraisers, one of whom, as I have said, would be designated by the Secretary of the Interior, one by the owner of the property, and one by the two appraisers so named. Under another provision of section 1 it is provided in effect that the Government shall not sell helium until this property has been acquired.

Mr. President, in the friendly negotiations between the Department of the Interior and the owners of this company fear on the part of the company immediately arose as to what would happen to them if the bill should become a law and the Government were given the right to sell helium. It was felt that under such circumstances the private helium concern would be put out of business, because the competition would be greater than the private concern could

possibly withstand. As a result a provision was inserted in the bill, and it is at this juncture that I suggest the Senate give consideration to the amendment offered by the Senator from Kentucky [Mr. LOGAN], which would change that part of the bill found on page 8, beginning in line 13 and ending in line 19.

Mr. McGILL. Mr. President before the Senator takes his seat may I submit an inquiry with reference to subdivision (a), page 7? Is subdivision (a) the existing law?

Mr. THOMAS of Utah. Subdivision (a) is not in keeping with the words of the existing law, but the spirit is the same.

Mr. McGILL. Will the Senator explain what changes are made? I was of the opinion that subdivision (a) is existing law, but that subdivisions (b) and (c) contain some changes from the existing law. I should like to be advised by the Senator from Utah what the changes are.

Mr. THOMAS of Utah. The law which exists today provides for the leasing of helium; but that law does not contemplate a governmental monopoly. The proposed law would provide for the sale of helium and it would also give to the Government a virtual monopoly of helium. Those are the differences stated in a few words.

Mr. McGILL. The provision giving the Government the right to acquire the helium properties is the substantial difference from existing law?

Mr. THOMAS of Utah. The right granted in the original law to acquire is still retained, but under the theory of the bill now before the Senate it would be almost incumbent upon the Bureau of Mines to attempt to acquire all helium properties that may be in existence in the United States. The provisions of the bill, if enacted into law, would make that possible.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. LOGAN] to the amendment of the committee in the nature of a substitute, which will be stated.

The LEGISLATIVE CLERK. In the amendment of the committee it is proposed, on page 8, beginning in line 3, to strike out:

> Any acquisition by purchase of properties developed or constructed for helium production by private parties prior to the passage of this amendatory act shall be at a price or prices recommended to be fair and reasonable by a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected: *Provided*, That as to any such properties not acquired within 6 months from date of this act, the Secretary of the Interior shall proceed by condemnation to acquire such properties; and prior to the acquisition thereof the Federal Government shall not sell helium as authorized under section 3 (b) of this act, so long as helium may be procured for medical, scientific, or commercial use, including inflation of passenger-carrying airships, at reasonable prices from the operators of such developed or constructed properties.

And to insert the following:

> The Secretary of the Interior is hereby directed, if possible under the terms hereof, to acquire by purchase all properties developed or constructed by private parties prior to the passage of this act for helium production, such purchase to be at a price or prices recommended to be fair and reasonable by at least two of a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected. The Secretary of the Interior is authorized to incur obligations and enter into agreements for the purchase of such properties, and every such agreement shall be deemed a contractual obligation of the Government for the payment of the cost thereof, such payment to be made from any appropriations hereafter made for such purpose. Prior to the date of execution of an agreement or agreements for the purchase of such properties, the Government shall not sell helium as authorized in section 3 (b) of this act: *Provided*, That the foregoing restriction upon the sale of helium by the Government shall be inoperative in the event that (1) the owner of any such properties shall refuse or neglect to appoint an appraiser within 30 days after approval of this amendatory act, or (2) the owner of any such properties having so appointed an appraiser shall refuse or neglect to execute an agreement or agreements for the sale thereof, at a price recommended by at least two members of the board of appraisers, within 30 days after said appraisers shall have recommended such price.

Mr. BORAH. Mr. President, with reference to the amendment offered by the Senator from Kentucky [Mr. LOGAN] I desire to offer an amendment, on page 8, line 9, to strike out the words "one by the owners of the property sought to be acquired" and insert "one by the Secretary of the Treasury." I do not like the idea of the owners of the property sitting upon a board to fix and determine the price of the property which the Government is to buy. Therefore I think we should make up the board from other sources than from among the property owners themselves. Accordingly I move to strike out the "one by the owners of the property sought to be acquired" and insert "one by the Secretary of the Treasury"; so that it would read:

> One by the Secretary of the Interior, one by the Secretary of the Treasury, and one by the two appraisers so selected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho to the amendment offered by the Senator from Kentucky.

Mr. LOGAN. Mr. President, the Senator from Idaho has offered an amendment to the amendment offered by the Senator from Kentucky, as I understand.

The VICE PRESIDENT. The parliamentary status is that the committee reported a substitute for the original bill. The Senator from Kentucky offered an amendment to that substitute. The Senator from Idaho now offers an amendment to the amendment offered by the Senator from Kentucky. The question is on the adoption of the amendment offered by the Senator from Idaho to the amendment of the Senator from Kentucky.

Mr. LOGAN. If I understood correctly, the Senator from Idaho is suggesting that the board to appraise the property shall be composed of three members, one to be appointed by the Secretary of the Interior, one by the Secretary of the Treasury, and another by the two appraisers so selected. I see no objection to the amendment.

The VICE PRESIDENT. Without objection, the amendment of the Senator from Idaho to the amendment of the Senator from Kentucky is agreed to.

Without objection, the amendment of the Senator from Kentucky, as amended, is agreed to.

Without objection, the substitute reported by the committee, as amended——

Mr. BORAH. Mr. President, just a moment. I desire to offer a further amendment. On page 12, line 9, after the word "exportation" and the period, I move to insert the following:

> The National Munitions Control Board shall report on January 1 of each year all sales of helium made to foreign governments or to the citizens of foreign governments, giving the amount sold and to whom sold.

Mr. THOMAS of Utah. Mr. President, I believe the spirit of that amendment is already in the bill, though probably not in the exact words suggested by the Senator from Idaho. There is a provision in the bill that the National Munitions Control Board shall make a report annually.

Mr. BORAH. I want the bill to provide specifically for a report upon sales to foreign governments and to citizens of foreign governments.

Mr. THOMAS of Utah. There is no objection at all to the amendment of the Senator from Idaho, because it is in keeping with both the spirit of the bill and what we thought were the words of the bill.

Mr. LA FOLLETTE. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. Certainly.

Mr. LA FOLLETTE. I suggest to the Senator from Idaho a modification of his amendment so as to provide that a report shall be made once every 6 months, on January 1 and July 1 of each year, in order that we may have current or nearly current information as to the amount of the stocks of helium which are being accumulated.

Mr. BORAH. I accept the suggestion of the Senator from Wisconsin.

Mr. THOMAS of Utah. Mr. President, again I say there is no objection either to the wording suggested by the Senator from Idaho or the wording suggested by the Senator from Wisconsin. I think those very provisions are made in the act of May 1, 1937, and, through the operation of that

act, Congress would be given a report, not only as to helium but as to anything else produced under like conditions. To make it just as sure with reference to helium, I shall be happy to adopt the suggestion of the Senator from Idaho.

The VICE PRESIDENT. The Senator from Idaho has modified his amendment. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 12, line 9, after the word "exportation" and the period, it is proposed to insert:

> The National Munitions Control Board shall report, on January 1 and July 1 of each year, all sales of helium made to foreign governments or to the citizens of foreign governments, giving the amount sold and to whom sold.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho, as modified, to the amendment of the committee in the nature of a substitute.

The amendment to the amendment was agreed to.

Mr. LODGE addressed the Chair.

The VICE PRESIDENT. Has the Senator from Utah concluded? If so, the Senator from Massachusetts desires recognition.

Mr. THOMAS of Utah. If the Senator from Massachusetts is going to speak in regard to the first section of the bill, which has to do with the creation of the Government monopoly, I think this is the best time for him to do so.

Mr. LODGE. Mr. President, I prefer to let the Senator from Utah make his statement and explanation, and then I shall make mine.

Mr. COPELAND. Mr. President, will the Senator from Utah yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New York for a question?

Mr. THOMAS of Utah. I yield.

Mr. COPELAND. I have a very strong urge in my heart this morning to make a speech. When will it interfere least with the Senator from Utah for me to do so? I shall speak probably 15 or 20 minutes.

The VICE PRESIDENT. If the Senator from Utah yields to the Senator from New York, the Chair will recognize the Senator from Utah after the conclusion of the remarks of the Senator from New York.

Mr. THOMAS of Utah. I have no objection to listening to the speech of the Senator from New York under those conditions; and I yield for that purpose.

The VICE PRESIDENT. The Senator from Utah yields the floor, and the Senator from New York is recognized.

PARTITION OF PALESTINE

Mr. COPELAND. Mr. President, on July 2 I called the attention of the Senate to a rumor that Palestine was to be partitioned by the British, in contravention of our treaty and the treaty obligation resting upon Great Britain to consult us regarding any action in Palestine. Since that time the Royal High Commission has reported to the Parliament, and the Parliament has taken up with the League of Nations the question of the further partitioning of the Holy Land.

I again call the attention of the Senate to the fact that on the 3d of December 1924 a treaty was signed between the United States and Great Britain. This recited all the terms of the mandate worked out by the League of Nations, making the United States a party to that agreement. I wish that fact to be borne in mind by the Senate, because I can foresee a distressing international episode which may require some serious thought on the part of the American people and of the American Congress.

This morning I find in the press an article by Rabbi Myer Berlin, an outstanding Jew, president of one of the Jewish world organizations. It is in the form of a dispatch from Zurich, Switzerland, calling attention to the split in Palestine. The writer of the article states that this partitioning would be needless if England did its duty. With that statement I am in the fullest accord.

Last year, about a year ago now, the Senator from Vermont [Mr. AUSTIN], the then Senator from Delaware, Mr. Hastings, and I went on an unofficial mission to Palestine. We were there during the Arab-Jewish War. Wherever we traveled throughout Palestine we found dugouts and sandbags and barbed-wire entanglements. There was all the appearance of war, and there actually was war. We heard the explosion of bombs and rifle shots daily, and we saw the victims of the various atrocities in the hospitals of Palestine.

Mr. President, to me the pending proposal of the British Government is outrageous. It was only a few years ago that England induced the League of Nations to agree to the transfer to the Arabs of the territory east of the Jordan, leaving the territory west of the Jordan—the old Palestine, with Jerusalem as its head city, of course—to be the national home of the Jews. The territory west of the Jordan is a small country, about the size of Vermont or New Hampshire. It was expected that there should be permitted to immigrate to that country thousands and thousands and even millions of Jews who are now oppressed in the various parts of the world.

Under this new plan of partitioning the Jews will be given a little strip at the north of Palestine, including, as I read it—a very doubtful inclusion at that—the harbor of Haifa, which is the finest harbor in the Near East, built by Jewish money. It leaves to the Jews the northern part of Palestine, from Haifa across to the Sea of Galilee; and the Valley of Sharon, running down the west coast as far as Tel Aviv. Tel Aviv is a modern Jewish city of 175,000, which immediately adjoins ancient Joppa.

The British reserve to themselves a corridor running across from Joppa, along the line of the railroad and of the highway to Jerusalem, and including Jerusalem and Bethlehem. Then all the territory south of that corridor, and all the rest of Palestine, is to be turned over to the Arabs and added to the Trans-Jordania section.

At best, the amount of territory in Palestine was limited in area. Our unofficial commission reached the conclusion that it might be capable of maintaining a population of 5,000,000. But the proposed area, the little bit of a territory, smaller than the tiny but important State of Delaware, which is to be left to the Jews, is insufficient to maintain any considerable Jewish population.

Mr. President, there is in session at Zurich, Switzerland, the World Zionist Congress. In that Congress is Rabbi Stephen S. Wise, president of the Zionist organization of America. I read in the New York Times of Monday the ardent plea of Rabbi Wise that there may be found a way to thwart the British plan to divide Palestine; and I find here this language:

> Britain may decree partition, and the Jews may have to bow; * * * but there could be one thing worse than partition by Britain, and that is assent by the Jewish people.

Then he went on to declare that the Royal Commission's argument was that partition was necessary because of the Arab-Jewish deadlock; and then Dr. Wise said:

> To affirm the deadlock and to act upon that deadlock by the creation of two independent states grows out of Britain's unwarranted assumption that there is bound to be warfare between Jew and Arab in Palestine without regard to the fact that the assumption is one of the surest ways of evoking conflict.
>
> What after all, is supposed to be the chief object of partition? Peace between Jew and Arab. There could be no surer way of postponing and averting Jewish peace with the Arabs than to create a tiny Jewish state in which Arabs will almost equal the Jews in number, and next to it have a purely Arab state.

I am in the fullest accord with that statement. I can see no reason why the British, if they had the heart to do it, and the spirit to do it, and the will to do it, might not quiet the uprisings and the insurrections in Palestine. Responsible for the outrages, I suppose there are not a thousand bandits, perhaps not more than 500 of them. I said the other day that a thousand New York policemen could put down the uprising in 2 weeks, and I believe it. Unfortunately, there has been no apparent disposition and no visible effort on the part of the British to do justice to the people living in Palestine.

In this world congress going on in Zurich there are two factions—the faction taking the view of Rabbi Wise that the Jews should stand out against the British proposal, and another faction of Jews who are fearful that if they do not

accept this proposal of the British they will lose all their rights in Palestine.

In short, there is no disagreement among the Jews in that conference, as I understand, and no difference among the Jews of the world that Britain should do its duty in Palestine. I am here as a competent witness, I am sure, to the fact that Britain has not done her duty there.

I should not venture to speak of these things in the Senate except for the fact that we have the treaty to which I have referred. There is a clause in that treaty, article 7, which I shall quote. Bear in mind, if I may repeat, that this treaty contains all the language of the mandate, which on order of the high command, the war council, after the war, directed the League of Nations to prepare. Great Britain was determined upon as the mandatory, and has been attempting, or pretending to attempt, to carry out the terms of the mandate as written by the League of Nations. Of course, we are not in the League, but afterward, in 1924, we did enter into a treaty where the identical language of the mandate is recited, and article VII provides:

> Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate as recited above unless such modification shall have been assented to by the United States.

We have not assented to any modification of the mandate. But apparently regardless of the fact that we have a part in determining what shall be done in Palestine, Great Britain has absolutely disregarded the United States.

Mr. President, I said the other day that I have no desire to have the United States go to war with Britain over this matter, but I do feel that the attention of Britain should be called to our views. I shall present a series of resolutions which I shall ask to have referred to the Committee on Foreign Relations.

Before I present the resolutions, I wish to speak of another thing. There are certain countries where the Jews are having a terrible time. Probably they are having more trouble in Poland than anywhere else, but in Poland, in Germany, in Rumania, and in other countries they are having such distress as is comparable with the worst of the troubles the Jews have had during 2,000 years of distress.

I do not say this upon my own authority, but I am told—and I am speaking of it here in order that my words may have wings to reach those who are in authority—that there is a distinct animosity against the Jews upon the part of many of our consuls in the countries I have mentioned. In the granting of visas for travel to the United States the Jew is discriminated against in those offices. I speak of that, as I say, not upon my own authority, but upon information and belief, in order that the State Department may have the knowledge that someone is complaining about the treatment accorded the Jews who might come in under the quotas.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. Is the Senator informed whether those consuls are natives of the United States, or are they natives of the countries to which they are assigned? What I am getting at is this: It seems to me that what the Senator has just outlined, if it be substantiated by an investigation of the facts, is a subject which calls for the most serious investigation and most stringent action at the earliest possible date.

Mr. COPELAND. I wish to say, in reply to what the Senator has said, that through my lifetime I have traveled this world pretty generally, as has the Senator from Missouri. I have observed many United States consuls, native-born Americans, most of them, located in foreign posts, who have been there so long that they have forgotten there is a United States so far as their hearts and spirits go. If I had my way, I would bring back to the United States at least once in 3 years every consul located abroad, in order that he might live here 3 or 4 months and absorb some of the old American spirit. But that, perhaps, is aside from the question.

Mr. President, I feel very earnestly about this matter. I have taken an interest in the Jewish question through many years. Where I was born there were no Jews. I never saw a Jew until I went to college, and then I went to New York, where live one-seventh of all the Jews in the world. They attracted my interest. I know their sentiment about this matter. I know how deeply they feel.

In view of the unanimous passage through the Congress of the Balfour declaration years ago, and the existence of the treaty between Britain and the United States, we cannot disregard, we have no right to disregard, the rights of Jews in the Holy Land. I think they should be aided in their desire to go there. There is room for four or five million of them. Under the mandate they are permitted to buy lands, and public lands which are not required by the Government itself should be turned over to them, according to the terms of the mandate. But there has been discouragement of immigration. At one time actually an end was made of immigration of Jews, and no encouragement on the part of the British is given to the Jews to go to Palestine from various countries. Millions of dollars of American money and contributions from other sections of the world have gone to the erection of fine buildings, fine hospitals, fine schools, the great harbor I have mentioned, one of the finest hydroelectric power plants in the world, all built with Jewish money. In view of the rights they possess, it is incumbent upon the Congress of the United States, in my judgment, to express to them some degree of sympathy in their plight.

Mr. President, I submit a resolution and ask to have it read.

The PRESIDENT pro tempore. Without objection, the clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 174), as follows:

> Whereas the Zionist World Congress is now in session in Zurich, Switzerland, discussing the pros and cons of the British proposal to perform a surgical operation upon Palestine, partitioning the territory into three parts, leaving to the Jews territory not in excess of one-quarter the area west of the Jordan; and
>
> Whereas there is a difference of opinion in the Zionist Congress as to what attitude it should take, Rabbi Wise opposing the partitioning and some of the other delegates expressing an inclination to accept the proposal for fear that otherwise the Jews may hazard all their privileges in Palestine; and
>
> Whereas the United States entered into a treaty with His Britannic Majesty on December 3, 1924, a treaty defining the obligations of the two Governments as regards the establishment of a Jewish national home in Palestine; and
>
> Whereas article VII of that convention recites that no modification may be made in the terms of the mandate without the consent of the United States; and
>
> Whereas the Senate has learned of the proposal of the British, in contravention of the existing terms of the mandate, to partition the Holy Land, giving the Jews a very limited territory: Therefore be it
>
> *Resolved*, That the State Department be requested to transmit to the Senate such information as it may possess, and which it may properly give, regarding the present situation in Palestine. It is desired to know what steps are being taken by our Government to protect our interests under the treaty with Great Britain, and vigorously to represent to the mandatory, the British Sovereign, our anxiety over the situation, with a forthright indication of our unwillingness to accept any modification of the mandate without the knowledge and consent of the Government of the United States.

Mr. COPELAND. Mr. President, this is a matter so serious, and is so much entitled to study, that I am not going to presume to ask that the resolution be considered and adopted immediately. It deserves the study of the Committee on Foreign Relations. I know that the able chairman of that committee, now presiding over the Senate, will see that it is given attention, and I ask that we may have an early report from the committee. Certainly the Senate has a right to learn from the State Department what steps are being taken by our Government to protect our interests under the treaty to which I have referred. We have a right also to demand that the State Department shall vigorously protest to the mandatory that we are anxious about this matter. We should in some manner make clear that the United States Senate is not going to sit idly by, that it intends at least to express its sentiment regarding the effort on the part of Britain to make a scrap of paper of a solemn treaty.

Mr. President, I think I shall not add more at the moment. I thank the Senator from Utah for his courtesy in yielding to me, and I now yield the floor.

The PRESIDENT pro tempore. The resolution submitted by the Senator from New York will be referred to the Committee on Foreign Relations.

Mr. KING. Mr. President, the Senator from New York [Mr. COPELAND] has been discussing certain phases of the Palestine question, a question in which many Americans are interested. I have given some attention to the situation in Palestine and have been interested in the working out of the Balfour declaration. I visited Palestine a number of years ago in order that I might ascertain the situation existing there, and whether the Balfour declaration was being carried out in good faith by Great Britain. If I may be pardoned a personal allusion, I will say that I had the honor to be consulted by the President of the United States, Woodrow Wilson, when the Balfour declaration was being formulated. I am betraying no secret when I say that President Wilson was interested in the establishment in Palestine of a Jewish Home, and in the protection of Jews who were in Palestine, and those who would seek homes there in the future.

The Balfour declaration was devised for the purpose not only of protecting the Jews who were then in Palestine, but also for the purpose of forming a Jewish home to which the Jews who were being cruelly treated in a number of countries in the world, might find an abiding place.

I visited all parts of Palestine, including those parts inhabited by Arabs, whose members were approximately 600,000. They had made but little progress in hundreds of years and many were living in squalor and in ignorance. Thousands of Jews who have gone to Palestine during the preceding quarter of a century had, by their thrift and energy, converted waste and barren lands into fruitful fields. They had built homes and cities and developed important industries, which had given employment not only to the Jews but to many Arabs.

There was room in Palestine, including, of course, Trans-Jordania, for several million inhabitants. There was room for more than a million Jews, and they by their efforts and the contributions which would be made by members of their race, and by Christians in the United States and Europe expected to build up a great state, in which Jews and Arabs would enjoy peace and prosperity.

Mr. President, I found when I was there no bitterness between the Arabs and the Jews, except in rare instances, and that was fomented, I regret to say, not by Jews or by Arabs but by some other elements which I shall not indicate at the present time.

Mr. President, a number of years ago an organization was formed in Washington called the Pro-Palestine Foundation of America. I was honored by being made president of that organization. One of its members, then Vice President of the United States, the Honorable Charles C. Curtis, deceased, was elected vice president. The able Senator from Wisconsin [Mr. LA FOLLETTE] was a member of that organization. There were many others—Senators, Congressmen, and public-spirited men, all Christians—who were members of the organization.

It seemed to me a few days ago, when I learned of the purpose of the British Government to dishonor the pledges which had been made and to violate the obligation which had been entered into under the Balfour declaration, that a protest should be made against that course. I conferred with members of the organization referred to, and joined in preparing a statement in the nature of a protest, which was cabled to London, to be considered just before the British Parliament acted upon the report of their commission, which had contained a recommendation, based upon faulty evidence and upon imperfect understanding of the facts, that Palestine be divided into three parts. One small part was to be allocated to the Jews, the remainder to be given to the Arabs.

The plan of the British commission seems to me so unjust that I believe that Christians in the United States and elsewhere were not only justified but the situation warranted their condemnation of the commission's report. The statement was cabled to London and, as I am advised, was brought to the attention of members of the British Government. I do not mean to say that the cabled protest deterred the Parliament of Great Britain from adopting the report made by the commission. At any rate, the report was not adopted, and the whole matter was referred to the League of Nations, and a committee of that body is now considering this entire question.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. I do not understand what it was that had been referred to the League of Nations.

Mr. KING. The report made by the British commission.

Mr. BORAH. As to the division of Palestine?

Mr. KING. Yes; as to the division of Palestine.

Mr. BORAH. And is it understood that the decision of the League of Nations will be controlling?

Mr. KING. As to that I make no comment; but at any rate, if the Senator will pardon me, I will say that the opposition to the report in the Parliament was so great that the expectation of the Government that they would secure the adoption of the report immediately was not realized, and action upon it was deferred.

Mr. BORAH. I cannot understand why they sent it to the League of Nations.

Mr. KING. For the reason, if I may say so, that Great Britain has a mandate under the League of Nations and under the treaty, and for that reason, I presume, it was conceived to be proper that the League of Nations should pass upon the question before Great Britain adopted a policy that was in contravention of the obligations and provisions of the mandate under which Great Britain had control over Palestine.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. COPELAND. Mr. President, the Royal High Commission was in session in London while we were in Palestine, and appeared in Palistine as we left. I wondered whether that was a mere coincidence. We were not welcome in Palestine, so far as the British were concerned. The Senator from Vermont [Mr. AUSTIN] will testify that it took some strong, vigorous language for us to be permitted to make the inspection of the Jewish colonies and to make other trips through Palestine. We insisted that we had certain rights there, and the officials finally acceded to our wishes.

When this Royal High Commission reported in favor of the partitioning, and the report was presented to Parliament, the Liberal members of the Parliament were very critical of the proposal. Then it was agreed, as the Senator from Utah [Mr. KING] has said, that the matter should be referred to the League of Nations. I am glad the British realize that their hold upon Palestine and the mandatory power itself are dependent upon the action of the League.

Mr. BORAH. And what the League does is dependent upon the action of Great Britain.

Mr. COPELAND. Yes; that is true. That is the unfortunate part about it. So far as I am concerned, I am most resentful of the situation.

Mr. KING. Mr. President, I desire to invite the attention of the Senate, because it states the situation, to the statement cabled to London a few days ago, and before action was had upon the report of the high commission.

PROPALESTINE FEDERATION OF AMERICA APPEAL TO CHRISTIANS OF ALL DENOMINATIONS IN THE UNITED STATES

In 1917 the United States entered the World War in association with the Allied Powers, and gave of their blood and treasure in aid of the common cause.

It is not too much to say that because of the help of the United States the cause of the Allies and associated powers was triumphant. Subjugated peoples were liberated and restored to national independence. Treaties safeguarding the political integrity of smaller nations were promulgated and ratified, and historical wrongs were rectified.

An outstanding act of historical justice was the Balfour declaration through which Great Britain pledged herself to restore the holy land to the scattered children of Israel. The Palestine mandate sealed this pledge. It was ratified by 52 nations and received the unanimous endorsement of both Houses of the American Congress—

I may say, in parenthesis, that the Congress of the United States was cognizant of the Balfour declaration and expressed by their votes approval of its terms.

A special treaty, in which the Palestine mandate was incorporated verbatim, was concluded between the United States and Great Britain in 1924 by which the American Government became a party to this sacred trust.

To our profound regret the mandatory power—

Which is Great Britain—

is now about to embark upon a new course, which means the cancelation of all the pledges solemnly given to the Jewish people and to the world, as set forth in the mandate for Palestine. Great Britain purposes to partition the Holy Land and to surrender two-thirds of the country to a group of Arab feudal lords on the pretense that Arabs and Jews cannot live peacefully together.

This pretense is not borne out by the facts.

Jews and Arabs have lived, and could continue to live, in Palestine side by side in peace and harmony, enjoying the benefits of helpful cooperation if let alone. The disturbances in Palestine since 1921 were artificially engendered by outside influences, for which the British administration of Palestine is chiefly responsible, as attested by the report of three United States Senators who visited the Holy Land in 1936.

Moreover, from the beginning of its administration the mandatory power broke its pledge and violated its trust. In 1922 it arbitrarily tore off the sparsely settled territory east of the Jordan River and proclaimed it an independent Arab province, to which no Jews were to be admitted. This indefensible act reduced by three-fifths the area available for Jewish settlement. In addition, Great Britain restricted Jewish immigration to the rest of Palestine, but placed no restriction upon Arab immigration. The Arab population was allowed to materially increase thus adversely affecting the development of Palestine as a Jewish national home, to which the British Government had solemnly pledged itself.

The "political surgery" now proposed by the British Cabinet would be the climax of a series of what many have regarded as flagrant violations of an international trust.

To excuse this betrayal of the Jewish hope, Great Britain endorses the false assertion that Palestine is an "Arab land." History refutes this contention. Palestine belonged not to the Arabs but to the Jewish people. Less than one-twentieth of the Arab race dwell in Palestine.

Most of the Arab people have achieved national independence and now live under their own rulers which hold sway over an area of a million and a half square miles.

In proportion to their population the Arabs possess more territory than any other people on the face of the earth, whereas the Jews have not possessed since Palestine was taken from them at the time of the dispersion any territory over which they could exercise political sovereignty.

In the brief period that has elapsed since the ratification of the mandate for Palestine, Jews from all over the world have poured both their treasure and manpower into the Holy Land and transformed its barren regions into a flourishing garden. They have demonstrated their faith in Great Britain's solemn pledge and in the guarantees offered by the nations of the world, by making great sacrifices to rebuild Palestine. They have lavished their treasure and devotion upon the promised land, firmly believing that the hour of their long awaited redemption had struck; that God's promise for Zion's restoration was about to be fulfilled.

Now the British Government declares to the Jewish people and the world that four-fifths of Palestine must belong to the Arabs, a large number of whom the British brought into the country. The Palestine mandate seems to be regarded by them as another scrap of paper, and is deliberately torn into shreds in defiance of the solemn obligation assumed before the civilized world.

It was an American President—Woodrow Wilson—who cooperated in the framing of the Balfour declaration. The United States made it possible for Great Britain to receive the trusteeship over Palestine. Can it be that America will remain indifferent to the ultimate fate of that mandate in the drafting of which it had a considerable share? Not only is it America's privilege but in part her responsibility to exert her influence to prevent the proposed violation of an international covenant.

The proposed invalidation of the Palestine mandate is a grave infringement of international law. It is also a cruel act of persecution against a people to whom universal Christendom owes a long overdue debt of gratitude.

This is an opportunity for Christians to make amends for wrongs, perpetrated against the Jewish people since pagan Rome despoiled their country and forced them into nearly 2,000 years of exile.

Our appeal therefore is made to American Christians of all denominations to whom the integrity of the Holy Land is sacred, to all who believe in justice and in the sanctity of international covenants, to join in requesting of our Government such action as will prevent this tragic and disastrous calamity. Great Britain should understand that America cannot assent to a unilateral abrogation of the Palestine mandate in violation of a solemn pledge given by her to help restore Palestine to the Jewish people.

That document was signed, "Pro-Palestine Federation of America", and by myself and other members of the organization.

ADDITIONAL APPROPRIATION FOR UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ASHURST. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. VAN NUYS, Mr. BURKE, and Mr. BORAH conferees on the part of the Senate.

LOANS ON 1937 COTTON CROPS

Mr. CONNALLY and Mr. THOMAS of Utah addressed the Chair.

The PRESIDENT pro tempore. The Senator from Utah.

Mr. CONNALLY. Mr. President, the Senator from Texas merely wishes the floor to address the Senate for a few minutes.

Mr. THOMAS of Utah. I yield for that purpose, with the understanding that I will have the floor after the Senator from Texas concludes.

The PRESIDENT pro tempore. The Chair will try to recognize the Senator from Utah after the Senator from Texas shall have concluded.

Mr. CONNALLY. Mr. President, I send to the clerk's desk a joint resolution and ask that it be read.

The PRESIDENT pro tempore. Without objection the clerk will read as requested.

The joint resolution (S. J. Res. 205) providing for benefit payments to cotton producers with respect to cotton produced in 1937 was read the first time by its title and the second time at length, as follows:

Resolved etc., That notwithstanding the provisions of section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, as amended, the Secretary of Agriculture is authorized and directed to use any funds available under such section 32 for the payment of benefits to cotton producers with respect to cotton produced by them in 1937. All such payments shall be made on the basis of 2½ cents a pound of ⅞-inch Middling cotton, and applications for such payments shall be made under such rules and regulations as the Secretary of Agriculture shall prescribe.

SEC. 2. There are hereby authorized to be appropriated such additional sums as may be necessary to carry out the purposes of section 1 of this act.

Mr. CONNALLY. Mr. President, I am not asking for immediate consideration of the joint resolution, but I should like to have it referred to the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Without objection, the resolution will be referred to the Committee on Agriculture and Forestry.

Mr. CONNALLY. Mr. President, the situation in the cotton industry has reached a very critical state. I do not wish to interfere with the Committee on Agriculture and Forestry, which I understand is already considering a bill which will probably be reported today or tomorrow, with the hope of enactment at this session, but I do want the Committee on Agriculture and Forestry to consider the idea embraced in the joint resolution in connection with the bill which it is now considering.

Mr. President, in 1935, during the existence of the 12-cent loan provision on cotton there was an effort made to extend the loan for another year. At that time, however, we agreed upon a plan, which was put into operation, whereby the grower was permitted to sell his cotton on the open market and the Government would then pay him a benefit up to

12 cents. The result was very helpful, because that plan moved the cotton out of the country, whereas the loan was accumulating the cotton, the surplus was becoming larger and larger in the domestic market, and foreign producers of cotton were getting the benefit of the world market.

I wish to call the attention of Senators to the Agricultural Adjustment Act as amended in 1935. I offered and secured the adoption of an amendment, which is now section 32 of that act, which provides, as follows:

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce.

Clause (3) has been amended, so I shall not read it at this time.

Mr. President, cotton is the greatest export commodity produced in America. The cotton industry is one that cannot be considered simply from a domestic standpoint. We must export cotton. Cotton cannot receive any benefits from a protective tariff. For years it has been the theory of some of us in the cotton section that, since the cotton producer could not secure any tariff benefits on his product, but in the meantime had to pay tariff benefits to all other industries in the country, a sizable portion of the income from tariff duties should be paid to the cotton farmer so as to compensate him somewhat for the burden which he has been bearing all these years for the benefit of protected industry. It is the old idea of the agricultural debenture which twice passed the Senate in 1929, but was defeated in the House of Representatives.

It was with that idea in mind that the Senator from Texas secured the adoption of what is now section 32 of the Agricultural Adjustment Act. Last year 30 percent of the customs duties amounted to $125,000,000. Out of that sum the Secretary of Agriculture has allocated $20,000,000 to some other agricultural commodities for the purpose of paying them benefits and otherwise aiding the producers of those commodities. There is now in the hands of the Secretary of Agriculture $105,000,000 which could be employed and utilized for the payment of benefits on cotton to encourage its exportation.

I am concerned not simply with getting a fair price for the producers of cotton but in getting the cotton into the channels of foreign commerce so as to discourage competition from foreign cotton producers. If we bottle up all the domestic cotton here at home and foreigners can command the world market, it will hurt not only the cotton producers but the export trade of the United States and every great industry in the United States from whom the cotton producers of the Nation purchase manufactured goods.

The resolution would authorize and direct the Secretary of Agriculture to use the fund prescribed in section 32 of the Agricultural Adjustment Act to pay to cotton producers 2½ cents per pound on 1937 cotton, basis ⅞-inch Middling.

I understand the Committee on Agriculture and Forestry have been considering and expect to report a bill either today or tomorrow. I do not know what the terms of the measure may be, but I hope the committee in considering the bill has recognized the fundamental idea embodied in the resolution, a policy which has already received the approval of Congress. It is a part of the statutory law. It is the policy of Congress under section 32 of the Agricultural Adjustment Act, which is now in force and which is being administered by the Secretary of Agriculture. There will be no necessity, probably, to make loans if the resolution should be adopted, because the producer could sell his cotton on the market, receive the benefit payment, and the situation would be solved until such time as the Committee on Agriculture and Forestry may report a comprehensive measure.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HUGHES. As I understand, the Senator said the substance of his resolution is already in the law?

Mr. CONNALLY. I say the policy is in section 32 of the Agricuditural Adjustment Act of 1935.

Mr. HUGHES. Then, why need the Senator embrace it in the resolution?

Mr. CONNALLY. I am trying to get some action under it. I am proposing to direct the Secretary of Agriculture to do something.

Mr. President, I wish to emphasize again the importance to all America of this great export commodity—cotton—and how important it is to America to keep the export balance in the form of raw cotton, which we ship all over the world. If the present market is allowed to go to the distressing figure which is threatened, not only will cotton producers in the South be prostrate but it will have a tremendous effect in retarding the rising tide of prosperity which we hope is going to continue here in the United States.

I commend to the Committee on Agriculture and Forestry, and I commend to Senators now present in the Chamber, the idea of embodying that kind of policy in any bill which the committee may present and in any measure which the Senate may consider.

Mr. ELLENDER. Mr. President, will the Senator from Texas yield?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. ELLENDER. What is the present status of the 30-percent export fund to which the Senator referred?

Mr. CONNALLY. Does the Senator refer to the 30 percent of the income from tariff duties?

Mr. ELLENDER. Would it not be necessary for Congress to pass a bill appropriating the amount?

Mr. CONNALLY. No. The Secretary of Agriculture has $105,000,000 now available, and my resolution would authorize such additional appropriations as may be required.

Mr. ELLENDER. In addition to the 30 percent?

Mr. CONNALLY. Yes. Whatever the Secretary of Agriculture may say he needs, we can then appropriate.

Mr. ELLENDER. I understood that sometime ago the Secretary returned to the Treasury, $20,000,000 out of this 30-percent export fund.

Mr. CONNALLY. That was from receipts of a former year.

Mr. ELLENDER. Was not that sum originally made available by way of appropriation?

Mr. CONNALLY. No; it was done under section 32, which is a yearly appropriation. I talked with the office of the Secretary of Agriculture this morning and was told that the portion of last year's customs receipts available under the Agricultural Adjustment Act amounted to $125,000,000; that he had allocated $20,000,000 of that sum for the payments under the Soil Conservation and Domestic Allotment Act, leaving $105,000,000 now in his hands, available for the purpose covered by my resolution. Out of this $105,000,000 the Secretary plans to expend $40,000,000 for dairy products, fruits, and so forth, leaving $65,000,000 unallotted. If that amount should be exhausted we would have to appropriate sufficient money to make up the required sum.

Mr. ELLENDER. What period of time was necessary to raise the sum of $125,000,000?

Mr. CONNALLY. One year.

Mr. ELLENDER. What became of the moneys collected during prior years?

Mr. CONNALLY. They were utilized for benefit payments to agriculture. I do not know whether they were all used or whether a part of the fund reverted to the Treasury.

Mr. ELLENDER. Then it is the conception of the Senator from Texas that the Secretary of Agriculture, without further action by or order from Congress, can use as much as $105,000,000 from said fund in order to relieve the cotton situation?

Mr. CONNALLY. It probably would require action such as is proposed in my resolution. My resolution not only authorizes, but directs him to do so. We are trying to stimulate the Secretary to meet the critical situation which faces the greatest agricultural export commodity in the United States and which vitally affects the trade and commerce and industry of all the people of the United States.

Mr. ELLENDER. The Congress must take action without further delay in order to relieve the cotton farmers of the South. My fear is that the Secretary of Agriculture will not have sufficient funds available from the 30 percent export appropriation referred to by the Senator from Texas. I am informed that of the $105,000,000 now in hand, $40,000,000 has been earmarked for payments on all commodities which do not participate in the soil-conservation program, such as dairy products, fruits, eggs, and so forth. This leaves $65,000,000 which has not been earmarked, but which I am informed must be made available to meet the demands from rice, tobacco, peanuts, and other crops which are being hard hit at the present time. Aside from the question of fund shortage from that source, there are so many other commodities dependent on said fund that it might be difficult to have the Congress change the law. I believe the safest way to proceed is to provide for a direct appropriation. I am in hopes that the Committee on Agriculture and Forestry, that is now considering the matter, will report a bill that will protect the cotton farmers from disaster.

The question presented is a very vexing one. A safe way to proceed and one that would probably be looked upon with favor by the Congress is to provide for loans to farmers at a given minimum per bale of 500 pounds and then make subsidy payments available to all of the farmers who comply with such control legislation as may be submitted to and passed by the Congress at its next session. As far as I am personally concerned I am more than willing to remain in Washington until the problem is actually solved. I repeat, Mr. President, the cotton farmers need help now and every effort of the Congress should be put forth to provide immediate and adequate relief.

IMPROVEMENT OF RIVERS AND HARBORS—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

That the Senate recede from its amendment numbered 5.

The committee of conference recommends the transfer of amendment numbered 47 to page 23, after line 10; and the transfer of amendment numbered 48 to page 23, after line 24.

ROYAL S. COPELAND,
MORRIS SHEPPARD,
CHAS. L. MCNARY,
Managers on the part of the Senate.

J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

PRODUCTION AND USE OF HELIUM GAS

The Senate resumed the consideration of the bill (S. 1567) to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes.'"

Mr. THOMAS of Utah. Mr. President, the second section of the bill under consideration is the one which authorizes the Bureau of Mines to carry on its functions in the control, production, and purification of helium. The section is practically consistent with the present law.

Before I pass on to section 3 I should emphasize the fact that in section 1 there is provision for the creation of a monopoly, and that if the bill becomes a law the Government will have established a monopoly in the control, production and sale of helium.

Section 3, in part, authorizes the Army and Navy and other agencies of the Federal Government to requisition helium from the Bureau of Mines and to make payments therefor from any applicable appropriations by advancing or repaying to and for the use of the Bureau proportionate shares of the expenses incident to the administration, operation, and maintenance of the Government's helium plants and properties. The point there is that the aim of the Government is to see that its helium properties are self-supporting; and, of course, when the Government uses helium, the helium-controlled property will be given credit for the helium which the Government uses.

It is in this section that the change in the law occurs, providing for the sale of helium. Under present law—the act of March 3, 1925, as amended—any surplus helium produced by the Government may, until needed for Government use, be leased to American citizens or American corporations under regulations approved by the President.

Apparently the purpose of providing in existing law that surplus helium could only be leased was to make any helium in the possession of commercial users available to the United States Government in time of need. There is in the present law, then, the spirit of monopoly in case the Government needs the products of the privately controlled helium producers. The Department of the Interior advises that leasing a commodity that is dissipated in use, such as helium, presents questions of interpretation; and in this sentence is the key to the reason for the first helium bill that was presented to Congress and put on the calendar. It was because the old leasing provisions simply did not work.

When helium was leased and used, it was discovered that much of it was dissipated—so much, in fact, that in a voyage across the Atlantic it is estimated that 5 percent of the helium would be dissipated into the air. In order that the Government might enjoy the privilege of allowing the use of its surplus helium, it is provided in the pending bill that this helium shall be sold under regulations instead of leased.

Section 3 further provides that any helium not needed for Government use may be produced and sold, upon payment in advance, in quantities and under regulations approved by the President, for the following uses: Medical, scientific, and commercial, including inflation of passenger-carrying airships. This section, therefore, is an important section and deals with the new provision in the bill.

It is stated in the text of the bill, as proposed to be amended, that such sales of helium shall be at reasonable prices, established by regulations approved by the President, based upon the cost of acquiring, developing, maintaining, and operating the Government properties used for such helium production. In order to bring about these results, so that helium production will be self-sustaining, a helium-production fund is provided for in the bill and is also found in section 3.

Section 3 also deals with the safeguards on the exportation of helium. The Senate Military Affairs Committee is unanimous in the belief that helium should not be exported for military purposes. That fact probably should be emphasized many times, because, judging from the questions which were asked yesterday, that is the thing which is upon the minds of most of the Senators.

Mr. LEWIS rose.

Mr. THOMAS of Utah. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I do not desire to interrupt the Senator. I was interested at this point to hear the able Senator as he moved along on that phase of the subject, as I am one of those who interrupted him yesterday in connection with that particular branch of the discussion. I merely pause to hear the Senator through, not to interrupt him.

Mr. THOMAS of Utah. While the Senator from Illinois is a signer of the minority report on the bill, I am sure he is in complete agreement with the statement that the Senate Military Affairs Committee is unanimous in the belief that helium should not be exported for military purposes. There can be no disagreement on that subject, I take it.

Mr. LEWIS. Mr. President, if I may be pardoned, that has been the particular feature of my own objection to this measure, and I am sure it is the particular feature which is of concern to the able Senator from Vermont [Mr. AUSTIN] and the able junior Senator from Massachusetts [Mr. LODGE]. We indulge the fear that by allowing helium to be passed over to a foreign government on the theory of humanity, or serving commercial uses, we shall have no power to guard against their transferring it to any other government that might wish to use it for war purposes. Thus, it was a matter of caution on my own part, and I am sure on the part of others in the minority, to prevent such helium being used for war purposes, not only by opponents of America but by those who might use it as against some country that is friendly to America.

As the able Senator from Utah correctly says, there is a general belief on the part of the whole committee that something may be done to avoid that. It is because of the fear of inability to avoid it that the minority report is filed.

Mr. THOMAS of Utah. That is true, Mr. President.

The Senate Military Affairs Committee is unanimous in the belief that helium should not be exported for military purposes. That statement I repeat. A majority of the committee, however, does recommend making helium available to persons and corporations of even other countries of the world for medical, scientific, and commercial purposes.

In view of its conviction that helium should not be exported for military purposes, the subcommittee to which this proposed legislation was referred, the committee itself, and the executive departments concerned, devoted long and careful study to the working out of adequate, detailed, and very positive safeguards relative to the exportation of helium. In fact, Mr. President, we believe that every conceivable safeguard has been provided in the bill.

Section 4 of this measure provides, in the first place, that no helium at all may be exported from the United States, or from its Territories and possessions, without a license obtained from the Secretary of State authorizing the exportation. The section sets forth two methods of obtaining a license to export helium. First, no helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State, and a license authorizing the exportation has been obtained from him on the joint recommendation of all the members of the National Munitions Control Board and the Secretary of the Interior. The National Munitions Control Board is composed of the Secretaries of State, Treasury, War, Navy, and Commerce. The Secretary of State is chairman of the board. And here, Mr. President, it will be proper for me to explain the fact that in section 4 we have what is assumed, I think, by everyone to be a rather complex method of control.

The committee itself, I think, for the most part was perfectly happy to allow the exportation of helium after license had been granted by the Secretary of State under regulations approved by the President of the United States; but to emphasize the fact that we attempted to be so careful in this matter that in no possible way could any helium be used for war purposes in a foreign land, we went to the extreme of writing into the bill the following provision:

SEC. 4. No helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him on the joint recommendation of all the members of the National Munitions Control Board and the Secretary of the Interior.

That means, Mr. President, that the heads of six departments of the Government, under the direction of the President, will have to give approval for the exportation. This, I again emphasize, came about as the result of a desire on the part of the committee to see to it that no helium could possibly be used for war purposes in foreign lands.

There is a second way in which helium may be exported. Under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State without such specific recommendation of the members of the National Munitions Control Board and the Secretary of the Interior. It is to be noted that in exporting even small quantities of helium exportation can take place only under regulations approved by the National Munitions Control Board and the Secretary of the Interior and not until after a license has been obtained from the Secretary of State.

Furthermore, it is specifically stated in section 4 that regulations governing the exportation of helium, which are to be drafted by the National Munitions Control Board and the Secretary of the Interior, shall not permit accumulations of helium in quantities of military importance in any foreign country. That would probably answer in a satisfactory way the question which the Senator from Illinois has brought up. They shall not permit the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937, while such proclamations are in effect, and such regulations shall require exporters to submit a sworn statement to the Secretary of State showing the quantity, destination, consignee, and intended use of each proposed exportation.

I may add, Mr. President, that the amendment offered by the Senator from Idaho [Mr. BORAH], as modified by the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], and accepted, puts even a tighter restriction upon this matter by providing for a report every 6 months to the Congress of the United States.

Section 4 need not be explained more than to say that it carries a penalty provision.

Thus, I think it may be maintained, and properly maintained, that as a result of the hearings, as a result of the discussion in the committee, as a result of the desire on the part of the heads of many of the departments, and of the President himself, especially after the *Hindenburg* disaster, to make our helium available for medical, for scientific, and for commercial purposes, not only to the citizens of the United States but to the citizens of the world, we have framed a bill which will so provide, a bill protected by every safeguard which the committee could muster in the administration of the control of this great and important commodity.

Mr. LODGE obtained the floor.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Glass	Lodge
Andrews	Byrnes	Green	Logan
Ashurst	Capper	Guffey	Lonergan
Austin	Caraway	Hale	Lundeen
Barkley	Chavez	Harrison	McAdoo
Berry	Clark	Hatch	McCarran
Bilbo	Connally	Hitchcock	McGill
Black	Copeland	Holt	McKellar
Bone	Davis	Hughes	McNary
Borah	Dieterich	Johnson, Calif.	Maloney
Brown, Mich.	Ellender	Johnson, Colo.	Minton
Brown, N. H.	Frazier	King	Moore
Bulkley	George	La Follette	Murray
Bulow	Gerry	Lee	Neely
Burke	Gillette	Lewis	Nye

O'Mahoney	Reynolds	Smith	Tydings
Overton	Schwartz	Stelwer	Vandenberg
Pepper	Schwellenbach	Thomas, Okla.	Van Nuys
Pittman	Sheppard	Thomas, Utah	Wagner
Pope	Shipstead	Townsend	Walsh
Radcliffe	Smathers	Truman	White

Mr. LEWIS. Mr. President, I again announce the absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], and the Senator from Iowa [Mr. HERRING], who are necessarily detained on official business. The junior Senator from New York [Mr. WAGNER] expects to be present in the Senate this afternoon.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. LODGE. Mr. President, as one of the very junior Members of this body, I dislike to detain Senators, but I feel that as one who was a member of the subcommittee which investigated this matter it is encumbent upon me to convey my views briefly to the Senate.

The bill before us raises three major questions. The first question is, Do we want to create a Government monopoly in the production of helium? The second question is, Do we want to make helium gas available to foreigners in this year, 1937? The third question is, Do we want to abdicate our own authority here in the Congress, so far as the disposition of this asset is concerned, by turning it over to the executive branch of the Government? I shall address myself to those three questions in that order.

Helium is a gas which is lighter than air and which is noninflammable. The supply is not inexhaustible.

Mr. CONNALLY. Mr. President, did the Senator say that the sources of the supply were not exhaustible?

Mr. LODGE. No; that they are not inexhaustible. In fact, there is fear that if too many holes are punched in the rock where helium is found the helium will disappear more rapidly.

The uses to which the gas is put are for the inflation of lighter-than-air craft, and, experimentally, in recent years, for the treatment of respiratory diseases.

Helium is found in useful quantities only in the United States, so far as we know, and it occurs in the States of Texas, Utah, Colorado, and Kansas, to my knowledge, and perhaps in a few other States in the western section of the country.

The bill gives the Government the power to acquire all of the helium resources which exist. By virtue of that fact it shuts out the people of Texas, Kansas, Colorado, and Utah. If the time should ever arrive when this gas could be profitably used in various kinds of scientific work, and this bill has been enacted into law, all the great sources of supply will be the property of the Government instead of being open to the citizens of the respective States for their own development.

Of course, if we are to allow the Government to sell helium from its own plant in the open market, in the way the bill provides, then naturally we must acquire the private agencies which exist, because the Government can sell much cheaper than a private agency can. For this reason the bill provides for the purchase of the Girdler Corporation, of Louisville, Ky., which I believe is the only private corporation engaged in the production of helium, and the bill provides that an unspecified amount of the taxpayers' money shall be used for that purpose.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CONNALLY. Is it not true also that the Government cannot purchase the helium alone, because it is found in a natural gas, which requires treatment in order to convert it into helium? The Government under this bill would probably purchase many gas wells and oil wells and other properties not solely devoted to the production of helium.

Mr. LODGE. The Senator from Texas is correct. Moreover, it was brought out before the committee that in the illuminating-gas plants in those Western States at the present time the helium is taken out of the gas and allowed to be dissipated, because it cannot be used for illuminating purposes, which bears out the Senator's point that helium is found mixed in with other substances.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. BARKLEY. That does not apply to the particular property which is involved, which was mentioned by the Senator.

Mr. LODGE. No; that is true.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. LODGE. I yield.

Mr. VANDENBERG. Does this bill provide for an unlimited liability, or has an estimate been made as to the expense that is being incurred?

Mr. LODGE. I know of no estimate at all; and the power conferred in this bill provides for the purchase of all sources of production as they may occur.

Mr. VANDENBERG. What is the limit of expense to which such purchase may go?

Mr. LODGE. I have no idea whatever as to the expense that may ultimately be involved to the taxpayers of the United States.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. THOMAS of Utah. I will answer that question. I think we have a pretty good idea of about how much it will cost the people of the United States from the experience we have already had with helium. The production of helium has been practically a self-sustaining enterprise, when considered from the standpoint of buying and selling, and it is understood by all the experts that if helium production becomes a Government monopoly not only will enough money be made from the sale of the product to take care of the purchase of any new helium deposits, so far as the Government is concerned, but that all the money required will come entirely from the monopoly itself.

Mr. LODGE. I thank the Senator from Utah for that observation. Of course, to my way of thinking that is only true up to the point that we have a market for helium, and that state of affairs will depend on to what extent helium is used. But my contention is that it is not necessary for the Government to take this step. If it were an indispensable necessity, or if an emergency were confronting us, I might feel differently; but I do not believe that it is necessary for the Bureau of Mines and for the Government to enlarge itself to this extent and take on these added expenses and these added responsibilities. I think the Members of the minority feel that it is the proper thing for the Federal Government to supply the needs of Federal agencies; but we see no particular advantage, in fact, we see a great many drawbacks, in putting the Government still further into this monopolistic activity.

I should like now to take up the second question, and that is, Do we want to export this gas in this year 1937? In the first place, I may say that if we shall pass this bill we will be deciding that we actually do want to export the gas. The bill confers the right to the departmental committee to grant licenses for export, and in a memorandum which was transmitted to the Committee on Military Affairs by the President of the United States, with his recommendation in favor of the bill, it was stated—and I quote:

It is the duty of the United States—

According to this memorandum—

as a good neighbor—

To make this helium available to foreigners for the sake of—and I quote again—

promoting international good will.

Apparently it is our duty to make available this unique natural asset in order to promote international good will. To me the reasoning there is difficult to follow. This gas has definite military value. When we make it available to a country we confer an advantage upon that country. I cannot understand the reasoning by which the conclusion

is reached that by conferring this advantage on a country we promote good will. We certainly do not promote good will among the people who do not like that country, and I believe among many citizens within that country our act would be construed as a sign of weakness rather than as a sign of good will.

I should like to ask, what country in history which has been possessed of a unique natural asset of this kind, has ever parted with it in this way? Of course, if we were a country that owed a large debt to other foreign countries we might possibly get rid of some of this gas in payment of the debt. But, as I understand, that is not the position of the United States.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. LEWIS. Since the able junior Senator from Massachusetts has made some allusion to disposition of the property of America in accordance with the suggestion from some official Cabinet source, or otherwise, that it would promote good neighbor association to turn this very valuable property over to a foreign nation, I will ask the able Senator, Is it understood that with respect to the nations who owe us vast sums of money, who will never pay a dollar of the principal nor pay a cent of the interest, nor even acknowledge the debt, but hold us up to scorn as those who are attempting to hold them up—are we the good neighbors who are being referred to, and is it to them that we are to transfer this gift?

Mr. LODGE. I cannot answer the Senator because I did not write this memorandum. But that is the conclusion to which the average reader would be impelled.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. CLARK. Is this gas inexhaustible or is it expendible? In other words, when the gas is sold does it continue to remain in existence, or is it expendible? Do those who use it have to come back for further supplies of it?

Mr. LODGE. My understanding is that, like all gases, some of it is lost as it is used, and the more helium is produced, the more holes that are punched in the geologic structure at Amarillo, Tex., where most of it is located, of course, the greater the chance of escape and waste. So on the basis of the use to which the gas has been put in recent years we have a supply that will last us a very long time. But, of course, we do not know what other uses it may be put to. Therefore the more we produce it the greater is the chance of wastage.

Mr. CLARK. Is it not a fact that we do not have an inexhaustible supply, according to the present discoveries and estimates, and that at some time in the more or less future or more or less distant future, the control of that supply of helium might be of inestimable advantage and value to the United States as a nation, and that in so much as we now sell it, or lease it, or give it away, we are diminishing the possibility or probability of having the control of a very great supply of an extremely important gas which may be of supreme importance, both to the commercial welfare of this country and to its national defense at some future time?

Mr. LODGE. I think the Senator is entirely correct.

I should now like to discuss for a minute the military value of helium. It is perfectly true, as the chairman of the subcommittee said, that the committee was unanimous in believing that there should be no export of this gas for military purposes, and it is perfectly true that the committee was unanimous in not desiring to export this gas so that it can in any way be used against the United States. And it is perfectly true that those aspirations are written into this bill, but I do not believe that the machinery is written into the bill to make sure that those objectives will be attained. I do not see how we can guarantee that this gas will not some time be used against the United States.

It is also correct that the executive departments of the Government are willing to have this authority and this responsibility placed upon them; but, of course, as we say in the newspaper business, that is not news. If a Government department wants more authority there is nothing strange about that. But it would be strange, indeed, if the Government departments wanted to have less authority. We all understand that it is in the nature of things for the executive branch or the executive departments to be willing to take on more authority all the time.

To come now to the question of the military value of this gas. The significant thing about it is that it does not burn. It is quite true that it does not have quite so much buoyancy, it does not have quite so much lifting power, as hydrogen does. On the other hand in the case of a hydrogen-filled dirigible, if incendiary bullets are shot through it, that is the end of it. In the case of a helium-built dirigible, if incendiary bullets are shot through it it can still keep on going.

Dr. Hugo Eckener, who, I suppose, is the greatest authority on lighter-than-air navigation in the world, appeared before the committee and was asked to express himself on the question of the military feasibility of commercial dirigibles. He made a very interesting reply, which I wish the Senate would consider carefully. He said that in Europe the military significance of commercial dirigibles was of a minor nature for two reasons. The first reason, he said, is because no one in Europe has any helium. To me that is a conclusive proof of that great expert's opinion on the value of helium. The second reason as to why they were not effective military instruments in Europe is because in Europe the territory is so congested, they have so many military airplanes, that such a large target could easily be intercepted.

Then Dr. Eckener was asked his opinion as to the military feasibility of commercial airships so far as the United States was concerned, and here is what he said, in part:

> I could very well imagine that in view of the geographical location of the United States, which is not surrounded by countries that have military airplanes and where you have open coast lines and wide oceans dividing you from the next country, that such ships could be possibly effectively used as instruments of scouting.

In other words, we have it straight from the mouth of the greatest living authority on the subject that dirigibles have definite military significance to a transoceanic power such as the United States.

I have tried to establish, in view of the memorandum sent by the President, that the right to export helium will definitely be used. I have tried to establish the fact that helium has a definite military value, as I think is attested by the statement of Dr. Eckener. I now wish to call the attention of the Senate to the fact that we ought to be consistent in our general attitude on the export of articles that are of military value.

We have taken a position in the Neutrality Act. We know that our constituents are filled with horror at the thought that American materials and American goods might be used in foreign conflicts. We do not want to be told that American materials are used in a military sense in Spain or in China or wherever there happens to be any outbreak. Why make this situation any more complicated? Why make this gas available at this very dangerous time in world history when we might, in view of our neutrality legislation, have to stop its export, and thereby create just one more source of friction?

The members of the minority believe that helium gas should be made available everywhere in the world for medical purposes. We want to see this gas used to preserve human life, but not to destroy it. We do not want it ever to be said that, due to the action of Congress, this gas was instrumental in helping some foreign power that was hostile to the American people. We believe that the use of lighter-than-air navigation should be developed. We do not take a narrow, nationalistic view. We believe that there are the brains and the skill and the courage in this country to develop it. We believe that we can engage foreign assistance, if it is necessary; and we believe, furthermore, that if it is the considered judgment of the American people, if it is the considered judgment of the Congress, that helium gas should be made available for other than medical purposes, the way to do it is to pass an act through the Congress.

There is not enough activity in the sale and disposition of helium to make it necessary for us to delegate this power. A bill can be introduced in the Congress, and passed, if we

want to, to make so many thousand cubic feet of this gas available to some foreign corporation or person. I am frank to say that I would vote against it; but that, to my mind, is the proper method of approaching the subject.

That concludes the observations which we of the minority have to make.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. LODGE. I yield.

Mr. BORAH. The Senator has made a most excellent and illuminating statement on this subject. I wish to ask, is it true that Dr. Eckener came to this country to secure the permission of the Government to purchase helium here?

Mr. LODGE. That is my understanding.

Mr. THOMAS of Utah. Mr. President, if I may interrupt——

Mr. LODGE. I yield.

Mr. THOMAS of Utah. That surely cannot be the only reason why Dr. Eckener came to this country. I do not know why he came, but there had been a tremendous explosion on the *Hindenburg* and that ship had been burned and destroyed. He was called over here to inspect the wreck, to assist in ascertaining the causes of the disaster, and to report upon it. The movement for the use of helium for what might be called world-wide purposes and in a humanitarian way came after that explosion.

Dr. Eckener came in such haste that I remember his telling the late Senator Robinson, when he met him, that he did not have time to get an extra suit or an extra change of underwear. I am sure that if he was coming upon a mission merely for the purpose of asking our Government to sell to him or to his corporation helium he would have come a little bit more at his ease.

Mr. BORAH. I did not indicate by my question, I think, that Dr. Eckener came solely for that purpose, but that certainly was one of the subjects which he discussed when he was here.

Mr. SHEPPARD. Mr. President, will the Senator from Massachusetts permit me a word?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Texas?

Mr. LODGE. I yield.

Mr. SHEPPARD. Dr. Eckener did not come before the Senate committee on his own suggestion. The Senate committee invited him, through one of his associates, to testify, in order to obtain the benefit of his great knowledge concerning helium in its relation to lighter-than-air travel.

Mr. BORAH. Mr. President, I am not indicating that I thought there was any impropriety in Dr. Eckener's conduct when he was here. I do not think, though, that there is any doubt in the mind of anyone as to what was in his mind with reference to securing helium from this country.

Mr. THOMAS of Utah. There can be no doubt that the testimony of Dr. Eckener before the committee was positive that, so far as he was concerned, he believed—these are my words, not his—that the United States owed it to the world to allow the use of helium. There is no doubt about that idea.

Mr. LODGE. Mr. President, I hear a great deal about what the United States owes to the world. I do not hear as much as I should like to hear about what some of the other nations of the world owe to the United States.

I want to emphasize, in conclusion, that this bill is not opposed because of any narrow, nationalistic view. We want to see the development of the art; we are strongly in favor of using this gas for the constructive purpose of saving human life; we do not want to see another *Hindenburg* disaster; but we also have got to think of the national defense of the United States. It is true that the *Hindenburg* disaster was a horrible one, and we want to avert any such catastrophes in the future, if we possibly can, but, in my State and the State of every other Senator, there are millions of people to whom lighter-than-air navigation will probably never be a reality. There are millions of people who cannot afford to go to Europe on a boat let alone to go to Europe on dirigibles. We have got to think of their safety, and we have got to think of their welfare. My belief is that this is a question that Congress should decide for itself. We in Congress are the trustee for a priceless natural asset and we should conserve this God-given substance for the benefit of the American people.

Mr. AUSTIN. Mr. President, the junior Senator from Massachusetts [Mr. LODGE] has stated very ably the views of those who signed the minority report on this bill. I cannot omit this oportunity to reassert a fundamental principle which I think cannot be repeated too often in these days of attempted revolution of the American system of government.

I think that this bill has political implications and has the same tendency to corrupt our political structure as we have seen in several other great measures that have already passed the Senate and which undertook to turn over to the Government at Washington valuable rights, magnificent properties, that theretofore did not belong to the National Government, and which, by their Constitution, the people undertook to protect and to keep unto themselves and unto their own sole disposal.

I am no more in favor of turning over by this bill to the Federal Government this great natural resource of several of our separate States than I am in favor of turning over to the Federal Government the resources of water or power in New England, as we are so gently invited to do by certain measures now lying on the table in this Chamber. I do not suppose we can stop this trend, but we can stand up and let the people understand that we realize the direction of the trend.

This is not merely a bill to create a monopoly; it is a bill to absorb a natural monopoly that belongs to the several States and which the Federal Government has no right to take. I doubt the authority of Congress to absorb this natural asset of the several States; and I have no doubt whatever of the economic fallacy of the Federal Government going into business and undertaking to take over the whole and entire control of the manufacture and disposal of a very important new product whose usefulness has not as yet been fully developed.

Mr. President, I am opposed to this sort of seizure of the rights and properties of the people of this country.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the vote by which the amendment of the Senator from Idaho [Mr. BORAH] to the amendment of the junior Senator from Kentucky [Mr. LOGAN] be reconsidered. I have talked with the Senator from Idaho about it, and he has no objection to a reconsideration of the vote. The Senator from Idaho just stepped out of the Chamber.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. AUSTIN. Is it a request for unanimous consent?

Mr. BARKLEY. Yes; I have talked with the Senator from Idaho, and he has no objection to a reconsideration of the vote whereby the amendment was agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky that the vote on the amendment referred to by him be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. BORAH entered the Chamber.

Mr. BARKLEY. Mr. President, I may say to the Senator from Idaho, who has just entered the Chamber, that I had just asked and obtained unanimous consent to reconsider the vote by which the amendment which he offered to the amendment of the Senator from Kentucky [Mr. LOGAN] was agreed to.

I wish to say in that connection that it already has been stated, and it is incontrovertible, that there is only one private concern in the United States engaged in the production of helium. Whether there will ever be others, no one can tell. There has not been, and there is not now, any production by any private organization except the one corporation which happens to be located in the city of Louisville, Ky., with property in Kansas and possibly in one or two other States.

The efforts of this corporation to develop helium make a long story. The Government went into the business of developing helium. When the private corporation was organized it sold its products to the Army and the Navy. Gradually that market was taken away from the private concern, and then the Government began to sell its surplus helium product to private organizations, the result being that the market was completely taken away from the private corporation because the Government sold its helium at a price cheaper than that for which the private corporation could afford to sell, for the reason that in estimating the price the Government took no account of overhead expenses. It simply charged for the actual cost of production plus a few incidental expenses, and did not take into consideration the overhead cost which every private corporation has to consider in fixing its price.

It has been felt by the Bureau of Mines, the Interior Department, and other departments for some time that because of the peculiar nature of this substance it ought to be a Government monopoly. I think no one would feel that the Government, after having encouraged the private corporation to go into the business, ought then to take its market away and leave it completely stranded and helpless, without a market, without any opportunity to dispose of its property to other private corporations that might be engaged in the same business, because there are none.

For that reason the amendment was inserted in the bill authorizing the Government to buy the property of this private concern and make the production of helium a real Government monopoly. In fixing the price of the property the same rule was applied in the amendment that is ordinarily applied in matters of this kind. Where there is a desire of one party to sell and of another to purchase, one side names an arbitrator and the other side names another arbitrator, and the two thus chosen pick a third arbitrator. That is the rule almost universally practiced among private corporations and private parties and institutions when they cannot agree upon a price among themselves.

There is no question of disagreement here involved. The seller has no desire to fix the price. The purchaser has no desire arbitrarily to fix the price. But with a representative of each on the board of appraisers, the two representatives to select the third, they all feel that a fair estimate of the value of the property could be reached.

Therefore it seemed to me the amendment of the Senator from Idaho, which would take out of the equation entirely the owners of the property and leave them out of any consideration, and put the fixing of the price in the hands of the Interior Department and the Treasury Department, the two of them to select a third, is so one-sided as to be unfair to the owners of the property.

There could be no unfairness in the result where each side should choose a representative, the two representatives thus chosen to pick a third. If the Government, which wishes to be the purchaser, is to decide who the appraisers are to be, it seems easy to understand that while theoretically the Government would want to be fair in a matter of this kind, the Government in the capacity of a private purchaser ought not to ask that it alone be allowed to name the appraisers who are to fix the value of the property.

For that reason I hope the Senator from Idaho will not insist upon his amendment, but will allow the language to remain as it originally was in the amendment of the Senator from Kentucky.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. Certainly.

Mr. LODGE. I fully agree with the Senator from Kentucky that if the Government is going to embark on the policy outlined in the bill it is a matter of simple justice to reimburse the private corporation in Louisville, Ky. There is no disagreement on that point; but Mr. Howington, of the Girdler Corporation, when he appeared before the committee, made this statement:

> All we are objecting to now is to any change from this status under which we have been operating for 10 years.

In other words, he would be satisfied if we did not make all these changes in policy, and if we do make this change in policy of course we have to reimburse the Girdler Corporation.

Mr. BARKLEY. I did not hear the testimony of Mr. Howington, and it is difficult to understand from the reading of one sentence just what he was discussing. What he has contended all along is that if the Government would lead the commercial market for helium to his organization or any other private organization, then he would have no complaint to make. But after taking the Army market and the Navy market away from this corporation, the Government began to sell to commercial users of helium. The Government contracted with the Goodyear Corporation, of Akron, Ohio, for the sale of a million cubic feet of helium, which market was taken away from the Girdler Corporation. The Government has undertaken now to invade the market for the use of helium for medical purposes, which, of course, is not very large, but to that extent takes it away from the Girdler Corporation. In other words, the Government, because it produces a surplus of helium, has not been satisfied to sell it to its own departments which use helium but wants to sell it to every private user of helium and, therefore, drive this company out of business and out of the market. I do not think anyone would contend the Government ought to do that. In order that it may purchase the property, a fair machinery has been set up under the terms of the bill to fix the price of it.

Mr. BORAH. Mr. President, I suppose we all agree, under all the circumstances, that the company should be fairly treated. I dislike very much to have a portion of the board, the business of which is to fix the value of the property, made up in part of the owners of the property.

Mr. BARKLEY. Is that any more objectionable than to have the prospective purchaser of the property have a monopoly of saying what it is worth?

Mr. BORAH. If the prospective purchaser were purchasing for private interests, of course that would be entirely objectionable; but the appraisers are supposed to represent the Government, and in representing the Government it is not to be supposed that they would have any desire to be unfair to the corporation.

Mr. BARKLEY. That is a theory in which we all indulge, but when the Government is to be the purchaser not only for its own governmental purchases, but in order that it may embark on the commercial sale of helium, I think we ought to put the Government in the status in which every private individual would be placed who might want to buy the property.

Mr. BORAH. May I ask some member of the committee whether there was any indication as to the possible value of the property which is involved?

Mr. BARKLEY. I may answer that question only in part. Nobody knows the value of the property. The Girdler Corporation has invested something like $750,000 in the property. I am satisfied the appraisers would fix some such figure as the value. What the appraisal would be I do not know, but I am satisfied it would not be exorbitant, and it would not be unfair to the Government to provide the method set up in the bill.

Mr. BORAH. I have suggested that the appraisers be appointed by the district court of the district in which the property may be located.

Mr. BARKLEY. The corporation has its residence in one State and its property is in another, or in two or three other States. The Senator would not believe that there ought to be a multiplicity of appraisers in the different States to fix the value of the property as a whole, would he? Whatever method is adopted, or whoever are to be appointed appraisers and by whatever method, one set of appraisers ought to be allowed to fix the value of the property as a whole.

Mr. BORAH. I quite agree with that. I am perfectly willing to have the district court at Louisville, where the headquarters of the corporation are, name the appraisers for the entire property. If the property is scattered about

here and there, I would not desire to have appraisers set up in each locality, but I do urge that if the owners are not satisfied to eliminate themselves as a part of the board of appraisers, then we ought to provide for a board of appraisers which would be beyond criticism either from the standpoint of the public or the private interests. It seems to me we can find an impartial person to appoint the appraisers by designating the judge of the district court. I ask the Senator from Kentucky if he is not willing to accept the district court as the appointing power?

Mr. BARKLEY. Mr. President, I am frank to say to the Senator that I think the judge of the District Court for the Western District of Kentucky would appoint fair and impartial appraisers. I should prefer to leave the language in the bill as it is, so that both sides will be represented, and they themselves may select the third appraiser.

Mr. BORAH. Mr. President, we are putting no limitation upon the amount of money which may be paid for this property. We who are supposed to represent the taxpayers of the country are turning this matter over without any control over it hereafter. Whatever amount may be agreed upon we must stand ready to pay.

It does seem to me that we ought to have, as nearly as practicable, an impartial board to pass upon this matter. Bear in mind that the party in interest does not have to take the amount of the award if he does not want to; and the Government never can get his property until they either buy it or condemn it under the principle of public use. So the party in interest is always safe. There is no way to compel him to accept the board's appraisal; and I feel that we ought to have a wholly impartial tribunal.

Mr. BARKLEY. Mr. President, if the Senator will yield there, I will say that, of course, what he says is true. At the same time, it is true that Congress must appropriate the money to pay for the property, whatever price is fixed. No authority is granted to pay out the money except when Congress appropriates it; so we have that curb over the amount that might be fixed.

Mr. THOMAS of Utah. Mr. President, I think we are making the problem a little bit larger than it is. There is in the testimony both an outside and an inside figure, and there is also testimony on the part of the Bureau of Mines that the valuations on either side are not very far apart. For example, the representatives of the Girdler Co. testified that they had an investment of around three-quarters of a million dollars. In a communication which came to the committee, it was suggested that $600,000 might be all the money needed to obtain a monopoly so far as this property is concerned. Therefore, any appraiser of course would take into consideration the testimony that is before him under the possible limit which has been stated both by persons who indirectly spoke for the purchaser and by persons who indirectly spoke for the seller. There is a margin there of merely $15,000.

Mr. BORAH. Mr. President, I do not understand that the value of property is fixed in any sense whatever by reason of the amount which has been put into its development. That may be an item in the question of damages, but it is only an item. That is what I suspect will take place, and I can only submit this matter to the Senate. We do not know what other properties we shall want to take control of and purchase in the course of time; and I certainly think that in the beginning of this matter we ought to establish a proper principle with reference to the board which shall pass upon that for which we have to pay.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH] to the amendment offered by the Senator from Kentucky [Mr. LOGAN].

Mr. KING. Mr. President, I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. The first amendment offered by Mr. BORAH was, on page 2 of the amendment offered by Mr. LOGAN, in line 2, to strike out the words "owner of the properties sought to be acquired" and insert the words "Secretary of the Treasury."

Mr. KING. Is that an amendment to the bill?

Mr. BORAH. That is an amendment to the amendment of the Senator from Kentucky [Mr. LOGAN]. May we have the amendment itself stated?

Mr. BARKLEY. In the bill it appears on page 8, line 9.

Mr. KING. That is what I was trying to ascertain.

Mr. BORAH. Mr. President, if I may be permitted, I find in the report filed with the bill this paragraph:

> As there is only one commercial producer of helium in the United States, and helium cannot be secured from that source at a cost which will make it available for commercial airships and medical use, it is believed the Government would be justified in securing a monopoly of this resource. Recently before the House Committee on Military Affairs the Girdler Corporation, the only private producer, offered to sell its helium properties for approximately $600,000. Although this price is believed to be exorbitant, it is thought that the properties can be purchased at a reasonable figure.

I do not see why the Senators interested in this matter are not willing to have appraisers appointed by the district court.

Mr. BARKLEY. Mr. President, the amendment which is pending is the amendment offered by the Senator from Idaho to eliminate the owners from any consideration in the selection of appraisers and have the Secretary of the Treasury perform that function. I hope that amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH] to the amendment offered by the Senator from Kentucky [Mr. LOGAN].

Mr. KING. Mr. President, I was called from the Chamber in connection with a public matter pending before the District of Columbia Committee, and am not familiar with the amendment or with the status of the bill at this time. If the plan proposed is that a board shall be appointed to fix the value of the property in question so that the owner of the property may be compelled, by coercive means or otherwise, to accept their appraisement, I am opposed to it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BARKLEY. On yesterday my colleague the junior Senator from Kentucky [Mr. LOGAN] offered an amendment to the bill setting up a board of three appraisers to fix the value of the property involved.

Mr. KING. A property or all property?

Mr. BARKLEY. A property—a property owned by the Girdler Corporation, of the State of Kentucky, which owns helium deposits in Kansas and elsewhere. It provided that there should be three appraisers, one appointed by the Secretary of the Interior, one by the owner of the property, and the two then would be authorized to select a third.

Mr. KING. Suppose the owner refuses to accede to that formula.

Mr. BARKLEY. The owner will not refuse to accede to that formula—I can guarantee that to the Senator—because there is really no controversy between the owner of the property and the Government as to procedure. They have been conferring about this matter, and they understand one another. There is no arbitrary desire on either part. The amendment offered by the Senator from Idaho eliminates the owner from any right to name one of the appraisers and authorizes the Secretary of the Interior to name one and the Secretary of the Treasury to name another, and the two of them to name a third, which eliminates the owner of the property from any right to have any voice in the appraisement. That is the point now before the Senate.

I am sure the Senator from Utah, with his sense of fairness, will realize that where a situation like that exists the Government ought not to expect the owner of the property to be weaned altogether away from any right to have a voice in naming those who are to fix the value of his property. The Government does not have to accept the award, nor does he; but that is the piece of machinery we propose to set up by which to arrive at the value of the property.

Mr. KING. The Government of the United States, under some of the policies which are being pursued, some of which

are wise and some of which are very unwise—and I have in mind particularly, in connection with the word "unwise", the action of the Resettlement Administration—is entering many of the States, Alaska, and Puerto Rico—I am not sure whether or not it has yet reached the North Pole—and acquiring property of all kinds and engaging in almost every form of industrial activity. It seems that the appetite of the Federal Government to acquire property and to engage in business and industrial activities is unappeasable, and its desire to enter into every field occupied by private endeavor cannot be restrained.

I am not satisfied that it is wise for the Government to engage in the business of mining for helium and to set up plants for its production. The progress of the mining development of the United States is the result of the enterprise, courage, and faith of individuals in themselves and in the future. The development of the gold and silver mines, and the mines which have produced hundreds of millions, if not billions, of metallic wealth, from the precious metals down to those that are regarded as base metals, have been the result of the individual effort, the genius, and the courage of the American people. If the Government of the United States desires property, let it negotiate with the owners; and if the negotiations do not eventuate in an agreement, and the Government must have the property for public uses, it should enter court and exercise the right of eminent domain.

I do not like these boards with quasi-judicial power, these boards authorized to engage in all forms of business activity. I do not like the plan of having the Federal Government set up a board here for the purpose of determining the value of the property. It seems to me that we are establishing a precedent which will return to plague the Government, if not individuals.

If this property which is desired cannot be purchased from the owner at the price which the Government is willing to pay, then let the Government go into court and bring the necessary suit and let a jury pass upon the value of the property. This is not the only case and a precedent is to be established that will influence future action upon the part of the Government. In view of this fact, it seems to me that we ought to scrutinize this measure with a great deal of care, and that we ought not to give our approval of this policy in the light of the thousands of pieces of property of all kinds, both real and personal, which are being acquired by the United States. I am opposed to the amendment offered by the Senator from Kentucky.

Mr. THOMAS of Utah. Mr. President, in answer to some of the remarks made by my colleague, I think I should at least say one word about the appraisal. We must remember that the Government is already in the helium business and that the Government and its agents probably understand more about the production and the purification of helium than does anyone else.

The Government owns certain materials useful for the recovery of helium. It has machinery; it has buildings. Therefore, the persons who will know the value of this machinery in these buildings, and also the value of the helium resources themselves, must of necessity be those persons who are related to and are carrying on the governmental work at the present time.

The proceeding provided would not be an ordinary condemnation proceeding. The Government knows exactly what it is doing. It understands the extent of the production of helium by the private corporation because that has been carried on more or less under governmental control during the course of some years. The Government virtually has a monopoly today. Therefore, to imagine that the Government should not have a place in making the appraisal, and that the persons who are the only competitors of the Government in the business should not have recognition, seems to me unreasonable at this time. There is one particular property to be bought, the Government knows exactly what that property is, and knows almost exactly what it is worth.

Mr. BORAH. Mr. President, I shall not oppose the Senator's desire to have the amendment which I have offered rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH] to the amendment offered by the Senator from Kentucky [Mr. LOGAN].

The amendment to the amendment was rejected.

Mr. BORAH. I now offer another amendment, on page 2 of the amendment, line 1, after the word "follows" and the colon, to strike out the words "One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected" and to insert in lieu thereof the words "The judge of the United States district court of the district in which the main office of the corporation is located shall appoint three appraisers."

On this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR], which I transfer to the senior Senator from North Dakota [Mr. FRAZIER], and vote "yea."

The roll call was concluded.

Mr. AUSTIN. I wish to announce the following general pairs:

The Senator from Vermont [Mr. GIBSON] with the Senator from Wisconsin [Mr. DUFFY]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS].

Mr. MCNARY (after having voted in the affirmative). I am advised that I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from New Hampshire [Mr. BRIDGES], and permit my vote to stand.

Mr. MINTON. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent in the performance of official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from Florida [Mr. ANDREWS], the senior Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. DONAHEY], the junior Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. HOLT], the Senator from Connecticut [Mr. MALONEY], and the Senator from Montana [Mr. WHEELER], are necessarily detained from the Senate.

I further announce that the junior Senator from Tennessee [Mr. BERRY], the junior Senator from Mississippi [Mr. BILBO], the senior Senator from South Dakota [Mr. BULOW], the Senator from Rhode Island [Mr. GERRY], the senior Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the junior Senator from Louisiana [Mr. ELLENDER], the senior Senator from Mississippi [Mr. HARRISON], the Senator from New Mexico [Mr. HATCH], the junior Senator from South Dakota [Mr. HITCHCOCK], the junior Senator from Oklahoma [Mr. LEE], the Senator from Illinois [Mr. LEWIS], the Senator from Kansas [Mr. MCGILL], the senior Senator from Tennessee [Mr. MCKELLAR], the senior Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the junior Senator from North Carolina [Mr. REYNOLDS], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from South Carolina [Mr. SMITH], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS], are absent attending important committee meetings.

The result was announced—yeas 27, nays 29, as follows:

YEAS—27

Austin	Clark	King	Steiwer
Borah	Copeland	La Follette	Townsend
Brown, Mich.	Davis	Lodge	Vandenberg
Burke	George	Logan	Wagner
Byrd	Hale	McCarran	Walsh
Capper	Hughes	McNary	White
Caraway	Johnson, Calif.	Nye	

NAYS—29

Adams	Brown, N. H.	Connally	Johnson, Colo.
Barkley	Bulkley	Dieterich	Lonergan
Black	Byrnes	Green	Lundeen
Bone	Chavez	Guffey	McAdoo

Minton	O'Mahoney	Radcliffe	Smathers
Moore	Pepper	Schwartz	Thomas, Utah
Murray	Pittman	Sheppard	Truman
Neely			

NOT VOTING—39

Andrews	Ellender	Hitchcock	Reynolds
Ashurst	Frazier	Holt	Russell
Bailey	Gerry	Lee	Schwellenbach
Bankhead	Gibson	Lewis	Shipstead
Berry	Gillette	McGill	Smith
Bilbo	Glass	McKellar	Thomas, Okla.
Bridges	Harrison	Maloney	Tydings
Bulow	Hatch	Norris	Van Nuys
Donahey	Hayden	Overton	Wheeler
Duffy	Herring	Pope	

So, Mr. BORAH's amendment to Mr. LOGAN's amendment was rejected.

Mr. THOMAS of Utah. Mr. President, I wish to ask what the parliamentary situation is. Is the amendment offered by the Senator from Kentucky [Mr. LOGAN] now to be voted upon as originally offered, without amendment?

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky is about to be voted on.

The question is on agreeing to the amendment of the Senator from Kentucky to the committee amendment on page 8, lines 3 to 19.

The amendment to the amendment was agreed to.

Mr. BORAH. Mr. President, on page 11, beginning at line 16, I move to strike out the words "on the joint recommendation of all the members of the National Munitions Control Board and the Secretary of the Interior", and to insert language in lieu thereof, so that the sentence will read:

No helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him and approved by the President.

Then the remainder of the section will read as it formerely read. In other words, I propose to eliminate the National Munitions Control Board, and leave the matter of exportation entirely to the Secretary of State, under the regulations which the Secretary of State shall make, subject to the approval of the President. I would rather trust the Secretary of State with the question of protecting helium exportations.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WALSH. I think the Senator's amendment is the present law. Therefore, it is very proper that the President should have the deciding authority in a matter of this kind.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. THOMAS of Utah. If the Senator from Idaho had heard my explanation of the reasons for the wording which we find in the bill and which he now proposes to amend, I think he would know that, so far as I am concerned and so far as the other members of the committee are concerned, we should have no objection to the amendment the Senator from Idaho proposes. Those rather clumsy arrangements came about as the result of our trying to be doubly careful about the exportation of helium for war purposes.

I see no reason why we should not accept the amendment of the Senator from Idaho.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. BORAH] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BONE. Mr. President, I send to the desk an amendment to the pending bill. My amendment is the language of Senate bill 2603 without the enacting clause, and I ask that the amendment be printed at this point in my remarks. I am not going to read all of it, because I think every Member of the Senate is advised of its contents. I content myself with saying that Senate bill 2603 is the bill introduced by me, by the Senator from Missouri [Mr. CLARK], the Senator from North Dakota [Mr. NYE], the Senator from Idaho [Mr. POPE], and the Senator from North Dakota [Mr. FRAZIER] on June 8, 1937, to provide for Government ownership and operation of shipbuilding facilities and plants for the manufacture of Army and Navy ordnance and all other war materials.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Washington to the committee amendment will be printed in the RECORD without being read.

Mr. BONE's amendment to the committee amendment was to insert at the end of the committee amendment the following:

That the Secretary of War is authorized, empowered, and directed forthwith to construct, or acquire by purchase or by condemnation, such plants, factories, and facilities, in addition to the arsenals and other such facilities now belonging to the United States, as may be necessary for manufacturing and producing war munitions and supplies sufficient to meet all of the requirements of the United States Army, including the following munitions of war:

Propellants and explosives of all kinds used by the United States Army; and such production shall also include the requirements of the United States Navy for such propellants and explosives.

Shells and projectiles, and explosives therefor, used by artillery of the United States Army.

All classes of artillery used by the United States Army.

Gases employed in war operations.

Tanks.

Rifles, machine guns, and small arms of all kinds, for manual and mechanical operations, employed by the military forces of the United States, and ammunition therefor; and such production shall also include the requirements of the United States Navy for such war materials.

And thereafter to operate such producing and manufacturing facilities and produce and manufacture therein the above-described war materials as herein provided.

SEC. 2. The Secretary of the Navy is authorized, empowered, and directed forthwith to construct, or acquire by purchase or condemnation, and thereafter to operate, additional facilities (including necessary lands) to expand existing Government navy yards, armor-plate plants, naval arsenals, naval gun factories, and shipbuilding plants and facilities, so that such Government navy yards, plants, and facilities, including those now owned by the United States, shall thereafter be capable of doing all naval construction and repair work on any and all vessels of war of all types and categories required by the Army and Navy of the United States, including naval auxiliaries and Army transports, and their main engines, ordnance, and armament, and producing gun forgings, armor plates, and projectiles for all classes of guns and ordnance used on such vessels: *Provided, however,* That the provisions of this act shall not apply to vessels contracts for which have heretofore been let to private parties, but in all other respects this act shall apply to affect all activities and operations contemplated in the Naval Appropriation Act of June 3, 1936, and subsequent appropriations: *Provided further,* That structural steel for such ships, and raw materials from which castings and forgings are made, fabricated materials such as sheet-metal rods, bars, and tubing out of which parts are made, and appurtenances such as chronometers, may be purchased in the open market under provisions prescribed in existing statutes, until such time as the Secretary of the Navy shall elect to produce such equipment and materials in the Government plants referred to in this section.

SEC. 3. The Secretary of the Navy and the Secretary of War shall have power to acquire any property or property rights, including any and all patent rights, necessary to carry out the provisions of this act, by purchase or by the exercise of the right of eminent domain, and to institute condemnation proceedings therefor in the same manner as is provided by law for the condemnation of real estate.

SEC. 4. The Secretary of War and the Secretary of the Navy are hereby authorized, empowered, and directed forthwith to manufacture all gages, jigs, dies, and fixtures necessary in the production of the munitions of war referred to in this act, and to provide adequate supplies of such gages, jigs, dies, and fixtures for use in the event of war by any agency designated by the President of the United States, if in his judgment the then existing facilities for the Government production of munitions of war are insufficient to meet the emergency demands for such munitions.

SEC. 5. It is hereby declared to be the policy of the Congress, as expressed in this act, to make the Government of the United States as nearly as possible self-sufficient in national defense, in time of war as well as in time of peace, by requiring Government manufacture and production of the munitions and instrumentalities of national defense described and referred to in this act.

Nothing in this act shall be construed to require the Secretary of War and the Secretary of the Navy to acquire sources of raw materials and plants or factories to process the raw materials which the Secretary of War and the Secretary of the Navy are required to manufacture into combat instrumentalities and munitions of war, but such raw materials may be purchased in the open market under competitive bids therefor, as prescribed in existing statutes. The purpose of this act is to reserve to the United States the exclusive privilege and function of fabricating

and manufacturing such raw materials into the actual combat munitions and instrumentalities of war which are described in sections 1 and 2 of this act, and to perform such work of fabricating and manufacturing in its own plants, factories, navy yards, and arsenals.

SEC. 6. Said Secretaries are authorized to appoint and fix the compensation of such supervisors, designers, chemists, naval architects, and other experts as may be necessary for carrying out all of the provisions of this act, without regard to the provisions of other laws applicable to the employment, classification, and compensation of officers and employees of the United States, and they may, subject to the civil-service laws, appoint such other officers and employees as may be necessary to carry out the provisions of this act, and to fix their salaries in accordance with the Classification Act of 1923, as amended.

The said Secretaries may, in the name of the United States, defend or bring suits at law or in equity, as they may find necessary or desirable in carrying out the purposes of this act, and they shall be represented in all such litigation by the Attorney General of the United States or his representatives.

SEC. 7. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $ to carry out the provisions of this act, $ of said sum to be expended by the Secretary of War and $ of such sum to be expended by the Secretary of the Navy.

SEC. 8. All acts and parts of acts in conflict with any of the terms and provisions of this act are hereby repealed.

Mr. BONE. Mr. President, while I am impelled to tender this bill as an amendment, I do not want to interfere with the prompt disposition of the pending bill. However, I think this an opportune time to discuss some of the problems we are now confronting with relation to national defense, because that has been suggested very aggressively and emphatically in the arguments on the helium bill.

A few days ago Mr. William Dodd, American Ambassador to Germany, came back to this country and prophesied that the world was heading directly into another great international conflict, the effect of which would be to destroy civilization itself.

Mr. Dodd is not the only one who is emphasizing that particular viewpoint, because a great many very thoughtful persons know and realize that for the first time in human history all the major nations of the world have suffered major economic dislocations, that their economic, social, and political structures have crashed, presenting a picture without parallel in history, so that, Members of the Senate, the thing we are facing today is menacing and alarming.

It is startling and terrifying. The crash that Ambassador Dodd suggests is not outside the realm of possibility, but on the contrary, it looms ominously in sight; and unless those who are guiding the destinies of other nations, and literally holding those nations in the hollow of their hands, are mighty careful, we may find our present-day civilization literally submerged in an ocean of blood, and all the things that are worth while going down and out.

Let us now examine for a moment what this mad arms race is costing the world, because that is what I want to refer to in connection with this amendment to nationalize the business of taking care of national defense.

A short time ago I ran across an editorial in one of the big western newspapers—a very conservative newspaper, by the way, so when I am quoting the editorial I am not quoting an alarmist, or anyone who has any sinister or ulterior motives in discussing questions of national defense. In this editorial it is pointed out by an expert quoted by the newspaper that the total arms expenditures in the world rose from $5,000,000,000 in 1934 to $11,000,000,000 in 1936.

In the latter year the expenditures of Russia were estimated at $3,000,000,000. Those of Germany were estimated at $2,600,000,000. Those of our own United States were estimated at $1,000,000,000.

Let me say parenthetically that that $1,000,000,000 does not reflect the cost of war. That is only our present-day cost of preparation. That is our present-day cost of defense operations. It has no relation whatever to pensions and the other charges that war has placed upon our social structure.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. Is it not a fact that in the present session of Congress, in the military and naval appropriation bills, we have authorized expenditures in preparation for war very much above a billion dollars?

Mr. BONE. I think that is correct.

Mr. CLARK. We have authorized directly the expenditure of several hundred million dollars above a billion dollars, to say nothing about the indirect appropriations and indirect authorizations for war purposes contained in other bills.

Mr. BONE. I think that is true.

Mr. CLARK. So, the figure the Senator has quoted is an extremely conservative one, to say the least.

Mr. BONE. Yes. I want to emphasize the fact that this is an understatement rather than an overstatement.

The expenditures of Great Britain last year for armaments amounted to $847,000,000, and those of Italy amounted to $871,000,000—nations that are either too proud to pay their war debts or do not care whether or not they ever pay them.

In other words, the expenditures of Russia in 1936 were almost as great as the total world expenditures for armaments and war in 1913, the year before the World War broke out, and the world was fairly well prepared for war then, as the casualty lists of the World War indicate. The expenditures of Russia in 1936 were three-fifths of what world expenditures had been as recently as 1934. Italy is today spending 52.7 percent of her 1936–37 budget for armaments. German probably spends 50 percent of her budget, and Japan something over 46 percent of her's for armament purposes. The British percentage is 20 and that of France nearly 30.

Mr. President, what are we getting for all of this money? A few days ago I was talking to a very prominent naval officer in connection with the building program in which we are now engaged. He stated to me that as late as from 1932 to 1933 the bid price received on a destroyer of around 1,500 or 1,600 tons was three and a half million dollars. Bids received recently for the same type of boat run around $7,000,000, or 100-percent increase in the cost of these vessels in its national-defense program in that one isolated field. How long do you think, Mr. President, we are going to be able to stand that sort of cost? Imagine what a godsend that is going to be for private shipbuilders when the big merchant-marine program gets under way. Private builders could not demand a better opportunity to put their trucks up against the back door of the Treasury. They could even lay a pipe line in and put suction pumps in it in order to get the money out expeditiously and as befits a noble program of that kind.

The other day the Department called for bids on a couple of big battleships. This ought to thrill the taxpayers. Let me call their prayerful attention to the fact that the other day private shipbuilders submitted some bids on two proposed 35,000-ton battleships and those bids were $12,000,000 apiece more than the bids of our own navy yard.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I am glad to yield.

Mr. CLARK. I am familiar with the figures which the Senator has just been quoting, which show that the bids from the navy yard were some $12,000,000 less than the lowest bid of private shipbuilding companies, which I think was the New York Shipbuilding Co. I believe that the bid to which the Senator refers is $37,000,000 from a navy yard. This is based on a newspaper report as to the bids. Is not that correct?

Mr. BONE. I think that is correct.

Mr. CLARK. At any rate, it was approximately that.

Mr. BONE. Yes; it was approximately that.

Mr. CLARK. Today I called the Navy Department, and I am advised that the estimates for actual construction of the *North Carolina* at the New York Navy Yard was $34,425,000, and for the *Washington*, to be constructed in the Philadelphia Navy Yard, $34,132,000. Therefore, instead of being under by approximately $12,000,000, as shown in the

newspaper report referred to by the Senator, according to the figures of the navy yards, for actual construction the navy yard estimates will be about $15,000,000 under the lowest bids of private shipbuilders.

Mr. BORAH. Mr. President, I do not understand the Senator's amendment. Is it proposed to the pending helium bill?

Mr. BONE. Of course, the Senator is at a disadvantage because I merely asked to have it printed. It is Senate bill 2603, and is a bill to require the production of munitions of war and warships in Government plants and yards.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. It seems to me that this bill, which was introduced by the Senator from Washington and the two Senators from North Dakota and myself, is apropos as an amendment to the pending bill, because this is a bill for the establishment of a Government monopoly for purposes of national defense, and the bill which the Senator from Washington is now offering as an amendment is also a bill for the establishment of a Government monopoly in another and at least as important a field of national defense, namely, the field of naval construction. In other words, it seems to be entirely apropos to the question of the establishment of Government monopolies for national defense.

Mr. BORAH. Do I understand that the Senator from Utah is opposed to the amendment of the Senator from Washington?

Mr. THOMAS of Utah. The Senator from Utah feels that this amendment is so important in itself that he is sure the Senator from Washington would dislike to see it attached to an unimportant bill, such as the helium bill, at this time. Therefore, the Senator from Utah is going to suggest that the amendment be voted down.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. I do not wish to interrupt the speech of the Senator from Washington, but if he will permit me to finish the presentation of the comparative figures on which I was engaged——

Mr. BONE. I am happy to do so.

Mr. CLARK. In connection with the discrepancy of some $15,000,000 between the actual cost in Government navy yards and the lowest bids of private shipbuilding companies for the proposed new battleships, it seems to me that it might be very interesting to have a comparison with the cost of a battleship constructed within a comparatively brief period. I refer to the battleship *California*, which was finished in 1921, I believe, in a time of relatively exceedingly high construction costs both for material and labor, and which is comparable size to the battleships now being constructed. The battleship *California* was constructed at the Mare Island Navy Yard and finished, I believe, in 1921; it had a tonnage of 32,600 as against a tonnage of 35,000 for the present battleships, and, as I have said, was built at a time of very high labor and construction costs; and yet the *California* was constructed for $15,406,638, less than 50 percent of even the very much diminished cost estimated by the navy yards at the present time, and less than 33 percent of the lowest bid received from private shipbuilding companies at this time.

Mr. BONE. Mr. President, an interesting aspect of this problem is presented when it is realized that the figures of thirty-four or thirty-six million dollars bid by the navy yards and the twelve to fifteen million dollars' differential in the private-yard bid are only for the hull and machinery. The American people have no conception of what this tremendous increase in costs means to them. When a three-and-a-half-million-dollar destroyer of 4 or 5 years ago is translated into a seven-or-eight-million-dollar destroyer now, national defense is going to cost so much that, before we are through with it, it will fairly make us shiver. What justification is there for a hundred-percent increase in the cost of ships? If there is justification for it, what is the merchant-marine program going to cost? What is the whole program of national defense going to cost this country if we are to have all the new ships we want and need?

Let me give one more illustration. It was demonstrated very clearly, and the figures were not challenged by our Navy Department, that for $24,000,000 our Government navy yards can be expanded and provided with new welding, cutting, and modern machinery, yards, ways, and slips to do every bit of the building contemplated by our present naval-expansion program. That amount is merely the increased cost on two ships under private bids. What is going to happen when the program gets in full swing and that great increase in cost is clamped down on all the vessels we are going to build in our naval program? A fraction of what we would save would expand our navy yards so that we could do all of our own naval work and we would not be at the mercy of private shipbuilders.

Mr. NYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. BONE. I am happy to yield.

Mr. NYE. I should like to make an inquiry of the Senator from Missouri, who has made a statement as to comparative costs for like ships. May I ask him in what year was the building of the battleships, to which he referred, undertaken? Was it 1926?

Mr. CLARK. No; it was back in 1921. As I recall, the *California* was constructed in 1921, which was a period, as the Senator will recall, of extremely high building costs, and it was constructed for $15,400,000, in round figures, less than a third of the lowest bid which we received this year for battleships of comparable size from private shipbuilding companies, and less than half the lowest bid which we received from Government navy yards.

Mr. NYE. Are actual shipbuilding costs higher today than they were at that particular time?

Mr. CLARK. I understand they are not.

Mr. NYE. That is my understanding, as well.

Mr. CLARK. I have not the actual statistics, but the understanding among the best sources of information to which I have been able to refer is that costs were higher in 1921 than they are today, so far as wages and materials are concerned. We have been going through a struggle for the last 3 or 4 years to get wages and material costs back to where they were in 1921.

The PRESIDING OFFICER. Will the Senator from Washington allow the Chair to ask the Senator from Missouri a question for information?

Mr. BONE. Certainly.

The PRESIDING OFFICER. The Senator from Missouri made a statement as to the estimates for the construction of ships from private sources and figures from the yards of the Government, but the Senator from Missouri did not conclude what the Chair should like to know from him. To which was the bid finally given?

Mr. CLARK. I do not know that the bids have been awarded as yet, but I understand it has been decided to award the contracts in the case of the *California* to the New York Navy Yard and in the case of the battleship *Washington* to the Philadelphia Navy Yard.

The PRESIDING OFFICER. The Chair thanks both Senators.

Mr. BONE. Spokesmen for private shipbuilding concerns have been to Washington protesting that the Government is seriously considering the building of the two new battleships in Government yards. I think the majestic world may well stand aghast at such an exhibition of nerve. Money is hard to get and we have been compelled to pour out vast sums for relief. It is brazen effrontery for private ship interests to come here and suggest in these times that we give them $12,000,000 to $15,000,000 more for building a vessel than we could build it for in our own yards.

Mr. CLARK. Mr. President——

Mr. BONE. I yield to the Senator from Missouri.

Mr. CLARK. Is not that the same gang that admitted spending $268,000 in one session of Congress a few years ago for the purpose of providing a subsidy for them?

Mr. BONE. That is the crowd which came down here with plenty of money, as the Senator from Missouri has said. Their spokesman openly said they spent a quarter of a million dollars to drive a so-called Merchant Marine Act through Congress.

Mr. NYE. Mr. President, will the Senator from Washington yield?

Mr. BONE. I yield.

Mr. NYE. I should like to have the Senator give expression to his thought as to what the situation would be respecting the quoting of prices for the construction of ships for the United States Government if our Government did not possess navy yards of its own.

Mr. BONE. I think we could get a correct answer out of every Member of the Senate. Where would we be if we did not have our navy yards? We would be like the traditional tomcat in Tartarus, without teeth or toenails, to claw its way out. If we did not have our navy yards at all and if we could not get our work done there, the bids would soar heavenward at a dizzy rate. There is only one answer to make to that crowd, and that is to say to them, "Gentlemen, give us the right prices or you do not get any work." The Government does not tax its people merely to subsidize private shipbuilders, and this is specially true of such a vital and important thing as national defense, where every dollar ought to count and produce a dollar's worth of increased national safety.

Let us be realistic about this and not walk away from it without giving it serious attention. Recently Dr. Gallup took a poll in America, and I am sure Senators who are familiar with his methods will admit that they have been proven to be fairly accurate. The poll discloses that 82 percent of the people of this country want to nationalize the business of preparing for national defense and for war.

The bill which I have offered as an amendment does not call for the ownership of the sources of raw material. In very well chosen language it simply provides that the Federal Government shall have a monopoly in one restricted field. It is well, in my judgment, to keep it in that field—that the Government shall have a monopoly in fabricating war munitions in final form for actual combat purposes. In other words, the one function of translating material into the final form for actual-combat purposes shall be a Government function and monopoly, and it ought to be.

There is no higher purpose that animates Americans than to defend America, and this high purpose must not be translated into a financial football for men who blithely bid $15,000,000 more for the construction of one battleship than the Government can build it for.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BONE. I am very happy to yield.

Mr. LOGAN. I have much sympathy for the Senator's bill, and I think at a proper time I should support it. But does not the Senator think that trying to hitch his bill, which he is now discussing, onto the tail of the helium bill is very much like trying to hitch the State of Texas onto the tail of the State of Rhode Island?

Mr. BONE. The Senator presents an interesting question.

Mr. CLARK. Mr. President, will the Senator yield again?

Mr. BONE. I gladly yield to the Senator from Missouri.

Mr. CLARK. The Senator has been referring to the difference in cost in the efforts of the United States to manufacture its own munitions, and their purchase from private shipbuilding companies and other purveyors of munitions. Does not the Senator think some of the tremendous difference in cost might be accounted for as was disclosed before the Munitions Committee, when the head of one of the shipbuilding companies, during the 2 years the United States was engaged in war, was shown to have been paid in bonuses alone, to say nothing of the salary which he received, more than $3,000,000 which entered into the contracts executed by the Government with those companies of which this gentleman was head, while the heads of the United States navy yards and other governmental agencies received no such salaries and no bonuses whatever?

Mr. BONE. The Senator from Missouri is absolutely correct. He will recall, as other members of the Munitions Committee will recall, the very peculiar way in which the accounting systems were handled by the shipbuilding companies during wartimes, in which all sorts of operating overhead expenses were included, in a fashion that even made the hair of the case-hardened members of that committee stand quivering on end.

Mr. CLARK. Does the Senator recall the testimony as to the cost of certain ship construction by the New York Shipbuilding Co. and other shipbuilding companies during the period of the war on the cost-plus basis, when they actually figured into the cost on which they expected the Government of the United States to reimburse them, the expenses of their representatives in soliciting commercial business in China and Japan, and also included Christmas presents and contributions, wines, liquor, and cigars, and moneys expended on testing trips, and other similar items which not only entered into the construction costs but on which they collected bonuses from the United States because of the expenditure of money for those purposes?

Mr. BONE. I think, if the real truth were known about certain financial operations during the last war and how this Government was rooked in the sacred name of patriotism, we would have a housecleaning the like of which the Government has never seen since it became a Republic.

This is the first time in my experience in the Senate that I have singled out books for comment, but I wish every person in the United States interested in the subject of war would read a little book called War Madness, by Steve Raushenbush, published in Washington and sold for 25 cents, by the National Home Library Foundation. It will give the average citizen, without the expenditure of very much money, a comprehensive pen picture of some of the rackets turned up by the investigations of the Munitions Committee of this body.

When we realize that the saving on two ships, if built by the Government, is almost enough to pay the cost of a battleship a few years ago, we can realize how bold are the demands of private builders.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BONE. Certainly.

Mr. WALSH. Does the amendment proposed by the Senator restrict to actual war-period times the exercise of the powers granted to the Secretary of War and the Secretary of the Navy?

Mr. BONE. No. It is an attempt to make the Government self-sufficient in time of peace as well as in time of war.

Mr. WALSH. So the amendment, if it is adopted, would give authority to exercise these powers at once?

Mr. BONE. That is correct. Of course, Congress would have to appropriate the necessary money.

Mr. WALSH. Can the Senator state what amount of money it would cost to give this authority to take over the private munitions mentioned in his amendment?

Mr. BONE. I do not have on my desk the studies which were made and the break-down of the figures prepared for us by experts from one of the governmental departments who made a very exhaustive study, but it is my recollection about $40,000,000 would do the whole job for both the Army and Navy. The Government owns a great many institutions now. It is largely a matter of expanding them.

Mr. WALSH. Did the Senator, and the other Senators associated with him in promoting the amendment, give consideration to limiting to actual wartime periods the powers set forth in the amendment?

Mr. BONE. If we attempted to do that, we simply would have idle equipment instead of having it doing this work. It seems to me there would not be any legitimate purpose served by building equipment and letting it lie idle.

Mr. WALSH. The amendment proposes to construct or to give power to the Secretary of War and the Secretary of the Navy to take over certain munition plants now privately owned and privately operated.

Mr. BONE. That is correct.

Mr. WALSH. And the amendment authorizes such appropriations as may be necessary, the money to be provided by Congress.

Mr. BONE. That is correct. Of course, when the Senator says "take them over", that is a rather broad term. The language is to the effect—

That the Secretary of War is authorized, empowered, and directed forthwith to construct, or acquire by purchase or by condemnation, such plants, factories, and facilities, in addition to the arsenals and other such facilities now belonging to the United States, as may be necessary—

To accomplish the purpose of the bill.

Mr. WALSH. It is intended, of course, that the Secretaries shall exercise this power at once after the passage of the bill?

Mr. BONE. Yes; that is correct.

Mr. WALSH. It is not optional with him whether or not he shall take over these plants. It is a mandate of the Congress to have the War Department and the Navy Department get control of all private munitions factories?

Mr. BONE. That is correct; to take over and perform the function of building actual munitions of war in their final form for combat purposes.

Mr. WALSH. I thank the Senator.

Mr. CLARK. Mr. President, if the Senator from Washington will permit me to interrupt him, as I understand the purpose of the amendment—and I think the Senator from Washington will agree with me—it does not authorize the Secretary of War or the Secretary of the Navy to go out and seize private property. It simply authorizes the two Secretaries, unless they can acquire by purchase the facilities necessary for the manufacture of munitions of the United States, then to construct, in the name of the United States and under the ownership of the United States, facilities sufficient to accomplish the purpose.

Mr. WALSH. But the principle behind the amendment is that it is in the public interest for the War Department and the Navy Department to take over private munitions operations.

Mr. CLARK. The principle behind the amendment is that the United States would be very much better off if it were itself to construct and have under its ownership the facilities necessary to construct such munitions as we may need rather than to be at the mercy of private contractors.

Mr. BONE. Of course, I do the Senator from Massachusetts the honor to assume and to know that he would not think that any Senator or group of Senators would sponsor a measure calling for the confiscation of private property, for obviously it could not be done, and no Member of Congress would ever think of attempting such a thing.

Mr. WALSH. I did not intend to convey that idea. I simply wanted to know if the powers granted in the measure become operative on its enactment and not at a future date.

Mr. BONE. The measure is intended to become operative upon its enactment. Of course, the money necessary to carry it our naturally would have to be carried in the budgets of the departments involved.

Mr. WALSH. Would the result be that there would be no private corporations or individuals engaged in the manufacture of munitions?

Mr. BONE. If the Senator has not a copy of the bill before him, let me call his attention to section 4, because in the preparation of the bill we realized that in the event of a great emergency like war it probably would be necessary to expand the existing agencies which the Government owned and would procure under the bill.

Section 4 provides that—

The Secretary of War and the Secretary of the Navy are hereby authorized, empowered, and directed forthwith to manufacture all gages, jigs, dies, and fixtures necessary in the production of the munitions of war referred to in this act, and to provide adequate supplies of such gages, jigs, dies, and fixtures for use in the event of war by any agency designated by the President of the United States, if in his judgment the then existing facilities for the Government production of munitions of war are insufficient to meet the emergency demands for such munitions.

The Senator knows, and I think every one knows who is familiar with it, that one of the great problems in wartime is to have a plentiful supply of gages, jigs, dies, and fixtures. They are the mechanical gadgets by which manufacturing plants are able to turn themselves into munitions plants for the manufacture of rifle barrels and things of that kind; and it is intended under the bill that the Government shall have an enormous supply of those things, so that in the event of an emergency it can step into any factory and equip it in 24 hours.

We do not want, however, to find ourselves in the position we were in when the Du Ponts told us they would build a powder factory upon their own terms and then later come down here and tell us that we would have become a German province if it had not been for them. I imagine we all understand that the two or three million American boys in France had a little something to do with our not becoming a German province, but the Du Ponts apparently do not accept that version of the matter.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. BONE. I yield.

Mr. CLARK. The provision as to jigs and dies, to which the Senator has referred, which is contained in this bill, and also contained in the National Defense Act, but which for some inexplicable reason has never been availed of by the War Department, would also prevent such a situation as occurred in action during the World War, when the United States was in possession of what was admittedly very much the best military rifle in the world—namely, the Springfield—but was compelled to arm its troops with a very inferior rifle, admitted by every military authority to be very inferior—namely, the British Enfield—because the Remington plant and some of the other private arms plants were jigged and died up for the manufacture of the British Enfield, and the arsenals which manufactured the Springfield were not equipped with extra jigs and dies to manufacture the very superior Springfield rifle.

Mr. BONE. That accounts for the presence in the bill of the provision which would permit the Government of the United States to translate a private manufacturing plant into a real munitions factory on very short notice.

Now, Mr. President, I desire to conclude.

We are all familiar with the easy descent into the realms of high finance that went on before the World War, when our banking firms in New York lent England and France a vast amount of money which was never paid. That debt to the banks was ultimately translated into Liberty bonds, which we are now paying so graciously—I hope, anyway, that we are doing it graciously—and we have heard discussed on this floor times without number the question of war debts, and what a tragedy they have been to the American people. Now, however, we are going back into the same dubious field of financial activity. Down the primrose path of dalliance with this kind of outrage and infamy go the American bankers. China is in trouble. Finance Minister Kung, of China, is over in London arranging a $10,000,000 loan, with American cooperation. How sweet it is for us to cooperate in a war loan. If we continue on that course, our boys may some time be called on to collect these loans. Some banker will come down here and howl that he cannot get back his money, and wave flags and demand that we collect the money that he loaned.

The Washington Times of the 5th of August announced that American financial interests will participate in this loan. Is not that lovely? Our bankers are participating in a loan for war purposes on foreign soil. I thought we had been fed up with that kind of business, Mr. President. I thought that all these little white headstones in France might continue to have grim significance and be and remain a pathetic warning against participation in further follies.

I sometimes wonder how far international financial manipulators would sell us down the river and threaten our civilization by their operations. Here comes Mr. Dodd back from abroad, saying that another World War will destroy our civilization. Why in the world should we mess around and stick our financial finger into these world-war pies? It is time we put a clamp on the breed of American citizens

whose activities—pernicious activities, if you please—may so disturb our international relationships that they might, by some horrible mischance, lead us into war, and again we will hear the beat of drums and the tread of feet and the roll of caissons through the streets, and our boys will go out to die.

America and its civilization are worth preserving. It is our own country, preserved by the blood of our best and by the agony of thousands and hundreds of thousands of people who yielded up their all to preserve it and make it clean and fine for us who followed. I do not want to see men in financial circles jeopardize this civilization of ours merely because they can make some money out of war. We cannot afford to juggle with our priceless heritage as though it were a worthless bauble.

Mr. President, I hope this amendment will be adopted.

Mr. THOMAS of Utah. Mr. President, I trust the amendment will be voted down.

Mr. CLARK. Mr. President, in response to an inquiry from the present occupant of the chair [Mr. LEWIS] a few moments ago, I stated an opinion as to the award of contracts for the construction of battleships which was based on rumor rather than on official information, which, of course, I have not. I have official information, however, as to the estimates for the construction of the two battleships, being in the case of the battleship *North Carolina* by the New York Navy Yard the sum of $34,425,000 and in the case of the battleship *Washington* the estimate by the Philadelphia Navy Yard of $34,132,000.

In response to the question of the Chair, I stated that my information was that those navy yards would receive the work. Of course, that statement was based entirely on information as to the fact that their bids were from $12,000,000 to $15,000,000 lower than the nearest private bid. The awards have not as yet been made; and I understand, as does the Senator from Washington, that delegations of private shipbuilders, backed by delegations of Members of the House of Representatives and Members of this body, have very strongly urged that the contract for constructing at least one of those battleships be awarded to some one of the private shipbuilding yards, whose bids are from $12,000,000 to $15,000,000 over the bids of the navy yards. So the actual award is a question which still remains to be determined.

Mr. BONE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Washington.

Mr. BONE. I have before me a story carried in the New York Times of August 5—I think it is very reliable—quoting the Navy Department, or at least referring to the bids opened in the Navy Department on that date for the construction of 1,600-ton destroyers; and the bids ran from $5,075,000 to $8,529,000. The low bid of a year ago on the same type of boat was $4,125,000. Here is a bid twice that much; and the destroyers are of approximately the same types as those on which the Navy Department had bids of $3,500,000 along in 1932 and 1933.

Mr. CLARK. Mr. President, I have some other figures which I desire to include in the RECORD.

In 1932, the Bethlehem shipbuilding yards were awarded the work of building the cruiser *Quincy* on a bid of $8,196,000. In the following year, 1933, at a time not of rising but of falling costs both for labor and for construction, the work of building exactly the same type of cruiser, the *Vincennes*, was awarded to the same company, the Bethlehem Co., on a low bid of $11,720,000, as well as the work of building the *Savannah* on a bid of $11,677,000. In other words, at a time when both labor and construction costs were falling rather than rising—and I call attention to the fact that this was in 1933, before the passage of the N. R. A., so that the N. R. A. increase in labor construction costs could not have entered into the bids—there was an increase in the bid on the same type of cruiser, from approximately the same bidders, of three and a half million dollars, nearly 50 percent of the construction cost of the 1932 cruisers.

In the same year, 1933, the New York Shipbuilding Co. received the work on the *Nashville* on a bid of $11,677,000, an identical bid with that on which the Bethlehem Shipbuilding Co. received the work on the *Savannah*.

The *Brooklyn*, which was constructed in the same year by the New York Navy Yard, was built at a cost of $11,660,000.

So, Mr. President, it appears that in 1932 and 1933 there was an inexplicable increase in construction costs, in the matter of cruisers of that type, of 40 percent. I say inexplicable; I should explain that that applies only to the surface, because there has been a rather complete explanation put into the records of the hearings of the Munitions Committee of that increase in cruiser cost, which sheds very great illumination on the present method of bidding for the construction of naval vessels by the private shipbuilding companies of the United States. On August 1, 1933, our late colleague, the Senator from Florida, Mr. Trammell, then the chairman of the Committee on Naval Affairs of the Senate, addressed to the President the following letter:

DEAR MR. PRESIDENT: I have been quite interested in analyzing the bids opened by the Navy Department on July 26, 1933, which were submitted by the shipbuilders on naval construction. I believe a thorough study of the matter should be made.

It is my information that—

On September 16, 1931, Bethlehem Shipbuilding Corporation bid for one 1,500-ton destroyer $2,728,500.

On July 26, 1933, Bethlehem Shipbuilding Co. bid for an identical destroyer $2,670,000, or a decrease in price of $58,500.

On December 14, 1932, Bethlehem Shipbuilding Corporation bid for one 8-inch gun (heavy) 10,000-ton cruiser, $8,196,000.

On July 26, 1933, Bethlehem Shipbuilding Corporation bid for the same cruiser $11,720,000, or an increase in price of $3,524,000.

There appear to have been but four bidders on cruisers and eight on destroyers. Gulf Industries, Inc., of Pensacola, Fla., appears to have submitted bids on the destroyers.

It is my information that, in addition to the facts outlined above, it was known in advance which of the four concerns bidding on the cruisers would be low on each of the several items, and it appears to have been known in advance that the position of each of the said shipbuilders would be protected by bids submitted by the remaining shipbuilders, for instance:

Bethlehem Shipbuilding Corporation, $11,720,000.

New York Shipbuilding Co., $12,100,000.

Newport News Shipbuilding & Dry Dock Co., $13,800,000.

United Dry Docks, Inc., $14,800,000.

The bid of the New York Shipbuilding Corporation on the two light cruisers was protected by the other three bidders as follows:

New York Shipbuilding, $11,657,000; Bethlehem Shipbuilding Corporation, $12,780,000; Newport News Shipbuilding & Dry Dock Co., $13,900,000; United Dry Docks, Inc., no bid.

This is the chairman of the Naval Affairs Committee of the Senate, our late colleague, speaking, with his vast knowledge on the subject:

I am unable to justify in my own opinion the increase in cruiser cost as indicated by the 1932 and 1933 bids, particularly when those bids are compared with the destroyer bids of 1931 and 1933. I am convinced that the cruiser bids should be rejected.

Mr. President, in addition to this letter from the chairman of the Naval Affairs Committee of the Senate, there was evidence in the same record by disinterested witnesses of highest integrity, one of whom, Mr. John P. Frey, head of the Metal Trades Department of the American Federation of Labor, a man known to many members of the Senate, testified that in his presence in his office several weeks before the opening of the bids before the making of the awards on the 1933 cruisers a man sat down and wrote out on a piece of paper which of the big three shipbuilding companies would get which cruisers and which parts of the building program and the approximate price at which they would get them.

It was explained that that was simply by reason of the process set out in Senator Trammell's letter, that the representatives of this big-three shipbuilding combine would get together and decide among themselves which company was to build which vessel, and at what price they desired the bid to be made, and then the other two of the conspirators would make collusive and protective bids, so that in each case it was absolutely certain that the member of the big-three shipbuilding combine which had been decided on in advance would get the award. It later appeared in evidence that precisely the same process had gone on among the so-called little three in the building of destroyers, submarines, and types of vessels of a smaller kind.

Mr. President, this represents a disgraceful condition in this country, to say nothing of the waste and extravagance

involved in allowing these purveyors of munitions to plunder the people of the United States, and the illustrations we have used today with regard to shipbuilding might be extended to the other fields, to the manufacturers of other kinds of munitions of war.

It seems to me there is no more important question to be before the Congress, in view of the tremendous and costly mounting expenditures in preparation for another war, than the consideration of this question. The Senator from Utah very naturally, being in charge of the bill, says that the bill embodied in the amendment of the Senator from Washington ought not to be tacked on to the pending bill. The difficulty with his argument is that under the peculiar system we have in the Congress, by which the committees of the Senate and the House of Representatives having to do with military and naval questions are in the closest contact with the War Department and the Navy Department, the only way in which the Congress will ever be able to pass upon such an important question as this is by having it tacked on to some other bill, because we will never get a bill for the nationalization of the manufacture of munitions out of the Committee on Military Affairs or the Committee on Naval Affairs. I do not in any way reflect on the Senators who make up those committees when I make that remark.

Mr. President, to me it seems that there could not be a bill before the Senate to which the amendment of the Senator from Washington could be more germane than the pending bill, because it is a bill which proceeds upon the theory of nationalization of a great national resource, for purposes of national defense, primarily. That is the only way it got into the Military Affairs Committee in the first place.

The bill embodied in the amendment of the Senator from Washington proceeds upon the theory of the nationalization of several industries, several activities, for purposes of national defense, and it seems to me that there never will be in this body a bill to which that could be more germane than the pending bill, and I believe the time is none too soon to proceed to the consideration of this very important subject.

Mr. KING. Mr. President, I support the position taken by my colleague in opposition to placing upon the bill under consideration the very important measure which has been tendered by the very able Senator from Washington [Mr. BONE].

A number of years ago I was a member of the Naval Affairs Committee, and during my service upon that committee I gave considerable attention to the questions that were involved. We had before us at that time, when I was a member of the committee, a bill which called for approximately $1,375,000,000 for the construction of battle cruisers and battleships. As soon as we took up that bill for consideration—and I may say that I opposed it—Japan, fearing that we had some military spirit, and contemplating some invasion of the Orient, or for some other reason, became active, and projected a plan for the construction of six battle cruisers, some of which were as large as, and two or three of them larger than, those which were contemplated under the plan under consideration; all of which emphasized the fact that any gesture upon our part, or any promise to enlarge our Navy or to increase our military expenditures, leads other nations to change their policies and increase their appropriations for military purposes.

Mr. President, it is a great mistake to say that the way to peace is preparation for war. When one nation says, "We must build in order to meet the building of another nation", that nation increases its naval activity, and that inspires other nations to increase their military appropriations, and we have a cycle of increasing preparations for war.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. CLARK. The Senator is not suggesting, is he, that the measure proposed by the Senator from Washington [Mr. BONE] is calculated to increase either appropriations or expenditures for preparation for war? On the contrary, does not the Senator believe that nationalization of the munitions industry would have directly the contrary effect, by removing the incentive of munitions manufacturers and shipbuilders to spend hundreds of thousands of dollars in employing such scoundrels as this man Shearer to break up peace negotiations and in actively working against the establishment of governmental munitions factories?

Mr. KING. Mr. President, I make no comment upon the remarks made by the able Senator from Washington [Mr. BONE] or my delightful friend from Missouri [Mr. CLARK] as to the advantages of nationalization of the instrumentalities for war. I have not been persuaded—and I made a considerable investigation during 1917, 1918, 1919, and 1920—as to the advantages of the nationalization of these industries as against private ownership; and I was not satisfied, taking all of the factors into consideration, such as the increased wages that might be paid and the disadvantages which arise in many ways, that it would be cheaper in the long run for the Government to own all of the activities which are needed in preparation for war as against private enterprise operating them. There is much to be said upon both sides.

Mr. President, if the United States spent several hundred millions of dollars, which I think it would be compelled to spend in order to build the plants necessary for the construction of battleships and battle cruisers, I do not think that would tend to diminish the appropriations by other nations or tend to pour oil, so to speak, upon the troubled waters. I have always taken the position that if we spent for peace a modicum of what we spend for war and war preparations, the paths of peace would be trodden by more people than follow those paths today. But every appropriation that we make leads to other appropriations.

As I stated when the bill to which I first referred was under consideration, one of the leaders of the Diet in Japan was interrogated as to the expenditures which the United States Government contemplated, and he said that, in view of the large appropriations which were contemplated by the United States, Japan would be compelled to increase her appropriations for building battleships and battle cruisers, and she did so. I am glad to state, Mr. President, that the movement in the United States which tended to excite other nations resulted in the administration then in power, the Harding administration, calling an international conference for the purpose of bringing about a reduction in armaments. While that conference did not accomplish all that was hoped for it, in my opinion, much good did result from it. It did arrest our program which called for the expenditure of nearly $1,500,000,000, and it did arrest the building programs of Japan and other nations for battleships and battle cruisers; and to that degree it saved, in my opinion, many billions of dollars to our Nation and to other nations throughout the world.

Mr. President, it is not now my purpose, however, to discuss that situation. I rose merely for the purpose of indicating that it seems to me that the amendment offered by the Senator from Washington ought not to be attached to the measure now under consideration by the Senate.

Mr. BONE. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BONE. The Senator understands that our purpose in offering this amendment—my purpose, at least—is to try to secure for my Government a dollar's worth of defense for a dollar spent instead of getting 75 cents' worth of defense for a dollar.

Mr. KING. I agree with the Senator; and if we could save, not 25 cents but 50 cents or 75 cents, I should be very happy to endorse that policy. I am not satisfied that the United States can build battleships and all the munitions of war cheaper than private industry can; but I should welcome the appointment by the President of the United States, or by the Congress of the United States, of a commission to make a searching investigation into all the questions involved in the proposition to have the United States nationalize all munitions factories. I think much information might be obtained

which would be useful to Congress in determining this important question.

Mr. BARKLEY. Mr. President, I express the hope that we may dispose of the pending amendment and dispose of the bill. Quite a full program for the afternoon has been tentatively arranged. We have gotten nowhere with it. I hope we may shortly dispose of the pending amendment and the bill.

Mr. THOMAS of Utah. Mr. President, I repeat that the amendment is worthy of real consideration. Therefore, I hope it will be voted down as an amendment to the pending bill.

Mr. MOORE. Mr. President, I desire to say only that if the Government undertakes to build its ships, the Government should take over the shipyards. In New Jersey, in one shipyard 10,000 men are employed. They are not necessarily all employed in working on Government ships, but most of the time they are employed in working on Government ships. A delegation representing those men came to Washington last week to present their position. When the Government takes over the building of a ship, the men who have made their life's work that of shipbuilding, men who have bought little homes and have their homes and their families there, cannot work in the Government shipyard because they are over age. The Government may establish shipyards and may build its own ships, but the Government does not use in building its ships these men who have given their lives to building ships. If the policy proposed should be carried out, all of the men to whom I refer would have to go on relief.

Mr. President, if this policy were adopted, another question would have to be considered. The Government has no ways on which to build ships. The expenditure of millions of dollars will be required to build ways. When it is all figured out, a greater expense will be involved in having the Government carry out this work than is involved in having the private shipbuilding companies do the work.

I do not believe in giving the shipbuilding companies anything they should not have. I do not believe they should be awarded contracts when their bids are too high. I believe they should be made to come down to what the Government says is a fair price in bidding for the building of ships. I do not believe, however, in throwing 10,000 men out of work. Shipbuilding yards are located in other States also. I do not care if the Government puts them all out of business, but let us put them all out of business honestly. Let us take the shipyards and use them ourselves.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE] to the amendment of the committee.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, let the roll be called.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Pope
Andrews	Copeland	Lewis	Radcliffe
Austin	Davis	Lodge	Reynolds
Barkley	Ellender	Logan	Schwartz
Berry	Frazier	Lonergan	Schwellenbach
Bilbo	George	McCarran	Sheppard
Black	Gerry	McGill	Smathers
Bone	Green	McKellar	Steiwer
Borah	Guffey	McNary	Thomas, Utah
Brown, Mich.	Hale	Maloney	Townsend
Brown, N. H.	Harrison	Minton	Vandenberg
Bulow	Hatch	Moore	Wagner
Capper	Hitchcock	Neely	Walsh
Caraway	Johnson, Calif.	Nye	White
Chavez	Johnson, Colo.	Pepper	
Clark	King	Pittman	

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Washington [Mr. BONE] to the amendment reported by the committee.

Mr. CLARK. Mr. President, it had been my intention, and that of the Senator from Washington and other Senators interested in the amendment which he offered, to request a record vote upon the amendment, not with the idea that the amendment would be successful at this time but with the idea of developing the sentiment regarding it. However, we have been assured by the able and distinguished Senator from Massachusetts [Mr. WALSH], chairman of the Committee on Naval Affairs, that he is very much interested in the facts adduced and the arguments advanced in support of the bill which the Senator from Washington has offered as an amendment, and that he will give us a hearing on the measure early in the next session of the Congress. In view of that suggestion of the Senator from Massachusetts, I do not feel that it is necessary to have a record vote at this time on the amendment.

Mr. WALSH. Mr. President, I wish to say to the able Senator from Missouri that I feel very strongly that a bill of this kind, advocated by five of the outstanding Senators of this body, should be given careful study and consideration by a standing committee of the Senate. I have an open mind on the question. I have not been able to study it. I realize its importance. It may have considerable merit. I assure the Senator that at the beginning of the next session of Congress I shall see that the Committee on Naval Affairs gives extensive hearings, so that we may be informed of the advantages and disadvantages which might accrue by the enactment of the proposed legislation.

Mr. CLARK. I thank the Senator, and with that statement I do not feel that it is necessary to delay the Senate by a record vote at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE] to the amendment reported by the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee, as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendment.

The amendment was ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The question is on the passage of the bill.

Mr. McNARY. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. KING. I have a general pair with the senior Senator from Ohio [Mr. BULKLEY] and therefore withhold my vote.

Mr. BARKLEY. I am advised that if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. HALE (after having voted in the negative). I transfer my general pair with the Senator from South Carolina [Mr. BYRNES] to the Senator from New Hampshire [Mr. BRIDGES] and allow my vote to stand. I am advised that if present the Senator from South Carolina would vote "yea", and the Senator from New Hampshire would vote "nay."

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent in the performance of official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from North Carolina [Mr. BAILEY] is absent from the Senate because of illness.

The senior Senator from Ohio [Mr. BULKLEY], the Senator from Nebraska [Mr. BURKE], the junior Senator from Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. LEE], the Senator from California [Mr. MCADOO], the junior Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Louisiana [Mr. OVERTON] are detained by departmental business.

I further announce that the junior Senator from South Carolina [Mr. BYRNES], the Senator from Illinois [Mr. DIETERICH], the senior Senator from Iowa [Mr. GILLETTE], the senior Senator from Virginia [Mr. GLASS], the Senator from Minnesota [Mr. LUNDEEN], the senior Senator from South Carolina [Mr. SMITH], and the Senator from Missouri [Mr. TRUMAN] are detained in important committee meetings.

The junior Senator from Ohio [Mr. DONAHEY], the junior Senator from Iowa [Mr. HERRING], the Senator from West

Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], and the senior Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

The Senator from Delaware [Mr. HUGHES] is paired with the Senator from South Carolina [Mr. SMITH] on this question. If present and voting, the Senator from Delaware would vote "yea", and the Senator from South Carolina would vote "nay."

Mr. AUSTIN. I announce that the junior Senator from Vermont [Mr. GIBSON] has a general pair with the Senator from Wisconsin [Mr. DUFFY].

I also desire to announce the general pair of the Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 37, nays 26, as follows:

YEAS—37

Adams	Bulow	Logan	Reynolds
Andrews	Chavez	Lonergan	Schwartz
Ashurst	Ellender	Maloney	Schwellenbach
Barkley	Green	Minton	Sheppard
Berry	Guffey	Moore	Smathers
Bilbo	Harrison	Neely	Thomas, Utah
Black	Hatch	Pepper	Wagner
Bone	Hitchcock	Pittman	
Brown, Mich.	Johnson, Colo.	Pope	
Brown, N. H.	La Follette	Radcliffe	

NAYS—26

Austin	Davis	Lodge	Thomas, Okla.
Borah	Frazier	McCarran	Townsend
Capper	George	McGill	Vandenberg
Caraway	Gerry	McKellar	Walsh
Clark	Hale	McNary	White
Connally	Johnson, Calif.	Nye	
Copeland	Lewis	Steiwer	

NOT VOTING—32

Bailey	Donahey	Hughes	Overton
Bankhead	Duffy	King	Russell
Bridges	Gibson	Lee	Shipstead
Bulkley	Gillette	Lundeen	Smith
Burke	Glass	McAdoo	Truman
Byrd	Hayden	Murray	Tydings
Byrnes	Herring	Norris	Van Nuys
Dieterich	Holt	O'Mahoney	Wheeler

So the bill (S. 1567) was passed.

The title was amended so as to read: "A bill authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; and

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved.

The message further announced that the House had passed a bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 7415. An act to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department; to the Committee on Post Offices and Post Roads;

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia;

H. R. 6963. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith; to the Committee on the Judiciary.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 814, the bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New York.

Mr. BARKLEY. Mr. President, I merely wish to state that in an effort to arrange a tentative program for today, preliminary to taking up the sugar bill tomorrow, it had been understood that the Senator from Utah [Mr. KING] would be recognized to call up the District of Columbia airport bill, the Senator from Massachusetts [Mr. WALSH] to take up a Navy housing bill, and the Senator from Texas [Mr. SHEPPARD] to take up an Army housing bill today. We have spent more time on the helium bill than was contemplated. It was understood the Senator from Utah [Mr. KING] would be recognized to call up the airport bill when the helium bill was disposed of.

The VICE PRESIDENT. The Senator from Kentucky will permit the present occupant of the chair to state that he had been so informed by the Senator from Kentucky. When the helium bill was passed and the title was amended, the Chair looked around and tried to find either one of the Senators referred to standing. None was standing, but the Senator from New York [Mr. WAGNER] was on his feet and demanding recognition. That is the reason why the Chair could not recognize any other Senator.

Mr. BARKLEY. The Senator from Kentucky is not in any way blaming the Vice President for the situation.

The VICE PRESIDENT. The Chair wants not only the Senator from Kentucky but the entire membership of the Senate to understand that it is the duty of the Chair, as he understands it in this body, differing from what it is in the other body, to recognize the Senator who is addressing the Chair. When three Senators are on their feet demanding recognition, the Chair has the privilege of choosing the one to recognize; but when only one Senator is standing and demanding recognition, the Chair has no choice. When the present occupant of the chair was the presiding officer of another body, he could recognize a member in his seat and ask him to stand up. [Laughter.]

Mr. WAGNER. Mr. President, I regard this bill as one of the very important bills of the session. I do not want to disarrange any program, but I shall not yield on this proposal. I am entitled, as a Senator of the United States, to recognition. I am entitled to make the motion. The bill has been on the calendar since early in the session. It was reported by the Judiciary Committee. Other bills which have been reported out later than this one have received prior consideration. I am entitled to its consideration at this time. All I am asking is that the Senate vote on my motion. Senators are familiar with the bill, and I shall be content with whatever the Senate may decide. If my motion is defeated, very well; I shall accede to the judgment of the Senate. I do not believe a bill of this importance, affecting orderly and civilized society, ought to be set aside.

I should be permitted to make the motion at a time when it is known there will be an opportunity for its consideration.

Mr. CONNALLY and Mr. BARKLEY addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield; and if so, to whom?

Mr. WAGNER. All I ask is that I may have a vote upon the motion which I have made. Surely, no one will object to that.

I yield first to the Senator from Kentucky.

Mr. BARKLEY. Did the Senator from New York, a few days ago, when this matter was offered as an amendment on another bill, understand that I undertook at that time to assure the Senator that, so far as I was concerned, he would be afforded an opportunity to make the motion which he has now made, but that, in view of the legislative situation, it was desirable that it be made at a time when it would not inject itself ahead of other measures which were of an emergent nature, there being no emergent nature attached to the particular bill now under discussion? If the Senator did so understand me to say that, did he in any way doubt that I would carry out my word in the matter?

Mr. WAGNER. I have not any doubt the Senator will carry out his word except that I have a duty to perform to the people affected by the proposed legislation, especially when the overwhelming sentiment of the United States is in favor of the bill. I would be derelict in my duty as one of the sponsors of the bill if I permitted it to be postponed to a time when no consideration could be given to it because the end of the session was at hand and Senators desired to get away.

Mr. BARKLEY. I desire to clarify the situation. So far as I am concerned, I have not any objection to the bill being taken up when it can be considered on its merits and free from entanglement with other proposed legislation or the legislative program. I have no desire to delay consideration of the measure. We all understand it is a controversial bill. No one knows how long it may take to consider it and bring it to a vote. The whole program of the session may be involved.

I simply wanted to say, in view of the situation, that it seems a little—I shall not say unfair, because I would not impute unfairness to the Senator, but it is unfortunate at this particular juncture that an exceedingly controversial matter should be brought forward now. Every assurance has been given the Senator that the bill will be considered. So far as I am concerned, I have no desire to delay it for a moment beyond the course that bills usually take when they come in on the calendar under the conditions surrounding the legislative program.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CLARK. Does not the Senator think, with reference to the remarks of the Senator from Kentucky as to whether this is an emergency measure, that the fact that during the time the bill has been pending in the Congress at this session several extremely shocking lynchings have taken place in the United States while the Congress was waiting for other legislation to be reported, should have a bearing on the consideration of the bill at this time?

Mr. WAGNER. I so regard it. It has been on the calendar of the Senate for several months.

The VICE PRESIDENT. The Chair may suggest that if the bill is made the unfinished business, then if it is agreeable to the Senate it could be laid aside temporarily for the consideration of other measures.

Mr. WAGNER. I should object to doing that. I am simply moving now that the bill be taken up for consideration by the Senate.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Oregon?

Mr. WAGNER. I yield for a question.

Mr. McNARY. I shall try to fashion my observation in the form of a question; but I rise to say that I am in hearty accord with the observations of the Vice President. The Senator from New York [Mr. WAGNER] was first on his feet. I desire to state further that it is too bad when programs go awry; but they are based only on custom and practice, and have no sanction in the rules.

I shall object to any effort to withdraw the motion. It can be done only by unanimous consent.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. BORAH. I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BORAH. Is not the motion to take up the bill debatable?

The VICE PRESIDENT. It is.

Mr. BORAH. Then when the Senator from New York concludes, I desire to debate it.

Mr. CONNALLY. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. I desire to ask the Senator from New York a very plain question.

I am sure the Senator from New York does not wish to disrupt the regular legislative program of the administration. He is aware, is he not, of certain important measures, such as the sugar-control bill, the bill plugging up the loopholes in the income-tax and other laws, and a very great number of other important measures which this session of Congress ought to enact?

The Senate and the Congress have been very kind to the Senator from New York in the passage of a number of his legislative measures at this session; and to use what I hope is not an offensive term, it seems to me it is very ungracious on the part of the Senator from New York now to insist that this program be disrupted and held up in a seemingly mad contest between the two Senators from New York as to which one can speak oftener and more loudly on this bill.

Mr. COPELAND. Mr. President, will my colleague yield?

Mr. WAGNER. Yes.

Mr. COPELAND. I read in the newspapers this morning—that is all I know about what is going on—that we are going to be here until the 21st of August; so we might just as well take up this bill now and deal with it.

I hope my colleague will not yield.

Mr. WAGNER. Mr. President, I think this is an important piece of legislation, and I am sure a reasonable discussion of it should not take more than 2 or 3 days. Then we can take up these other matters, but at the present time I shall insist upon my motion, and when the time comes to vote I shall ask that there be a roll call upon it.

Mr. BARKLEY. I move that the Senate adjourn.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. NEELY in the chair). The Senator will state it.

Mr. CLARK. The motion made by the Senator from New York [Mr. WAGNER] is displaced, is it not, if the motion made by the Senator from Kentucky [Mr. BARKLEY] to adjourn shall prevail?

Mr. CONNALLY. Mr. President, I make the point of order that a motion to adjourn is not debatable.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. CONNALLY. I make the point of order, Mr. President, that a motion to adjourn is not open to debate.

Mr. CLARK. Mr. President, I rise to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Missouri [Mr. CLARK] has made a point of order, which he will proceed to state, and until he has concluded his statement other Senators will please take their seats.

Mr. CLARK. I desire to make a parliamentary inquiry to this effect: If a motion to adjourn should now be carried, it would automatically operate to displace the motion heretofore made by the Senator from New York [Mr. WAGNER] to take up the antilynching bill, would it not?

The PRESIDING OFFICER. It would.

Mr. CLARK. If a motion to recess should be made and carried, it would not displace the pending business?

The PRESIDING OFFICER. It would not.

Mr. WAGNER. Mr. President, a parliamentary inquiry.

Mr. CONNALLY. I make the point of order, Mr. President, that debate is not allowable on the motion to adjourn.

Mr. WAGNER. Mr. President, may I make a parliamentary inquiry?

The VICE PRESIDENT. The Senator from New York will state the parliamentary inquiry.

Mr. WAGNER. If the Senate now should vote to adjourn, would not that have the effect of dissolving the motion I made a few moments ago?

The VICE PRESIDENT. It would.

Mr. WAGNER. And may I ask the Chair if I am correct in assuming that if that motion should be defeated, and a motion should be made to recess and should prevail, my motion would carry over?

The VICE PRESIDENT. That is correct.

Mr. WAGNER. I raise the question of no quorum.

The VICE PRESIDENT. The clerk will call the roll.

Mr. CONNALLY. I make the point of order that action on the motion to adjourn does not require a quorum.

Mr. CLARK. I ask for the yeas and nays on the motion to adjourn.

The VICE PRESIDENT. The Chair did not understand the parliamentary situation. Has a motion been made to adjourn?

Mr. BARKLEY. Yes.

The VICE PRESIDENT. A quorum is not required to act upon that motion.

Mr. WAGNER. I ask for the yeas and nays on the motion to adjourn.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I transfer my pair to the junior Senator from New Hampshire [Mr. BRIDGES] and permit my vote to stand.

Mr. BYRNES (after having voted in the affirmative). I have a general pair with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the junior Senator from Georgia [Mr. RUSSELL] and let my vote stand.

Mr. AUSTIN. I desire to announce that the Senator from Vermont [Mr. GIBSON] has a general pair with the Senator from Wisconsin [Mr. DUFFY]; and the Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Virginia [Mr. GLASS].

Mr. BARKLEY. The Senator from Massachusetts [Mr. WALSH] is unavoidably detained. If present, he would vote "nay."

Mr. LEWIS. I desire to announce that the Senator from North Carolina [Mr. BAILEY] is detained because of illness.

The Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official business connected with the duties of the Battle Monuments Commission in France.

The following-named Senators are necessarily detained:

The Senator from Washington [Mr. BONE], the Senator from Nebraska [Mr. BURKE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Ohio [Mr. DONAHEY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 27, nays 35, as follows:

YEAS—27

Adams	Brown, Mich.	Hatch	Radcliffe
Andrews	Byrd	Johnson, Colo.	Reynolds
Austin	Byrnes	King	Schwartz
Barkley	Caraway	McCarran	Sheppard
Bilbo	Connally	McKellar	Thomas, Utah
Black	Ellender	O'Mahoney	Vandenberg
Borah	Harrison	Pittman	

NAYS—35

Ashurst	Dieterich	Lodge	Pepper
Berry	Gerry	Lonergan	Pope
Brown, N. H.	Green	Lundeen	Schwellenbach
Bulkley	Guffey	McGill	Smathers
Bulow	Hitchcock	McNary	Thomas, Okla.
Capper	Johnson, Calif.	Maloney	Townsend
Clark	La Follette	Minton	Van Nuys
Copeland	Lee	Moore	Wagner
Davis	Lewis	Neely	

NOT VOTING—33

Bailey	George	Logan	Steiwer
Bankhead	Gibson	McAdoo	Truman
Bone	Gillette	Murray	Tydings
Bridges	Glass	Norris	Walsh
Burke	Hale	Nye	Wheeler
Chavez	Hayden	Overton	White
Donahey	Herring	Russell	
Duffy	Holt	Shipstead	
Frazier	Hughes	Smith	

So the Senate refused to adjourn.

RECESS

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. Is a motion to take a recess debatable?

The VICE PRESIDENT. It is not.

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. HARRISON. Mr. President, is the motion debatable?

The VICE PRESIDENT. It is not.

The question is on the motion of the Senator from Oregon that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. McNARY and Mr. BARKLEY demanded the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I transfer that pair to the junior Senator from New Hampshire [Mr. BRIDGES], and will vote. I vote "yea."

Mr. BARKLEY (when Mr. WALSH's name was called). The Senator from Massachusetts [Mr. WALSH] is unavoidably detained. If present, he would have voted "yea" on this motion.

The roll call was concluded.

Mr. AUSTIN. I desire to announce the following pairs on this question:

The Senator from Vermont [Mr. GIBSON] with the Senator from Wisconsin [Mr. DUFFY]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS].

I also desire to announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present, he would have voted "yea" on this question.

The Senator from Maine [Mr. WHITE], the Senators from North Dakota [Mr. FRAZIER and Mr. NYE], and the Senator from Oregon [Mr. STEIWER] are unavoidably absent on official business.

The result was announced—yeas 36, nays 23, as follows:

YEAS—36

Ashurst	Copeland	Lewis	Pope
Austin	Davis	Lodge	Radcliffe
Berry	Dieterich	Lonergan	Schwellenbach
Brown, Mich.	Gerry	McGill	Smathers
Brown, N. H.	Guffey	McNary	Thomas, Utah
Bulkley	Hitchcock	Maloney	Townsend
Bulow	Johnson, Calif.	Minton	Vandenberg
Capper	Johnson, Colo.	Moore	Van Nuys
Clark	La Follette	Neely	Wagner

NAYS—23

Adams	Connally	Lee	Pittman
Barkley	Ellender	Lundeen	Reynolds
Bilbo	Green	McCarran	Schwartz
Black	Harrison	McKellar	Sheppard
Byrd	Hatch	O'Mahoney	Thomas, Okla.
Caraway	King	Pepper	

NOT VOTING—36

Andrews	Donahey	Herring	Russell
Bailey	Duffy	Holt	Shipstead
Bankhead	Frazier	Hughes	Smith
Bone	George	Logan	Steiwer
Borah	Gibson	McAdoo	Truman
Bridges	Gillette	Murray	Tydings
Burke	Glass	Norris	Walsh
Byrnes	Hale	Nye	Wheeler
Chavez	Hayden	Overton	White

So Mr. McNARY's motion was agreed to; and (at 5 o'clock and 44 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 12, 1937, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 11, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be Thou, O Lord, our Father, by whose mercy we are permitted to greet the blessings of another day; at the altar of prayer accept our tribute of praise. Open our hearts to see the splendor of Thy law; make us seekers, examples, and lovers of Thy truth. Hide not Thy face from Thy servants, but bless them with the peace, purity, and joy of the Lord. O give us all visions and hours in the sacred things of God. Graciously be with all churches with their priesthood, with all schools with their teachers. Let Thy spirit work mightily in them that the things fair and perfect shall become possible. The Lord God be with the youth of our land. As parents may we be in haste to give them the best that we have and to do for them the best that we know. Heavenly Father, be Thou the center and the theme of our affections. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 406. Joint resolution to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1261. An act to amend the Interstate Commerce Act, as amended, and for other purposes;

S. 2583. An act to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park, in east Tennessee;

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes; and

S. J. Res. 191. Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2260), entitled "An act to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved."

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 363) entitled "Joint resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. VAN NUYS, Mr. BURKE, and Mr. BORAH to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

THE NATIONAL HOUSING BILL

Mr. DEMUTH. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DEMUTH. Mr. Speaker and Members of the Congress, because of the fact that I have had much experience as a construction engineer, builder, real-estate operator, as an appraiser for the Home Owners' Loan Corporation, as an appraiser for the State Banking Department of Pennsylvania, Division of Closed Building and Loans, and as property assessor for the city of Pittsburgh, it naturally follows that I have certain ideas and opinions which should be of value to this Congress in trying to correct the evils existing today in housing. Slums, to a great extent, may be eliminated by legislation and proper cooperation on the part of municipalities and the individuals occupying the living quarters.

If a building is structurally sound and has proper sanitary arrangements and conditions as pertain to light and ventilation are adequate, then the quarters are healthful for human beings to occupy. The occupants of a quarters may make them insanitary, and I wish to point out the very important part played in the healthful condition of a building is that of cleanliness on the part of the occupant. In other words, the use of soap and water and a little energy, known as elbow grease, will render any quarters sanitary and livable, and the lack of their use will contaminate a dwelling and also may result in the contamination of an entire apartment building or tenement. As you all know, vermin, bugs, and disease are most readily carried through a building housing many families. It should be further pointed out that a family occupying an individual home, the living conditions affect only that particular dwelling.

One weakness of the Wagner-Steagall bill, in my estimation, is that it is discriminatory in that it endeavors to supply money at a 3-percent interest rate and also free taxes to the occupants of the buildings they propose to erect. You will agree that no tenants will be accepted who do not have steady employment at sufficient wages to pay the proposed rent, however low it may be. On the other hand, the owner of a house whose mortgage is held by the Home Owners' Loan Corporation or private agency pays 5- or 6-percent interest and taxes on the land as well as on the building, even though the owner of the said home may have no work or his income may be lower than those who will occupy the proposed buildings.

Secondly, the bill encourages and fosters land monopoly, because it will no doubt authorize payment of high ground rent—that is, interest on the excessive value of the land—and will encourage the ownership of land in the hands of a few and the exploitation of the many. It must be noted that land values, while created by the public, are claimed by the individual. You thereby act as collecting agent for this illicit ground rent.

Thirdly, the cost of the project when the present buildings are demolished becomes excessively high, because the cost of the demolished buildings are added to the cost of the land. But in addition to that, from the experience gained through other building projects recently completed by the

Government, the cost ran as high as $1 a cubic foot, whereas the Home Owners' Loan Corporation in the State of Pennsylvania had a rule whereby in no instance was a home to be appraised more than 25 cents a cubic foot. Your bill should provide that the cost of no building shall be more than 45 cents a cubic foot, which is the cost of the very finest apartment buildings built by private industries.

I wish now to call your attention to the type of tenement owners. From my experience, they can generally be put in a certain category. They buy buildings which are very old and run down, and also shacks. They do not possess pride of ownership. They never make repairs and "milk" the property without maintaining it in a state of repair or in sanitary condition. These same people will go into court and pay exorbitant witness fees in order to obtain two or three times the value of these delapidated tenements, which in turn must be added to the ground value and carried by the United States Government or the renters of the proposed project. Due to their nature, you will find the owners of these properties most unjust, unreasonable, and unethical to deal with in arriving at a fair price for their properties which are to be cleared. In the city of Pittsburgh we have condemned and razed many buildings which were structurally unsound. I feel it should be mandatory for local governments to condemn all buildings that are unsound or insanitary. All money paid for the destruction of unsound and insanitary buildings will be taken from the amount that will be spent to reemploy working men in the building industry to whom this bill intends to give work. The amount paid for these slums should not exceed 10 cents per cubic foot.

In practically every city throughout the United States excepting New York, there are sufficient vacant lots to supply more than enough new homes to take care of any housing shortage which exists or may exist within the next 10 years.

I introduced H. R. 7691, known as the Urban Housing Security Act of 1937. The purpose of this bill is to encourage home ownership and make it secure; for the reduction of unemployment and the stimulation of business activities; to reestablish economic independency and prevent the evils of tenancy as now prevails in farm and urban communities; to promote health, to improve housing, social conditions, and the general welfare; and for other purposes.

I wish to point out that there exists in urban and rural communities throughout the United States, deplorable conditions in housing due to the exploitation and abuse of our citizens' natural desire to possess homes in which to house their families. These conditions are due to high interest rates and injurious taxation to a great extent, caused by the delegation of the authority to thousands of private agencies to create and destroy our medium of exchange which is necessary and so vital to trade and domestic commerce.

These conditions are inimical to the general welfare of the Nation on account of demoralizing the morale of our citizens by (a) the exploitation of their natural instincts and virtues; (b) discouraging home ownership; (c) speeding up the ownership of land into the hands of a few at the expense of the many; (d) fluctuating and manipulating the amount of currency and causing artificial scarcities, with the result that home ownership is impossible of continued possession, thus impairing moral, domestic, and peaceful relationship and destroying industrial and agricultural productivity.

The exploitation of our citizens' virtues and natural instincts by the failure to correct these evils has resulted in, among other things, an acute dwelling shortage; the stagnation of employment; land and dwelling monopoly; the paralysis of the Nation's business; the disturbance of domestic tranquillity; and other injurious effects upon the general welfare of the Nation.

The citizens and private industry are able to remedy this condition provided suitable legislation is passed to correct the immoral, unstable, and ruinous practices. Private industry and initiative properly controlled and fairly protected through the enterprise of our citizens was and is now able to provide and retain continued possession of their own homes under reasonable conditions.

Under the bill, the Federal Housing Administration is given the right to make loans for the construction of individual dwellings. The mortgages shall bear an interest of 3 percent per annum on the amount of the loan and shall be further amortized annually by an amount equal to 1 percent of the original mortgage. The loan can be made in an amount up to 80 percent of the appraised value of the land and proposed building. It also provides that the Federal Housing Administration may make a character loan up to $300 to enable the applicant to purchase a lot to initiate this program.

The bill also provides that the value of the lot shall not exceed $1,100 nor $35 per foot front, including paving; and the value of no dwelling constructed under the term of the act shall exceed $5,000. The annual income of the applicant shall be at least four times the annual charge. By annual charge is meant a sum of all annual interest and amortization charges, fire insurance, and taxes on the lot.

In order that the local government may participate in the benefits they must agree to waive all county, State, municipal, or any other tax on the improvements. This waiver of taxation on the improvements shall be for a period of not less than 40 years. The home owner would continue to pay the taxes on the lot, so therefore, the local taxing communities would not lose any revenue now being collected from the land.

This bill will be of great benefit to the citizens of the country and stop the tendency toward the ownership of land in the hands of a few, which may result in the danger of returning to land feudalism as still prevails, to an extent, in many European countries.

It will be possible for the citizen to own his own lot and dwelling at a charge smaller than is possible under any tenancy housing program. At the same time it established the very desirable condition of individual sovereignty over one's own home and a better and more independent citizenry.

Under this plan the average fixed charges on a home costing $4,000 on an $800 lot, including taxes, amortization of the mortgage, and fire insurance, would be $15 per month. In order to start it would require only $660 cash or the equity of that amount in a lot.

This reduction in the cost of home-ownership will force drastic reductions in rent and the slums will be razed by their owners due to the change in conditions. [Applause.]

NATIONAL CORN-SHUCKING CONTEST

Mr. NELSON. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. NELSON. Mr. Speaker, in the heart of Missouri, on Thursday, November 4, there will be held the national corn-shucking contest. To some of my colleagues from nearby Maryland or Virginia I might explain that in my State we shuck corn instead of oysters. And those of you from Minnesota will understand if I tell you that this is the same task which you refer to as "picking" corn. To many others it is "husking" or "gathering", but to us it is "shucking." Yes; and in Missouri, the term "barrel" is often used instead of "bushel."

My object in asking permission to address the House is to extend to you, in the name of participating agricultural publications, the city of Marshall, the county of Saline, and farm, city, and commercial organizations, and the great State of Missouri, a hearty invitation to attend this greatest of all farm athletic events. There are, I believe, fewer than 10 cases where sports events have drawn as many as 100,000 people. The records, as I recall, are held by the Memorial Day auto races at Indianapolis, which one year drew 130,000. Incidentally, in 1924, when a candidate for President of the United States spoke on a Cooper County, Mo., farm the crowd was estimated at 70,000.

As to Saline County, which in a single year has produced 6,360,000 bushels of corn, and where the 1937 corn-shucking contest will be held, it is one of Missouri's greatest corn, wheat, apple, bluegrass, and livestock counties, located in the central part of the State, and surrounded by other counties of outstanding excellence. To get to the national corn-husking grounds one may fly, and find a modern flying field. Missouri's great road system radiates to this spot, in which folks from any bordering State may drive almost in a beeline over concrete. Rail connections and bus lines get one there with a minimum of changes. There is direct train service from St. Louis and Kansas City. Lastly, if your boat draws no more than 9 feet of water, you can come up the Missouri River to the town of Miami, and I am assured that when you dock you will find transportation to take you to the contest field. Air, land, or water, the road is clear and open.

Represented in the shucking contest this year will be the nine Corn Belt States of Ohio, Indiana, Illinois, Missouri, Kansas, Nebraska, South Dakota, Minnesota, and Iowa. From each State will come two shuckers, a champion and runner-up. These men will have won in their State contests, and to qualify for the State contests each will have been a county champion. It is a long, hard fight to the top.

Among my colleagues here are some who have shucked corn. You know what it is to get out before daylight, do the chores, harness the horses, and finish breakfast just as it becomes light enough to see. Then to the barn, the hitching up of the team, and the rattle of the wagon as the spirited team on the nippy morning goes at a trot to the cornfield. You recall how the shucker jumps out, hands perhaps a bit numb and body chilly. Adjusting his peg or hook, he sails into the job, taking two rows at a time, and makes the ears fly. He has good control, hitting the bang board with never a glance at it. I might explain that the bang board is a stack of sideboards, sometimes 3 to 5 feet high, placed on the far side of the wagon box. It is against this that the ears hit and fall back into the wagon.

How much does a champion shucker shuck? The contest runs for 80 minutes. It is the most gruelling and exhaustive sport of any at the present time. Back in the days of 50 to 75 rounds in a prize ring it may have required as much stamina to stay the contest through. But it is more exhausting than football or any other sport of the present time. The shucker has no time out, except on his own. He may have water, but on his own time. He runs his own interference. He makes all his own tackles. He has a referee constantly behind him. What ears he throws over the wagon or misses are picked up by gleaners, and for each pound of corn missed he is penalized 3 pounds. He is allowed 5 ounces of shucks to 100 pounds of corn, but all in excess of this brings a penalty for "dirty shucking."

The world record for shucking is 42.5 bushels in 80 minutes. It was made 2 years ago by Elmer Carlson, a young Iowa farmer in an Indiana cornfield. To make such a record Carlson had to shuck ears at the rate of better than 40 a minute. That is about as fast as a city man thinks he could shuck corn. It is faster than most of us could throw it in the wagon, for 80 minutes, if the corn were already shucked. It is seldom, in good corn, that a State champion shucks less than 30 bushels—six barrels, or a full wagon-load—in the 80 minutes.

All State champions have their followers on contest day, some with hundreds of boosters, or even bands. Between the "lands" for each shucker are a number of rows that have been shucked and leveled down to permit the crowds to watch their favorites. As many as 5,000 persons have lined one of these "lands" to watch their man pass and to cheer him on.

So important has the national shucking contest become that one of our largest broadcasting systems has a tower on the contest field and reports the "game", and for the last several years has been giving radio listeners an "ear by ear" account of the contest, with the tattoo of the ears of corn against the bangboard plainly audible. Many stations which take the baseball world series have been carrying the broadcast of agriculture's "world series" of the cornfield. If another name is wanted for it, call it the bangboard derby, but for attendance it eclipses any derby.

The contest is not a money-making affair. There are no admission charges. The late Will Rogers, though, commenting on a similar event held in Missouri a decade ago, wrote:

I see where they are having a national shucking contest out in Missouri. If those farmers had enough sense to build a stadium and charge $2.50 admission, we'd never hear any more about farm relief.

Another fact about these cornfield contests is a source of satisfaction. Farmers may differ in habits of thinking, in ways of running their farms, and on how a farm bill should be written, as those of us on the House Agriculture Committee know. However, deeply ingrained in their natures is one characteristic which has played an important part in our Nation's stability. A friend who has attended practically all of the 13 national contests tells me that of the 750,000 persons who have attended, he has known of no disorder.

Of late weeks we have been hearing much about which State grows the tallest corn. One of Missouri's sister States even sings about the distinction, while the Washington Post of today pictures on the front page a stalk of Virginia corn measuring more than 16 feet. I make no boasts, but will tell you that Missouri's corn is plenty tall. It meets the ideal measure as suggested when Douglas, in asking Lincoln how long a man's legs ought to be, was told, "Long enough to reach from his body to the ground." The business of a stalk is not to serve as a lightning rod but as a support for ears of corn so placed as to be within reach of the husker. Instead of wanting so much height of stalk, our farmers are striving for more and better ears, trying to get nature to see that effort put into grain is more profitable. We prefer 14-inch ears to 18-foot stalks.

Aided by sufficient rains, Missouri's corn prospects this year are the finest we have had in a long time. The heavy ears, borne down by their own weight, point not toward the stars, but to the dark, deep, rich soil from which they spring. This means not only that prosperity is returning by way of full cribs, but it means that we will present this fall a cornfield for the national shucking contest that will, in golf terms, be one of the swankiest courses over which a shuck-ripping son of the soil has ever played.

Again I wish to repeat that "you all"—that's good Missouri, if you please—have an invitation to the fourteenth national corn-shucking contest. It will give you a glimpse of how the idea of a young Iowa editor, now Secretary of Agriculture, has grown. Just as fishermen often tell of how the biggest one got away but have no proof, corn shuckers often told of cribbing 150 bushels a day. It has been done, but proof was desirable. Henry A. Wallace thereupon started the shucking contests, and other States joined until now the competition covers the Corn Belt.

Come to this corn-shucking contest. You are assured a genuine Missouri welcome. Come to Missouri, a central Mississippi Valley State far enough south for hospitality and far enough north for hustle. Incidentally, I hope that in seeing this contest all will have a better appreciation of the task of garnering this Nation's greatest crop, this year estimated at more than 2,500,000,000 bushels, the crop that is the forerunner of the country's choicest pork chops, and which is necessary to prepare for consumption the luscious steaks which are supposed to be served up here in the East. It means dairy feed for herds throughout the Nation, poultry feeds used from California to Maine; hominy and breakfast food, cornmeal in which to roll souse or Missouri catfish for frying; starch for shirts and pudding, and not least of all, "Missouri meerschaums", the pipes of peace.

Yes, a bounteous corn crop means prosperity for our entire Nation. True, the huge task of garnering this crop means weary hours of work. But there is a more pleasant side to it as well, many pleasant sides, one of which is this sports event which will start when President Roosevelt, on the forenoon of November 4, will, through the cooperation of a telegraph company, press the key which will fire the opening gun in a Saline County, Mo., cornfield. [Applause.]

J. A. TIPPIT ET AL.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill (H. R. 6087) to amend an act entitled "An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to extend his own remarks in the RECORD.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, giving the reasons for immediate action to stabilize the price of cotton, and to include therein a table of statistics from the Department of Agriculture showing the effect of the loans made in 1933, 1934, and 1935.

Mr. DIES. Reserving the right to object, Mr. Speaker, will this table show that at 10 cents a pound the American cotton farmer will be getting less than he did under President Hoover?

Mr. LUTHER A. JOHNSON. The table will show a complete analysis of what the prices were during 1933 to this time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement from the president of the New England Council on the question of flood control.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HARMONY DINNER

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, may I call the attention of the Members of the House of Representatives to an article in this morning's Post concerning the harmony dinner given last night, and the large picture accompanying the article? [Applause.] Do not take all my time by applause. [Laughter and applause.]

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Mr. Speaker, surely the Chair will not permit that applause to be taken out of my time. It was so precious and the party evidently by the looks of the set-up of the tables was or must have been hilarious.

The SPEAKER. The Chair will recognize the gentleman for an additional half minute.

Mr. RICH. I thank the Speaker.

May I call attention to the fact that the President of the United States was not present at the harmony dinner although he was invited, at least I cannot see him in the picture. May I further call attention to the statement by Senator COPELAND that—

> The President himself does more in 5 minutes to destroy party harmony than can be reestablished in a generation by Jefferson Island picnics and peace dinners.

O Mr. Speaker, the harmony dinner by the looks of this picture I hold in my hand from this morning's Post, certainly would cause anyone to drown their sorrows, and after the dinner when all became quiet and peaceful, the Democrats in the Senate and the new dealers of the Senate could return to their abodes with full stomachs and light hearts.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a letter written by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. SABATH asked and was given permission to extend his own remarks in the RECORD.)

FORT SCHUYLER MILITARY RESERVATION, N. Y.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 2639) to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FISH. Mr. Speaker, reserving the right to object, is the gentleman going to discuss the measure?

Mr. FITZPATRICK. This is for the New York State Merchant Marine Academy. The bill was drafted by the War Department. It passed the Senate unanimously and was unanimously reported out by the House committee. There are some very expensive improvements now being made by the State of New York on this reservation. It is desired to extend the lease for a longer period.

Mr. FISH. As I understood the reading of the bill, this is an authorization to lease certain Government property?

Mr. FITZPATRICK. Yes; the State of New York already has such a lease. This bill gives it the privilege of leasing the reservation for an additional period of time.

Mr. FISH. The point I want to make sure of is, does the leasing of Government property require an act of Congress?

Mr. FITZPATRICK. Not unless the lease is for over 5 years. Property can be leased for 5 years.

The State of New York is now making extensive improvements at Fort Schuyler. For that reason they would like a new lease for a longer period than 5 years.

Mr. FISH. Evidently, from a reading of the bill, the leasing of Government property requires an act of Congress.

Mr. FITZPATRICK. Yes; if it is for a longer period than 5 years.

Mr. FISH. Now, I want to know whether that applies to the leasing of American battleships and destroyers to Brazil.

Mr. FITZPATRICK. I do not know anything about the leasing of battleships and destroyers, but I do know that the War Department has the power now to lease War Department property for 5 years only.

Mr. FISH. Does the gentleman know whether the Navy Department has the same right and whether battleships can be leased to foreign nations?

Mr. FITZPATRICK. I could not tell the gentleman about that.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, can the gentleman explain the bill and tell us how much money is involved in the expenditures for improvements?

Mr. FITZPATRICK. There is a report from the House Military Affairs Committee explaining the bill, and I may state to the gentleman that not a cent is involved insofar as the United States Government is concerned. The New York State Merchant Marine Academy is in there now and is making the improvements. It will not cost the Government a cent. The War Department drew up this bill.

Mr. McFARLANE. The gentleman has just stated that the bill is necessary because of the extensive improvements they expect to make.

Mr. FITZPATRICK. The State of New York is making them and not the United States Government.

Mr. McFARLANE. So the Federal Government will not be out any money whatever.

Mr. FITZPATRICK. Not one cent.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lease to the State of New York, for nautical education purposes in the interests of national defense, the Fort Schuyler Military Reservation, N. Y., or portions thereof, for such term or terms, and upon such conditions as the Secretary of War may deem advisable, and he may authorize the State of New York incident to making the premises suitable for occupancy to change the contour of the land, alter or demolish existing buildings and other structures, erect new buildings and structures, construct roads and other utilities, and landscape the reservation: *Provided*, That all alterations, construction, and improvements made shall become the property of the United States: *Provided further*, That the consideration for said lease or leases shall be the repair and maintenance of the property by the State of New York in accordance with the terms of the lease, and such lease or leases shall reserve to the United States of America the right to resume possession and occupy said premises or any portion thereof whenever in the judgment of the Secretary of War an emergency exists that requires the use and appropriation of the same for the public defense.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

COURT REFORM AND JUDICIAL PROCEDURE

Mr. SUMNERS of Texas. Mr. Speaker, I call up the conference report on the bill (H. R. 2260) to provide for the appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved, and, Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk proceeded to read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of Acts of Congress is involved, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

"That whenever the constitutionality of any Act of Congress affecting the public interest is drawn in question in any court of the United States in any suit or proceeding to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is not a party, the court having jurisdiction of the suit or proceeding shall certify such fact to the Attorney General. In any such case the court shall permit the United States to intervene and become a party for presentation of evidence (if evidence is otherwise receivable in such suit or proceeding) and argument upon the question of the constitutionality of such Act. In any such suit or proceeding the United States shall, subject to the applicable provisions of law, have all the rights of a party and the liabilities of a party as to court costs to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of such Act.

"SEC. 2. In any suit or proceeding in any court of the United States to which the United States, or any agency thereof, or any officer or employee thereof, as such officer or employee, is a party, or in which the United States has intervened and become a party, and in which the decision is against the constitutionality of any Act of Congress, an appeal may be taken directly to the Supreme Court of the United States by the United States or any other party to such suit or proceeding upon application therefor or notice thereof within thirty days after the entry of a final or interlocutory judgment, decree, or order; and in the event that any such appeal is taken, any appeal or cross-appeal by any party to the suit or proceeding taken previously, or taken within sixty days after notice of an appeal under this section, shall also be or be treated as taken directly to the Supreme Court of the United States. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 3. No interlocutory or permanent injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any Act of Congress upon the ground that such Act or any part thereof is repugnant to the Constitution of the United States shall be issued or granted by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, unless the application for the same shall be presented to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a circuit judge. When any such application is presented to a judge, he shall immediately request the senior circuit judge (or in his absence, the presiding circuit judge) of the circuit in which such district court is located to designate two other judges to participate in hearing and determining such application. It shall be the duty of the senior circuit judge or the presiding circuit judge, as the case may be, to designate immediately two other judges from such circuit for such purpose, and it shall be the duty of the judges so designated to participate in such hearing and determination. Such application shall not be heard or determined before at least five days' notice of the hearing has been given to the Attorney General and to such other persons as may be defendants in the suit: *Provided*, That if of opinion that irreparable loss or damage would result to the petitioner unless a temporary restraining order is granted, the judge to whom the application is made may grant such temporary restraining order at any time before the hearing and determination of the application, but such temporary restraining order shall remain in force only until such hearing and determination upon notice as aforesaid, and such temporary restraining order shall contain a specific finding, based upon evidence submitted to the court making the order and identified by reference thereto, that such irreparable loss or damage would result to the petitioner and specifying the nature of the loss or damage. The said court may, at the time of hearing such application, upon a like finding, continue the temporary stay or suspension, in whole or in part, until decision upon the application. The hearing upon any such application for an interlocutory or permanent injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day. An appeal may be taken directly to the Supreme Court of the United States upon application therefor or notice thereof within thirty days after the entry of the order, decree, or judgment granting or denying, after notice and hearing, an interlocutory or permanent injunction in such case. In the event that an appeal is taken under this section, the record shall be made up and the case docketed in the Supreme Court of the United States within sixty days from the time such appeal is allowed, under such rules as may be prescribed by the proper courts. Appeals under this section shall be heard by the Supreme Court of the United States at the earliest possible time and shall take precedence over all other matters not of a like character. This section shall not be construed to be in derogation of any right of direct appeal to the Supreme Court of the United States under existing provisions of law.

"SEC. 4. Section 13 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 17), is hereby amended to read as follows:

"'SEC. 13. Whenever any district judge by reason of any disability or absence from his district or the accumulation or urgency of business is unable to perform speedily the work of his district, the senior circuit judge of that circuit, or, in his absence, the circuit justice thereof, shall designate and assign any district judge of any district court within the same judicial circuit to act as district judge in such district and to discharge all the judicial duties of a judge thereof for such time as the business of the said district court may require. Whenever it is found impracticable to designate and assign another district judge within the same judicial circuit as above provided and a certificate of the needs of any such district is presented by said senior circuit judge or said circuit justice to the Chief Justice of the United States, he, or in his absence the senior associate justice, shall designate and assign a district judge of an adjoining judicial circuit if practicable, or if not practicable, then of any judicial circuit, to perform the duties of district judge and hold a district court in any such district as above provided: *Provided, however*, That before any such designation or assignment is made the senior circuit judge of the circuit from which the designated or assigned judge is to be taken shall consent thereto. All designations and assignments made hereunder shall be filed in the office of the clerk and entered on the minutes of both the court from and to which a judge is designated and assigned, as well as on the minutes of the Supreme Court of the United States, to the clerk of which both of such other clerks shall immediately report the fact and period of assignment.'

"SEC. 5. As used in this Act, the term 'court of the United States' means the courts of record of Alaska, Hawaii, and Puerto Rico, the United States Customs Court, the United States Court of Customs and Patent Appeals, the Court of Claims, any district court of the United States, any circuit court of appeals, and the Supreme Court of the United States; the term 'district court of the United States' includes the District Court of the United States for the District of Columbia; the term 'circuit court of appeals' includes the United States Court of Appeals for the District of Columbia; the term 'circuit' includes the District of Columbia; the term 'senior circuit judge' includes the Chief Justice of the United

States Court of Appeals for the District of Columbia; and the term 'judge' includes justice."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HATTON W. SUMNERS,
ZEBULON WEAVER,
FRANCIS E. WALTER,
CHARLES F. MCLAUGHLIN,
CLARENCE E. HANCOCK,
U. S. GUYER,
Managers on the part of the House.

PAT MCCARRAN,
JOSEPH C. O'MAHONEY,
FREDERICK VAN NUYS,
WM. E. BORAH,
WARREN R. AUSTIN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 2260) to provide for appearance on behalf of and appeal by the United States in certain cases in which the constitutionality of acts of Congress is involved, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The bill, as it passed the House, provided that whenever the constitutionality of an act of Congress is drawn in question in any suit in a Federal court to which the United States is not a party, if the court is of the opinion that a substantial ground exists for such question, the court must certify that fact to the Attorney General, and afford an opportunity for the Attorney General, or counsel designated by him, to appear and present evidence, if required, and argument on behalf of the United States. The Attorney General is given the same rights as a party to the extent necessary for a proper presentation of the facts and law relating to the constitutionality of the statute. In the event the determination of the lower court is adverse to the constitutionality of the statute, the Attorney General is given the same right of review in the appellate courts as if the United States were a party to the suit; and this right is given him whether or not he appeared in the lower court.

The Senate amended the House bill by striking out all after the enacting clause and inserting in lieu thereof an amendment consisting of six sections.

Sections 1, 2, and 6 of the Senate amendment are a substitute for the provisions of the House bill. Sections 3, 4, and 5 of the Senate amendment are new matter not contained in the House bill.

Section 1 of the Senate amendment required that whenever the constitutionality of any act of Congress is drawn in question and neither the United States nor any agency, officer, or employee thereof is a party, the court shall certify that fact to the Attorney General, and permit the United States to intervene as a party for the presentation of evidence and of law relating to the constitutionality of the act in question upon a showing of actual or probable legal interest.

The House bill required a certificate to the Attorney General only in case the court is of the opinion that a substantial ground exists for questioning the constitutionality of the statute. The Senate bill required certification in all cases involving constitutionality, but permitted intervention only upon a showing of actual or probable legal interest. The conference report provides for certification whenever the constitutionality of any act of Congress affecting the public interest is drawn in question and omits the language requiring a showing of legal interest.

Section 2 of the Senate amendment provided for a direct appeal by the United States to the Supreme Court where the decision is against the constitutionality of any act where the United States or any agency, officer or employee thereof is a party or has intervened as a party upon application for or notice of such an appeal within 30 days after the entry of any final or interlocutory judgment, decree or order, and required the docketing of the case in the Supreme Court within 60 days after the allowance of the appeal, and further provided for expediting the case in the Supreme Court. The House bill provided for an appeal by the United States whether or not it had become a party to the proceedings in the district court, and also provided for direct appeal to the Supreme Court in the discretion of the Attorney General. The House managers agreed to the Senate amendment.

The House managers adopted the definitions contained in section 6 of the Senate amendment, which amplified the definitions contained in the House bill.

Section 3 of the Senate amendment is new matter, to which the House managers agreed with modifications. It forbids the issuance of any interlocutory or permanent injunction suspending or restraining the enforcement, operation, or execution of, in whole or in part, any act of Congress upon constitutional grounds except upon the determination of a three-judge court at least one member of which shall be a circuit judge.

As modified by agreement of the conferees, the section requires an expeditious hearing by the three-judge court upon the application for either interlocutory or final injunction and requires at least 5 days' notice of any application for an interlocutory injunction. A single judge to whom the application for an interlocutory injunction is presented is permitted to issue a temporary restraining order upon a proper showing of irreparable damage pending the hearing and determination of the application for the interlocutory injunction before the three-judge court. The section provides for an expeditious appeal directly to the Supreme Court from any order, decree, or judgment granting or denying an interlocutory or permanent injunction.

This section prohibits the issuance of any injunction to suspend or restrain the execution of acts of Congress, except by a court composed of three judges, and applies to all interlocutory and final injunctions hereafter issued whether the suits in which they are issued be now pending in the district courts or hereafter instituted.

Section 4 of the Senate amendment amends section 13 of the Judicial Code which provides for the assignment of judges for service outside their own districts under certain circumstances. One amendment is designed to make mandatory the present discretionary duty of the senior circuit judge, or in his absence the circuit justice, to assign a district judge for service in another district court of the circuit in which the judge, by reason of absence, disability, or the accumulation or urgency of business, is unable speedily to perform the work of his district. Similar changes are made regarding the duty of the Chief Justice of the United States to assign judges for service outside their own circuits. All assignments under this section are required to be spread upon the minutes of the Supreme Court as well as upon the minutes of the courts from and to which a judge is assigned. The House managers agreed to these amendments.

Section 5 of the Senate amendment provided that whenever any judge is designated and assigned to duty outside of his district or circuit his subsistence allowance shall be $10 per diem. This amendment was stricken out by the conferees.

HATTON W. SUMNERS,
ZEBULON WEAVER,
FRANCIS E. WALTER,
CHARLES F. MCLAUGHLIN,
U. S. GUYER,
CLARENCE E. HANCOCK,
Managers on the part of the House.

Mr. FISH (interrupting the reading of the statement). Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. FISH. Mr. Speaker, this is a very important matter and I suggest the absence of a quorum.

The SPEAKER. The gentleman from New York makes a point of order there is not a quorum present. The Chair will count. [After counting.] One hundred and eighty-three Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 140]

Allen, Del.	Eaton	Kelly, N. Y.	Pfeifer
Allen, La.	Eckert	Kloeb	Scott
Atkinson	Ellenbogen	Knutson	Simpson
Binderup	Ferguson	Kopplemann	Sirovich
Boyer	Fernandez	Kramer	Smith, Maine
Boylan, N. Y.	Flannagan	Kvale	Smith, W. Va.
Brewster	Gasque	Lambeth	Starnes
Buckley, N. Y.	Gilchrist	Lamneck	Sullivan
Bulwinkle	Gray, Ind.	Lemke	Sweeney
Cannon, Wis.	Green	Lucas	Swope
Celler	Harter	McGroarty	Taylor, Colo.
Cravens	Hartley	Maas	Thomas, N. J.
Creal	Hill, Ala.	Meeks	Towey
Crowther	Hoffman	Miller	Vinson, Ga.
Culkin	Jacobsen	Mitchell, Ill.	White, Idaho
Drewry, Va.	Johnson, Minn.	O'Neal, Ky.	Wood

The SPEAKER. Three hundred and sixty-six Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to give a résumé of the effect of the veterans' bill which was passed a few weeks ago.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COURT REFORM AND JUDICIAL PROCEDURE

The Clerk resumed and concluded the reading of the statement on the conference report.

Mr. SUMNERS of Texas. Mr. Speaker, on behalf of the House conferees, I shall try to help the House to fully understand the results of the conference. If the Members of the House were giving attention to the reading of the statement of the managers probably most of the things they would like to know have been disclosed by the report. With the indulgence of the House, however, I will make a very brief statement.

The bill as it passed the House, as it passed the Senate, and as agreed to by the conferees undertakes to recognize, and does recognize, that when the constitutionality of an act of Congress is drawn into question the public interest becomes involved in that litigation. It is a public duty which is owed to the court which has the responsibility of passing on the constitutionality of an act of Congress that it be given all the assistance which can be given to aid it in an understanding of the questions involved.

In a definite sense this legislation is novel. Not since the organization of the Government has the Government, as a matter of recognized right, been privileged to go into the courts to represent the public, which is involved.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. RANKIN. I am wondering whether under this law the Attorney General would be authorized to intervene in a suit that has already been begun to test the constitutionality of an act of Congress.

Mr. SUMNERS of Texas. I think so.

There are some features that would be interesting to gentlemen as lawyers, and doubtless as laymen, that we have sought to incorporate in this bill. We have sought to combine, supporting the general plan, the right which the Government as a necessary party—and this has been my view, and I think the view of our committee—to appear in a case where the constitutionality of an act passed by the legislative branch of the Government is drawn into question, and then we believe that this legislation, too, will be supported and welcomed by the courts of the country because of the governmental philosophy that underlies the inviting by the courts frequently of a representative of the Government to appear as amicus curiae. The appearance of a public representative to represent the public when the constitutionality of an act of Congress is drawn in question is sensible and necessary. The Government is a proper party. The Government is a necessary party by every test which determines the right of individuals to intervene in lawsuits. This bill recognizes that right, we believe the courts will agree.

Mr. MAY. There is one thing in my mind about the legislation about which I do not know that I have a clear understanding. It is that feature of the legislation which deals with the question of the right of Federal judges to grant injunctions in litigation in which the Government may be interested.

Mr. SUMNERS of Texas. Will the gentleman wait until I come to that?

Mr. MAY. Certainly.

Mr. SUMNERS of Texas. I now yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, that is the question that I wanted to ask the gentleman from Texas.

Mr. SUMNERS of Texas. Then I come to that now, Mr. Speaker.

Mr. MAY. Will the gentleman permit me to finish the question?

Mr. SUMNERS of Texas. Yes.

Mr. MAY. What I wanted to know is this: Under previous legislation, as I understand it, a Federal judge on an ex-parte hearing could grant an injunction, and this bill as reported requires a hearing before three circuit judges before a permanent injunction can be granted. Is that true?

Mr. SUMNERS of Texas. Not exactly true. We have attempted to incorporate in this legislation the arrangement with reference to drawing into issue by injunction the validity of certain acts of States. That is not an exact statement. This is the arrangement: It is provided that the application when it is made to a district judge, or a circuit judge, that fact shall be certified to the presiding judge of the circuit, or in his absence, to the justice next in rank, and upon the receipt of that certificate a three-judge court shall be assembled, one judge of which shall be a member of the circuit court. It is provided that pending the assembling of that court and the opportunity of that court to act upon the application for injunction or temporary restraining order, whatever is the application, the judge to whom the application was made, the single judge, the district or circuit judge, shall have the right to issue a temporary restraining order, effective until these three-judge courts can be assembled, and can pass on the application for restraining order.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MAY. Then I understand from that statement that this bill will really expedite the disposition of injunction matters and prevent the delay in Federal litigation on injunction proceedings that has seemed to exist for the past several years.

Mr. SUMNERS of Texas. That is one of the definite purposes of the bill. It should be stated in this connection, Mr. Speaker, that your committee and the conference committee have sought to expedite the final determination of these constitutional questions by permitting an appeal directly to the Supreme Court from the judgment of the three-judge court.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. RANKIN. I want to ask the gentleman some questions with reference to this three-judge court. I understood the gentleman from Texas to say a moment ago that whenever an injunction or restraining order is asked for, testing the constitutionality of a State statute, that this three-judge court would come into being.

Mr. SUMNERS of Texas. No; the gentleman is in error. This bill does not deal with that. Whenever the question is to test the constitutionality of an act of Congress the three-judge court would come into being, and it is of the same composition as the three-judge court testing certain questions arising with reference to certain State acts.

Mr. RANKIN. Will that also apply to a case now in litigation, where the constitutionality of a Federal statute is being brought into question through an injunction proceeding?

Mr. SUMNERS of Texas. It is the judgment of the managers on the part of the House, and I think it is clear from the language of the bill, that an application made for injunction with reference to a pending matter would be governed by the provisions of this law.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. VOORHIS. I want to ask the gentleman a question about section 2. As I understand section 2, in case the trial court decides against the constitutionality of an act of Congress, the Attorney General may then appeal directly to the Supreme Court?

Mr. SUMNERS of Texas. That is correct.

Mr. VOORHIS. But suppose the judgment of the trial court upholds the act of Congress, is it not then still possible for the private litigant, if delay is to his advantage, to make the same series of appeals through the circuit court and have the same kind of delays and periods of uncertainty we have at the present time? Suppose the decision is favorable to the Government in the original trial court, is it not still possible for the private litigant to appeal through the Circuit Court of Appeals and have the same long-drawn-out suspension of and interference with the carrying out of the act in question as we have now?

Mr. SUMNERS of Texas. The private litigant, of course, can appeal to the Superme Court. I am having the language looked up, and I hope to answer the question by the language of the bill. It is my impression this bill does not touch that

situation. There is provision in this bill for moving judges into congested territory, which is fully explained in the statement of managers just read.

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. LAMBERTSON. Will the gentleman permit an observation? I do not think the House cares much about the details of this proposition. They are going to be for whatever you say on this for they have confidence in you. They remember you from a few days back. The thing that is on the minds of the Members of the House today is whether or not the chairman of the Rules Committee has as much courage as you displayed to save the House from a second N. R. A. You saved us from an unsound court policy, and you are just an American, but he is an Irishman.

Mr. SABATH. Mr. Speaker, I ask that the words of the gentleman from Kansas be taken down. I think they were unjustifiable and in violation of the rules of the House.

Mr. LAMBERTSON. Mr. Speaker, I want to make a correction. I want to say that he is not only an American and that—but I will withdraw the last part. I tried to pay the gentleman a compliment by saying that besides being an American——

Mr. SABATH. The chairman of the Rules Committee does not want any compliments from the gentleman.

The SPEAKER. The Chair understands that the gentleman from Kansas has withdrawn the words to which the gentleman from Illinois objected.

Mr. O'CONNOR of New York. Mr. Speaker, that must be under unanimous consent, must it not?

The SPEAKER. That is correct.

Mr. O'CONNOR of New York. I reserve the right to object. What was the remark the gentleman made with reference to me?

Mr. LAMBERTSON. The last part of it? This is what I said, and what I meant to say—I will say both of them. What I said was that the gentleman there from Texas [Mr. SUMNERS] was just an American, but you were an Irishman. What I wanted to convey was that besides being an American you had the fighting blood of an Irishman in you to boot. [Laughter.]

Mr. O'CONNOR of New York. Further reserving the right to object, Mr. Speaker, what did the gentleman say further with reference to me?

Mr. LAMBERTSON. I said that the House had confidence in the chairman of the great Judiciary Committee, and no matter what he was for on this court proposal, the House would sustain him, because they admired his wonderful courage of a few days back; and it was on the mind of every Member of the House whether the chairman of the Rules Committee had equal courage to face a second N. R. A. today, as the gentleman from Texas had on the unsound court proposal. That is all I said. All I ever tried to intimate to you was a compliment, because I believe you have got the courage.

The regular order was demanded.

The SPEAKER. The regular order is that the gentleman from New York [Mr. O'CONNOR] is reserving the right to object.

Mr. O'CONNOR of New York. Let me tell the gentleman at the outset that I am heartily and enthusiastically in favor of the wage and hour bill. [Applause.]

Further, let me tell the gentleman from Kansas [Mr. LAMBERTSON] in reference to this Celtic origin of mine, of which I am very proud, as I am of every drop of Irish blood that courses through my veins—may I say to the distinguished gentleman from Kansas that long before that great agricultural State of his was admitted to the Union my great-grandfather landed at St. Johns, Newfoundland, in 1804, with his only worldy possessions, two boys, one of them my grandfather. I do not know how long the people of the distinguished gentleman have been in this country, but mine have been here that long, and I am still proud of my Irish extraction. [Applause.]

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I teach my four boys to be proud of their ancestry and to live up to the high ideals and high standards of that great people, and to emulate the great men and women whom that race contributed to this world, and especially to this country from the days of the Revolution down to the World War and down to this good hour. [Applause.]

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield for a moment?

The SPEAKER. Just a moment. The parliamentary situation is that the gentleman from Kansas [Mr. LAMBERTSON], as the Chair understood him, asked unanimous consent to withdraw the words that seemed to have given offense. Is there objection?

Mr. O'BRIEN of Illinois. Mr. Speaker, I object.

Mr. O'CONNOR of New York. Mr. Speaker, I object.

The SPEAKER. Does the gentleman withdrew his reservation of objection?

Mr. O'CONNOR of New York. For the moment until somebody else objects, Mr. Speaker.

The SPEAKER. Is there objection?

Mr. ANDERSON of Missouri. Mr. Speaker, I object.

Mr. O'BRIEN of Illinois. Mr. Speaker, I object.

The SPEAKER. Objection is heard, and the Clerk will report the words that the gentleman from Kansas used. Will the gentleman from Illinois repeat the words to which he has reference?

Mr. SABATH. Where the gentleman referred to the gentleman from New York, chairman of the Rules Committee, as being only an Irishman.

Mr. SNELL. No, Mr. Speaker.

Mr. McLEAN. No.

Mr. SABATH. And that he did not have the courage that is required.

Mr. SNELL. Mr. Speaker, a point of order.

The SPEAKER. Does the gentleman still insist that the words be taken down?

Mr. SABATH. Mr. Speaker, personally I do not recall the exact words, but at the time they were uttered I thought they were offensive and in violation of the rules; but if the gentleman from New York himself desires that I should withdraw the request, I am willing to accede to his wishes. [Applause.]

The SPEAKER. The gentleman from Illinois withdraws his request that the words of the gentleman from Kansas be taken down.

Mr. SUMNERS of Texas. Mr. Speaker, resuming after that slight interruption. [Laughter.]

Mr. Speaker, I move the previous question on the conference report.

Mr. KELLER. Will the gentleman withhold that?

Mr. SUMNERS of Texas. I withhold that for the moment, Mr. Speaker.

Mr. KELLER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. KELLER. I would like to ask a question about section 1 of the bill, with reference to the provision for the United States being made a party to a suit where the question of constitutionality is raised. Under certain conditions set out in the bill the Government may be made a party to a suit where the constitutionality of a given law is involved. Is that correct?

Mr. SUMNERS of Texas. That is right. It may have itself made a party; it cannot be drawn in.

Mr. KELLER. Could that not also be done at the present time under present law?

Mr. SUMNERS of Texas. We do not think so.

The SPEAKER. The gentleman from Texas moves the previous question.

The question is on ordering the previous question.

The previous question was ordered.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. The gentleman from Texas did not move the previous question. The Chair stated that he did.

The SPEAKER. Did not the gentleman from Texas move the previous question?

Mr. SUMNERS of Texas. I have no disposition to cut off inquiries.

The SPEAKER. But the Chair is asking the gentleman if he did not, as a matter of fact, move the previous question?

Mr. SUMNERS of Texas. Yes, I did; but I want to be courteous and make any explanation of the bill that I can.

Mr. Speaker, I ask unanimous consent that the proceedings whereby the previous question was ordered may be vacated, and that I may be permitted to yield to the gentleman for a question.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ANDREWS. I object.

The SPEAKER. The previous question is ordered.

The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BAYOU SAVAGE, NEW ORLEANS, LA.

Mr. DERROUEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2520) declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, will not the gentleman explain the bill and tell us whether it is going to cost the Federal Government anything?

Mr. DERROUEN. It is a very small bill. It will not cost the Federal Government anything at all. It has to do with improvements in the city of New Orleans, where once upon a time that stream was navigable—maybe 100 years ago. Today that stream is not used. Bayou Savage is a minor stream which flows in an easterly direction and empties into Chef Manteur Pass, immediately north of Lake Borgne. The Secretary of War states in his report that no doubt once upon a time it was a navigable stream, but it is not now. Accordingly, Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, is of immaterial value as a highway of commerce and of travel by water, and it is desired by the city to fill it in and improve the city and the streets.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DERROUEN. I yield.

Mr. JENKINS of Ohio. What action, if any, has the Committee on Interstate and Foreign Commerce taken on this bill?

Mr. PETTENGILL. The bill comes with the unanimous report of the committee. Through this bill, Congress surrenders its jurisdiction over this particular stream as a navigable stream for the purpose of permitting the city of New Orleans to fill it in and improve certain parts of the city.

Mr. MARTIN of Massachusetts. And it comes from the Committee on Interstate and Foreign Commerce with a unanimous report.

Mr. PETTENGILL. The gentleman's statement is correct.

Mr. DERROUEN. It has passed the Senate and now lies on the Speaker's table.

Mr. MCFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DERROUEN. Yes.

Mr. MCFARLANE. Under this bill, the Federal Government waives its right on a navigable stream. Who gets the benefits that the Federal Government waives?

Mr. DERROUEN. No one but the general mass of the people in the city of New Orleans.

Mr. MCFARLANE. Does this stream go to the city or to some individual?

Mr. DERROUEN. It goes to the city. Because the city has streets and owns the land on both sides.

Mr. MCFARLANE. No individual, then, is benefited by this bill?

Mr. DERROUEN. None at all.

Mr. MCFARLANE. No private individual gets title to any property?

Mr. DERROUEN. No.

Mr. MCFARLANE. To whom will the land belong?

Mr. DERROUEN. To the city for the convenience of the public.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., be, and the same is hereby, declared to be a nonnavigable waterway within the meaning of the Constitution and laws of the United States.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider and a similar House bill (H. R. 7348) were laid on the table.

AMENDMENT OF ROBINSON-PATMAN ANTIDISCRIMINATION ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8148) to amend Public Law No. 692, Seventy-fourth Congress, second session, and for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. For the information of the House the Clerk will read the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That nothing in the act approved June 19, 1936 (Public, No. 692, 74th Cong., 2d sess. (known as the Robinson-Patman Antidiscrimination Act)), shall apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit and supported in whole or in part by public subscriptions.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, reserving the right to object, I understand that this is the bill to which the committee gave consideration this morning and that they were unanimously in favor of it.

Mr. WALTER. That is correct; yes.

Mr. MICHENER. All the bill does is to permit hospitals and similar institutions to buy directly from the manufacturer at the manufacturer's price?

Mr. WALTER. And to secure the discount; that is correct. The Federal Trade Commission has taken the position that the Robinson-Patman Act applies to all purchases, whether made by individuals or corporations, or corporations not organized for profit. The purpose of this bill is to enable an institution maintained by public subscriptions in whole or in part to receive discounts for purchases of goods for its own use.

Mr. DITTER. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Are other eleemosynary institutions included? I am thinking whether or not the bill is broad enough to include not only the churches themselves but institutions related to and having a part in the activities of the church. I am wondering whether they are included.

Mr. WALTER. It was our intention to include all eleemosynary institutions. If we have not done that, I would be glad to accept an amendment to that effect, but it was the intention at the time the Robinson-Patman bill was discussed originally in our committee to exclude that type of corporation. We felt the provisions of the act did not apply; however, the Federal Trade Commission has taken the position that it does. The author of the bill himself is under the impression the bill did not apply.

Mr. DITTER. I am thinking of homes for the aged or homes for orphans that may have some identification with

churches, and whether they would be included within the benefits intended by this bill.

Mr. WALTER. I believe so.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Indiana.

Mr. PETTENGILL. It seems to me from a reading of the proposed bill it applies only to charitable institutions that are supported in whole or in part by public funds, and would not include a charitable institution that was not supported in any part by public funds.

Mr. WALTER. That is correct.

Mr. PETTENGILL. Why should not a privately endowed hospital that does not derive any part of its support from public funds be equally exempt with a hospital that did derive its support from public funds?

Mr. WALTER. Because ultimately that institution may become a profit corporation as distinguished from a nonprofit corporation.

Mr. PETTENGILL. It seems to me that is unfair to the private charitable institutions of the country that are not operated for pecuniary profit. They should be given the same exemption that this bill gives to an institution that is supported in part by public funds. Unless the bill is subject to amendment, I would feel constrained to object to its consideration at this time.

Mr. WALTER. I trust the gentleman will not object at this late date.

Mr. PETTENGILL. Is the gentleman willing to accept an amendment that would exempt charitable institutions not operated for private profit and are not sustained in part by public funds?

Mr. WALTER. Yes; I think we would accept that amendment.

Mr. PETTENGILL. With that understanding, and the opportunity to suggest an appropriate amendment, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SABATH. Mr. Speaker, reserving the right to object, may I inquire of the gentleman whether this bill will also apply to institutions that are maintained and controlled by municipalities and cities? Many of the institutions that are financed by municipalities and by States might come also under its provisions?

Mr. WALTER. The bill clearly covers that class of institution. All charitable institutions are covered by the provisions of this bill.

Mr. SABATH. Does the gentleman think a county hospital or a city sanitarium wholly financed by a city, county, or State, would come within the provisions of this act?

Mr. WALTER. Yes; I do.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McFARLANE. Mr. Speaker, I object.

Mr. WALTER. Will the gentleman withhold his objection a minute?

Mr. McFARLANE. I think you are opening the gate to the point where the bill will be absolutely worthless if we adopt these wide-open amendments. The bill, if amended, will not mean anything; and I would like to see the bill given a chance to be enforced.

Mr. WALTER. For the purpose of preventing the thing the gentleman has suggested, we endeavored to enumerate the type of institutions that were to be included within the purview of the act.

Mr. McFARLANE. May I hear the amendment as the gentleman has drawn it?

Mr. WALTER. The bill as drawn, exempts schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit.

Mr. McFARLANE. May I hear the amendment?

Mr. WALTER. So that the act would not be torn to pieces, we enumerated every class of institution that we felt ought to be exempted.

Mr. McFARLANE. I want to hear the amendment.

Mr. BLAND. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLAND. Is this one of the last 6 days of the session of Congress within which consent matters are in order?

The SPEAKER. Not within the knowledge of the Chair.

Mr. LANHAM. Mr. Speaker, reserving the right to object, may I ask the gentleman from Pennsylvania if within the purview of the amendment of the gentleman from Indiana, to which he has agreed, hospitals, such as institutions for crippled children, operated by fraternal organizations, are exempted?

Mr. WALTER. Yes. The amendment offered by the gentleman from Indiana would take care of that class of institution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I want to hear this amendment if we can get it prepared.

Mr. PETTENGILL. After the words "charitable institutions", in line 9, I propose to insert, "and other eleemosynary", and I propose further to strike out the last line, the last line reading, "being supported in whole or in part by public subscriptions", so that the effect of the statute if passed will exempt all charitable or eleemosynary institutions not operated for profit, whether supported in whole or in part by public funds or not.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McFARLANE. Mr. Speaker, I object, with the amendment proposed by the gentleman from Indiana. I do not object to the bill as originally drawn.

Mr. SUMNERS of Texas. Mr. Speaker, on behalf of my colleague, the gentleman from Pennsylvania [Mr. WALTER], I ask unanimous consent that his request for the present consideration of the bill may be withdrawn at this time in order to ascertain whether or not satisfactory amendments can be drawn.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENLISTED MEN OF THE ARMY

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 2871) for the protection of certain enlisted men of the Army.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MAY. Yes; I shall be pleased to explain the bill to the Members of the House.

Mr. Speaker, the Army appropriation bill for 1938 contains a provision prohibiting the payment of any part of the appropriation to enlisted men in the United States Army who are not citizens. It has been discovered that there are in the United States Army approximately 7,000 enlisted men who have never obtained their citizenship papers. This bill provides an amendment which prohibits the payment of any part of this appropriation to these men until they are reenlisted, and they cannot reenlist until they obtain their citizenship papers.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SCHULTE. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that in connection with my extension of remarks concerning the bill (H. R. 6384) to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes, I may be permitted to insert an analysis of that bill made by Mr. Thomas Kirby, of the Disabled American Veterans.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

UNEMPLOYMENT COMPENSATION

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk for immediate consideration the bill (H. R. 8174) to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for payment to the unemployment fund of each State or Territory which was not certified by the Social Security Board under section 903 of the Social Security Act on December 31, 1936, but which enacted in the year 1937 an unemployment-compensation law approved by the Social Security Board under such section, an amount equal to 90 percent of the proceeds of the tax paid on or before January 31, 1938, with respect to employment in such State or Territory during the calendar year 1936 under title IX of such act. Out of the sums appropriated therefor, the Secretary of the Treasury shall pay such amount, through the Division of Disbursement of the Treasury Department, to each such State unemployment fund. The terms used in this act shall have the same meaning as identical terms in title IX of the Social Security Act.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, may I state to the distinguished chairman of the Committee on Ways and Means that it would be very apropos, I think, if he would take 3 or 4 minutes to explain this bill. There is no opposition to the bill on our side, as far as I know.

Mr. DOUGHTON. This bill has a unanimous report from the Committee on Ways and Means. The bill was introduced by my colleague on the Committee on Ways and Means, the gentleman from Missouri [Mr. DUNCAN], and I now yield to him to explain the purposes of the bill.

Mr. DUNCAN. Mr. Speaker, the purpose of this bill is to place all the States complying with the unemployment insurance provisions of the Social Security Act on the same basis. The Social Security Act passed in 1935, as you may recall, fixed the date of December 31, 1936, as the limit of the time within which the States might comply with its provisions. Thirty-five States were able to comply with these provisions prior to the expiration date. There were, however, 13 States which were not able to comply with the provisions during that time. The committee found there were good and sufficient reasons why such States could not comply, in that either there were changes in administration which prevented the calling of special sessions of the legislatures or the legislatures were unable to agree upon satisfactory unemployment-insurance laws.

The employers in the States which did not comply with the act were required to pay the unemployment-insurance tax into the Federal Treasury. The employers in the States which did comply paid 90 percent of their tax into a State unemployment fund, and now have the benefit of this fund. The 13 States which did not comply, of course, have received no benefit from the tax, which has gone into the Federal Treasury. This bill seeks simply to authorize the appropriation into the unemployment funds of the various States of 90 percent of the tax paid in 1936 by the employers in these 13 States and 2 Territories and thus places all the States on the same basis. The 13 States have now passed unemployment-insurance laws which have been approved by the Social Security Board.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. As I understand, the passage of this bill will do nothing more than put the 13 States on a parity with the 35 States?

Mr. DUNCAN. The gentleman's statement is exactly right.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. When this law was passed and all the States were given until the end of the year to act upon it, the House of Representatives was told that many of the States would not have time to act before the various State legislatures adjourned. Many of the States had to call extra sessions. I know the State of Pennsylvania did so at a cost of hundreds of thousands of dollars. This is only the result of hurried legislation. You have a lot of other legislation coming before the House which you want to hurry through, and you will make a lot of mistakes if you do not take your time. I congratulate the Members on that side of the House for correcting some of the ill-advised legislation they put through in 1936.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Has any provision been made to give the employees the benefit of this money which goes into the unemployment fund? In other words, in the States which have enacted unemployment-compensation laws the employees have made their contributions and the employers have made their contributions. In most cases, and I believe perhaps all, the laws require that this reserve fund be built up for a period of 2 years before the individual employee can receive any funds from it.

Mr. DUNCAN. The gentleman is correct.

Mr. BOILEAU. In the States which have not had such a law, and therefore have not built up the reserve fund, the employees cannot start drawing from the fund for 2 years, but still this bill will put the money into the fund and increase the fund in such States, so that at the end of the 2-year period the States which have been derelict, the States which have refused to assume their responsibility, will be better off financially as far as their reserve fund is concerned than the States which have cooperated and have adopted the necessary law. I regret it very much, but I feel that I am constrained to object. I believe this is important enough so that we should give it ample consideration.

Mr. DUNCAN. I think the gentleman should not object.

Mr. BOILEAU. I think this is giving an advantage to those States that did not come into line and cooperate until later on. I do not want to have hasty action taken on this matter, and I do not want to do something by my objection that would be unfair, but my present intention is to object.

Mr. DUNCAN. If the gentleman will reserve his objection, the gentleman will recall that there were 18 or 19 States that complied with this act during the latter part of December 1936. These 13 States that complied in 1937, did so within a few months after a majority of the States had complied in 1936, so there is not any advantage to be given to these States. The States which did not comply lose the interest on the money in that fund, and there will be no benefits to those States.

Mr. BOILEAU. The employees working in the States that have complied have had a part of their money taken out of their salary in order to contribute to this fund, whereas in those States that have not had an act, they have not had any money taken from their salary.

Mr. DUNCAN. The employers in all the States have contributed. The tax began on January 1, 1936, and they have all paid identically the same amount of money.

Mr. BOILEAU. This law has been in operation for a couple of years.

Mr. DUNCAN. Since the 1st of January 1936, when the unemployment insurance fund became effective, and the employers in every State of the Union began paying the tax at that time. The gentleman is thinking of old-age annuities and not of unemployment insurance.

Mr. BOILEAU. Unemployment compensation began January 1, 1936.

Mr. DUNCAN. That is right.

Mr. BOILEAU. So there has been more than 1 year of operation, and in those States that have complied, most of them during the year 1936, they have had a tax upon their employees to contribute to this fund.

Mr. DUNCAN. That was true in every State. It made no difference whether the State had an unemployment fund or not, each one of the employers was required to pay the tax.

Mr. FRED M. VINSON. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Kentucky.

Mr. FRED M. VINSON. This act was passed in 1935 with a dead line of December 31, 1936, to pass the State laws. That date was fixed in order that it could go into operation in the immediate future. Now, 35 States came in within the period. The point involved in this bill is whether or not the employees in the other 13 States which came in 1937, in whom the gentleman from Wisconsin is very much interested, will have available for them in the unemployment trust fund in the Treasury the moneys that were paid in as taxes in 1936 and 1937.

Mr. BOILEAU. I want to ask the gentleman this question. In the year 1936, in those States in which this unemployment compensation law was in effect, there was a contribution on the part of the employee, was there not?

Mr. FRED M. VINSON. I do not know what the situation is in Wisconsin——

Mr. BOILEAU. In every State that has an unemployment compensation law, has there not been a certain amount of money taken out of the compensation of the individual employee in the year 1936?

Mr. FRED M. VINSON. The point involved is a 90-percent credit by the Federal Government——

Mr. BOILEAU. I understand that.

Mr. FRED M. VINSON. And if we do not pass this bill the employees, in whom the gentleman is interested, will not have that money in the unemployment trust fund to be paid out in benefits.

Mr. BOILEAU. I am interested that the Federal Government keeps faith with all the States and if the employees in your State and my State and all the 35 States involved were forced to take money out of their pockets during the year 1936 to contribute to this fund, in order to get this refund of 90 percent that the employers were paying, and if that was the understanding when we passed the law, then the States that did not cooperate should not now have the advantage of that 90 percent.

Mr. DUNCAN. But it was paid.

Mr. BOILEAU. It was paid into the Federal Treasury, and the gentleman and I knew when we voted for that law that we used that provision to bring compulsion upon the States. You did not want to call it compulsion, but that is what it was, or, at least, it was strong persuasion.

Mr. KELLER. Are you against it?

Mr. BOILEAU. I am of the opinion—and if I am wrong I want to have the matter clarified and I shall not object—but I am of the opinion that in the 35 States where the employees were required to start at scratch, and at the same time they were given credit for the amount the Federal Government paid back, at the same time they had money taken out of their pockets and they matched these funds in order to build up the fund, and now the 13 States that did not come in will start out with a nice big nest egg because they were derelict and refused to cooperate.

Mr. FRED M. VINSON. If the gentleman will yield further, I am not acquainted with the Wisconsin situation, but I call my friend's attention to the fact that the Chairman of the Social Security Board, Dr. Altmeyer, is from his State and, of course, he is interested in the employees in his State, as well as the employees in all the States.

Mr. BOILEAU. I do not care whether he comes from my State or yours, he is a fine man, and the fact that he comes from Wisconsin makes no difference.

Mr. FRED M. VINSON. Does the gentleman think he would want to do an injustice to the employees of his own State, as well as the other States?

Mr. BOILEAU. I am satisfied he will do his utmost to provide a square deal for every man in this country, and I object at the present time, Mr. Speaker.

The SPEAKER. The gentleman from Wisconsin [Mr. BOILEAU] objects.

Mr. BOILEAU. Mr. Speaker, I have been requested by several colleagues to reserve my objection, and I am going to do it.

The SPEAKER. Is it the intention of the gentleman finally to object?

Mr. BOILEAU. I intend to object, Mr. Speaker, unless I can be satisfied that the employees in the various States that will thus be benefited are not getting an advantage over the other States which enacted their laws earlier in order to comply with the Federal law, and which showed proper desire to cooperate and to adopt the social-security legislation.

The SPEAKER. The gentleman from Wisconsin reserves his objection.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. COCHRAN. The situation is just this: The employees in all the States of the Union were treated alike. In some States, 13, the Governors did not call special sessions of the legislatures.

Mr. BOILEAU. Why did they not? They had the responsibility.

Mr. COCHRAN. For this reason: They were electing new members to the legislatures. We did not want men going out of office to consider such important legislation. The outgoing Governor refused to call a special session.

In Missouri, our new Governor did not take office until January. As soon as the legislature in our State met in January the matter was taken care of. Now, are the employees in our State and in the other 12 States to be penalized simply because the Governors of those States refused to call special sessions of the legislatures? Surely the gentleman sees our situation.

Mr. BOILEAU. That is the point. The employees in the gentleman's State are not penalized because they did not contribute one cent.

Mr. COCHRAN. But they did contribute.

Mr. BOILEAU. They did not do it out of their own salaries. It was the tax for doing business.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. McLAUGHLIN. The facts in this matter are these: Thirteen States failed to pass the act, as has been stated, within the time which would bring them within the operation of the law. They have since passed State unemployment acts in conjunction with the Federal social security law. The money has been contributed in those States, and the only question involved in this bill is this: Is that money to go into the general fund of the United States Treasury, or is it to go back to the individual States for the benefit of the employees who will get the benefit of that money if it goes back to the States? I am sure the gentleman from Wisconsin will not withhold from the employees in the various States, including my own State of Nebraska, the money which is now in the United States Treasury, and which will be used for the benefit of employees in the 13 States involved in this measure if the gentleman does not object.

Mr. BOILEAU. Something was said a moment ago here about Mr. Altmeyer, of the Social Security Board. Does he recommend this legislation?

Mr. FULLER. Yes.

Mr. McLAUGHLIN. I am informed that he does.

Mr. DOUGHTON. He had no objection to it; none at all.

Mr. BOILEAU. Mr. Speaker, after making a brief statement, I shall withdraw my objection. I serve notice here and now that so long as I am a Member of this House, hereafter no such bill as this will pass by unanimous consent. If hereafter in the course of our legislation, and for the purpose of trying to have uniform laws throughout the United States, the Congress of the United States says that in order for a State to benefit from national legislation it must do a certain thing by a certain time, and thereby coerce States to come within the law that might not otherwise do so, then, as I say, so long as I am a Member no State that does not comply will get the same benefit as other States by unanimous consent. Mr. Speaker, in view of the fact that apparently I stand alone in the House in opposition to this bill and because I do not want to be put

in the position of assuming such responsibility, because I have not given it such thought as I should, not realizing it was coming up today, I withdraw my objection.

Mr. RICH. Mr. Speaker, I reserve the right to object in order to say this: I concur heartily with the gentleman from Wisconsin, but it was not the fault of these 13 States as much as it was the fault of the Congress for not giving them time enough to enact this legislation. We should have given them at least 6 months or a year longer so that they could have done this in an orderly procedure. It was our fault and not the fault of the 13 States.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PROTECTION OF CERTAIN ENLISTED MEN IN THE ARMY

Mr. MAY. Mr. Speaker, I am advised that the gentleman from Indiana desires to withdraw his objection to the consideration of Senate bill 2871, for the protection of certain enlisted men of the Army.

Mr. SCHULTE. Mr. Speaker, I reserve my objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

Mr. SCHULTE. Mr. Speaker, reserving the right to object, the gentleman from Kentucky [Mr. MAY] has just made the statement that there are 7,000 aliens in the United States Army. This bill undertakes to place them on a parity with the other officers and enlisted men who want to retire. The point I am trying to make—and I believe it is to the advantage of the House to gain this information—is that there are 7,000 aliens in the United States Army today. I did not know that, and I do not believe any other Member of this body knows. Does that not place this Nation in an embarrassing position in the event of war? For instance, suppose the 7,000 are concentrated in one camp under an alien officer. Under the gentleman's bill, they seek to place them on a par with former members of the United States Army who are now citizens. Is that right?

Mr. MAY. The gentleman is quite mistaken about that. The bill bars them from being paid a single cent of appropriation for 1938 and requires that they immediately be discharged, and more than 1,000 of them have already been discharged.

Mr. SCHULTE. Will the gentleman yield?

Mr. MAY. Yes.

Mr. SCHULTE. But is it not a fact that today we have 7,000 aliens in the United States Army, men who are not citizens of this Nation?

Mr. MAY. I have already said to the gentleman that that is the war record on it, and some of them have been in service as long as 29 years. Most of them are volunteers of the World War and have not only rendered heroic service with our armies in France but remained in the service since.

Mr. SCHULTE. I am not questioning their integrity or their loyalty to this Nation, but I am making the point that it is time this Nation recognized the fact that we have in our Army 7,000 aliens. I am not questioning their sincerity of purpose nor their loyalty to this country. We all hope and pray to God that they are loyal, but what an embarrassing position it places us in. Why, any country could send men to the United States, have them join our Army. Then they would be placed in some important position or given or placed in charge of some munitions depot, and when war was declared we would find internal trouble in our armies and dissatisfied soldiers, with disastrous results to our country.

Mr. Speaker, at the request of my good friend from South Carolina, who has studied this matter, I am going to withdraw my objection.

Mr. MAY. There is no question of loyalty or patriotism involved in this measure. It is merely a proposal to make it possible for these honored and faithful soldiers that have already rendered service to their country to be paid for that service.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object—and I shall object if the bill is what I think it is—as I understand, it has been brought out very clearly that the bill recites there are 7,000 aliens in the United States Army.

Mr. MAY. No. The bill does not recite that. That is the report from the War Department.

Mr. JENKINS of Ohio. I mean, that is the fact.

Mr. MAY. And that is an accumulation of enlistments in the United States Army over a period of 30 years. If the gentleman wants to know my attitude about it, I am as bitterly opposed to that as he or any other Member of this House, and I expect to bring in from the Committee on Military Affairs, if I can get it through, a bill that will forever prohibit enlistment in the United States Army originally of any alien, and requiring that those who are hereafter permitted to enlist and found in the Army be discharged without pay.

Mr. JENKINS of Ohio. What I am trying to get at is this: I am perfectly willing that every soldier, be he alien or what not, if he has been in the Army, should be paid. If this bill provides payment for him regardless of the passage of a law that prevents certain appropriations to go to any alien, I am perfectly willing to let down the bars and pay that man because we have a contractual obligation. I am not willing that these people be continued on the rolls so that eventually a man might serve, as the gentleman says, in the United States Army 29 years and not think enough of the United States Government to become a citizen, and then retire and go out and live the balance of his life as a retired United States soldier and still not be a citizen.

Mr. MAY. Will the gentleman let me answer that?

Mr. JENKINS of Ohio. Yes; certainly.

Mr. MAY. These men were enlisted in the United States Army on the statement that they did not have to take the oath of allegiance because of the length of time they had been in the country. Most of them were volunteers in the World War. Now, after they were enlisted in the Army they have served from 5 to 29 years. Many of them have married and have families. More than 1,000 of them have been discharged on account of this condition. This bill prohibits the reenlistment of any of them until they have obtained their citizenship papers, and prohibits payment of a dime of money to them unless they do get their citizenship.

Mr. JENKINS of Ohio. If that is the case, then this bill has a coercive effect in that these people must clear up their citizenship?

Mr. MAY. Yes.

Mr. TOBEY. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. TOBEY. Is it not a fact that the first allegiance of all these 7,000 men is some foreign country?

Mr. MAY. The first allegiance was, but they have taken the oath in the Army.

Mr. TOBEY. But not the oath of citizenship.

Mr. MAY. No; but an oath of allegiance required of all enlisted men.

Mr. TOBEY. Therefore they are still aliens and outside the pale of our citizenship?

Mr. MAY. That is right.

Mr. JENKINS of Ohio. Still reserving the right to object, Mr. Speaker, what does this bill do, if anything, with reference to providing in the future that no alien can be admitted into the Army?

Mr. MAY. It does not say that, but I have just stated to the gentleman that it is the plan of my committee to bring in legislation prohibiting it, and the War Department has assured me that none of them will be permitted to enlist, but that all that are in there will be discharged.

Mr. JENKINS of Ohio. Why not let this bill run along until that is done.

Mr. MAY. There is an emergency condition that affects several hundred men who have already been discharged, who can get no pay, yet who have families to support and have already earned the money.

Mr. JENKINS of Ohio. In view of the fact that the gentleman has always stood on the floor as one of the able exponents of American protection, I am constrained to withdraw my objection; but I am going to hold the gentleman to his promise that he will bring in that bill.

Mr. SABATH. Mr. Speaker, reserving the right to object, it was absolutely impossible for me to hear the explanation of the bill. Will the gentleman tell us what the outstanding provisions of the bill are?

Mr. MAY. I am sorry that the gentleman did not hear, and I regret to have to restate it so many times. The 1938 appropriation act for which we all voted prohibits payment to any alien either in the military or civilian service of the Government of any part of these appropriations. There are men in the Army who have been there from 5 to 29 years, they have families, they have served, yet they are being discharged because of their lack of citizenship as fast as the War Department can get rid of them. This bill undertakes to pay those men for services they have already rendered, and it likewise prohibits payment to anyone who has been discharged until he obtains citizenship.

Mr. SABATH. Yet, many of these men have rendered great, valuable, and gallant service to our country and have fought for our flag.

Mr. MAY. More than 15,000 of them fought in the World War and none has shown any disloyalty.

Mr. O'CONNOR of New York. Mr. Speaker, I am compelled to demand the regular order. We have other business to transact this afternoon. This was supposed to take only a minute.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ROBSION of Kentucky. Mr. Speaker, I object.

INVESTIGATION OF FEDERAL JUDICIARY

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 287.

The Clerk read as follows:

House Resolution 287

Resolved, That the Committee on the Judiciary, as a whole or by subcommittee, is authorized and directed to investigate the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court; the jurisdiction, both as to territory and subject matter; the procedure; rules of practice; and costs.

The committee shall report to the House during the present Congress the results of its investigation, together with such recommendations for legislation as it may deem advisable.

For the purposes of this resolution, the committee or any subcommittee thereof is authorized (1) to sit and act during the present Congress, at such times and places within the United States as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned; (2) to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it may deem necessary; (3) to issue subpenas under the signature of the chairman of the committee, or any member designated by him which shall be served by any person designated by such chairman or member; and (4) to administer oaths to the witnesses, respectively, by the chairman or any member of any committee acting hereunder.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this resolution will be explained fully by members of the Committee on the Judiciary.

Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file certain rules.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR of New York. Mr. Speaker, I wish to announce that the Rules Committee will meet at 2:30 this afternoon.

Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, this is the resolution which under a unanimous-consent request on yesterday was partially explained, and probably in a very poor and disjointed fashion, so that you did not get the right perspective upon the merits of the resolution. I am going to ask the distinguished chairman of the Committee on the Judiciary if he will explain this resolution to the House in his own inimitable way. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR of New York. Mr. Speaker, I yield the balance of that time to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, I shall be very brief in this explanation.

Mr. Speaker, the Committee on the Judiciary of the House is perhaps, more nearly than any other agency of Government, the agency of visitation with reference to the Federal judiciary. Complaints with reference to the conduct of Federal judges, at least in the first instance, come to that committee. Many informal examinations are made sometimes at the instance of all the parties. Investigations as to needed legislation are made, information is gathered from many sources, but we have no authority, of course, to make any investigation, speaking generally, of a particular sort, a thorough investigation, unless it has that authority from the House. It has no power to summon witnesses, and so forth.

This committee is convinced that there are some fundamental things with reference to the Federal judiciary that ought to be inquired into. We believe, for instance, that there is an improper allocation of business as among the districts of the country. Such questions as to whether or not a judge of the circuit court ought to sit as a district judge; to what degree, if any, judges of the circuit court ought to be permitted to oust a district judge of jurisdiction in a particular matter, and so forth. There are some specific situations, some particular situations, that the committee feels ought to be inquired into.

What I am saying now supplements what has been said frequently here and what has been said in the Senate with reference to the necessity of making some inquiry, some study, of the organization and operation of the Federal judiciary. We feel that a special committee ought to be created with the right to summons witnesses, to administer oaths, to take testimony, and so forth, in order to inquire into the matters which I have mentioned and the other matters which through various channels have reached the attention of the committee and of Members of the House. Now, with that statement which, obviously, I have not attempted to make complete, I yield to any Member who wants to ask me a question.

Mr. BURDICK. Mr. Speaker, would this committee attempt to investigate complaints against individual judges, or would their work be limited to the system of jurisprudence?

Mr. SUMNERS of Texas. I may say to my friend, the gentleman from North Dakota, that in the main they would be limited, I assume, to the system of jurisprudence.

It is possible that situations have developed that the committee would feel in the interest of the general good ought to be particularly inquired into.

Mr. SABATH. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Illinois.

Mr. SABATH. If evidence is presented, or complaints should be made, to the committee that in certain districts cases have been assigned somehow or other to be heard by one judge as against other judges, does not the gentleman think that would be justification to investigate how such things are possible and how it is possible that one judge obtains the assignment to hear some of these cases wherein certain lawyers or interests find themselves on the calendar?

Mr. SUMNERS of Texas. May I say to my distinguished friend, of course the committee has not been appointed

and necessarily has not determined its policy, but I believe it would be safe to say to the gentleman that in any particular situation such as he indicated the committee would possibly investigate the situation for the purpose of ascertaining at least what is being done in order to attempt to bring about remedial legislation.

Mr. HOUSTON. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kansas.

Mr. HOUSTON. Is not the objective of this proposition to bring in corrective legislation covering certain conditions that may be found to exist all over the country? Would the committee have the power of recommendation for a new Federal judge in any district?

Mr. SUMNERS of Texas. It would under this resolution.

Mr. HOUSTON. It is almost impossible to get an investigation of a proposition in this House unless a particular committee has a preliminary hearing, and, as the gentleman knows, without the power of subpena, it is impossible to get the evidence you want.

Mr. SUMNERS of Texas. Yes. I stated to the House the committee would be disposed to investigate the allocation of business among the districts and, naturally, would investigate to determine whether or not a particular district might be undermanned.

Mr. HEALEY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Massachusetts.

Mr. HEALEY. There have been numerous bills introduced in this session and in other sessions by various Members having to do with sessions of the United States court in particular sections of a State or judicial district. It is rather difficult for the committee on cursory examination to satisfy itself whether or not a term of court should be authorized for a particular section or district. If this investigation is made, the committee would be better able to determine how the business in the various districts of the United States should be allocated.

Mr. SUMNERS of Texas. That is true. The committee hopes to be able, as a result of this investigation, to get some dependable information which will make it possible for it to proceed not so much in the dark, as this committee is now compelled to proceed.

Mr. THURSTON. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Iowa.

Mr. THURSTON. In the rather expeditious proceeding which concluded the bill the gentleman brought in here earlier in the day—H. R. 2260—I was not able to make the inquiry which I think is pertinent not only to that bill but to the subject that is now under consideration. The bill just passed provides that the Department of Justice may intervene where an act of Congress is claimed to be unconstitutional. No reference was made to a greater number of cases wherein a State statute is alleged to be unconstitutional and which ultimately reaches the United States Supreme Court. In other words, the philosophy of the Shreveport case states that excessive production in intrastate commerce or within a State may affect interstate commerce. It seems that is a field involving a legal principle that should be examined so that if a Federal question or policy of the Federal Government enacted into legislation was in question in a case appealed from a State supreme court the Attorney General or the Federal Government should have the right to intervene in a case of this character.

Mr. SUMNERS of Texas. I may say to my friend, he makes a very important and interesting suggestion. We did not consider in the bill referred to situations with reference to litigation coming up from the States.

Mr. THURSTON. It seems to me that subject should be called to the attention of the committee.

Mr. SUMNERS of Texas. All I can discuss now is the scope of the resolution now pending before us. I could not undertake, of course, to indicate what the committee might determine upon.

Mr. McFARLANE. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Texas.

Mr. McFARLANE. Would the committee, in its investigation, consider the possibility of legislation to limit the terms of these Federal district judges? We hear a great deal of complaint about the way they are allowing tremendous receivership fees and attorneys' fees and the high-handed manner in which they conduct their courts. I am wondering if the committee will consider bringing these gentlemen back to earth and have them operate on a term basis? The gentleman's committee would look into that matter?

Mr. SUMNERS of Texas. I have to repeat I do not know what the committee will do, but I believe the committee would have the authority to do that under the provisions of this resolution.

Mr. WALTER. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Pennsylvania.

Mr. WALTER. In the provisions of the bill agreed upon by the conferees there is a most important one, as I view it; that is, the authority to assign judges in districts where the business has become congested. Under the present law it is possible to do that; however, we find from experience it is not done and has not been done as much as it should have been. Does not the gentleman feel that the committee appointed under this resolution can secure a great deal of valuable information that will enable the Chief Justice to independently determine where the business has become so congested as to require an additional judge temporarily?

Mr. SUMNERS of Texas. I agree that the authority is contained in this resolution to do that very thing. Of course, we will have to have eventually some agency of visitation supervisive and regulative within the judiciary itself. That will have to be worked out sometime.

Mr. PATMAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. The committee will have the authority, I presume, under this resolution to investigate the alleged misconduct of any judge of an inferior court?

Mr. SUMNERS of Texas. May I be very candid with the gentleman and say that the committee, in trying to do this fundamental work, hopes it will not have to spend all its time answering complaints by disgruntled litigants with reference to particular judges. Do not get me too far out on that. We have the authority perhaps under the resolution, but we do not want to advertise it too much.

Mr. PETTENGILL. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Indiana.

Mr. PETTENGILL. I do not intend at this time to go into the merits of some important legislation that has been pending before the gentleman's committee during this session of Congress. I am sure, however, that this has been the most trying session of Congress that the gentleman has ever served in. I am personally unwilling to let the session come to a close without expressing what I think is the sentiment and the sense of an overwhelming majority of this House if not of every Member, and the sentiment of the Nation as well; that is, that we appreciate the patriotism, the coolness, and the exalted courage with which the great chairman of the Judiciary Committee of the House has met the responsibilities of his office during the present session of Congress. That applies also to all of his colleagues on the Judiciary Committee.

May I also say to the gentleman from Texas that his conduct during the present session of Congress has done more to reestablish the dignity and the prestige of this great parliamentary body than has been done by any other Member of this body during my four terms of service in Congress. [Applause.]

Some day, when the gentleman cannot hear them, words such as these will be said in reviewing his distinguished public service. But I prefer to say them now when the gentleman may know, in this inadequate fashion, the regard in which we hold him.

May I say further to the gentleman from Texas that it is plain to me he is tired and worn out by his service during this session; but in the words of the Romans, in the brave days of old, "He has deserved well of the Republic." [Applause.]

Mr. SUMNERS of Texas. I surely do appreciate what the gentleman has said. I like to hear things like that said about me, just the same as anybody else, but I kind of like to hear them through the crack of the door. It sort of embarrasses me, but I appreciate it just the same.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I ask for this time to reiterate what the distinguished gentleman from Indiana has stated, and to state further that I think, because of the action of the House Committee on the Judiciary through its distinguished chairman, the people of this country will appreciate greatly this opportunity for the committee to go abroad in the land and bring back to us at the next session of Congress a report on whether there is anything wrong with the judicial system of this country. I am sure the people of the United States will have confidence in whatever report this committee brings back. [Applause.]

Mr. MOSER of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Pennsylvania.

Mr. MOSER of Pennsylvania. The distinguished chairman of the Committee on the Judiciary has mentioned that the committee would be disposed to make certain investigations. Once before on the floor of this House I made some mention of a personal experience. A lawyer representing a contractor who had given a bond for the faithful performance of his duties refused to settle a certain amount on demand. He next appeared for the sureties on the bond. A civil suit was instituted in the district court of the United States. The assistant district attorney having charge of the prosecution of this case passed on. The lawyer became the assistant district attorney. From assistant district attorney he became Federal district judge. Obviously, after he became the assistant district attorney the case was never prosecuted and was never called for trial. Since he has become the district judge the case has never been heard. Would it be within the scope of the power of this committee to investigate the prejudices and the motives of this judge?

Mr. SUMNERS of Texas. I repeat the answer I made a moment ago—that I think the committee has such authority, but I do not want it advertised too much until we can get going; we want to give attention first to fundamental things.

Mr. CASEY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Will the question of salaries of the judges come within the scope of the investigation?

Mr. SUMNERS of Texas. It could do so.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Illinois.

Mr. SABATH. There have been a great many complaints that many cases are removed from the State courts to the Federal courts by certain corporations. This practice has been abused to such an extent that I believe it would be well for the committee to look into it and see whether we should stop the removal of cases from the State courts to the Federal courts in many cases where corporations do not feel they are absolutely safe in States where they are doing business and receiving benefits under the charters issued by such States.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Would it be within the scope of the investigation to inquire into the old question of having official court reporters for the United States district courts?

Mr. SUMNERS of Texas. I believe so.

Mr. PETTENGILL. This is a matter into which I hope the committee will look, because it is a great inconvenience to litigants to have to bring their personal stenographers to make up a record of the proceedings. It seems to me it is against the dignity of the United States district courts not to have official court reporters.

Mr. SUMNERS of Texas. If there are no further questions, I am through. I am deeply grateful for the generous attitude of the House toward the members of the Judiciary Committee and toward myself. I thank you. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this matter was up yesterday. The chairman of our committee has brought out very clearly the points I raised yesterday.

This is an important resolution, in the first place, because it sets a precedent. This is the first time in the history of the Congress, so far as I am able to learn, that a committee has been given authority to investigate such matters as it may see fit, in connection with the judiciary. In other words, I can best illustrate my opposition to this resolution by stating that I am opposed to giving anybody a blank check whether to spend money or investigate without limitations or specific instructions. I am opposed to setting up an investigating committee with a roving commission to go about the country doing what it sees fit, spying upon courts, creating distrust, and intimidating judges. No committee should have such authority, and no committee should covet such power.

This resolution will pass, of course, but I ask you to read the remarks of our chairman in tomorrow's RECORD, with reference to what it is expected this committee will do under the resolution. Surely he has been fair in indicating that absolute discretion is lodged in the committee. My thought is that a resolution of investigation should be specific. No committee should be sent out from the Congress, as some committees have been in recent months from another body, with permission to send out investigators and spies, and with authority to explore any fields desired. Under this resolution such a condition will obtain.

The resolution provides that the committee may investigate six designated matters. First, the organization and the operation of the courts of the United States, which is a laudable thing, a specific thing, and an investigation for which the committee is qualified. Second, to investigate "the administration of justice." This is the clause which the chairman states he does not want to be asked to interpretate. Third, the jurisdiction both of the territory and of the subject matter, another laudable thing, and a thing which the committee should investigate. Fourth, the procedure. This is another thing the committee should investigate. Fifth, the rules of practice, and this, again, is something the committee should investigate. Sixth, the costs, and this is another thing the committee should investigate.

This brings me back to the one thing in the resolution to which I object, and that is that this committee may investigate "the administration of justice" in the Federal courts.

Mr. LUCAS. Mr. Speaker, will the gentleman yield for a question?

Mr. MICHENER. I yield to the gentleman from Illinois.

Mr. LUCAS. Does not the gentleman believe the question of costs may be involved in the administration of justice?

Mr. MICHENER. Yes, of course; but if that is true, why is the question of costs specified? Perhaps the gentleman, who is a distinguished lawyer, has not read the resolution

carefully or does not know what it contemplates. It follows the lines of the usual resolution in specifying the things the committee may do, and then it puts in a catch-all clause, stating that the committee may investigate "the administration of justice."

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. LUCAS. What does the gentleman understand, from the discussions that went on in committee before the resolution was presented to the House, as to what that term means?

Mr. MICHENER. This resolution was never discussed in the Committee on the Judiciary. It has never been before the Committee on the Judiciary. This is a resolution from the Rules Committee authorizing the Judiciary Committee to investigate. Sometime ago the matter was discussed by the gentleman from Alabama and the chairman of the committee before the Judiciary Committee with respect to making a general survey of the courts, the practice, jurisdiction, procedure, and so forth. The first time I ever realized what was contemplated was when the gentleman from Alabama on yesterday, on the floor, called this bill up, and at that time indicated that one of the purposes was to investigate the conduct of judges without pointing the finger of suspicion at them; in other words, any Federal judge in the country might be investigated but he would not know he was being investigated and he would have no way to answer. My thought is that if we are going to investigate a Federal judge we should follow the constitutional method and charge that Federal judge openly with what we are investigating him for, and that he should be permitted to be heard and should be given some consideration.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to my colleague.

Mr. HOBBS. For the purpose of refreshing the gentleman's recollection, does he not recall making substantially the same statement upon the floor of the committee he is now making; and, in addition to that, then using the words "smelling expedition"?

Mr. MICHENER. Yes; of course I did.

Mr. HOBBS. So it was considered in the committee.

Mr. MICHENER. Not this resolution. We never saw this resolution.

Mr. HOBBS. But there was a resolution being considered in our committee.

Mr. MICHENER. Oh, yes; the gentleman from Alabama stated he felt there should be a general survey and we discussed in the committee some weeks ago whether we should ask for an investigation of the judicial system, and it was determined that the only way it could be brought about was to go to the Rules Committee and ask for a regular investigating resolution. I never understood that we were setting up a committee to pass on the qualifications of judges.

The chairman of our committee states that you can trust our committee not to do anything which we should not do. Well, the chairman would not do anything that he does not believe should be done, because he is a splendid man, but he may not be the chairman all the time. We are establishing a precedent that is coming back to plague us. You have heard enough inquiries on the floor here today to realize that if they were all investigated by this committee, the committee would be kept busy for 6 months, and you have not even started.

The real nub of the whole thing, so far as my objection is concerned, is the concise question asked by the gentleman from North Dakota [Mr. BURDICK], when he inquired whether it was to be the purpose of this committee to investigate procedure and so forth in the Federal courts or whether it was to investigate the individual conduct of judges. Now, there may be judges throughout the country whose conduct is under suspicion. If so, I think the matter should be brought out in the open. Secret spies, investigations, and police do not fit in our system of government.

I did call this a "smelling committee" on the floor yesterday, and I say it is beneath the dignity of the Judiciary Committee to accept a commission as a smelling committee when some disgruntled litigant, because he has lost a lawsuit, makes complaint against a judge; and the committee gets dozens of such cases every year. Our splendid chairman can tell you that we receive letters by the score from men and women who complain. Sometimes they are deranged and sometimes they have lost a lawsuit and sometimes they think a judge has not done the right thing.

Now, I do not want to set up a permanent committee for even this session to rush hither and yon to investigate matters of that kind.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 more minutes.

Mr. MICHENER. We have always said to these complainants, "If you have any proof, bring it to the committee and it will receive consideration", and it does receive consideration. I do not know why we should send a committee to New York or to Chicago or to San Francisco or to New Orleans, or where not, to investigate the Department of Justice and see whether or not the judges who have been commissioned and who are operating under the law of the land are carrying out their duties according to the notions and the fancies of this particular committee.

Mr. CASEY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. CASEY of Massachusetts. The gentleman states that he understands in the phrase "administration of justice" something that amounts to a smelling expedition or suspicion with respect to the particular judges involved. I can comprehend in that phrase other things outside of the gentleman's inference, such as the manner in which jurors are drawn, whether a judge shall have the right to comment upon facts or be confined to law, and I do not think that the investigation of any committee should be limited to something specific, because something may come up that we cannot possibly foresee.

I, for one, am content to let this committee, under the leadership of the gentleman from Texas [Mr. SUMNERS], have that discretion.

Mr. MICHENER. The resolution comprehends the matters to which the gentleman refers without the indefinite power to which I object. I am laboring under no misgivings at all. I know well that this resolution is going to pass. I am not going to ask for a roll call upon it and take up time, but I do want the record. There is a difference in investigating for the purpose of framing legislation and for the purpose of setting up a sort of an inquisition against politically or otherwise unpopular judges. The judiciary should be independent and should not be subject to harassment or threats of investigation by any committee of this sort.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. LUCAS. Does the gentleman understand from this resolution that the committee would be able to go to Springfield, Ill., and there subpena a Federal judge and cause said judge to come before it and examine him on the conduct of his office?

Mr. MICHENER. Yes.

Mr. LUCAS. Under the construction of the term "administration of justice"?

Mr. MICHENER. Yes.

Mr. LUCAS. Then I would like to ask the chairman of the committee whether that is contemplated and whether it could be done under this resolution?

Mr. MICHENER. This is a grand jury investigation—a committee sent out to see if it can find something wrong with a judge.

Mr. SUMNERS of Texas. I am afraid I did not catch the gentleman's question.

Mr. LUCAS. Will the gentleman permit me to ask the chairman that question.

Mr. MICHENER. I will put the question to the chairman.

The question is, whether or not, if this committee were set up under the authority given here, it would have authority

to subpena in a judge—or anybody it saw fit—in any particular district, and to inquire as to the manner in which justice was being administrated in that jurisdiction. I replied that the committee surely would have this power under this resolution.

Mr. SUMNERS of Texas. I may say this to the gentleman. I do not know what the other members of the committee might think, but I do not believe any committee coming out of the Committee on the Judiciary would go about summoning judges to inquire about how they run their office, but I do believe, if questions of costs were involved, and how trials are conducted and how jurors are drawn were being investigated, I think they would respectfully ask the judge to give them what information he could, and I cannot imagine a judge of the United States court who would not give it.

Mr. MICHENER. Neither can I, but that is not the question. The Judiciary Committee never subpenas judges. We ask them to come in and they come in. The question is whether, under this resolution, there is authority lodged in the committee, by subpena, to call before it any person in the United States to testify in reference to inquiries which the committee may submit concerning the administration of justice in the Federal courts. I feel certain the chairman will admit that is one of the purposes of the resolution.

I appreciate that, if the steam roller is used, an amendment to this resolution is not in order. I hope, however, that those in charge will permit me to offer an amendment and let the House vote on eliminating the provision permitting this itinerate committee to take upon itself the job of supervising the life, morals, and conduct of Federal judges. A free and independent judiciary means that it must not be in constant fear of secret inquisition on the part of the Congress. I thought this question had just been settled in the Senate. The President should not control the judiciary; neither should the Congress.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I preface my observation by an honest effort without restriction or restraint to pay my sincere compliment to the distinguished chairman of the Committee on the Judiciary. I know he enjoys not only the confidence of the House but the commendation of the country at this time. I think that the proponents of this measure are using the distinguished chairman in order to sell this measure to the House. We all know that if the chairman of the Committee on the Judiciary is back of this resolution, it will be adopted, but I do believe that there are some things in it that he cannot approve wholeheartedly.

I do not go along with my colleague from Michigan [Mr. MICHENER] to the extent of saying that all of the provisions are harmless with the exception of the provision relating to the administration of justice. I am thinking of that phrase "the rules of practice" and I am thinking of the time-honored precedent established in most of the courts that the court should determine its rules with respect to admissions to the bar, without the help or the criticism of this proposed investigating committee. Still I can see where under the wording of the resolution now before us, this roving committee, this inquisitorial body, this sniping, snooping, smelling committee, could go out into the Federal districts and try to be both persuasive and probably mandatory with reference to the rules of admission to the bar of that court. I am wondering whether that is a wise precedent to establish. I am wondering whether or not the lawyers who are Members of the House do not feel a bit jealous of the prerogatives of their own courts with respect to admission and whether they do not resent the inquisitorial powers of the Congress to pass upon the qualifications for admission to the several bars of the United States courts.

I have confidence in the chairman of the Committee on the Judiciary, and I yield to him to say whether or not under the resolution as prepared the condition that I have presented might not prevail. Again, there has been an hysteria, a mania, for this matter of investigating everything. Inquisitorial bodies and investigating bodies armed with the powers of prosecutor, judge, and jury, and cavorting at the expense of the taxpayers, are trying to find out how we live, when we sleep, where we eat, what we wear, what we say, with whom we go out, and everything else under God's blessed sun, so that the most intimate relationships of family life are hardly safe, sacred, or secure any more. People in private and public life are hounded on all sides by this ever-increasing army of gossip-mongering, scandal-spreading investigators, whose chief ambition in life seem to be to pick up as much mud as they can find and throw it at somebody. Tearing down reputations is their well-paid pastime. But the thing that is dangerous here, the serious thing, is that at the present time the courts of the United States in the administration of justice and the probity of judges and the integrity and honesty of men on the bench are being questioned in high circles and in low circles. This is just another method intended to cast suspicion upon and to create doubt in the judicial system of the country. I submit that confidence in the courts is the very foundation stone upon which a self-governing people must build. Destroy that confidence and you invite lawlessness, violence, anarchy, and ultimate despotism.

If there are men on the bench in any Federal district who should be impeached, it is our duty to proceed against them. But, let us do it openly, honestly, courageously, and not resort to a method which cannot command respect because of its stealthy, secretive, and inquisitorial characteristics.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DITTER. But I am opposed to this preliminary impeachment method, and that is all it amounts to—a preliminary impeachment on the part of a committee of this House, in order to get evidence upon which they can subsequently come in here with their bill of impeachment. If a judge should not be on the bench, then why has not the committee the moral courage and fortitude to come here with its bill of impeachment and lay a foundation on which he can be tried? This is simply another one of the strong-arm methods of which we have already seen too many in the last few years.

The SPEAKER. The time of the gentleman has again expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes out of order.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I read in a morning paper that the administration had its last round-up last evening, when 60 Members of another body, all acting like brothers, all mellow, so the paper says, which I assume means that they were in high spirits, or should I say in good spirits, foregathered at a local hotel for a harmony dinner. To make the occasion appear more harmonious some brilliant mind conceived the idea of liberating two doves of peace that roosted on one of the rafters. [Laughter.] There was a little note of discord sounded. [Laughter.]

One gentleman who happens to be very prominent in the body to which these gentlemen belong, said:

> We must be on our guard against those who profess to lead us and have not been indoctrinated with sound democratic and constitutional principles.

I hope those remarks were not aimed at someone somewhat higher up in the counsels of the party, especially at a time like this when you are straining every nerve to restore harmony, and to heal, yes, to remove the scars of recent battles. The paper, of course, draws the inference that the remark was made at one of the colleagues who is not a mem-

ber of the party, but who, I understand, has been elevated to the position of leadership within the past 2 weeks.

This speech—

Says the paper—

was accorded some of the heartiest applause of the evening, as the much-torn ranks of the party attempted to find a common ground for reunion.

They had letters from distinguished officials, which my time will not permit me to read.

It would seem to me, Mr. Speaker, that the organist had a very fine sense of fitness when he played The Last Round Up as the opening number of the evening. Now, what is a round-up? A round-up is where they gather up all the mavericks and apply the branding iron on them [laughter] preparatory to shipping them down the river. I daresay that some of those who attended that round-up have the ranch markings——

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I was not referring to the gentleman from Texas. [Laughter.] I was speaking of unbranded Democrats. [Laughter.] I do not know whether they applied the branding iron to the doves or not. I guess they branded everyone else.

Of course, we love to see the other side dwell in harmony, and we will do everything within our power to promote a spirit of harmony among them. [Laughter.] In fact, we would be glad to ship you a crate of doves of peace, branded or otherwise, if it would help to bring about more harmony among you.

Reading further, I see where one speaker said:

It is an honor for an unreconstructed rebel to be called on at a time like this for a speech. I have not always agreed with so-and-so.. I have not always agreed with so-and-so. But I am a Democrat first, last, and always.

[Applause.]

Another distinguished speaker made some remarks which would indicate to me that he is not a little tinged with sound Republican doctrine. [Laughter.]

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. KNUTSON. But he goes on:

We cannot and must not accept that which is merely called democracy for temporary political success on the basis of destruction of property and infringements of personal liberty.

I would say that that gentleman is a Republican, or at least a Jeffersonian Democrat. These days they are both pretty much alike. [Laughter.]

Mr. HOBBS. Mr. Speaker, I ask that the gentleman's words be taken down. [Laughter.]

Mr. KNUTSON. If the gentleman proposes to ride to fame on my coattails, it is all right with me.

The SPEAKER. Which words does the gentleman ask be taken down?

Mr. KNUTSON. Is the gentleman offended at the eulogy I pay to Thomas Jefferson?

Mr. HOBBS. No. The words I regard as insulting to us Democrats are those by which it was intimated that a Jeffersonian Democrat even faintly resembles a Republican. [Laughter.]

Mr. KNUTSON. I apologize to the Republicans. [Laughter.]

When it was all over, one who had attended the love feast, evidently without profit, strode glumly out of the room, and when a newspaperman asked him if there had been harmony in there he said, "Harmony, hell! and don't quote me." [Applause.]

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. McSWEENEY]

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent to speak out of order on the subject of the Supreme Court.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. McSWEENEY asked and was granted permission to revise and extend his remarks in the RECORD.)

Mr. McSWEENEY. Mr. Speaker, I directed a letter to the Chief Justice, which I could not read into the RECORD before, because I had not received an answer from him. I felt it to be unethical and discourteous to use the letter until I had his authorization. From his secretary today I received this word:

SUPREME COURT OF THE UNITED STATES,
Washington, D. C., August 10, 1937

Hon. JOHN McSWEENEY,
House of Representatives, Washington, D. C.

MY DEAR MR. McSWEENEY: Chief Justice Hughes telegraphed me today from Jasper Park, Canada, as follows:

"Inform Mr. McSWEENEY that I cannot undertake to discuss the proposal contained in his letter which, as it relates to action by the Court, will be referred to the Court; that, with that understanding, I have no objection to the inclusion of the letter in his speech."

I telephoned the foregoing to your secretary this afternoon.

Very sincerely yours,

W. W. MISCHLER, *Secretary.*

My letter to the Chief Justice is as follows:

JULY 29, 1937.

The CHIEF JUSTICE OF THE UNITED STATES,
Washington, D. C.

MY DEAR MR. CHIEF JUSTICE: May I respectfully call to your attention a proposition which I feel, if carried into effect, would eliminate one of the controversial points relative to the Court reorganization program suggested by the President?

Both the proponents and the opponents of the Court plan and the citizens of our country in general agree that legislation enacted by the Congress of the United States should not be declared unconstitutional by a bare majority of the membership of the Supreme Court. Is it not entirely within your province as Justices of this Court to establish a rule whereby the members of the Court would not declare an act of the Congress unconstitutional unless at least six of the nine Justices voted it unconstitutional? This change could only be forced upon the Court by a constitutional amendment. However, I can find nothing in the Constitution or among the Federal statutes that would deny the Justices of the Court the right to establish voluntarily this regulation for a 6–3 or even 7–2 vote when the constitutionality of the acts of the Congress is in question.

A mutual respect for the members of the different branches of Government is essential to high efficiency in the operation of Government. Would it not be a mark of courtesy to the able and patriotic Members of the House and Senate, many of whom are distinguished lawyers and judges, for the Justices of the Supreme Court to rule that the vote of a bare majority of the Court was not sufficient to declare unconstitutional laws enacted by the 435 Members of the House of Representatives and the 96 Members of the United States Senate?

I shall be deeply grateful for any consideration which you and your fellow Justices may give to this suggestion.

I beg to have the honor to remain,

Respectfully yours,

JOHN McSWEENEY.

I realize that were this rule adopted by the present membership of the Supreme Court it would not be binding upon future memberships. However, it would undoubtedly become a precedent. The Justices have always tried to resolve any doubts as to the constitutionality of acts of the Congress in favor of their constitutionality. Could this mental resolution not be put in the more concrete form by insisting that at least six of the nine Justices be required to declare these acts unconstitutional?

I have every respect for our Federal courts. The adoption of this rule by the Court would be an expression of respect of the membership of the Supreme Court for the President of the United States and for the Congress. I earnestly hope that the Justices will act favorably upon this proposal.

Mr. GREENWOOD. Mr. Speaker, I move the previous question on the resolution.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Will there be any opportunity for amendment? I desire to offer an amendment.

The SPEAKER. The gentleman from Indian has moved the previous question. If the previous question is ordered an amendment would not be in order. If the previous question should be voted down an amendment would be in order.

Mr. MICHENER. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Will the gentleman from Indiana yield to permit me to offer an amendment?

Mr. GREENWOOD. No; I do not feel justified to yield for an amendment. I know nothing about the amendment. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Shall the previous question be ordered?

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WASHINGTON AIRPORT

Mr. WILCOX. Mr. Speaker, by direction of the Committee on Military Affairs I ask unanimous consent for the immediate consideration of the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, will the gentleman explain the bill?

Mr. WILCOX. Mr. Speaker, I may say to the gentleman from New York and to the Members of the House that the question of eliminating certain hazards at the Washington Airport was presented to the Committee on Military Affairs by reason of the fact that Military Road, owned by the War Department, traverses the main runway of the present airport. A bill was filed by the gentleman from Kentucky [Mr. MAY], acting chairman of the Committee on Military Affairs. The committee has reported the bill with a suggested amendment, which is equivalent to a substitute bill.

The substitute which will be offered provides simply that Military Road may be leased to the airport corporation for a period of 25 years for a lump sum of $25,000; that the money to be acquired for the lease will be used to construct a substitute highway for the use of the general public. The committee believes that this removes the principal hazard at the present airport. There is no effort made through this bill to solve the question of whether the Federal Government shall own the airport for Washington, or whether a new airport shall be constructed at Camp Springs or some other place, nor does it attempt to solve the many complicated and perplexing questions involved in determining a permanent policy. This bill simply attempts to remove the principal hazard at the present airport; and I understand from a discussion with interested parties that the principle of the proposed substitute meets all of the objections of the people of Arlington County to the closing of the present road.

Mr. NICHOLS. Mr. Speaker, reserving the right to object, did the gentleman see in the Post this morning the account of an agreement having been reached between the board of Arlington County and representatives of the airport company whereby it was agreed that the company would pay $25,000 for the construction of an alternate road after Military Road was closed, but went further, the agreement being based upon lease of the lagoon in the boundary channel to the present operators of the Washington-Hoover Airport, to be filled in at their expense?

Mr. WILCOX. This bill proposes a lease by the Department of Agriculture for that part of the property now operated as an experiment station. The Military Affairs Committee, I may say to the gentleman, has no jurisdiction over any part of this subject matter except Military Road. That is the only part of it that we could deal with in this bill, and we have not attempted to solve the problem outside of that one phase. I understand that the Arlington County residents are entirely agreeable to the closing of Military Road and turning it over to the airport corporation provided a $25,000 road is built as a substitute highway for the residents of Arlington County.

Mr. NICHOLS. The bill the gentleman offers only proposes to close Military Road?

Mr. WILCOX. That is right.

Mr. NICHOLS. It does not attempt to deal with the experimental farm or any portion of that, nor the lagoon?

Mr. WILCOX. It does attempt to deal with that portion operated by the Department of Agriculture for an experimental station, to this extent only: It authorizes the Secretary of Agriculture to negotiate a lease upon such terms as he may be able to agree upon.

Mr. NICHOLS. Is that included in the bill?

Mr. WILCOX. That is included in the bill.

Mr. MAVERICK. The lagoon is left out altogether.

Mr. BLAND. Does the gentleman from Virginia [Mr. SMITH] know this bill is coming up for consideration at this time?

Mr. WILCOX. Yes. I discussed it with Mr. SMITH not 10 minutes ago.

Mr. RANDOLPH. Will the gentleman yield?

Mr. WILCOX. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The problem of safety at the present Washington Airport, of course, is one that interests the Members of the House. I want to pay a tribute to the Members of the Military Affairs Committee who have for the first time brought before the House something that we can act upon, and something which will go at least a part of the way toward making the present airport safe for all those who use it.

Mr. WILCOX. I thank the gentleman, and I may say in that connection that Military Road traverses the main runway of the airport. Up to this time there has not been a tragedy over there, but tragedy has been narrowly averted on several occasions because the traveling public in their vehicles go straight across this runway. Just a few days ago an accident was narrowly averted when one of the planes in landing scraped the top of a bus that was loaded with passengers. Our idea is to close that road and remove what we think is the principal hazard to the safety of the traveling public.

Mr. TABER. And whatever expense there is will be paid by the Washington Airport Corporation?

Mr. WILCOX. Yes. The Washington Airport Corporation is to pay $25,000.

Mr. BROOKS. I would like to ask the gentleman whether or not this bill requires leasing by the Department of Agriculture?

Mr. WILCOX. It authorizes the Secretary of Agriculture to negotiate a lease of 53 acres of the land now used for an experimental farm upon such terms and conditions as he may work out. If the Secretary of Agriculture and the corporation do not agree upon terms and conditions there would, of course, be no lease of this part of the lands.

Mr. BROOKS. Does it permit the leasing of the entire Department of Agriculture experimental farm?

Mr. WILCOX. Only 53 acres.

Mr. MAVERICK. Mr. Speaker, may I add to what the gentleman from West Virginia has stated that we worked on this matter a long time. The solution was offered by the gentleman from Florida [Mr. WILCOX] and everyone thinks it is a good settlement. It does not cost the Government a cent.

Mr. THOMASON of Texas. May I ask if the bill in its present language still provides that the Government does not give up its fee-simple title to the road?

Mr. WILCOX. It provides for a 25-year lease only.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. WILCOX] for the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Secretary of War is authorized and directed to convey by quitclaim deed to the National Airport Corporation, a corporation organized under the laws of the State of Delaware, the lands forming that part of Military Road, Fort

Myer Military Reservation, Arlington County, Va., described as follows: Beginning at a point on the easterly line of the Arlington Reservation north 16° west 75.29 feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation north 16°0′ west 71.73 feet; thence north 85°35′ east 263.25 feet; thence by a curve to the right of 608.7 feet radius 336.42 feet; thence south 62°45′ east 1,253.11 feet; thence by a curve to the left of 406.7 feet radius 454.27 feet; thence north 53°15′ east 32.09 feet to a point; thence south 31°27′ east 8.96 feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge; thence with the westerly line of said right-of-way south 20°55′ west 110.91 feet; thence south 66°15′ west 45.85 feet; thence by a curve to the right of 476.7 feet radius 424.3 feet; thence north 62°45′ west 1,253.11 feet; thence by a curve to the left of 538.7 feet radius, 297.73 feet; thence south 85°35′ west 247.63 feet to the point of beginning. The above-described parcel of land comprises a strip of land 70 feet in width, the center line of said 70-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains 3.7165 acres of land, more or less.

(b) The Secretary of War is further authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years, and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of such Military Road lying east of the Washington & Southern freight branch of the Pennsylvania Railroad and which is not included in the conveyance provided for in paragraph (a) of this section.

(c) The Secretary of War shall not make such conveyance or lease until he shall have received from such corporation, to be paid to the Board of Commissioners, Arlington County, Va., such sum as may be necessary, but not to exceed $25,000, for the construction of a substitute road.

SEC. 2. The Secretary of Agriculture is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe for a period not exceeding 50 years, and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of the lands (originally known as the Arlington Plantation and commonly known as the Arlington Experimental Farm) lying east of the Washington & Southern freight branch of the Pennsylvania Railroad containing 53 acres more or less.

SEC. 3. The Secretary of War is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, the portion of the bed of the Potomac River adjoining the Washington Airport, commonly known as the lagoon area of the Boundary Channel, better described as the area lying south and east of the following-described arc: Beginning at a point which is the center of the west face of the south abutment of the Mount Vernon Memorial Highway Bridge over Boundary Channel at its mouth, thence upstream in a straight line south 54°35′ west (true meridian) a distance of 200 feet, thence in a series of curves to the right (upstream) the chords of which bear south 70°55′ west 150 feet; north 81°35′ west 200 feet; north 62°30′ west 300 feet; north 51°35′ west 400 feet; and north 38°10′ west 250 feet to intersect the approximate high-water shore line on the west bank of the said Boundary Channel. Such lease shall contain express conditions that the corporation if deemed necessary by the Secretary of War, will widen and deepen the Boundary Channel, and will construct a retaining wall along the above-described arc, without expense to the United States, under the supervision of the Secretary of War and in accordance with such terms and conditions as he may prescribe.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of War is authorized and directed to lease to the National Airport Corporation, a corporation organized under the laws of the State of Delaware for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 25 years, and only for such period as the same shall be used for airport purposes, at a rental of $25,000, payable in advance, the lands forming that part of Military Road, Fort Myer Military Reservation, Arlington County, Va., described as follows: Beginning at a point on the easterly line of the Arlington Reservation north 16° west 75.29 feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation north 16°0′ west 71.73 feet; thence north 85°35′ east 263.25 feet; thence by a curve to the right of 608.7 feet radius 336.42 feet; thence south 62°45′ east 1,253.11 feet; thence by a curve to the left of 406.7 feet radius 454.27 feet; thence north 53°15′ east 32.09 feet to a point; thence south 31°27′ east 8.96 feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge; thence with the westerly line of said right-of-way south 20°55′ west 110.91 feet; thence south 66°15′ west 45.85 feet; thence by a curve to the right of 476.7 feet radius 424.3 feet; thence north 62°45′ west 1,253.11 feet; thence by a curve to the left of 538.7 feet radius, 297.73 feet; thence south 85°35′ west 247.63 feet to the point of beginning. The above-described parcel of land comprises a strip of land 70 feet in width, the center line of said 70-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains 3.7165 acres of land, more or less.

"SEC. 2. There is hereby authorized to be appropriated such sum as may be necessary, but not to exceed $25,000, to be paid to the Board of Commissioners of Arlington County, Va., for the construction of a public road as a substitute for that portion of Military Road authorized to be leased to the National Airport Corporation.

"SEC. 3. The Secretary of Agriculture is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 25 years, and only for such period as the adjoining lands shall be used for an airport, at such annual rental as the Secretary of Agriculture and the said National Airport Corporation shall agree upon, that part of the lands (originally known as the Arlington Plantation and commonly known as the Arlington Experimental Farm) lying east of the Washington & Southern freight branch of the Pennsylvania Railroad, containing 53 acres, more or less."

Mr. NICHOLS. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: Page 8, after line 12, insert a new section, as follows:

"SEC. 4. The Secretary of War is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, the portion of the bed of the Potomac River adjoining the Washington Airport, commonly known as the lagoon area of the Boundary Channel, better described as the area lying south and east of the following-described arc: Beginning at a point which is the center of the west face of the south abutment of the Mount Vernon Memorial Highway Bridge over Boundary Channel at its mouth, thence upstream in a straight line south 54°35′ west (true meridian) a distance of 200 feet, thence in a series of curves to the right (upstream) the chords of which bear south 70°55′ west 150 feet; north 81°35′ west 200 feet; north 62°30′ west 300 feet; north 51°35′ west 400 feet; and north 38°10′ west 250 feet to intersect the approximate high-water shore line on the west bank of the said Boundary Channel. Such lease shall contain express conditions that the corporation, if deemed necessary by the Secretary of War, will widen and deepen the Boundary Channel, and will construct a retaining wall along the above-described arc, without expense to the United States, under the supervision of the Secretary of War and in accordance with such terms and conditions as he may prescribe."

Mr. COLE of Maryland. Mr. Speaker, I make a point of order against the amendment just offered by the gentleman from Oklahoma [Mr. NICHOLS], that it is not germane to the bill. As I understood the gentleman from Florida, the bill deals with one isolated subject, while the amendment seems to go into the permanent establishment of an airport and into leasing a part of the Potomac River, as well as giving certain authority to the Secretary of War, which the bill, as explained by the gentleman from Florida, does not contemplate.

Mr. NICHOLS. Mr. Speaker, the amendment which has just been read is a part of the original bill as introduced and considered by the Military Affairs Committee, and comprises section 3 of that bill. It provides that the Washington Airport Corporation, or whoever the owners of the Washington Hoover Airport are, may take a lease on the lagoon area in the Washington Hoover Field.

There may be just one question. I presume that when the bill was drawn the framers of the bill found that the title to the lagoon was in the War Department.

The SPEAKER. The Chair is ready to rule.

The gentleman from Oklahoma [Mr. NICHOLS] offers an amendment which has been reported by the Clerk and is set forth in the RECORD in full, to which the gentleman from Maryland [Mr. COLE] interposed the point of order that it is not germane to the committee amendment or to the bill.

The attention of the Chair has been called to the fact that originally this was a bill "To promote air commerce by providing for the enlargement of Washington Airport" and, as reported by the Committee on Military Affairs, among other things contained the identical language and provision now offered by the gentleman from Oklahoma [Mr. NICHOLS] as an amendment to the committee amendment.

The Chair is clearly of the opinion from reading the text of the bill, as well as the committee amendment which relates to the same subject, that the amendment offered by the gentleman from Oklahoma [Mr. NICHOLS] is germane, and, therefore, overrules the point of order.

Mr. NICHOLS. Mr. Speaker, time is very limited, but here is what I propose to do by this amendment.

In the first place, may I say everyone is agreed that the present airport for the District of Columbia is inadequate and dangerous. All this bill was originally introduced for was to give the corporation which now operates the airport authority to do three things, all of them tending only to make this airport as safe as possible, not for the purpose, if you please, of making this a permanent airport for the District of Columbia but for the purpose of meeting the practical situation which faces us. This airport is the third busiest airport in the United States. Only Newark, N. J., and Philadelphia exceed it in the amount of traffic which flows in and out of the airport. It was testified before the Committee on Military Affairs by Mr. Johnson, Assistant Secretary of Commerce, by Eddie Rickenbacker, whose authority certainly has been recognized, and by other witnesses, that these three things were necessary to be done in order to make this a safe airport. Keep in mind that this does not cost the Government or the District of Columbia one red cent.

All my amendment does beyond what is provided for in the bill is permit the airport corporation to take a lease on that little lagoon which runs in back of the blimp hangar, a little neck of water running in there, which, incidentally, the Department of Health has declared insanitary. My amendment permits this airport company, with its own money and at its own expense, to fill this lagoon, thus through the filling of the lagoon and the use of the experimental farm transforming the 4,000-foot runway, which now runs in this direction, into a 5,000-foot runway in this direction, and there will also be a 3,100-foot runway in this diretcion. This change makes the airport safe and adequate for good-weather landings and take-offs.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. ANDREWS. I am under the impression that the lagoon adds a comparatively short distance which would be available for a new directional runway. Is the gentleman informed on this?

Mr. NICHOLS. Yes. I wish I had known this question was coming up. In this month's issue of Life magazine there is a full-page cut showing the layout of these runways as they will be if the lagoon is filled, if 53 acres of the experimental farm are taken over, and if Military Road is closed. If there is one question I have been close to since I have been in this House, it is the question of the airport for the District of Columbia. Every day the airport stays in the condition in which it is now we are flirting with dire disaster, we are flirting with the fact that on almost every take-off or landing there may be an airplane crash which will cost one or many lives.

This thing cannot cost the Government a cent. It is simply meeting an emergency which confronts us now. We are charged with the duty of taking care of this matter. If you have any confidence in my judgment, believe me when I tell you, having nursed this thing for 3 years, that this is an adequate solution. The only group which objects to the lagoon's being filled, and I say this with all respect, is the National Parks and Planning Commission, which does not want the lagoon filled because this small area is a place where people can anchor little boats.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. ANDREWS. Would it not be true that if the lagoon were filled and used as a portion of the runway you would have the same situation on the Memorial Highway that you have on the present roadway?

Mr. NICHOLS. No.

Mr. ANDREWS. You would have a take-off going up over the Memorial Highway.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes in order to answer the question of the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. The gentleman from New York raises the proposition that if the lagoon were filled the Memorial Highway would form the same sort of hazard Military Road now forms. Of course, this is not correct, for the reason that Military Road runs squarely through the present airport and cuts it in two. Say my hand is the airport, then Military Road runs through the middle of it. Memorial Highway runs around it, and runs around it anyway. It is still there. This would not create the same hazard at all. The only difference it could possibly make would be that if the lagoon were filled the end of the airport which was formerly the lagoon would be a little closer to a portion of the Memorial Highway than it is now, but it would not be closer to the Memorial Highway than other portions of the airport are now.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Louisiana.

Mr. BROOKS. Does not the gentleman recall other witnesses testifying that even with the lagoon filled the airport is entirely unsafe for navigation by airplanes?

Mr. NICHOLS. I recall the testimony of many witnesses. I do not say that by doing this we shall have a perfect airport. I recall Eddie Rickenbacker's testimony that there was no such airport in the United States as a perfect airport. I also recall his stating, when he was asked whether if this were done in his opinion this would be a good airport, that it would be one of the best in the United States.

[Here the gavel fell.]

Mr. WILCOX. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the amendment offered by the gentleman from Oklahoma is eloquent evidence of the many difficulties which are involved in this airport problem. There are all sorts of questions involved. Many people think the present airport ought to be abandoned and one established at Camp Springs. Others believe one should be put at Gravelly Point. Others believe this present airport can be properly developed. All of these are highly controversial questions. This is exactly the reason the committee in reporting this bill undertook to limit it to one specific proposition, that is, the elimination of the hazard in the middle of the runway.

We had all these questions before us. There is all sorts of conflicting testimony as to whether or not this little lagoon should be filled or should not be filled. I do not know whether the War Department has title to the land or not. I do know that the National Park Service objects to the filling of the lagoon.

Because of these objections and because of all these complicated questions, the Committee on Military Affairs said, "We will settle the one question that we have jurisdiction over, which is the closing of Military Road, and we will leave all of these other questions to be dealt with at a later date when there is more time for Congress to consider them and when some appropriate committee can go into all of these matters." In the meantime, this session of Congress is about to come to a close and this hazard has not been removed. All we are seeking to do before the close of this session is to close that road in the middle of the runway and remove that hazard. Then, next year we can settle all of these other questions about how the airport should be enlarged or whether there should be a new airport, and all of the other questions that are involved and have been raised.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. WILCOX. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. And in bringing this bill here you have done what the private corporation and the authorities of Arlington County are agreed upon.

Mr. NICHOLS. Oh, that is not correct.

Mr. WILCOX. Just a moment. I beg the gentleman's pardon. I understand the airport corporation and Arlington County have agreed that if the airport corporation will contribute $25,000 for the construction of a new highway the

county is agreeable to the closing of the present highway. There is some question between them as to whether it should be by lease or deed, but the property belongs to the Federal Government and Arlington County and the airport corporation have no right to tell the Congress whether it shall make a lease or deed. We are settling that question in this bill.

Now, Mr. Speaker, I ask that this amendment be voted down for the reason, as I have already pointed out, when you get into these controversial questions you open the matter for all these other questions, and you go into all sorts of things. We are simply trying to settle one thing, and that is whether Military Road, which goes through the runway of the airport, shall be closed.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WILCOX. I yield.

Mr. COLE of Maryland. In view of what the gentleman has said, I think if the title of the bill as reported had been amended, a point of order against the pending amendment would have been sustained.

Mr. WILCOX. The gentleman's point would have been sustained.

The SPEAKER. The question is on the amendment to the committee amendment offered by the gentleman from Oklahoma [Mr. NICHOLS].

The question was taken; and on a division (demanded by Mr. NICHOLS) there were—ayes 9, noes 78.

So the amendment to the committee amendment was rejected.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MAVERICK and Mr. LUECKE and Mr. MICHENER of Michigan asked and were given permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that on next Thursday, after the legislative business of the House has been disposed of, and following any special orders heretofore entered, I may address the House for 15 minutes on the subject of farm legislation.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota.

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. JONES] is recognized for 1 hour.

THE FARM SITUATION

Mr. JONES. Mr. Speaker, I have rather hurriedly collected some information and I may have to present it in a more or less broken way, but I ask to be permitted to proceed for a while before being interrupted. It is my desire at this time to place in the RECORD what the Congress has done at this session in behalf of agriculture, and to make some comment upon the picture as it exists today.

AMERICA'S LARGEST BUSINESS

Agriculture is the biggest business in America. There are more than 200 different agricultural commodities. The annual production is valued at about nine and a half billion dollars. The value of the lands upon which these products are produced is around $40,000,000,000. There is no business in this country comparable to it in value, volume, or number of people affected.

Together with a number of others, I have taken part in the long, heartbreaking struggle for recognition of equal rights for agriculture. That problem is as old as the tariff question in this country, more than 75 years old, and some phases of it are as old as history.

If there had been no special favoritism in legislation, if there had been no tariff laws—and I am not speaking of the merits of these things—if there had been no trusts and no monopolies and no unfair trade practices, we probably would have needed little, if any, agricultural legislation. But for more than a half century special groups have descended on our State and National capitals and have demanded and secured special favoritism in legislation, which has caused a lopsided condition to develop.

This disadvantage runs more or less through all the farm commodities, although it runs much more severely into the great surplus commodities. The farmers produce all these different commodities I mention. Take the matter of wheat. Wheat varies from the winter wheat of the Southwest and the spring wheat of the Northwest to the so-called special wheat that is grown on the Pacific coast. There are more than 60 different types and varieties of wheat grown by farmers 2,000 miles apart. That is just one of the commodities. Others might be gone into in respect to different types. Cotton has a great many different types, grades, and lengths of staple.

LEGISLATION

To secure equal operation of the laws of this country has been one of the purposes of the drive for legislation in respect to agriculture. That legislation, if it is to be had in a sound and constructive way, cannot be obtained overnight. You can grow a morning glory overnight, but it withers in the afternoon. If we are to have sound economy in this country, we really need to have a planting of something in the nature of oak trees rather than morning glories.

INDUSTRY INTERESTED

It is just as important to the industrial sections of this country to have a fair farm program as it is to the farming sections. It took us a long time to convince the American people of that and they really had to be finally convinced by being met face to face in the middle of the road with the collapse of the whole system in the country, but they believe it now and understand it.

In order to secure legislation, however, we have to be fair to the industrial groups. We have to be fair to all groups, and they have to be fair to us. If one would know the effects of the farm program one should go into building up of business in the sections where the farm program has applied. Then it can be followed through to the great industrial centers in the stimulus that has come to industry through increased purchasing power of the farm and ranch.

I mention these things as a sort of background to show that there is a philosophy behind the farm program, a real philosophy. The question of equality was written into the Declaration of Independence before we had a Constitution in this country. I believe that it is the most fundamental of all of the principles that were written into the original laws of our land.

You cannot in every wind-blown thing that comes up rush through half-baked legislation without doing injury to the long-range situation rather than helping it. You cannot take care of the many-sided phases of the agricultural problem by one piece of legislation. It is too many-sided for that.

THE RECORD OF THIS CONGRESS

I have heard the statement made by some people, and even echoed by some Members of Congress, that there has been nothing done in the way of farm legislation at this session. I do not fall out with them for that. There are so many things going on here that it is hard to keep up with anything except that of which you are making a special study.

To show how utterly fallacious this is, I submit herewith a list of the more important farm bills which have been acted upon by the House at this session:

LEGISLATION HANDLED BY HOUSE AGRICULTURAL COMMITTEE, SEVENTY-FIFTH CONGRESS, FIRST SESSION

H. R. 3687: Amend Soil Conservation Act (postpones period 4 years); passed House April 5; became law June 28, 1937.

H. R. 5722: Agricultural Marketing Act, 1937; passed House April 19; became law June 3.

H. R. 1645: Agricultural Reserve Note Act; reported to House February 19.

H. R. 7562: Farm tenant; passed House June 29; became law July 22.

H. R. 6763: Interest reduction; passed House finally July 13; Senate July 22; became law July 22.

H. R. 6762: Amend Perishable Agricultural Commodities Act; passed House June 21.

H. R. 7667: Sugar Act of 1937; passed House August 6.

H. R. 7697: Great Plains Drought Act; reported to House August 6.

H. R. 7909: Farm Credit Act of 1937; passed House August 2.

H. R. 1545: Crop loans for 1937; passed House January 25; became law January 29.

S. 1500: Cotton classification; passed House April 5; became law April 13.

S. 1397: Crop insurance; reported to House August 10.

H. R. 4728: Farm forestry (S. 1504); passed House May 5; became law May 18.

S. J. Res. 75: Provision to destroy grasshoppers ($2,000,000); passed House March 15; became law April 6.

S. 2439: Continue Federal Surplus Commodities Corporation; passed House June 21; became law June 28.

This does not include the entire list, but it shows some of them, and I shall mention a few. One of them is the extension of the present Soil Conservation Act for a period of 4 years. I do not know what others may think, but in my judgment the present law is the best law we have ever had for agriculture. I believe it needs some supplemental legislation. Some additional provisions are vitally needed in connection with the price structure, but it formulates a sort of offset to the tariff system, and it does a tremendously important task of conserving our natural resources.

THE MARKETING ACT

Then we passed the Agricultural Marketing Act. We took an entire year to pass that before. Gentlemen will remember the controversy that arose about it. It affects more of American agriculture than either of the general bills now pending before the committee. That may be a surprise to some of you, but it is a correct statement.

I want to talk to you a minute in that connection about the value of the different agricultural commodities. The greatest value over a 10-year period, and that gets a pretty good test of values, in the way of cash income received from farm products is the dairy business, amounting to $1,350,000,000.

They were vitally interested in that piece of legislation. Then, too, fruits, nuts, vegetables, trucking, and many other farm commodities are aided by these marketing provisions. It is not a simple matter to work out a complicated piece of legislation and keep it sound and in workable form.

The second in cash income value is cotton lint and seed, $931,000,000. Third, hogs, $915,000,000. The fourth, cattle and calves, $825,000,000. Fifth, poultry and eggs, $677,000,000. Sixth, wheat, $492,000,000.

ACTUAL VALUE

That does not altogether present an exact picture of the six leading commodities. I am going to give it to you on the basis of value. Some of these commodities are utilized through livestock, and therefore the cash income does not show the exact figure.

Taking it from the standpoint of value—that is, the number of bushels or units multiplied by the value—first, dairy products again, $1,796,000,000. Corn, $1,556,000,000. Hogs, $1,107,000,000. Cottonseed and lint, $979,000,000. Hay, $870,000,000. Sixth, cattle and calves, $868,000,000. Seventh, wheat, $638,000,000.

You may ask any of the farm groups that are interested in dairying, and they will give you some slant on the real value of farm production. If you include both poultry and eggs, poultry and eggs come pretty high in the total value of the various farm commodities. So establishing these marketing agreements is a very complicated process. This is a very important thing.

FARM TENANT ACT

Another one of the bills that we passed was the Farm Tenant Act. That was the beginning of what we hope will be a successful program. It is more or less of an experiment. We all agreed on the objective, but there was very great division of opinion as to the method. To iron these out was quite a task. That bill was passed.

INTEREST RATES

Then we passed a provision for reduction of interest rates on farm mortgages. I think that was of some consequence. Agriculture is interested in a just price for certain commodities. It is also interested in taking care of every phase of all commodities on a fair basis.

Then, as you all know, we passed the Sugar Act, in which many beet and cane farmers are interested.

The committee has reported the Great Plains Drought Act.

FARM CREDIT ADMINISTRATION

We passed the Farm Credit Act of 1937. That is a bill of about 40 pages that contains many provisions. It also extends the time of payment of commissioners' loans.

The Farm Credit Administration takes care of the five great wings of credit for agriculture, the first institution in the history of the whole world that has formed a complete and satisfactory credit structure for the products of agriculture of every kind, including the land. It is a tremendously important thing. To go over these technical features has taken time.

CROP LOANS

Then we passed the Crop Loan Act for 1937. We passed the Cotton Classification Act. The crop-insurance bill has been reported. The farm-forestry bill became a law. We passed a provision to destroy grasshoppers. Then we passed a bill continuing the Federal Surplus Commodities Corporation, which provides for the use of funds for disposal of surpluses. You are all familiar with its operations, and I will not go into detail.

COMMODITY LOANS

Then this Congress extended the life of the Commodities Credit Corporation for 2 years, which enables loans to be made in emergencies on different commodities.

Those are some of the things that this committee has reported at this session; and I say without fear of successful contradiction that this committee has reported out more important farm legislation at this session of Congress than has ever been reported and acted upon in any other session in the history of the United States Government. [Applause.]

You may question the wisdom of our action or the action of Congress in ratifying it. You may question whether we devoted our time to the important things, but anyone who says that the Committee on Agriculture has not been at work simply does not know what he is talking about. I will submit that to anybody who keeps up with the situation.

ADMINISTRATION RECORD

This administration has done much for agriculture. We no longer have 5-cent cotton, 31-cent wheat, and 18-cent corn. I have, and would like to put into the RECORD here, the December 1932 prices for certain farm commodities and the July 15 prices.

Farm prices of basic agricultural commodities

Commodity		December 1932	July 15, 1937
Wheat	per bushel	$0.31	$1.12
Rye	do	.21	.81
Flaxseed	do	.82	1.85
Barley	do	.19	.64
Cotton	per pound	.05	.12
Corn	per bushel	.18	1.18
Hogs	per hundredweight	2.73	10.70
Beef cattle	do	3.41	7.46
Rough rice	per bushel	.40	.80
Peanuts	per pound	.01	.04
Wholesale milk	per hundredweight	1.26	1.81
Butterfat	per pound	.21	.31
Butter	do	.21	.29

Wheat was 31 cents a bushel. These are farm prices. It is now $1.12 a bushel, or was on July 15.

Cotton was 5.4 cents per pound. On July 15 it was 12.4 cents per pound. It is now a little above 10 cents per pound, an unsatisfactory price but still twice as high as in the dark days of 1932.

Corn was 18 cents a bushel. December corn is about 66 and a fraction this morning.

So, whatever else may be said, this administration has done a wonderful job for agriculture. We have the present Soil Conservation Act, which is in full force and effect. We have the Commodity Credit Corporation, with ample funds to make essential loans.

I regard the general farm legislation now pending as the most important piece of legislation that we shall adopt.

It rather seems to me that in working out this long-range program for agriculture we ought to work it out carefully and on a sound basis. That just seems like A B C to me.

COMMITTEE WORK

Some question has been raised about adjournment. I have been working daily, and my committee has been working daily on this general farm program trying to whip it into shape. I expect to continue to do so; so it makes little difference to me personally whether we adjourn next week, or next month, whether we have a recess, or whether a special session is called. I expect to continue this work because I regard it as important enough to require that action on my part; but in all frankness, if we are to do the job right it is going to take some time. I cannot see any good reason for holding the other Members here unless they want to stay. That is my personal judgment. As I say, it makes little difference to me. I am perfectly willing for you to stay or to go, but I do say this: That I feel, and I believe that my committee feels, that in working out the long-range program, since we have the stopgap so the situation can be handled, the long-range legislation should be carefully wrought out. Much is at stake.

FARM BUREAU BILL

We had placed on our desks by a certain farm group a bill that has some good features. I did not intend to mention it, but I understand that a discharge petition has been placed on the Clerk's desk and you have been asked for signatures on this bill. It is all right with me if you want to discharge the committee with reference to that bill. It has some good features. But it has what many of the committee members feel are unworkable features. Some members of the committee do not feel that it provides a fair distribution of payments to farmers in the different sections. But waiving that question, it provides certain additional payments to be made and then formulates what is called a control system to protect the United States Treasury in these payments and in mandatory loans. I want you to understand what that control feature is.

It provides that there shall be an allotment of marketing to the producers of each of the five major listed commodities. This allotment is made only when there is a normal carryover plus a certain percentage of excess. First, there are certain payments, then a loan; then, when the surplus reaches a certain stage, the bill provides what is called a surplus or marketing control. I want you to follow me in this. It is control not so much of production as of marketing—it undertakes to reach the same end. Each farmer is given his market allotment, but is permitted to sell whatever he wants above that; but anything he sells above his marketing allotment is classed as an unfair trade practice, and it is the duty of the United States attorneys to file suit to collect substantially $40 a bale on excess cotton and approximately 50 cents a bushel on wheat and 40 cents a bushel on corn. It is a civil suit.

CONTROL

I do not know about its application in the various sections of the country, but I do know that there are about 2,000,000 cotton farmers in the South who produce an average of five bales of cotton apiece. About 60 percent of them are tenants in the old South, according to figures, and about half—between 40 and 50 percent at least—are colored people. I ask, as a practical proposition of anyone in this group who is familiar with the situation, if it would not cause a million lawsuits in the cotton South? It would take an army of lawyers to handle the lawsuits. That would seem inevitable.

The South is probably the most unfortunate section in that regard; and I say it with regret. After the War between the States the South was without money. It had to be financed from outside. It has never fully recovered from that situation. Even the landlord whom we sometimes criticize was laboring under the same handicap; he had to get his money elsewhere to finance the tenant, whether he was white or colored. I do not know of anybody from the South who thinks you can sue one of these little fellows and get satisfaction on the judgment.

ILLUSTRATION

To make the illustration a little more specific let us take the case of a man who has an allotment of five bales, which is the average crop; but the sun shines and the rains fall, as they have this year, and the season is good, and he makes seven bales; his children need shoes and his wife has a faded gingham dress. He sells those two extra bales of cotton, which he has a perfect right to do under that bill. It immediately becomes the duty of the United States attorney to sue him for between $80 and $100. They go into court. Maybe they cannot get judgment. Maybe if they do they cannot collect it. I do not know, but I do not believe they can. Do you?

They talk about control. That is all the control there is in the bill about which there has been so much propaganda spread over the country. I have not said anything about it up until this hour because I love the cause so much that I am willing to take a clubbing over the head, and I have taken a good deal of it.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. LUTHER A. JOHNSON. Regarding the bill the gentleman is now discussing, I heard figures given by the chairman of the committee as to the various commodities affected. I believe the dairy industry was first and cotton was second in volume.

I did not catch just where corn appeared in the relative values throughout the country. I understood that under this bill corn received practically half of all the benefits while the other commodities received the remaining half. Is that true?

Mr. JONES. I did not intend to go into that.

Mr. LUTHER A. JOHNSON. I would like to ask the gentleman to go into that.

Mr. JONES. I made the request and I have the information from the Secretary of Agriculture.

Mr. LUTHER A. JOHNSON. I have heard that charge made.

Mr. JONES. Those matters could be corrected, of course. I made the request of the Department of Agriculture, and here is a letter over the signature of the Secretary which gives the amount of payments that would be required if all five commodities were 15 percent below parity, what would be necessary when they are 20 percent below parity, and what would be the payment if they are 30 percent below parity.

In the case of cotton, if 15 percent below parity, the amount would be $156,000,000; wheat, $117,000,000; field corn, $296,000,000. Then rice and the different forms of tobacco would be much less.

Mr. PATMAN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Texas.

Mr. PATMAN. How much was field corn?

Mr. JONES. Two hundred and ninety-six million dollars.

Mr. PATMAN. Cotton?

Mr. JONES. One hundred and fifty-six million dollars.

Mr. PATMAN. Wheat?

Mr. JONES. One hundred and seventeen million dollars. Those are the principal commodities. If it went 30 percent below parity, the payment on cotton would be $312,000,000; wheat, $233,000,000; and field corn, $591,000,000.

Of course, if the price equaled parity there would be no payments.

Mr. BOILEAU. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman referred to the figures on field corn. I would like to remind him of the fact that in the dairy sections of the country a good deal of the corn that is planted is not matured, but is cut up and siloed before maturing. Is that corn included in that figure?

Mr. JONES. I rather think not, although I would not be positive.

Mr. BOILEAU. I do not believe it is either, and although the Farm Bureau is asking us to pass this bill, so far as I have been able to investigate and secure information, I have not yet been able to find out, and the men who are proposing this legislation do not seem to agree on the point as to whether or not corn other than corn that is matured for grain is provided for under the bill. Every time I have asked questions of these men who advocate the bill, requesting them to state their position, they do not give us a very satisfactory answer. That is just one more reason why in the interest of the dairy country particularly this bill should be given further thought and consideration, because the proponents of the measure do not know in which direction they are going.

Mr. JONES. May I say in that connection, there are some very fine features to that bill? With the help of the members of the committee, I have undertaken to draft a bill which utilizes and gives full credit to what we regard as the meritorious features of that measure. I have not discussed all of them, but we took out those that we thought were impractical and added two or three new features.

I do not believe a single Member will sign the petition that has been placed on the desk here if he will but read the bill.

Mr. LUCAS. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. LUCAS. Is it not a fact that the bill which is now on the desk, as submitted by the Farm Bureau, applies only to the crops of 1938, 1939, and 1940?

Mr. JONES. I understand so.

Mr. LUCAS. In other words, if we pass the bill they are now asking us to pass, it would in no wise affect the corn crop or the cotton crop of 1937 and it would be necessary for the Congress to pass emergency legislation in order to meet this problem if there is a problem?

Mr. JONES. That is correct. Of course, all the production of this year has already been made or is in the process of making and cannot be stopped in any practical way. The only new crop that will go into the ground this year is winter wheat; and winter wheat, on account of world conditions, does not present an emergency situation. I think it could be very well handled in January.

Mr. WEARIN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Iowa.

Mr. WEARIN. The gentleman has cited the amount that would be paid to the producers of the various products under the terms of the bill for which petition or motion to discharge has been filed.

Mr. JONES. Yes.

Mr. WEARIN. How would those payments, in the gentleman's opinion, compare with the annual value of the crops that he cited a few moments ago in connection with his remarks?

Mr. JONES. If you include all the corn that is fed on the various farms to livestock, it would be on the basis of value, but I claim that would not be fair for the reason in justifying payments to commodities as such—I am not talking about soil-conservation payments—the question must necessarily come in as to the load and the tariff which that commodity carries. [Applause.]

The main, basic reason for a farm bill with a provision for benefit payments is the fact in the case of certain great commodities the product is produced in a world market, carrying the load of the tariff, carrying a double burden. It carries the added cost of the machinery, equipment, and facilities that is occasioned by the tariff wall, and it carries the added burden of competing with foreign production that does not have such burdens. That is the reason I think the soil-conservation payments with their $500,000,000 is not a subsidy for agriculture. It is a restoration, a restitution. [Applause.] It is restoring to the farmer what is taken away from him under the tariff system. When a man grows a bushel of wheat or a bale of cotton, harvesting the one under the hot July sun and picking the other under the blazing September sky, and carries them into the market in a free country, he has a right to sell them on a basis of equality with other commodities.

Then, too, an important item that is frequently overlooked is the cottonseed, which is definitely a part of the harvested crop and which has a value of about $200,000,000 annually.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Does the bill to which the gentleman referred in any way deal with the crop of 1937?

Mr. JONES. It does not.

Mr. SUMNERS of Texas. That is where the emergency at the moment is supposed to lie?

Mr. JONES. That is my understanding, and it is my belief from the conversation of those around us; and, of course, that is correct.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. The gentleman has inveighed heavily against a certain bill concerning which a discharge petition is on file on the Speaker's desk. I think the gentleman should be a little more clear in his statement and let the Members of the House know to which bill he refers.

Mr. JONES. I suggest the gentleman tell them.

Mr. MASSINGALE. I think I can tell them.

Mr. JONES. I do not mind stating, and I state this because the question has been asked and honesty compels me to answer. This is a bill submitted by the American Farm Bureau Federation.

I have worked with these men for years. I hope to work with them in the future. I know that they have rendered great service in the cause of agriculture. I had felt they would admit that I had endeavored to be of some service, and that the committee had.

I did not intend to mention this bill. The general attorney for the Farm Bureau Federation went down to the district which I have the honor to represent and held a big farmers' meeting in my home town, and then went to Waco and various other places in Texas. I said not a word. One of my friends wrote me about a criticism which had been leveled at me by this attorney at the Waco meeting. In replying to my friend's letter I stated that I regretted this attorney saw fit to criticize me but that I preferred to believe it was due to the enthusiasm of the moment rather than any desire to promote discord. I would not have gone into this measure at all at this time, preferring to present the general principles, but for the fact that the whip-and-spur method has been invoked by this organization. I had hoped they had retired from the use of this method and had thought they would do so. I do not think the matter was presented in exactly a correct way; that is, both sides of the picture were not presented down there. I thought I would say nothing because I have worked for 18 years for the cause of agriculture, and I have wanted above all things to keep agriculture sound in such a way that the 30 percent of our people who live on the farm could appeal to the people who live in the cities and to their representatives for a fair deal. I have tried to keep it on this basis. He does the cause of agriculture no service who lights the torch of intolerance. The whip-and-spur method is all right if it is necessary in an emergency situation, but it seems to me this

method is wrong when it is undertaken on a vast, far-reaching, and complicated piece of legislation which probably affects the economy of this country more vitally than any other legislation which will be presented at this session. [Applause.]

Mr. LUTHER A. JOHNSON and Mr. LUCAS rose.

Mr. JONES. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Is the lawyer who criticized the chairman of the Committee on Agriculture in his own district and in his own State a lawyer from Texas who is familiar with agricultural conditions in Texas, or is he a lawyer imported from some other State?

Mr. JONES. I would rather not use such terms, but I understand his home is in Chicago. I did not say he criticized me in my own home town. I think he was generous enough not to do that, although he did go down into other parts of the State and present the side of the picture in which he was interested.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to my colleague on the committee, the gentleman from Illinois.

Mr. LUCAS. I hope the gentleman from Texas will explain to the Members of the House the diversified opinion of the different farm groups when they were called before our committee, about 10 days ago, on this very question.

Mr. JONES. Yes; I shall be pleased to do so.

Mr. SUMNERS of Texas. If the gentleman will yield, is the proposition it is proposed to whip through now a bill dealing with crops in 1938?

Mr. JONES. That was the purpose when it started, and as far as there is any whipping done, it is with reference to a program in 1938.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The bill which is generally known as the Farm Bureau Federation bill provides for the 1938 crop, but also has some provisions with reference to loans that may be effective on this year's crop.

Mr. JONES. The gentleman is correct.

Mr. BOILEAU. These provisions are the only ones which apply to this year's crop, but I understand there are already provisions in the law which cover the same things, so that the bill being advocated by the Farm Bureau will have absolutely no effect on this year's crops?

Mr. JONES. That is my understanding.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Missouri.

Mr. NELSON. Is it not also true that we have the necessary provisions of law and that ample funds are available?

Mr. JONES. Ample funds are available for this purpose, and I have been assured by the man in charge that that is true. The members of the Committee on Agriculture are eager to prepare and to carry through a long-range program at the earliest possible moment, and will bend all their energies to do so. We are not shirking and we are not trying to avoid the responsibility.

Mr. DOXEY. Mr. Speaker, will the gentleman yield for a brief question in the nature of an observation?

Mr. JONES. I yield to my colleague, the gentleman from Mississippi.

Mr. DOXEY. Is it not a fact that the first draft of the bill of the Farm Bureau was not submitted to our committee until May 17, and that thereafter there were numerous drafts of the bill as finally submitted. Also that there has not been much change from the first draft to the last draft, which was introduced by our friend, the gentleman from Virginia [Mr. FLANNAGAN].

Mr. JONES. The gentleman is correct, according to my understanding.

Mr. DOXEY. Never in a conference with us has a farm group outside of the Farm Bureau agreed on the general provisions of this specific bill.

Mr. JONES. The gentleman is correct.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. SABATH. As one who has in season and out of season for many years supported every measure for farm relief and aid, I cannot quite understand why it is necessary at this time to rush through legislation to relieve the farmers, when in 1935 and 1936 the farmers received from 100 to 300 percent higher prices than in years gone by. This applies to wheat, corn, hogs, beef, and nearly every commodity I know of.

I feel that the farmers have been benefited and are now in splendid position due to the high prices which they have been receiving for their commodities. So where does the need come from?

Mr. JONES. May I say to the gentleman that I cannot agree with his facts. There have been one or two commodities above parity, and parity is the 1909–14 price, which is frequently spoken of as the golden age of agriculture. The prices were nearer right then than at any other period, with the exception of one or two commodities. However, the price has been below parity for most of the time with the exception of one or two commodities. Then, even if they had been up, the great drought had considerable to do with this, and, as the expression was used by the President, it is wise to make hay while the sun shines. Additional legislation is needed to assure a fair price at all times, and connected with such legislation should be the assurance that there will be an adequate reserve supply in order that the consumer may be protected.

I think it is wise to have legislation and I think it is wise to have provision made just as early as possible, and I honor the Farm Bureau Federation for working on this. I honor the members who are at the head of that organization for the fine work they have done heretofore.

VARIOUS GROUPS

These farm groups met here, and while I recognize the responsibility of the Committee on Agriculture with respect to farm legislation, I have made the statement that if these various farm groups could agree, I would be disposed to help report out the legislation with practically no material change, being willing to take their judgment. They agreed on certain general principles, but on the measure that was submitted to us none of the other four major groups has presented any endorsement whatever. The dairy groups, which handle the most valuable commodity in America, did not present any endorsement and have not to this day.

The Council of Cooperatives which handles the actual commodity itself—that is, the affiliated groups that actually handle the marketing of farm commodities has never endorsed this bill to this day. The Farmers' Union has not endorsed this bill. The Grange has never endorsed the bill. While the leaders of these groups have their preferences in public matters, the organizations are nonpartisan, and I believe a majority of the rank and file of all of them have cooperated in the farm program.

So when the statement is made that the farm groups are together, you may realize that if they were together, bless your heart, I would go along; or if a majority of them were together, I would yield a good deal in a practical way in order to get long-range legislation that these spokesmen favor, but we were left with this situation.

THE COMMITTEE'S WORK

We have taken what I regard as the best features of the Farm Bureau bill. I do not care who gets the credit for it. If they would rather, I will let the name of someone else be on the bill and help report it out. I do not care who gets the credit for the legislation if we get the job done, but I want the job done right.

The committee has taken those provisions and has been trying to practicalize them. While we have been trying to do this they have been out whipping fury into the wild waves, and, of course, situations have developed.

I was told that it would hurt me if I took this position. I realize this is true whichever way it goes. Whether we pass legislation now or pass it later or do not pass legislation now or do pass it, with the situation in the form it is, it probably means that. But a man who cannot make

some sacrifice for a cause as important as this, is not of much account. [Applause.]

In framing the new legislation we are endeavoring to embody the principles set out in the message of the President, whose fine interest has made a farm program possible. We are also including suggestions by farmers and farm groups. The committee bill will be truly a farmers' bill.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. ANDRESEN of Minnesota. In connection with the bill proposed by the Farm Bureau, is it not a fact that the Secretary of Agriculture also appeared before our committee in behalf of virtually all the provisions in that legislation?

Mr. JONES. Well, I would not put it that way. He endorsed it in principle, but, of course, we cannot pass a bill in principle. We have to pass a bill in terms. [Laughter.]

Mr. ANDRESEN of Minnesota. He has proposed no legislation other than what is contained in the Farm Bureau bill?

Mr. JONES. He has recommended a number of changes, and, I think, is anxious to be helpful.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. PARSONS. I have been very much interested in what the chairman has said about the various farm groups, and I am also impressed with his statement that he expects to continue to investigate and conduct hearings on the legislation. When does the gentleman expect to have it ready, after the opening of the next session?

Mr. JONES. We have no doubt we will have it ready not later than the very first part of the session. As a matter of fact, I have given assurance to everyone that seemed to want it that we would work on it and have a bill ready for consideration not later than the first part of the next session of Congress. We will have it ready as soon as possible.

Mr. PARSONS. Of course, the gentleman realizes that if there should be any serious break in the prices of farm commodities a special session could be called for early enactment of the legislation, if necessary.

Mr. JONES. That is true, or the powers with respect to loans on a reasonable basis, with such assurance, could be used. Either of those steps can be taken.

Mr. PATMAN. Mr. Speaker, will the gentleman yield.

Mr. JONES. I yield to the gentleman from Texas.

Mr. PATMAN. It has been contended that the Government cannot safely make a loan on these products until some kind of control bill has been passed or agreed upon; that the Government cannot be protected in any other way. I wish the gentleman would state whether or not he is in favor of such commodity loans now; and if so, can the Government safely make them without the passage of a control bill at this time?

Mr. JONES. That depends upon the standard of measure at which the loans are made. Of course, if you make high loans, there must be rigid control. If you make reasonable loans in emergency, I think, if proper care is used, with a proper control program, they can be safely made. I ask the gentleman, if he does not mind saying, whether he thinks the control provisions in the Farm Bureau bill on the desk are control provisions?

Mr. PATMAN. I do not believe they are effective control provisions. They would be wholly ineffective, if I understand it correctly.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oregon.

Mr. PIERCE. I think the country is entitled to know how much time these various groups spent before our committee and how recently. I recall it was but one forenoon.

Mr. JONES. We had conferences with the groups on two different occasions and when their bill was submitted we had several days of hearings by different groups that appeared before the committee on the suggested bill.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. COLE of Maryland. I want to know from the gentleman if it is his intention to report a bill, say, the 1st or the 4th of next January, or to ask for the passage of a resolution making it mandatory on his committee to investigate this subject and report back to the House at the convening of the next session.

Mr. JONES. They can make it mandatory if they want to. I have taken it up with the committee. The committee have all agreed they would be for it. I do not think there was a dissenting note, and if there is any member of the committee here that cannot agree to that I wish he would say so. We have that understanding, and we assured the leadership of the House and others that we were willing to do that, but if the House wants to make it certain by passing the directing resolution, I do not mind it. Further, the House leadership has issued a statement in which they have assured us that they will give the matter right-of-way for immediate consideration when it is presented.

Mr. COLE of Maryland. And during the interim between the adjournment of Congress and the convening of the next session, January 4, the committee will want to have hearings, and I ask the gentleman what authority there would be for that?

Mr. JONES. Does the gentleman mean in the next 2 weeks?

Mr. COLE of Maryland. No; in the interim between adjournment and the next session.

Mr. JONES. I think the House would give us permission to do that.

Mr. COLE of Maryland. That is what I had in mind.

Mr. JONES. I should favor that. I think that should be given.

Mr. HILL of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. HILL of Oklahoma. It is said that there are $106,000,000 now that can be used for the purpose of subsidy for the farmers who have surpluses that are being sold at less than their value. What about that?

Mr. JONES. There is a larger sum than that that is available for any sort of supplementary payments that may be desired. There is much more than that available for loans. The Commodity Credit Corporation would have the authority to make any reasonable loans, but the gentleman understands the position taken by those who have control of that. There is some reason for their wanting assurance, and I do not blame them for wanting some assurance as to what the Congress is going to do if they exercise that privilege. I have done my best to give that assurance.

Mr. HILL of Oklahoma. I know the gentleman has.

Mr. JONES. That is a matter in their hands. They might want to know that we are going to have a program that would not call for a continuation of these things indefinitely. I can understand the reason for this interest.

Mr. PIERCE. I think the membership should realize that if we are entering on a program of controlling agricultural products it will take untold millions and run into the billions to control them.

Mr. JONES. There might be a difference of opinion about that.

Mr. TOBEY. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. TOBEY. Mr. Speaker, I wish to address myself to the House at this time with reference to the Agricultural Committee. It has been my privilege to be a member of that committee for the last 5 years. It is a great experience to be a member of that committee, and I pay tribute here and now to MARVIN JONES, its chairman, a high-minded man of great ability, motivated with but one passion, and that is the welfare and well-being of agriculture in this country. [Applause.] Mr. Speaker, when the Members of this House who happen to be absent this afternoon read the RECORD

tomorrow morning and realize the fairness and understanding with which Mr. JONES has presented this matter, I am confident that they will all go along with the committee, regardless of political affiliation. I speak as a Republican and gladly testify that partisan politics has no place in the committee's work. We all have the greatest confidence in the leadership of our chairman. [Applause.]

Mr. JONES. Mr. Speaker, I appreciate the generous compliment of my friend and coworker on the committee. I would rather have the good will of the committee and of the House of Representatives, which I believe is the greatest legislative body in the world, than to have anything else. I have always felt that the only way to earn the respect of this body is to be completely fair and honest with the body, and that is what I have tried to do. I have told those gentlemen of the danger in throwing the Treasury under these payments, with a control system that is doubtful. I have fear, and have so expressed myself, that if we did that and had a lot of obligations to the farmers which we could not meet, it might wreck the new program as well as the old. I would dislike to see the work that has been built up through the years lost in that way. In other words, I do not believe we ought to be stampeded into adopting a program that might imperil what we already have. Many people who have studied this question feel that the proposed bill might do just that. We cannot afford to find ourselves in the attitude of having promised the farmer a dollar and giving him 40 or 50 cents. If we promise him a dollar, I want to give him a dollar. [Applause.]

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. SABATH. I fully agree with the statement of the gentleman from New Hampshire [Mr. TOBEY] in the compliment he has paid to the chairman of the committee. I, too, have utmost confidence in the chairman of the Committee on Agriculture, and because I have that confidence I am going to ask him a question, whether he is not of the opinion that if consumption should be increased, and the purchasing power as well, that the prices of the products of the farmer naturally would increase?

Mr. JONES. I thoroughly agree with the gentleman.

Mr. SABATH. Would it not be advantageous to the farmer if we would bring about legislation that would increase the wages of wage earners?

Mr. JONES. The time limit will not permit me to discuss other issues.

Now, let me ask you to permit me to discuss two or three new features in the bill which the committee is preparing. We have the terms I spoke of a while ago, we have the ever normal granary, and then we have added two or three new features to the bill.

GRADUATED PAYMENTS

First, we have provided for a graduated system of benefit payments, so that the large producer who has gotten these great funds in individual cases will have them greatly reduced on a graduated-scale basis. The man, even on a soil-conservation payment, who has a great tract of land, can treat that tract at less expense than the man who has a small tract and who has to have all of his facilities just the same. I think it is correct philosophy, anyway. So we have put that provision in the bill, and that has not been in a general agricultural bill before.

RESEARCH LABORATORIES

Then we included a provision to the effect that there shall be established in each major agricultural producing area a research laboratory to search out new uses and new markets and new outlets for various commodities. It think that offers a vast field. There is a chemical revolution going on in America at this time, in fact, all over the world. I think there is a vast field there, and that tallies in with what my friend was saying a while ago.

FREIGHT RATES

Then we have another thing that I regard as of tremendous importance that has not been put in any bill. We give the Secretary authority to file with the Interstate Commerce Commission applications for adjustments in farm freight rates. [Applause.] That is a matter of tremendous importance. Various groups that are organized and have plenty of money are able to present their problems. The farmers in these wide stretches are not able to fight their problems through.

I just want to read to you two or three of the rank discriminations that have been built up in the agricultural rate structure. I want to call attention, before I do that, to the system that prevails about zones. Figuring a certain industrial zone in America as having rates at 100 percent, then the second zone, which is the southern, would be 139. In other words, the freight rates are 39 percent more in that zone. In the western trunk-line zone they are 47 percent more, or 147. In the southwestern zone, 175. In the Mountain-Pacific, 171.

I wish the Members would get that testimony which was heard before the Committee on Education and Labor, beginning on page 1023, by J. Hayden Aldrich.

INDIVIDUAL RATES

Now, I want to call your attention to some discriminations, just individual rates.

Let us take the case of two plows shipped from Indianapolis to Galveston, Tex., one for export, the other to be used by a farmer in Texas. The rate on the plow that stays in Texas is $1.04 per 100 pounds, but the rate on the plow that goes abroad is 44 cents per 100 pounds, both loaded at the same city and unloaded at the same port. This is not right.

[Here the gavel fell.]

Mr. FORD of Mississippi. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The SPEAKER pro tempore (Mr. RANDOLPH). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. JONES. I thank the gentleman from Mississippi. I am sorry to take so much time. Here is another illustration: The rate on agricultural implements from Indianapolis to New Orleans, La., taking plows, again, is 44 cents per 100 pounds for the plow that is to be exported, but it is 75 cents per 100 pounds for the plow that stays in Louisiana. This is a bonus to industry. Maybe it is justified, maybe it is in the interest of progress, but it is not fair unless the same low rates are given to the products of agriculture.

CORRECTING RATES

We authorize the Secretary of Agriculture to file applications for adjustment and to fight them through either himself or in cooperation with cooperative organizations of farmers.

I have other rates from Chicago to New Orleans and other points, but I shall not take time to go into them all.

Steel affords another interesting example. The rate on steel shipped from Chicago, Ill., to San Francisco, Calif., to be used in California, is $1.02 per 100. The rate on similar steel from Chicago for shipment abroad is 40 cents. The rate on steel from Gary, Ind., to New York, loaded at the same station and unloaded on the same dock, is 47 cents if the steel stays in New York but only 34 cents if it is to be shipped abroad.

COCONUT OIL

Coconut oil comes into Galveston and is shipped to Chicago, Ill., and Cincinnati, Ohio. The rate from Galveston to these cities on coconut oil is 35 cents, but if we cotton farmers of the South ship cottonseed oil from Galveston to Cincinnati, we have to pay 60 cents per 100 pounds—25 cents on 100 pounds difference against an American product, our own cottonseed oil. These things just illustrate the many different propositions that are involved. We want to provide a way to correct these unjust discriminations.

Then we have a control feature which I think should be linked up with this, but which we want to go into further, and it may be necessary to strengthen this.

DISPOSING OF SURPLUS

We have in our bill a further provision which enables a certain fund to be used for increasing the markets for a surplus commodity. I think we ought not only to have a control provision, but we ought to have a provision that will link distribution into control, because if you get wider distribution and use, you have accomplished the same purpose and more, because you have kept more people at work. In other words, the point I am trying to make here this afternoon is that we ought not to plant morning glory vines, we ought to try to plant oak trees. [Applause.]

Many glorious chapters have been written in American history, written in the blood and courage and zeal of pioneers, written in the ring of the axe in the primeval forests, written in the tunnels that pierce the mountains, written in the bridges that span yawning chasms, written in the creaking of the western-bound prairie wagons, written in the sweat of the toiling plowman, in the genius and magnitude of industry, in the skyline of great cities, and in the building of those things that are distinctly American.

PRODUCTION AND DISTRIBUTION

We have mastered the machinery of production to a greater degree than we have mastered the machinery of distribution. The problem, however, is not to destroy production, not to destroy distribution, but to get them properly yoked and linked. With all of our talk about surpluses, I have always felt that we have never produced building material but that somewhere in this land or in lands that are an open market to us, there is a human being that needs the shelter that material could furnish; that we have never grown a bale of cotton but that somewhere in this or in distant lands is a child, a woman, a man, some human being, who needs the warmth that clothing can furnish; that we have never grown a bushel of wheat but that somewhere out yonder under the stars is a hungry mouth that needs to be fed. We do not want to destroy production, we do not want to destroy distribution. Sometimes one gets ahead of the other and it is necessary to have control; but we want to march them side by side as handmaidens of each other [applause] and as twin evangels of the economic life of our common country. [Applause, the Members rising.]

PERMISSION TO ADDRESS THE HOUSE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. McGEHEE. Mr. Speaker, as a Representative from the State of Mississippi, whose population is predominatingly of the agriculture class, and whose principal crop is cotton, I am very much disturbed as to what position they will be placed in within the next 60 days, because the gathering of this, one of our basic agricultural commodities, will be in full swing.

The chairman of the Senate Agriculture Committee, Senator SMITH, of South Carolina, and the Chairman of the House Agriculture Committee, MARVIN JONES, of Texas, have stated to the membership of each body and the press generally, there will likely be no farm legislation enacted at this session of Congress.

I can appreciate these gentlemen's positions, both of whom are from the South, and whose constituents are farmers and their principal crop is cotton, and that they are familiar with their problems and are anxious when any legislation is passed, they, too, will be placed on an equal basis of benefits as the farmers in the other sections of the country who raise the other basic commodities, such as corn, wheat, and tobacco.

I understand why they will not further consider farm legislation at this session, until they can go into the different sections of the country and hold hearings to get the viewpoint of this class of our citizenship.

Mr. Speaker, realizing that there will likely be no legislation in behalf of the farmers passed at this session, and further realizing the position the cotton, wheat, and corn growers are going to be placed in when the gathering of their crop is in full swing, relative to the marketing of same with prices daily declining, it behooves this Congress at its present session to do something for the farmers of our Nation before adjournment so as to protect them in this, a moment which, in my opinion, is very critical.

A report recently submitted by the Department of Agriculture as to the acreage and condition of the crops of our major commodities—cotton, corn, and wheat—shows that on last year there was an acreage planted in cotton in round figures 31,000,000, and this year an acreage of about 34,000,000. Therefore, by reason of climatic conditions being more favorable this season, there will likely be produced around 15,500,000 bales of cotton, whereas on last year there was 12,148,000 bales produced; that there was an increase in the acreage of wheat and corn, and therefore a proportionately increased yield predicted.

Mr. Speaker, I am sure the membership is following daily the market reports on each of these major products of the farm and have noted that within the past 5 or 6 weeks there has been a very decided decline in the price of each. In fact, if you have noted these daily reports, you are aware there has been a constant decline for the past 45 days on each of them.

I want to call your attention to the fact that, in my opinion, even though there is likely to be an increase in the yield of the three major crops caused by an increase in acreage and favorable climatic conditions; that even though this is true, by reason of the increased demand from the European and Oriental countries, and by reason of the increased purchasing power of the people of this country, that such increase does not and will not justify the lowering of the prices of same, but should, in my opinion, justify the assertion there should be a material increase in the price of each.

Mr. Speaker, those of our people whose avocation is to speculate on the boards of trade and exchanges of our country for a livelihood are using this fact—that is, an increase of production by reason of the small increase in acreage and the benefaction of our Creator of weather conditions—as a means and method of hammering down the prices of same for the personal benefit and gain of those who follow this method of making a livelihood.

Mr. Speaker, there is but one way to thwart this method of depriving this patriotic class of our citizenship, who are not asking this body to restrict their hours of labor, who principally work 12 to 15 hours per day to produce their crops, not only by the labor of themselves but of their wives and children, and who are only asking this body for a fair deal and that they be placed in line with the people following other avocations and receive a remuneration for their days, weeks, months, and year of labor, commensurate with those following other avocations, and that way is for Congress to pass an act authorizing loans on their products that will at least cover the cost of production, unless the President will exercise the authority already given him by Congress.

Since it is so open and apparent that the speculators are using the conditions stated as a means to increase their earnings and deprive the farmers of their just dues, it behooves this body, who only can control the situation, to pass legislation protecting them, thereby keeping the basic people of our country in a prosperous condition, for the Nation only prospers when the farmers prosper.

I have, therefore, introduced a bill authorizing and directing the Department of Agriculture, through whatever agency it may designate, to make loans unto these people whom I represent, and who are raising the products of the farm that is not only clothing the people of our Nation but the people of the world, the price of which has been hammered down within the past 5 weeks almost 2 cents per pound; that is, cotton.

The provisions of this bill, which would enable our Government, through the Department of Agriculture, to loan to

them a price of not less than 12 cents per pound, ⅞-inch Middling basis, woul dnot give them a profit but would merely remunerate them for their labor for the year of toil in the production of same.

Legislation for the benefit of every class of our farmers throughout the country has been introduced and is now pending before the committees of each branch of our legislative body, but because of the differences of opinion by the Representatives from the different districts representing the different classes of our agricultural people, each of whom have at heart the welfare of that class in their several sections, are of the opinion that the bill that is being fostered by the Department of Agriculture and administration will not give equitable relief to all classes of same as it should.

Mr. Speaker, I want to say that, even though I come from an agricultural State whose principal crop is cotton, I want to see the corn, wheat, tobacco, barley, cotton, and all classes of our farmers who raise the same to be placed on an equitable basis and will support legislation that will do so.

As stated, the bills that are pending now, and especially those fostered by the Department of Agriculture, do not give to the cotton farmers of the South the same fair and equitable benefits as they do to other classes of our farmers; that is, wheat, corn, and tobacco. Hence no Representative of that class of our people who raise cotton would support and foster legislation of that kind, because the cotton farmers of the South are citizens of this great country of ours and their hearts and souls pulsate with that same patriotism for the preservation of each and every class of our citizenship, as do those in any other section who are the producers of other commodities of the farm.

[Here the gavel fell.]

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. McGEHEE. Mr. Speaker, I want to call the membership's attention to the fact of the disparity that was placed on the cotton farmers of the South in the enactment of the Agricultural Adjustment Act by this Congress 3 or 4 years ago, which was declared unconstitutional by the Supreme Court. The present legislation pending, passage of which is being urged by the Department of Agriculture and administration, is even more disparaging when, as stated, every class of our people whose avocation is agricultural pursuits should be on an equitable basis.

Under the act we labored under and as passed by this Congress in 1933 the cotton farmer received an average payment per rented acre of $8.53; he received an average payment per rented acre, including cotton price-adjustment payment, of $9.98. The tobacco farmer received an average payment per rented acre of $52.43; the corn farmer received $9.06 per acre; and the wheat farmer received $16.46 per acre. The average return per planted acre of these farmers on which their basis acreage were adjusted from 1928 to 1932 is as follows:

Cotton	$23.21
Tobacco	107.22
Corn	14.01
Wheat	8.96

The average return per planted acre of these farmers from 1920 to 1929 was as follows:

Cotton	$35.99
Tobacco	146.83
Corn	20.67
Wheat	14.99

The payment per rented acre as a percent of the average return per rented acre from 1928 to 1932, on which parity payments were made, is as follows:

	Percent
Cotton	36.8
Tobacco	48.9
Corn	64.7
Wheat	183.7

The payment per planted acre, including cotton price-adjustment payments as a percent of the average return per planted acre from 1920 to 1929, was only 27.7 percent.

These figures will show unto the Members of Congress that the cotton farmer received under this act a much lower percentage of the benefits from the payments made from the rented acreage to the Government than those growing corn, tobacco, and wheat.

[Here the gavel fell.]

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to proceed for 4 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. LAMBERTSON. Mr. Speaker, reserving the right to object, and I shall not object if I can get 10 minutes at the end of the gentleman's speech. Will the gentleman yield for a unanimous-consent request?

The SPEAKER. The Chair thinks it is improper to couple a condition with an objection. The gentleman from Kansas must either object or not object. Does the gentleman object?

Mr. LAMBERTSON. No. I wanted 5 minutes last night. I do not object to a new Member using 10 or 15 minutes.

The SPEAKER. The gentleman has a right to object, but he cannot couple an objection with a request. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman if he will answer one or two questions at the end of his speech?

Mr. McGEHEE. I will be glad to answer the questions.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. McGEHEE. As I have stated, I am sure the membership desires, just as I do, to see that our agricultural people and their status in any legislation passed by Congress is equitable and just to each class of our producers. But the legislation now pending, just as that passed in 1933, is not giving to the cotton farmers whom I represent that same equitable distribution as it does to the other classes.

Permit me to state to the membership, in the event under the act passed by Congress in 1933, if the cotton farmer had received a proportion in benefits to the tobacco, corn, and wheat farmer, the price per acre would have been as follows:

In proportion to that as received by the tobacco farmer, the cotton farmer would have received in the place of their benefits and adjustment $9.98 per acre, the sum of $12.85 per acre; in proportion to what the corn farmer received on the same basis, he would have received $15.76 per acre and in proportion to what the wheat farmer received, he would have received $39.52 per acre, or, in other words, the cotton farmer received payment per pound at the average yield per acre of 5.02 cents, and with the adjustment payment an average of 5.87 cents per pound. But if he had received in proportion to what the tobacco farmer received, he would have received 7.6 cents per pound; in proportion to what the corn farmer received, 9.3 cents per pound; and in proportion to the wheat farmer, 23.2 cents per pound.

Now, if H. R. 7577 should be passed, as the Department of Agriculture and many of our farm organizations insist, the cotton farmer would be further penalized insofar as returns are concerned about as follows: Cotton, 50 percent plus; tobacco and corn, between 60 and 70 percent plus; and wheat, about 80 percent of parity prices.

Now, my fellow Members, I am calling your attention to this with a view of awakening the membership of the House, who are representing the corn, wheat, and tobacco farmers, to the fact that the cotton farmers have been discriminated against in all legislation passed since the beginning of the New Deal, which I know was not intentional on the part of their Representatives, but my purpose is to call it to your attention, with a view of thwarting another wrong on the Southern cotton farmers of the country and to see that they

are placed on an equitable basis with those whom you represent.

Mr. Speaker, realizing the nonequitable distribution that has been paid to the farmers, especially in my section, and my intense desire as their Representative to see that they receive that same equal benefit in proportion with the other classes of our agricultural people, I have introduced this bill and am pleading with the membership for its passage, so as to loan to the cotton farmers of the South moneys at a price per pound, which, as stated, will return to them at least the cost of production and a meager wage on their part for same.

The measures that are being fostered by the Department of Agriculture and recommended by the administration have provisions in them which are far more inequitable and proportionately as disparaging insofar as the benefits to our Southern cotton farmers are concerned, as the legislation heretofore passed in behalf of our agricultural people in the past 4 years.

I cannot stand by and see this done without appealing to those of you who represent the corn, wheat, tobacco, and other agricultural sections, to join hands with me in asking for relief for my people, and your people if you should deem it necessary, at this critical moment, and to embody the same benefits in my bill.

I am further reciting to you the facts of that which has existed in your actions heretofore. I am aware of the fact that through legislation heretofore passed by Congress our President has the authority by Executive order to authorize the Commodity Credit Corporation to make loans on the basic crop production of the farms, at whatever price he may desire to fix, and that the machinery is already set up whereby this can be done and sufficient moneys are available for the carrying out of that Executive order, if so given. But I am fearful that on account of no farm legislation being enacted at this session, and because of the President's statement that it was one of his "must" bills, this Executive order will not be taken advantage of. Hence my reason for the introduction of this bill and urging its passage by Congress so as to in this way peg the price of cotton at a percentage that will give a return to my people of a living wage and stop the speculators from hammering it down to a price that is not commensurate with the cost of living and a meager return for their labor.

[Here the gavel fell.]

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. RICH. Mr. Speaker, reserving the right to object, I ask unanimous consent that the gentleman may have 2 additional minutes. I would like to ask him some questions.

The SPEAKER. The gentleman from Mississippi [Mr. McGEHEE] asks unanimous consent to address the House for 1 additional minute. Is there objection?

Mr. RICH. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. RICH. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. McGEHEE] may have 2 additional minutes to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection?

Mr. McGEHEE. Mr. Speaker, I am not selfish in asking for this legislation. I only want to see justice done by the Representatives of the people throughout the land. If the Representatives of the corn, wheat, and tobacco sections, by reasons of conditions existing on the speculative market, are of the opinion that the products grown by their constituents will be hammered down by the speculators below the cost of production, I am willing that the committee who considers this bill I have introduced shall amend it pegging the price of their products and add an appropriation sufficient to take care of same unless an Executive order should be given taking care of the situation.

I am for the prosperity of this Nation as a whole. I realize that legislation should not be enacted for any particular section, but it should be equitable to all classes and none should ask for any legislation at the expense of another. We must work as Representatives in uniformity for our agricultural people, for they form the foundation of the structure of any prosperous country.

My bill is only applicable to the crop grown in the year 1937, as I am assuming, and feel safe in that assumption, that this Congress when it convenes next January, through the efforts of the committees and of the Members of both branches, who I know to be vitally interested in the same, because the prosperity of our country absolutely depends on the prosperity of our agricultural people, will see that equitable and adequate farm legislation will be enacted, so as to in the future give the proper protection to this class of our citizenship, upon whom depend the very life, prosperity, and happiness of the whole people of the Nation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McGEHEE. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman speaks about the increased production of cotton. Has there been any increase in the exportation of cotton during the last year or two?

Mr. McGEHEE. Yes; there has been a material increase in the exportation of cotton.

Mr. RICH. To what extent?

Mr. McGEHEE. Some 2,000,000 bales. I do not have the exact figures.

Mr. RICH. A few years ago about 58 percent of our cotton was exported. What percentage of our cotton is now being exported?

Mr. McGEHEE. Last year about 40 percent.

[Here the gavel fell.]

BONNEVILLE PROJECT

Mr. PARSONS submitted a conference report and statement on the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. FITZPATRICK, indefinitely, on account of official business.

To Mr. O'NEAL of Kentucky, indefinitely, on account of official business.

To Mr. SCRUGHAM, indefinitely, on account of official business.

To Mr. WHITE of Idaho, indefinitely, on account of illness.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1261. An act to amend the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2583. An act to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park, in east Tennessee; to the Committee on Public Lands.

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes; to the Committee on Agriculture.

S. J. Res. 191. Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly

enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2260. An act to provide for intervention by the United States, direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions, in certain cases involving the constitutionality of acts of Congress, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 10, 1937:

H. R. 420. An act for the relief of Marjorie L. Baxter;

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3866. An act to add certain lands to the Columbia National Forest in the State of Washington;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4156. An act for the relief of George R. Brown;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 5229. An act for the relief of Carson Bradford;

H. R. 5622. An act for the relief of Marian Malik;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6482. An act providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, Island of Maui, Territory of Hawaii, in exchange for two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the office of the United States High Commissioner to the Philippine Islands, and for other purposes;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's Birthday; and

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes.

On August 11, 1937:

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War veterans and their dependents, and for other purposes.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. O'BRIEN of Illinois. I object, Mr. Speaker.

Mr. LAMBERTSON. Mr. Speaker, I make the point of order a quorum is not present.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Thursday, August 12, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

Special Subcommittee on Naval Affairs appointed by Chairman CARL VINSON will hold continued open hearings on H. R. 7777, to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496), Thursday, August 12, 1937, at 10:30 a. m.

COMMITTEE ON INVALID PENSIONS

There will be a meeting of the Committee on Invalid Pensions on Thursday, August 12, 1937, at 10 a. m.; hearings on H. R. 3580, H. R. 6884, and H. R. 6904.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 7348. A bill declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; without amendment (Rept. No. 1492). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 8068. A bill to authorize the construction of bridges in Caddo Parish, La.; without amendment (Rept. No. 1493). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 8167. A bill to extend the times for commencing and completing the construction of a bridge across

the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.; without amendment (Rept. No. 1494). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. S. 2761. An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State; without amendment (Rept. No. 1495). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indians Affairs. H. R. 8027. A bill to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma; with amendment (Rept. No. 1496). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. S. 2613. An act for the relief of certain applicants for oil and gas permits and leases; without amendment (Rept. No. 1498). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on Indian Affairs. S. 558. An act amending acts fixing the rate of payment of irrigation construction costs on the Wapato Indian irrigation project, Yakima, Wash., and for other purposes; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 2194. An act to provide for the semiannual inspection of all motor vehicles in the District of Columbia; without amendment (Rept. No. 1502). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on the Judiciary. S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes; without amendment (Rept. No. 1503). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. S. 2650. An act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation, and for other purposes; without amendment (Rept. No. 1504). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 305. A resolution providing for the consideration of S. 413, an act to create a commission and to extend further relief to water users on United States reclamation projects, and on Indian irrigation projects; without amendment (Rept. No. 1505). Referred to the House Calendar.

Mr. O'CONNOR of Montana: Committee on Indian Affairs. H. R. 7649. A bill relating to certain lands within the boundaries of the Crow Reservation, Mont.; without amendment (Rept. No. 1506). Referred to the Committee of the Whole House on the state of the Union.

Mr. TOWEY: Committee on the Judiciary. H. R. 7709. A bill to incorporate the American Chemical Society; without amendment (Rept. No. 1508). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. IGLESIAS: A bill (H. R. 8213) to authorize the Secretary of the Treasury to dispose of certain real estate of the Treasury Department; to the Committee on Public Buildings and Grounds.

By Mr. MURDOCK of Arizona: A bill (H. R. 8214) to authorize the erection of additional facilities to the existing United States Veterans' Administration Facility at Tucson, Ariz.; to the Committee on World War Veterans' Legislation.

By Mr. CANNON of Missouri: Resolution (H. Res. 306) relative to the enactment of legislation providing for the stabilization of agricultural prices; to the Committee on Rules.

By Mr. DIMOND: Concurrent resolution (H. Con. Res. 24) requesting the President to prepare and submit to Congress a plan for development of resources and commerce of Alaska; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri: A bill (H. R. 8215) for the relief of the State of Missouri; to the Committee on Claims.

By Mr. CASE of South Dakota: A bill (H. R. 8216) for the relief of William M. Robertson; to the Committee on the Civil Service.

By Mr. JARMAN: A bill (H. R. 8217) granting an increase of pension to Grizelda Hull Hobson; to the Committee on Pensions.

By Mr. McLAUGHLIN: A bill (H. R. 8218) for the relief of Thomas P. Dineen; to the Committee on Claims.

Also, a bill (H. R. 8219) for the relief of Bonnie Straley; to the Committee on Claims.

By Mr. PACE: A bill (H. R. 8220) for the relief of Lizzie Ragan; to the Committee on Claims.

By Mr. PETERSON of Georgia: A bill (H. R. 8221) for the relief of Lee C. Brinson; to the Committee on War Claims.

By Mr. REED of New York: A bill (H. R. 8222) for the relief of William H. Keesey; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 8223) granting a pension to Elizabeth C. Conley; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3218. By Mr. CURLEY: Petition of the Merchants Association of New York City, urging enactment of House bill 8129, introduced by Congressman KENNEY, providing an amendment to the Motor Carrier Act exempting motor-truck operations within metropolitan districts from the provisions of the act; to the Committee on Interstate and Foreign Commerce.

3219. Also, petition of the Department Store Employees Union, New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3220. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and vicinity, urging support of the wage and hour bill and the housing bill; to the Committee on Banking and Currency.

3221. By Mr. KEOGH: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, concerning the wage and hour bill and the housing bill; to the Committee on Banking and Currency.

3222. Also, petition of the International Agricultural Corporation, New York City, concerning the wage and hour bill; to the Committee on Labor.

3223. By Mr. PFEIFER: Petition of the International Agricultural Corporation, New York City, concerning exemption of the fertilizer industry in the wage and hour bill; to the Committee on Labor.

3224. By Mr. KENNEY: Petition of the Brotherhood of Railroad Trainmen, urging enactment of the Federal train-limit law; to the Committee on Interstate and Foreign Commerce.

3225. By Mr. FITZPATRICK: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, urging the passage of the wage and hour bill, also the housing bill; to the Committee on Ways and Means.

3226. By Mr. DICKSTEIN: Petition of the Disabled American Veterans of the United States; to the Committee on World War Veterans' Legislation.

3227. By Mr. CLASON: Petition of Mayor Henry Martens and six members of the board of aldermen of Springfield, Mass., requesting Congress to give immediate consent to the Connecticut River interstate flood-control compact as approved by the legislatures of Connecticut, New Hampshire, Vermont, and Massachusetts; to the Committee on Flood Control.

3228. Also, petition of Mayor Charles L. Dunn and five members of the board of aldermen of Northampton, Mass., requesting Congress to give immediate consent to the Connecticut River interstate flood-control compact as approved by the legislatures of Connecticut, New Hampshire, Vermont, and Massachusetts; to the Committee on Flood Control.

3229. By Mr. CURLEY: Petition of Local 802, American Federation of Musicians, Associated Musicians of New York, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

SENATE

THURSDAY, AUGUST 12, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, August 11, 1937, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—NOMINATIONS AND APPROVAL OF BILLS AND JOINT RESOLUTION

A message in writing from the President of the United States nominating HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States and also messages submitting sundry other nominations were communicated to the Senate by Mr. Latta, one of the President's secretaries.

Mr. Latta also communicated to the Senate the intelligence that the President had approved and signed the following acts and joint resolution:

On August 6, 1937:

S. 1115. An act to amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes."

On August 10, 1937:

S. 81. An act to provide retirement annuities for certain former employees of the Panama Canal and the Panama Railroad Co. on the Isthmus of Panama;

S. 184. An act for the relief of Josephine M. Scott;

S. 1278. An act to authorize exchange of lands at military reservations, and for other purposes;

S. 1281. An act to authorize the sale of surplus War Department real property;

S. 2334. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 2399. An act for the relief of R. L. McLachlan; and

S. J. Res. 183. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

On August 11, 1937:

S. 972. An act for the relief of Ethel Smith McDaniel;

S. 1453. An act for the relief of Maude P. Gresham and Agnes M. Driscoll; and

S. 2157. An act authorizing credits to disbursing officers for expenses incident to the creation of subsistence homesteads corporations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport; and

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2260) to provide for intervention by the United States, direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions, in certain cases involving the constitutionality of acts of Congress, and for other purposes, and it was signed by the Vice President.

ADOPTION PROCEEDINGS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia.

Mr. KING. I move that the Senate disagree to the amendments of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. KING, Mr. OVERTON, and Mr. CAPPER conferees on the part of the Senate.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Pope
Andrews	Copeland	Lee	Radcliffe
Ashurst	Davis	Lewis	Reynolds
Austin	Dieterich	Lodge	Schwartz
Barkley	Donahey	Logan	Schwellenbach
Berry	Ellender	Lonergan	Sheppard
Bilbo	Frazier	Lundeen	Shipstead
Black	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gillette	McGill	Stelwer
Bridges	Glass	McKellar	Thomas, Okla.
Brown, Mich.	Green	McNary	Thomas, Utah
Brown, N. H.	Guffey	Maloney	Townsend
Bulkley	Hale	Minton	Tydings
Bulow	Harrison	Moore	Vandenberg
Burke	Hatch	Murray	Van Nuys
Byrd	Herring	Neely	Wagner
Byrnes	Hitchcock	Nye	Walsh
Capper	Holt	O'Mahoney	White
Caraway	Johnson, Calif.	Overton	
Chavez	Johnson, Colo.	Pepper	
Clark	King	Pittman	

Mr. MINTON. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Delaware [Mr. HUGHES], the Senator from Missouri [Mr. TRUMAN], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent on official business in connection with his duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

NOMINATION OF ASSOCIATE JUSTICE OF SUPREME COURT

Mr. ASHURST. Mr. President, out of order, I ask unanimous consent that the Senate consider a message from the President of the United States.

The VICE PRESIDENT. The Senator makes the request as in executive session?

Mr. ASHURST. As in executive session.

The VICE PRESIDENT. Is there objection?

Mr. JOHNSON of California. I want to know what it is.

The VICE PRESIDENT. The message of the President of the United States is the nomination of an Associate Justice to the Supreme Court.

Mr. JOHNSON of California. Is the request to take it up immediately?

The VICE PRESIDENT. The Senator from Arizona has asked that, as in executive session, it be laid before the Senate.

Mr. JOHNSON of California. Is it the plan to take it up immediately?

Mr. ASHURST. I ask that it be laid before the Senate.

Mr. JOHNSON of California. I object.

Mr. ASHURST. I ask that the message be read.

The VICE PRESIDENT. The Chair thinks that any message from the President of the United States is privileged to be laid before the Senate at any time. The Chair understood the Senator from Arizona to ask that it be laid before the Senate as in executive session. That can be objected to, and the Senator from California has objected to laying the message before the Senate as in executive session.

Mr. JOHNSON of California. I have.

Mr. ASHURST. I now ask that the message be laid before the Senate as in legislative session.

The VICE PRESIDENT. The Clerk will report the President's message.

The Chief Clerk read as follows:

I nominate HUGO L. BLACK—

The VICE PRESIDENT. Wait a moment, please. The Chair is not familiar with this rule, and the Parliamentarian advises the Chair that if objection is made he cannot lay down a message that should come in executive session in regular order of the Senate. If the Senator from Arizona should move to go into executive session, that would be another matter. The Senator from California has objected, and, under the rules of the Senate, the message cannot be laid before the Senate, because it should be laid before the Senate in executive session.

Mr. ASHURST. Mr. President, the clerk having read the nomination of Senator HUGO L. BLACK to be an Associate Justice of the Supreme Court of the United States, I have the following to say:

It is an immemorial usage of the Senate that whenever the Executive honors this body by nominating a Member thereof, that nomination is confirmed without reference to a committee, for the obvious reason that no amount of investigation or consideration by a committee of the Senate could disclose any new fact or shed any new light upon the character, attainments, and ability of the nominee, because if we do not know him after long service with him, no one will ever know him.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. ASHURST. I cannot yield at this moment.

Mr. BURKE. I should like to ask the Senator a question.

Mr. ASHURST. I will not yield for the moment.

The VICE PRESIDENT. The Senator from Arizona declines to yield.

Mr. ASHURST. In this particular case the nominee having served in this body since the 4th of March 1927, has demonstrated that he is a lawyer, I will not say of more than unusual ability but a lawyer of transcendent ability, of great industriousness, courteous in debate, young, vigorous, and of splendid character and attainments. Indeed, for years he has stood in the fierce white light that beats about a public man and no taint of suspicion or breath of prejudice has ever dimmed the bright mirror of his character and reputation. I cannot conceive how the President could have made a wiser selection than the one he has made.

Administrations come and go, but justices of the courts of the United States remain as memorials of or as reproaches to that administration long after it has passed.

At this particular time I realize that the Senator who objects may carry this nomination over. I hope and believe the Senate will appreciate the compliment that has been paid to the Senate by this nomination. I now yield first to the Senator from Nebraska.

Mr. BURKE. Mr. President, we are interested in the statement in reference to the immemorial custom that has prevailed in this body, but does the Senator from Arizona consider that, in the entire history of this country, there has ever been an occasion at all resembling the present one in reference to sending to the Senate the nomination of a Supreme Court Justice? If I may be permitted to go one step further, I would say that, regardless of any immemorial custom, and regardless of what my own attitude may be in reference to this nomination, I think it should certainly go to the committee for very careful study.

Mr. ASHURST. In reply to my able friend, let me say that, if the President of the United States had seen fit to send to the Senate the name of the Honorable EDWARD R. BURKE to be Associate Justice of the Supreme Court, I would have, without hypocrisy, been able to say of him precisely what I have said of the Senator from Alabama [Mr. BLACK].

I do not agree with some of the philosophies of the Senator from Alabama. He knows that. I do not, forsooth, agree with some of the philosophies of the junior Senator from Nebraska [Mr. BURKE]. But only fools would question the patriotism, the integrity, the ability, or the sound learning of either of these two Senators. No one whose opinion is worthy of the slightest consideration would for a moment imagine that either of these two gentlemen, the nominee, the Senator from Alabama [Mr. BLACK], or the junior Senator from Nebraska [Mr. BURKE], could for a moment be actuated other than by the highest motives of conscience, patriotism, prudence, or guided by other than their respective luminous ability.

In view of the objection, I move that the Senate proceed to the consideration of the nomination.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

Mr. ASHURST. Mr. President, I withdraw the motion.

Mr. JOHNSON of California. Mr. President, I had just entered the Chamber, and upon coming in I was informed the nomination had been made. I do not want to consent to its immediate consideration, and I think it ought to pursue the regular course of such nominations. I say that without any reflection upon the Senator from Alabama, because that would be the least of my thoughts. But at this particular juncture, with a situation which has been fraught with very potential possibilities to the country, as some of us think, I believe a nomination to the Supreme Court is of paramount importance and that no custom heretofore pursued by the Senate should stand in the way of the rule requiring reference of the nomination.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. If a motion should be made to proceed to the consideration of executive business for the purpose

of considering the nomination, would it then be in order for the Senate to proceed to consider it without reference to a committee except by unanimous consent?

The VICE PRESIDENT. It would not be in order. The rule of the Senate provides that a nomination must go over for one day if a single objection be made.

Mr. BARKLEY. Under those circumstances it seems to me it would be unwise and futile to go into executive session at this time. I suggest that we pursue the usual course with reference to such matters.

Mr. McNARY. Mr. President, the Chair has answered the parliamentary inquiry correctly. If objection is made on the day a nomination is submitted to the Senate, it must go over under the rule until the next day. The objection of one Senator would naturally and automatically send the matter over for the day.

The VICE PRESIDENT. The message of the President will lie on the Vice President's desk.

VIRGINIA DARE CELEBRATION, ROANOKE ISLAND, N. C.

The VICE PRESIDENT laid before the Senate the following letters, which were read:

UNITED STATES SENATE,
August 12, 1937.

Hon. JOHN N. GARNER,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: I find it impossible to attend the Virginia Dare celebration to be held at Roanoke Island, N. C., on August 18, 1937, and therefore tender my resignation as a member of the committee on the part of the Senate.

Very truly yours,

CARTER GLASS.

UNITED STATES SENATE,
Washington, D. C., August 12, 1937.

Hon. JOHN N. GARNER,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: I find it impossible to attend the Virginia Dare Celebration to be held at Roanoke Island, N. C., on August 18, 1937, and therefore tender my resignation as a member of the committee on the part of the Senate.

Very truly yours,

CHAS. L. McNARY.

The VICE PRESIDENT. The Chair appoints the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] as members on the part of the Senate of the joint committee to represent the Congress at the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare, at Roanoke Island, N. C., on August 18, 1937, in place of Mr. GLASS and Mr. McNARY, respectively, who have tendered their resignations.

INVESTIGATION OF ELECTRIC AND GAS UTILITIES—INDEX

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 83 (70th Cong., 1st sess.) as extended by Senate Joint Resolution 115 (73d Cong., 2d sess.), part 84–D, being an index to parts 21 to 84–C, inclusive; part 84–D, together with parts 71–B and 81–A, constituting a general index to the 95 printed volumes comprising the record of the Commission's investigation of electric and gas utilities, which, with the accompanying index, was ordered to lie on the table.

PETITIONS AND MEMORIALS

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to abolish the Federal Reserve System as at present constituted, and also praying that Congress exercise its constitutional right to coin money and regulate the value thereof, which were referred to the Committee on Banking and Currency.

Mr. TYDINGS presented a memorial of sundry citizens of Baltimore, Md., remonstrating against the enactment of legislation to permit Hawaii and Puerto Rico to send their sugar quotas to the United States in refined form, and favoring the enactment of the pending sugar-quota bill in the same form as passed by the House of Representatives, which was ordered to lie on the table.

Mr. NYE presented a petition of sundry citizens of Olean, N. Y., praying for the enactment of Senate Joint Resolution 10, amending the Constitution so as to provide for a national referendum before war may be declared by the United States, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented a resolution adopted by the Great Kills Branch of the Home Owners' and Taxpayers' Association of Staten Island, N. Y., favoring the reduction of interest to 3 percent on mortgages held by the Home Owners' Loan Corporation, which was referred to the Committee on Banking and Currency.

He also presented a memorial of sundry citizens of Olean, N. Y., remonstrating against the enactment of the bill (S. 25) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Olean, N. Y., praying for the enactment of House joint resolution 199, relating to the powers of Congress to declare war, which was referred to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport; to the Committee on Commerce.

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 2339) to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended, reported it with an amendment and submitted a report (No. 1172) thereon.

He also (for Mr. HUGHES), from the same committee, to which was referred the bill (H. R. 6563) to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes, reported it with amendments and submitted a report (No. 1173) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 1629) to amend the act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous products in the District of Columbia; to regulate interstate traffic in said articles; and for other purposes", approved July 1, 1902, to make it applicable to surgical ligatures and sutures, reported it without amendment and submitted a report (No. 1174) thereon.

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes, reported it with amendments and submitted a report (No. 1179) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2892. A bill to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree (Rept. No. 1175); and

S. 2893. A bill to confer jurisdiction upon certain United States commissioners to try certain civil suits wherein the United States is plaintiff (Rept. No. 1176).

Mr. CLARK, from the Committee on Finance, to which was referred the bill (H. R. 8174) to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936, reported it without amendment and submitted a report (No. 1178) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 186) providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons, reported it with an amendment and submitted a report (No. 1180) thereon.

He also, from the same committee, to which were referred the following joint resolutions, reported them severally without amendment and submitted reports thereon:

S. J. Res. 197. Joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba (Rept. No. 1181);

S. J. Res. 199. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938 (Rept. No. 1182); and

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive (Rept. No. 1183).

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2688) to provide for preliminary examinations and surveys for run-offs and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers, reported it without amendment and submitted a report (No. 1177) thereon.

PERMANENT AGRICULTURAL PROGRAM—REPORT OF COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the concurrent resolution (S. Con. Res. 19) favoring the consideration of a permanent agricultural program on the convening of the next session of Congress (submitted by Mr. BILBO and Mr. BLACK on Aug. 3, 1937), reported it with amendments.

FINAL REPORT ON "MORRO CASTLE" AND "MOHAWK" INVESTIGATIONS (REPT. 184, PT. 4)

Mr. COPELAND. Mr. President, from the Committee on Commerce I submit the final report on the *Morro Castle* and *Mohawk* investigation, which has been going on for about 18 months. I ask that the first seven pages of the report be printed in the RECORD, and also that the entire report be printed, with an illustration, as part 4 of Senate Report No. 184.

The VICE PRESIDENT. Without objection, it is so ordered.

The portion of the final report above referred to by Mr. COPELAND is as follows:

Supplementing the committee's Reports No. 776, submitted June 3, 1935; No. 776, part 2, submitted February 6, 1936; No. 776, part 3, submitted May 20, 1936; No. 776, part 4, submitted June 20, 1936; Preliminary Report No. 184 (75th Cong., 1st sess.), submitted March 17, 1937; and Preliminary Report No. 184, part 2, submitted June 8, 1937, the following final report is submitted.

REQUIREMENTS OF SENATE RESOLUTION 7

Senate Resolution No. 7, which was passed by the Senate on March 16, 1935, required the following:

"(1) To collect, collate, coordinate, and make available to the Senate the results of (a) the inquiry into the *Morro Castle* disaster conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce."

This was covered by Report No. 776, submitted on June 3, 1935.

"(b) The inquiry into the *Morro Castle* disaster, and the actions taken in connection with or subsequent to such inquiry, by the United States attorney for the southern district of New York."

This was covered by Report No. 184, part 2, submitted June 8, 1937.

"(c) Such inquiries into the *Mohawk* disaster as have been or may be conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce and by the United States attorney for the southern district of New York, and the actions taken in connection with or subsequent to such inquiry."

This was covered by Report No. 776, submitted June 3, 1935.

"(d) Such other inquiries into the *Morro Castle* disaster, the *Mohawk* disaster, and other maritime tragedies as would, in the discretion of the committee, be helpful for the purposes of this resolution."

This is covered in part by Reports No. 776, submitted June 3, 1935; No. 776, part 2, submitted February 6, 1936; No. 776, part 3, submitted May 20, 1936; No. 776, part 4, submitted June 20, 1936, and also in this report.

"(2) To make such further investigations of the *Morro Castle* and the *Mohawk* disasters, including the rescue operations carried on in connection therewith, as the committee shall deem advisable and necessary for the purposes of this resolution."

This was covered by Report No. 776, submitted June 3, 1935.

"(3) To investigate the adequacy and enforcement of the present legal standards of safety of ship construction and operation."

This was covered by Report No. 184, submitted March 17, 1937.

"(4) To investigate the prevalent methods and practices in the complementing of seagoing vessels, including all conditions of employment."

This is covered by this report.

"(5) To investigate the adequacy and efficiency of the Steamboat Inspection Service."

This is covered by this report.

"(6) To investigate whether the laws governing liability for loss of life and property at sea, the laws and usages of salvage, and the laws, usages, and practices of the business of marine insurance tend to encourage the installation and utilization of such devices and the promotion of such practices as are conducive to safety and to a paramount concern at all times for the preservation of life."

This was covered by Report No. 184, part 2, submitted June 8, 1937.

"(7) To make a preliminary report of the results of its investigations as soon as practicable, to make further reports from time to time but at least once during each regular session of the Senate until it has completed its investigations, and to submit a final report to the Senate, together with its recommendations for necessary legislation."

Including this report, seven reports have been submitted to the Senate, and, growing out of these, five recommendations have been submitted for new legislation.

In Report No. 776, part 2, recommendations were made for legislation to bring the Communications Act of 1934 up to date so as to promote safety of life through the use of radio. This legislation was finally passed by the Seventy-fifth Congress and now stands as Public, 97 (75th Cong.), approved May 20, 1937.

In Report No. 776, part 3, recommendations were made for legislation to implement the Convention for Promoting Safety of Life at Sea, 1929, insofar as it required the maintenance of an ice patrol in the vicinity of the Newfoundland Banks. This legislation, to promote safety at sea in the neighborhood of ice and derelicts, was passed by the Seventy-fourth Congress and now stands as Public, 799 (74th Cong.), approved June 25, 1936.

In Report No. 776, part 4, recommendations were made for legislation to make effective the International Regulations for Preventing Collisions at Sea which were agreed upon at the International Conference on Safety of Life at Sea, 1929. This legislation stands as S. 1273 and has been passed by the Senate.

In Report No. 184 recommendations were made for legislation to modernize our laws in respect to safety of ship construction and operation. This legislation stands as S. 1916 and, as an alternative, as S. 2580. These bills were considered by the committee after hearings held on May 5 and May 19, 1937, and S. 2580 was reported with the recommendation that it be passed.

In the present report recommendations are made for legislation covering certain phases of the laws governing the personnel engaged in manning merchant vessels of the United States.

From the above it will be seen that your committee has covered all requirements of Senate Resolution No. 7, and has, in each instance, submitted recommendations for legislation to improve the conditions found to exist and, in general, to promote safety of life at sea.

COMPLEMENTING SEAGOING VESSELS

The investigation of matters concerning ship's personnel has extended over a period of 2 years, and during that time there have been enacted several new laws having an important bearing on the subject. During the same period there has been marked unrest in maritime labor circles, so that it would seem at the present time the discipline and efficiency of the crews of our merchant vessels are worse than before the investigation.

Two of these laws are deserving of comment here.

PUBLIC, 808 (74TH CONG.)

Public, 808 (74th Cong.), approved June 25, 1936, was "An act to promote the welfare of American seamen in the merchant marine of the United States." It set forth the citizenship requirements for seamen serving on American ships, the issuance of "able seamen" certificates, "lifeboatman" certificates, certificate of service as "a qualified member of the engine department", and certificates of service for ratings other than as "able seaman" or "a qualified

member of the engine department." It also provided for the revocation of these certificates for cause. It provided for a three-watch system and an 8-hour day for men in the deck and engine departments on ocean-going and Great Lakes vessels. It provided for each seaman, on vessels of 100 gross tons or upward (except river craft), to be provided with a book to be known as a continuous discharge book. It also provided, among other things, for the inspection of the crew's quarters on each vessel at least once each month.

The provisions enumerated above were acceptable to the International Seamen's Union of America and to other interested groups at the time the law was enacted. But during the west-coast maritime strike of 1936 a condition developed where the strike, so far as seamen were concerned, was being directed against the continuous discharge book instead of for the purpose of obtaining better pay, better hours, or better working conditions. The seamen's union conducting this strike had ceased to be a part of the International Seamen's Union and was, therefore, a law unto itself so far as organized labor was concerned. The strike against this statute continued and gained sufficient support to cause an amendment being passed by the Congress and approved by the President, on March 24, 1937 (Public, No. 25, 75th Cong.). This amendment made it optional with the seaman whether he should carry a continuous discharge book or a certificate of identification.

Also contained in this amendment (Public, No. 25, 75th Cong.) was a clause reading as follows:

"(g) Any person, partnership, company, or corporation who shall require any seaman employed or applying for employment to possess, produce, or carry a continuous discharge book, if and when such seaman possesses or carries an identification certificate, or to carry an identification certificate, if and when such seaman possesses and carries a continuous discharge book, or who shall exchange or give to any other person, partnership, company, or corporation information to cause discrimination against a seaman for electing to carry either an identification certificate or a continuous discharge book, or to prevent a seaman from obtaining employment on that account, shall be deemed guilty of a misdemeanor; and, on conviction thereof, shall be punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year, at the discretion of the court."

This was intended to prohibit blacklisting, but there is clear evidence that certain of the labor organizations are blacklisting the men who continue to use the continuous discharge book. At the same time it appears that the majority of the men going to sea prefer the book and are well satisfied with it.

PUBLIC, NO. 835 (74TH CONG.)

Public, No. 835 (74th Cong.), known as the Merchant Marine Act, 1936, established the United States Maritime Commission and prescribed its duties. The following section of this statute has a direct bearing on the matter under investigation:

"SEC. 301. (a) The Commission is authorized and directed to investigate the employment and wage conditions in ocean-going shipping and, after making such investigation and after appropriate hearings, to incorporate in the contracts authorized under titles VI and VII of this act minimum-manning scales and minimum-wage scales and reasonable working conditions for all officers and crews employed on all types of vessels receiving an operating-differential subsidy. After such minimum manning and wage scales and working conditions shall have been adopted by the Commission, no change shall be made therein by the Commission except upon formal complaint, public notice of the hearing to be had on such complaint, and a hearing by the Commission of all interested parties, under such rules as the Commission shall prescribe. Every contractor receiving an operating-differential subsidy shall post and keep posted in a conspicuous place on each such vessel operated by such contractor a printed copy of the minimum manning and wage scales and working conditions prescribed by his contract and applicable to such vessel: *Provided, however*, That any increase in the operating expenses of the subsidized vessel occasioned by any change in the wage, manning scales, and working conditions as provided in this section shall be added to the operating-differential subsidy previously authorized for the vessel."

This section was necessary in order that there might be a definite agreement between the Maritime Commission and the contractor, who was to receive an operating-differential subsidy, as to the number of men to be employed on each ship and the wages the men were to receive. In no other way could a clear-cut operating-differential subsidy intended to establish parity of cost in operation be established.

As a matter of fact, it soon developed that if the Maritime Commission fixed the wages and working conditions for the ships receiving an operating-differential subsidy, all other ocean and coastwise shipping would have to follow the same rules. In consequence, successful collective bargaining would be out of the question except by aid of the Commission.

The injection of this problem into the already troubled maritime labor situation complicated matters considerably. It was but natural that one side would desire the Maritime Commission to fix the number of men to be employed, the wages, and the working conditions once for all, and the other side would desire no interference with any efforts that might be made, by strike or negotiation, to better wages and working conditions. Thus a part of this statute which was intended to make it possible for the Maritime Commission to decide in each case and write into the contract the payment involved by an operating-differential subsidy has resulted in considerable additional confusion in the maritime labor situation.

There appears to be no doubt that there is a group bent on getting control of the personnel on all ships of the American merchant marine, and the industry is the victim of the strife which results from the efforts of this new group to wrest control from the old-established unions. The shipowners and operators, by their procedure in the past and even in the present, have brought about much of the trouble and, too often, condone and accept conditions which are inimical to the best interest of the merchant marine.

PERSONNEL ADVISORY COMMITTEE

In order that proper study might be given to these personnel matters your committee considered it advisable to ask the assistance of certain qualified men to study and report upon the questions. Thereupon, on May 21, 1936, a Personnel Advisory Committee on Safety at Sea was formed, and the following agreed to serve:

Admiral Harry G. Hamlet, United States Coast Guard, chairman.

Representing seagoing personnel: Edward T. Pinchin, Masters, Mates, and Pilots; Paul Scharrenberg, International Seamen's Union; David E. Grange, Marine Cooks and Stewards; John Bley, Marine Firemen's, Oilers', and Watertenders' Union.

Representing shipowners and operators: Paul H. Harwood, Standard Oil Co. of New Jersey; Robert C. Lee, Moore & McCormack Co., Inc.; H. Harris Robson, United Fruit Co.; W. A. Kiggins, Jr., A. H. Bull & Co.

Representing the public: Howard C. Cullman, vice chairman, Port Authority of New York; Philip F. King, Sailor's Haven, Boston; Karl R. Miner, legal assistant, Senate investigating committee; C. S. Joyce, captain, United States Navy (retired), technical assistant, Senate investigating committee.

As will be noted, the first group was in a position to know the problems and desires of all branches of the seagoing personnel. The second group was in a position to know the problems of all classes of ship operators, as they represented subsidized lines and unsubsidized lines, as well as tankers, cargo carriers, and carriers of both passengers and cargo.

At the Personnel Advisory Committee's first meeting on May 21, 1936, the chairman of the subcommittee charged with making the investigation required by Senate Resolution 7 (Senator COPELAND) made the following statement:

"Under Senate Resolution 7, dated March 16, 1935, the Senate Committee on Commerce was directed to investigate the *Morro Castle* and *Mohawk* disasters. The Senate Committee on Commerce appointed a subcommittee consisting of Senators Fletcher, Sheppard, Johnson, White, and myself as chairman. This committee was authorized to study the methods and practices used in the complementing of seagoing ships and to report regarding the adequacy and efficiency of the Steamboat Inspection Service.

"During our committee investigation it has become increasingly clear that there are great difficulties in administering present laws; but it has also become clear that additional legislation is required to clarify the personnel situation.

"The manning of ships is an involved problem, demanding detailed study. This study must cover the following points:

"The fitness and efficiency of licensed officers; the fitness and efficiency of seamen; the number of officers and the size of crew required properly to man each vessel; the employment of seamen; and the working conditions of all personnel employed on board ship.

"To a certain extent, our present laws deal with these factors of sea safety. We must decide whether or not these laws are adequate. We must determine what additional legislation, if any, is necessary to guard the public welfare.

"The responsibility for administering the laws rests upon the Bureau of Navigation and Steamboat Inspection of the Department of Commerce. The determination of the fitness of the officers and crews rests with the Steamboat Inspection Service. The manning schedules are prepared by the Bureau. Employment of seamen is under the shipping commissioners, another branch of the Bureau of Navigation and Steamboat Inspection. The working conditions, to a certain extent, are also under the control of the Bureau. At least, its officials must be satisfied that the quarters on shipboard are adequate and satisfactory, and that the crew is sufficient in number to function properly within the required working hours.

"The shipping commissioners have under their jurisdiction a portion of the responsibility. The shipping articles record the rate of pay; but apparently there is no way under present organization to check up on the subsistence.

"There is available a considerable amount of information on all of these subjects; but each require a study and analysis in order that a satisfactory solution of many a problem may be reached.

"You gentlemen have been invited here to assist the Senate committee, primarily in connection with the questions involving personnel. In inviting you the committee had in mind assembling a group that would seriously consider the whole question and then recommend the best and most practicable legislation to fit our present needs. I am confident that each of you is prepared to approach the matter in a spirit of patriotism and to deal with it without prejudice.

"Perhaps I may suggest that a study be made of the following matters:

"1. The prevalent methods and practices in the complementing of seagoing vessels, including all conditions of employment. This study may be divided into five categories, as follows:

"(a) The methods of determining the fitness and efficiency of licensed officers.

"(b) The methods of determining and recording the fitness and efficiency of seamen and other members of the crew.

"(c) The adequacy of the manning schedules.

"(d) The methods of employing the members of the crew.

"(e) The working conditions, including hours of work, quarters, subsistence, and pay.

"2. The organization and adequacy of the Steamboat Inspection Service, especially as it deals with ships' personnel.

"I want it understood, in that connection, that this committee is as free as it can possibly be to pass judgment upon the Steamboat Inspection Service. If you have criticisms to offer, if you have suggestions to make as to the improvement of that Bureau, that is your duty. There is no one here in the Commerce Committee who desires to shield anybody. The committee desires to have perfect justice done, but you need not feel that you have to 'hold your punches', if you have any to make, because out of this investigation we hope to improve conditions so that there may be an assurance of greater safety at sea, and so that the public, itself, may be sure that there is safety at sea.

"It is desired that a study be made of all the duties which fall to the Bureau which may be summarized as follows:

"(a) The organization for determining the qualifications of all licensed officers.

"(b) The organization for determining and recording the qualifications of unlicensed personnel.

"(c) The organization for supplying crews for ships.

"(d) The organization for the inspection of ships, as to operation, drills, and efficiency of crews.

"All these matters have to do with personnel. Unless the Bureau has an adequate, suitable, and successful organization, it cannot carry out its present duties, and certainly it cannot cope with new ones which may be assigned to it.

"The Committee on Commerce is convinced that ship safety, both as to construction and operation, can only be attained when the proper Government department has the authority and responsibility of enforcing the laws covering operation of all merchant ships. This responsibility can neither be divided nor evaded. The organization itself and all governed by it must concede its responsibility and authority.

"You have been furnished with a tentative agenda. It is hoped that this will start you on your course. Your part, as I see it, is the formulation of legislation necessary for the better administration of all those things having to do with ship personnel.

"And then, from this committee and through Captain Joyce and myself, we shall make reports to the public of our activities. And we should prefer to have it done in that way if you do not mind.

"In the name of the Committee on Commerce, I thank you for the sacrifices you are making to do this work. The increased safety of the traveling public and of American seamen will be ample reward, I am sure."

The chairman then handed the committee the following agenda and asked them to be guided thereby:

"AGENDA FOR PERSONNEL ADVISORY COMMITTEE

"1. To make a study of the prevalent methods and practices in the complementing of seagoing vessels, including all conditions of employment, and particularly the following:

"(a) The methods of determining and recording the fitness and efficiency of licensed officers.

"(b) The methods of determining and recording the fitness and efficiency of seamen and other members of the crew.

"(d) Manning schedules.

"(e) Working conditions, including hours of work, quarters, subsistence, and pay.

"2. To make a study of the adequacy and efficiency of the steamboat inspection service and the shipping commissioners' service, and particularly the following:

"(a) The organization for determining the fitness and efficiency of licensed officers.

"(b) The organization for determining and recording the fitness and efficiency of seamen and other members of the crew.

"(c) The method of organization for making up manning schedules.

"(d) The organization for supplying crews to ships.

"(e) The organization for the inspection of ships as to their operation, drills, and efficiency of the crews.

"3. To present a summary of these studies, together with suggestions for necessary legislation."

The Advisory Committee proceeded at once to deal with its problems. We owe its members a debt of gratitude for unfailing devotion to its duties.

Herewith is the latest report of that committee. It tells its own story.

ROYAL S. COPELAND, *Chairman.*
MORRIS SHEPPARD.
WALLACE H. WHITE, Jr.

Mr. COPELAND. I also ask consent to introduce two bills, for reference to the Committee on Commerce, to carry out the recommendations of the report.

The VICE PRESIDENT. Without objection, the bills will be received and referred as requested by the Senator from New York.

The bill (S. 2958) to establish a fleet auxiliary reserve in the Coast Guard for the training of merchant marine officers and seamen, and for other purposes; and

The bill (S. 2959) to regulate the issuance of licenses to officers of the merchant marine, to define the duties of shipping commissioners, to establish in the Coast Guard special training for seamen for the merchant marine, and for other purposes, were each read twice by their titles and referred to the Committee on Commerce.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 10, 1937, that committee presented to the President of the United States the enrolled bill (S. 1160) for the relief of Troup Miller and Harvey D. Higley.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

A bill (S. 2952) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc.; to the Committee on Claims.

By Mr. MURRAY:

A bill (S. 2953) to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States; to the Committee on Public Lands and Surveys.

By Mr. JOHNSON of California:

A bill (S. 2954) relating to the retired pay of officers, warrant officers, members of the Nurse Corps, and enlisted men of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Military Affairs.

By Mr. GUFFEY:

A bill (S. 2955) to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.; to the Committee on Commerce.

By Mr. CAPPER:

A bill (S. 2956) for the relief of Orville D. Davis (with accompanying papers); to the Committee on Claims.

By Mr. ASHURST (by request):

A bill (S. 2957) to amend section 224 of the Criminal Code so as to penalize the making of false claims for the loss of insured mail matter; to the Committee on the Judiciary.

(Mr. COPELAND introduced Senate bills 2958 and 2959, which were referred to the Committee on Commerce, and appear under a separate heading.)

By Mrs. CARAWAY:

A joint resolution (S. J. Res. 206) to authorize the painting of the painting "The Signing of the Constitution", for placement in the Capitol building; to the Committee on the Library.

SUGAR QUOTAS AND TAXES—AMENDMENT

Mr. BROWN of Michigan submitted an amendment intended to be proposed by him to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, which was ordered to lie on the table and to be printed.

INVESTIGATION OF MUNITIONS INDUSTRY—LIMIT OF EXPENSE

Mr. NYE submitted the following resolution (S. Res. 176), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the special committee appointed by the Vice President pursuant to resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $754.64 in addition to the amounts heretofore authorized to be expended for the purposes set forth in said resolution.

LEASE OF DESTROYERS TO SOUTH AMERICAN COUNTRIES

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Foreign Affairs an editorial in this morning's Washington Post entitled "Rented Warships." I do not understand all of the implications involved in this proposal but believe it is sufficiently important to receive the serious study of the committee. I think explanation should be found for the fact that one nation above others is singled out for the proposed leasing of obsolete destroyers by the United States. Is this program a part of the general policy of the administration in foreign affairs to break down our trade protection, involve us in foreign complications, and make our Nation a partner to international rivalries?

There being no objection, the editorial was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RENTED WARSHIPS

The proposal to lease obsolete destroyers to Latin-American countries raises some fundamental questions of foreign policy. Evidently the Department of State is sincerely trying to be helpful to the Brazilian Government. But in doing so, it has become involved in a tangle of implications not entirely compatible either with the good neighbor policy or with the traditional American attitude toward arrangements which smack of military alliance.

Argentina is plainly annoyed by the project. Possibly the Argentine Government places too much importance upon the seeming favoritism to Brazil. Under the agreement the six destroyers designated for that country would be used only for training purposes. The Department of State emphasizes, also, the general nature of the offer. Yet the fact remains that the policy was adopted for the specific benefit of a single Latin-American power. "I would urge again", said Secretary Hull at Buenos Aires last December, "the wisdom of avoiding discrimination in our commercial policy." Why not in our diplomacy, too?

If the proposal is to be considered on its general merits, various other questions arise. The United States has 158 overage destroyers which are kept in condition as a reserve force. The Navy would use them in case of emergency. Brazil wants only six. Presumably the others would be available to Latin-American countries for a general strengthening of their naval forces, and their incipient naval rivalries.

The Department of State likes to claim credit for this country as a leader in the movement for world disarmament. It will be harder to do so effectively if we are now to pursue a policy of encouraging naval expansion among countries that heretofore have wasted very little of their substance in building up fighting squadrons.

That unpleasant aspect of the destroyer-leasing policy is not eliminated by the fact that these ships would be used primarily for training purposes. Training for combat is a vital part of any armament program. Moreover, it is difficult to see how the United States could retrieve the leased destroyers in case the lessee went to war. No country will give up any advantage it may have when hostilities once break out. In event of such a war, the United States would have to choose between retaking its vessels by force and showing favoritism between the belligerents.

It is suggested that Brazil needs additional naval strength to protect her coast from foreign aggression and as a safeguard against possible revolution. But if Brazil is really in danger of attack, the agreement reached at Buenos Aires last December should call for consultation among the American republics and possibly joint action. In no circumstances would it be the responsibility of the United States, acting alone, to fortify Brazil against either internal or external strife. To do so is to go a long way toward forming an alliance with the present Brazilian Government.

Secretary Hull insists that the proposal would not violate the London Naval Treaty of 1936, forbidding signatories to sell or transfer war vessels to any foreign navy. Each lease would contain a "recapture clause" permitting the United States to recall the ships at any time. Whether or not that would satisfy the literal requirements of the treaty, its effect upon its spirit would clearly be destructive. For the treaty stipulates that signatories shall not "by gift, sale, or any mode of transfer" dispose of warships for service "in any foreign navy."

ECONOMIC DIVISION OF FEDERAL TRADE COMMISSION

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a letter addressed to him by Mrs. John Boyle, of Washington, D. C., in reference to the Economic Division of the Federal Trade Commission, which appears in the Appendix.]

WORK ON THE BONNEVILLE PROJECT—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with two amendments as follows:

In section 2 (a) of the amendment in the 22nd line of this section, strike out "administrator is authorized and empowered to direct and require the" and in line 24 strike out the word "to" and insert "shall", so as to make the sentence read "The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy."

At the end of section 11 of the amendment, strike out the period, insert a comma, and add the words "including installation of equipment and machinery for the generation of electric energy and facilities for its transmission and sale."

And the Senate agree to the same.

ROYAL S. COPELAND,
CHAS. L. MCNARY,
MORRIS SHEPPARD,
Managers on the part of the Senate.
J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

The report was agreed to.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

The VICE PRESIDENT. The question is on the motion of the Senator from New York [Mr. WAGNER] to proceed to the consideration of House bill 1507, known as the anti-lynching bill.

Mr. WAGNER. Mr. President, on my motion I ask for the yeas and nays.

Mr. CONNALLY. Mr. President, the Senator from Idaho yesterday outlined in splendid fashion the position of those who do not believe that at this time we should disrupt the legislative program by taking up this very controversial measure. As all Senators know a rather long legislative program is yet to be considered by the Senate and the House. One of the measures on the program is the sugar bill which has been before the Congress for a considerable period. Another measure of great importance, with which it seems now the Congress will probably have to deal, is the farm-relief measure. Another bill awaiting hearings is the revenue measure.

Mr. BORAH. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. BORAH. I make the point of order that the Senate is not in order.

The VICE PRESIDENT. The point of order is well taken. The Chair has called for order several times, but it seems that Senators have to go through regular routine conversations on the floor of the Senate. The Chair asks that Senators desiring to converse will retire to the cloakroom and accommodate the Senator from Texas, who desires to be heard.

Mr. CONNALLY. Mr. President, I thank the Senator from Idaho and I thank the Vice President; but, frankly, the Senator from Texas feels that it is his own fault. If he is not able to interest Senators in the matter under discussion, he does not expect to ask the charity of the Senator from Idaho, although it is well meant, or the power of the Chair in preserving order. The trouble about this bill is that some Senators do not want to hear about it; do not want to hear discussed the constitutional issues involved.

The Senator from New York [Mr. WAGNER] is willing to tie up the legislative program of the session in order to inject the measure and thereby create endless discussion, create embarrassment for the President of the United States, who wants to put over his legislative program, create embarrassment for the leadership of the Senate, simply for the purpose of bringing forth one of the Senator's pet measures.

Mr. President, we shall soon celebrate the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States. In May 1787 there gathered at Philadelphia the greatest body of statesmen, publicists, lawyers, patriots, according to their number, that has ever been

assembled on this planet of ours. When their labors were concluded on September 17, 1787, they gave to 13 theretofore independent sovereignties a framework of government known as the Constitution of the United States, a framework of government which a great foreigner once described as being "the greatest work ever struck off at a given time by the brain and purpose of man." While that was a noble tribute, it was not exactly an accurate tribute, because the Constitution of the United States was not struck off at a given time but was simply the accumulation and the culmination of constitutional development in the Colonies and the States over a long period of years.

In that Convention sat George Washington, late Commander in Chief of the Continental Army. There also sat Alexander Hamilton, a captain on Washington's staff and a gallant continental soldier, who, though born in a foreign land, brought to his adopted country an intellect which probably has never been surpassed in the history of the United States and a vision of the development of the Constitution and republican institutions which has not been surpassed even by the author of the bill now under discussion.

Mr. President, in that Convention also sat Benjamin Franklin, wise old man. I would that we could summon back to this Chamber today some of the wisdom of Benjamin Franklin; and if we might, this bill would not now be before us. I wish we could bring back to this Chamber some of the far-sightedness of Elbridge Gerry, of Massachusetts, and of Roger Sherman, that old Connecticut shoemaker who helped fashion the fundamentals upon which this Government rests. I wish we might bring back to this Chamber today the brilliance of Charles Pinckney, of South Carolina, in order that he might counsel those who, spurred on by a thirst for partisan political advantage, are willing to do violence to the great instrument that emerged from the Constitutional Convention of 1787.

Mr. President, that Constitution recognized the sovereignty of the then 13 States. Its problem was to preserve that sovereignty and yet give to the Federal Government only those limited powers which were necessary to attain national unity and to carry on those functions essential and requisite to the establishment of a Federal Government.

Under that system, Mr. President, the prosecution of all domestic crimes in violation of the police power was left entirely within each State. The regulation of all domestic concerns that do not cross State lines, that do not pertain to national sovereignty, that do not relate to the conduct of foreign affairs, that do not affect the maintenance of an army or a navy—is still within the exclusive jurisdiction of State authority. But the proponents of this bill say that on account of the adoption of the fourteenth amendment to the Constitution there was taken away from the States jurisdiction to control so-called lynching.

Mr. President, I desire to say to the Senator from New York [Mr. WAGNER] that the Senator from Texas is as much opposed to lynching as ever could be the Senator from New York. The Senator from Texas is opposed to murder by one man or by a group of citizens. He is opposed to murder, whether it be committed on Broadway in New York or on an isolated farm down in the Commonwealth which I have the honor in part to represent in this body. The Senator from Texas is as much opposed to lawlessness as is the Senator from New York, wherever that lawlessness may occur; but I assert here today that there is no warrant in the fourteenth amendment to the Constitution, nor is there any warrant in any other portion of the Constitution of the United States, for the enactment of the measure which is proposed here by the Senator from New York.

Mr. President, what is the history of the fourteenth amendment?

After the Civil War, with all of its tragedy and with all of its blood and with all of its ruin, had left the South prostrate and broken, State legislatures in various parts of the South had undertaken legislation with relation to the lately enfranchised colored race. So when the fourteenth amendment was adopted it was directed at State action, at State statutes, at State policies; and the debates in the Congress when the fourteenth amendment was pending here, when the fourteenth amendment was originally submitted to the States, reveal that it was directed at State statutes and State action and never comprehended direct Federal jurisdiction over individual citizens within the States. Therefore the amendment was so framed as to limit it to State action.

I should like to read the fourteenth amendment. I should like to have Senators know the basis upon which the Senator from New York undertakes to erect this new statute of his.

Section 1 of the fourteenth amendment:

All persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside.

Is there anything there that authorizes legislation of this character? The first part of the amendment simply declares that all persons either born in the United States or naturalized in the United States, and subject to its jurisdiction, are citizens of the United States. But it is said that in the remainder of the amendment may be found authority for this bill. What does it say?

No State—

Nothing about individuals; nothing about the neglect of sheriffs; nothing about the indifference of constables.

No State—

Shall do what?—

No State shall make or enforce any law—

"Any law"; it must be a law—

which shall abridge the privileges or immunities of citizens of the United States; nor shall any State—

Not an individual, not a corporation, not an association of persons, but—

nor shall any State—

Acting as a State; not a fiction, not an imaginary State, but a real State, acting as a State—

deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

So, Mr. President, as was so clearly and ably demonstrated by the great Senator from Idaho [Mr. BORAH] on yesterday, the fourteenth amendment is leveled and directed at State action and State action alone. If a State enacts a law which discriminates between citizens on the ground of race or color or religion or any other artificial test, the law falls, because it transgresses the Constitution of the United States; but unless the State as such transgresses the fourteenth amendment, individuals are not brought within the scope of Federal power but must be under the jurisdiction of the State police power.

So, Mr. President, the Supreme Court of the United States has repeatedly and frequently upheld and maintained that statement. The Senator from Idaho on yesterday cited the Senate to the case of Harris against the United States. The Supreme Court there held that a Federal statute directed against public assemblages of a certain number of persons who would go out on the public highway and molest or interfere with citizens of the United States was invalid, and why? The Court held that the statute was invalid because it was not authorized under the fourteenth amendment, since the statute was directed at individuals and was not directed at State action, and that since the State had enacted no law, since the State as a sovereign had done nothing to transgress the fourteenth amendment the statute was void.

Mr. President, there are many other cases which have been passed upon by the Supreme Court. I desire to quote to some Senators some of the debate when the amendment was originally submitted to the Congress. I direct the attention of

the Senator from Pennsylvania [Mr. GUFFEY] to the remarks of Mr. Thaddeus Stevens, of Pennsylvania. I want to say that the zeal of Mr. Stevens in behalf of the colored race was great, but perhaps not as great as that of the Senator from New York [Mr. WAGNER].

Mr. Stevens, in reporting from the Committee on Reconstruction the first section containing the equal-protection clause, used the language which I am now about to read, and I now invoke it here. Strange to say, on the floor of the United States Senate I invoke the shade of Thaddeus Stevens, bitter partisan that he was, hater of the section from which I come, frenzied by passion—I invoke his spirit to come back now and speak a word of caution to the wild passions of some Senators on this floor.

Here is what Mr. Stevens said:

The Constitution limits only the action of Congress, and is not a limitation on the States. This amendment supplies that defect and allows Congress to correct—

What? To correct the action of individuals? Oh, no! To subject private individuals to prosecution in Federal courts? Oh, no!—

supplies that defect and allows Congress to correct the unjust legislation of the States—

That is the language of Thaddeus Stevens—

so far that the law which operates upon one man shall operate equally upon all. Whatever law punishes a white man for a crime shall punish the black man precisely in the same way and to the same degree.

Mr. President, those are the words of the author of this amendment. Thaddeus Stevens never dreamed that the fourteenth amendment would be so stretched or so contorted or so mutilated as ever to furnish the excuse for legislation directed at individuals. But Mr. Stevens pointed out, and he pointed out clearly, that what the fourteenth amendment proposed was to afford Congress the power of negativing State laws, enacted by the legislature and approved by the Governor, which undertook to discriminate between the races or between any other classes of American citizens. That was the limit of it. That was the limit of the fourteenth amendment when Mr. Thaddeus Stevens proposed it, and that has been the limit of the fourteenth amendment until this good hour.

Mr. President, I should like to quote James G. Blaine. There was a time in this Republic when the silvery voice and the waving plume of James G. Blaine had their followers. There was a time when the voice of that great statesman from Maine was heeded. What did he say as to the purpose of the fourteenth amendment? He was a Member of Congress when the fourteenth amendment was proposed. In his Twenty Years of Congress he clearly expressed his view of the purpose and the scope of the amendment. I should like to have the Senator from New York listen to the words of James G. Blaine.

Of course, Blaine is dead. Of course, Blaine is not involved in the campaign to get votes at the present time. Of course, Blaine is not engaged in a rivalry as to who can show the greatest zeal, not for all American citizens, but for a certain group of American citizens.

Mr. President, I do not propose to discriminate between citizens of the United States. Every citizen, whether he be black or yellow or white, according to the view of the Senator from Texas, is entitled to the same legal and constitutional rights. I respect men of all colors, but I have never yet come to the point where I love other colors more than I do my own. So when there is discrimination by legislation such as that proposed now it is a fraud on its face. It is theoretically directed to equality, and to the maintenance of absolute equality under the law, but its real purpose, its real design, is to select a certain group and give to it and to it alone rights and privileges which are denied to other citizens.

Mr. President, what did James G. Blaine say about this question? In his Twenty Years of Congress, he clearly expressed his view of the purpose and scope of the fourteenth amendment. Let me read his words regarding the fourteenth and fifteenth amendments. This is Mr. Blaine speaking. These are not the words of the Senator from Texas, or of the Senator from New York; this is the declaration of one who was present when the fourteenth amendment was born. He was one of the midwives who delivered it, and he ought to know something about what the fourteenth amendment meant. This is what he said, speaking of the fourteenth and fifteenth amendments:

Both of those amendments operate as inhibitions upon the power of the State—

Nothing about individuals—

upon the power of the State, and do not have reference to those irregular acts of the people which find no authorization in the public statutes.

Could there be a clearer denial of the jurisdiction of Congress to enact this proposed law? Mr. Blaine says that the fourteenth amendment was directed at State action. He said the amendments—

Operate as inhibitions upon the power of the State and do not have reference to those irregular acts of the people which find no authorization in the public statutes.

What was he talking about? Senators, he was talking about the very thing the Senator from New York has in mind, those irregular acts of citizens, those acts of private citizens, outside the State law; those acts of gangsters on Broadway; those infrequent acts of people in my section, so-called mobs. That is what Mr. Blaine had in mind when he said that those amendments—

Operate as inhibitions upon the power of the State and do not have reference to those irregular acts of the people which find no authorization in the public statutes.

As was so clearly pointed out by the Senator from Idaho [Mr. BORAH] yesterday, unless the so-called infringement of the fourteenth amendment is some affirmative act by the State as such, the fourteenth amendment has no application. Mr. Blaine said that was true, Mr. Thaddeus Stevens said that was true, but the Senator from New York says it is not true.

What else did Mr. Blaine say? I want to reiterate that Mr. Blaine was in Congress when the amendment was submitted. He voted for it. He voted for it because he favored it. He voted for it because he wanted to inhibit State action. He voted for it because he did not want to go any further than to inhibit State action. This is what he said further:

The defect in both amendments, insofar as their main object of securing rights to the colored man is involved, lies in the fact that they don't operate directly upon the people.

Could there be anything clearer than that—"that they do not operate directly upon the people." The Senator from New York says they do. Mr. Blaine, who helped write the amendments, and who supported them, and who aided in their submission, says they do not.

I quote Mr. Blaine further. I was hoping that the Senator from New York [Mr. WAGNER] would listen to what Mr. Blaine had to say. I do not suppose the Senator cares, though. I do not suppose he cares what Blaine, who helped write the fourteenth amendment, said it meant. I do not suppose he is concerned with what Mr. Thaddeus Stevens, who was the author of the amendment, said it meant. I do not suppose the Senator from New York is concerned with the report of the committee on reconstruction, which reported the fourteenth amendment and secured its submission to the States. He seems to be indifferent to those things. I can understand his necessity. I know something of the spur that is whipping him on. I sympathize greatly with the Senator from New York. But this is what Mr. James G. Blaine said further:

And therefore Congress is not endowed with the pertinent and applicable power to give redress.

Could there be a more scintillating statement as to the compass and scope of the fourteenth amendment? It operates only on the State and State action, and does not affect

individuals, and Blaine says that under it Congress has no power to enact legislation such as that proposed.

Mr. President, in the Slaughter House cases, with which all Senators who are lawyers are familiar, the fourteenth amendment was first most exhaustively considered and construed by the Supreme Court.

What did the Supreme Court hold in those cases? In those cases it was sought to overturn an act of the State of Louisiana and administrative acts thereunder seeking to regulate slaughterhouses near the city of New Orleans. It was strongly urged in those cases that such acts discriminated against certain citizens theretofore engaged in such business, and therefore were violative of the fourteenth amendment. The decision of the Court—one of the really great decisions—in part, reads as follows. Mr. President, this is the Supreme Court speaking—not during a political campaign. Thank God, the Court does not have to run for office! This is the Supreme Court speaking, and it is not involved either in a municipal or senatorial campaign, but speaking under its solemn duty, under the Constitution, to interpret and rule under the law, and nothing but the law. The Justices of the Supreme Court with uplifted hands had sworn to support the Constitution of the United States. That Court was under no pressure when it handed down this decision. It was being spurred on by no effort to corral a certain group of voters. It had no throbbing ambition to get a corner on certain voters. Here is what the Supreme Court said:

> Was it the purpose of the fourteenth amendment by the simple declaration that no State shall make or enforce any law which shall abridge the privileges and immunities of the citizens of the United States [I will add, "Nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the law"].

Listen, now! This is the Court speaking:

> Was it the purpose of the fourteenth amendment • • • to transfer the security and protection of all the civil rights which we have mentioned from the States to the Federal Government?

This is the Court speaking—

> And where it is declared that Congress shall have the power to enforce that article, was it intended to bring within the power of Congress the entire domain of civil rights heretofore belonging exclusively to the States?

The Supreme Court of the United States said that the fourteenth amendment did not bring the civil rights within Federal jurisdiction, but that they remained within the States where the Constitution put them in 1787, or rather, where the Constitution recognized and maintained them, because they existed theretofore.

The Supreme Court in the Slaughter House cases further said:

> All this and more must follow if the proposition of the plaintiff be sound.
>
> For not only are these rights subject to the control of Congress whenever in its discretion any of them are supposed to be abridged by State legislation, but that body may also pass laws in advance limiting and restricting the exercise of power by the States in their most ordinary and usual functions, as in its judgment it may think proper on all such subjects, and still further, such construction would constitute this Court a perpetual censor upon all legislation of the States on the civil rights of their own citizens, with authority to nullify such as it did not approve, as consistent with those rights as existed at the time of the adoption of this amendment. The argument, we admit, is not always the most conclusive which is drawn from the consequences urged against the adoption of a particular construction of an instrument. But when, as in the case before us, these consequences are so serious, so far-reaching and pervading, so great a departure from the structure and spirit of our institutions, when the effect is to fetter and degrade—

I should like to have the attention of Senators. I should like to have the attention of the Senator from New York [Mr. WAGNER]. The Supreme Court further said:

> When the effect is to fetter and degrade the State governments by subjecting them to the control of Congress in the exercise of powers heretofore universally conceded to them of the most ordinary and fundamental character, when in fact it radically changes the whole theory of the relations of the State and Federal Governments to each other and of both these governments to the people, the argument has a force that is irresistible in the absence of language which expresses such a purpose too clearly to admit of doubt.

I see that the Senator from South Carolina [Mr. SMITH] has returned to the Chamber. The Senator and his great committee are now considering the tremendously important question of a farm-relief bill which this Congress may enact at the present session, but the Senator from New York has injected his motion, to disrupt and impede and to hinder the consideration of the whole useful legislative program at this session. He does it without consulting the leader on this side. The senior Senator from Kentucky [Mr. BARKLEY] is the representative on this floor not alone of the Democrats of this body but of the Democratic administration, and it does seem to me that if the Senator from New York is in harmony with the purposes of this administration, if he enjoys as much confidence as he is reputed to enjoy at the White House, he would not without consulting the leader on this side undertake to take charge of the Senate program and inject his own personal desires above the welfare of the party and of the administration. That is the inescapable conclusion arising from the action which he demonstrated here yesterday and today.

Let me say to the Senator from South Carolina [Mr. SMITH] that I hope his committee reports out a farm-relief bill. As a representative of one of the great agricultural States of this Union I hope it will not be necessary, but the Senator from Texas is willing to remain here until the 1st day of January, if need be, to complete this legislative program. We shall not have to stay here until January, however, unless the Senator from New York persists in throwing this monkey wrench into the administration machinery.

Mr. President, I was discussing the decisions of the Supreme Court on the scope and meaning of the fourteenth amendment. Here is what the Supreme Court says, furthermore, talking about personal rights:

> It would be the vainest show of learning to prove by citation of authority—

That is true today. It is only a show of learning on the part of the Senator from Idaho [Mr. BORAH] to cite Supreme Court decisions. It is only a vain display of profound legal knowledge and construction to cite the Constitution to the Senator from New York, or to cite the decisions of the Supreme Court to the Senator from New York, when on the one hand there is the Constitution and the Supreme Court decisions and on the other hand the desire to corral a little bunch of votes. My God, what a decision! What a great problem! Here on the one hand is our duty to the Constitution. Here on the one hand is our duty to respect the decisions of the Supreme Court. But on the other is a thirst and a craving to corral a certain little segment of voters.

Mr. President, the Constitution of the United States was bought by the blood of our forefathers. The Declaration of Independence was but the opening door to the final culmination of their aims and their ambitions in the Constitution of the United States. Every drop of blood that was shed, from the time the first shot was fired yonder at Concord, at the bridge, until the Battle of Yorktown, was shed in behalf of realizing and putting into permament form what was finally enacted into the Constitution of the United States. Eight long years of warfare took place. We have had 150 years of glory under the Constitution!

We have had 150 years of national advancement and national development which has left America's record during that century and one-half unrivaled in all of the days of recorded history.

That Constitution is on one side in this scale. Its construction by the Supreme Court is as clear as language can make it in every decision that the Senator from Texas has been able to find. On the other hand, is this little desire to prove a loyalty and a devotion to a certain little group above and beyond a devotion to all of the people of the United States and so the decision must be made.

For myself, I shall take the Constitution of the United States and the decisions of the Supreme Court to guide my

actions in this Chamber, and also when I leave it, if I have to leave it, because of my devotion to its principles.

Mr. President, I would rather go back home and practice law in the justice of the peace court there—and I can. That is one court I know. [Laughter.] I would rather go back home and practice law in the justice of the peace court than, for the sake of getting a few votes, advocate a measure that violates the Constitution and is in direct conflict with the unchanged line of decisions of the Supreme Court of the United States. Those who want to make that choice, let them make it, and I hope that their new-found associates and their new-found brothers will detest the association as much as I detest it.

Mr. President, as I was suggesting a moment ago, the Supreme Court said further in the Slaughter House cases:

It would be the vainest show of learning to prove by citation of authority that up to the adoption of the recent amendments—thirteenth, fourteenth, and fifteenth—no claim was set up that those rights depended on the Federal Government for their existence or protection beyond very expressed limitations which the Federal Constitution imposed on the States, such, for instance, as the prohibition against ex-post-facto laws, bills of attainder, and laws impairing the obligation of contracts. But, with the exception of these and a few other restrictions, the entire domain of privileges of citizens of the States, as above defined, lay within the constitutional and legislative powers of the States and without that of the Federal Government.

Mr. President, how could language be clearer; how could meaning be plainer; how could the import of words stand out in sharper outline than in these pronouncements of the Supreme Court of the United States?

We had in reconstruction times a Federal statute known as the Civil Rights Bill. I am sure that if the Senator from New York had been here when that bill was passed he would have voted for it. The Civil Rights Bill provided that any American who denied equal privileges in hotels, boarding houses, theaters, public conveyances, and public amusements to any other American citizen because of his race or color was guilty of a penal offense. What happened to that act? The Supreme Court of the United States—a republican court, an honest court, a brave court, a courageous court, a patriotic court, a court that respected its oath to uphold the Constitution, a court that respected its duty to the people of the United States—held that that act of Congress was unconstitutional. The act is still on the statute books, and all in the world that would have to be done to revive it would be for the Supreme Court now to overrule its previous decision. It has just been lying there forgotten, not enforced. Here is what the Supreme Court said in that case:

It is a State action and of a particular character that is prohibited.

That is under the fourteenth amendment.

State action, not failure to do something. What is action? The Senator from Indiana [Mr. MINTON] on yesterday said if a police officer or anybody just happened to be present and did not do something or was indifferent that he would be guilty. What is action? Action is something affirmative. The State must do something to deny the rights of citizens under the fourteenth amendment.

It is State action of a particular character that is prohibited. Individual invasion of individual rights is not the subject matter of the amendment.

That is the Supreme Court speaking. Individual invasion of individual rights is not within the scope of the fourteenth amendment.

What does this bill deal with? This bill deals only with individual invasion of individual rights. It does not say anything about State action. It does not lay any prohibition on State action. It is directed at individuals who may compose a mob. It is directed at State officers who may, as it is stated, fail to protect a man within their custody. But the Supreme Court says, referring to the fourteenth amendment that—

Individual invasion of individual rights is not the subject matter of the [fourteenth] amendment. It has a deeper and broader scope. It nullifies and makes void all State legislation and State action of every kind which impairs the privileges and immunities of citizens of the United States or which injures them in life, liberty, or property without due process of law, or which denies to any of them the equal protection of the law.

In other words, here the Court again without any hesitation, without any equivocation, without any backing and filling, without any dodging, without any straddling, without any desire to catch the popular ear, without the exigencies of a political campaign—here the Supreme Court again and again and again declares that individual invasion of personal rights is not within the fourteenth amendment.

To adopt appropriate legislation for correcting the effects of such prohibited State laws—

The Supreme Court says that the fourteenth amendment is directed at State laws and State action. No State can pass a law that impairs the right of a citizen of the United States. It must be State action and not individual action.

To adopt appropriate legislation for correcting the effects of such prohibited State laws and State acts, and thus to render them ineffectual, null, void, and innocuous. This is the legislative power conferred upon the Congress, and this is the whole of it.

Says the Supreme Court, under the fourteenth amendment all that the Congress can do is to nullify State legislation or State acts which may impair the rights of citizens of the United States.

This is the legislative power conferred upon the Congress and this is the whole of it.

In other words, there is nothing else. Whenever the Congress exercises its power to nullify State acts and State legislation, it exhausts its power under the fourteenth amendment and it has no other jurisdiction. The Supreme Court says that it has then gone to the very extreme boundaries of its authority. Yet the Senator from New York wants to explore unknown regions of jurisdiction. With the courage of a crusader or of a Christopher Columbus, he wants to go out and discover untrodden pathways in legislative fields far beyond the safe boundaries of the Constitution, over the precipice into chaos, anywhere that it may extend beyond the constitutional authority.

Mr. President, there are innumerable decisions of the Supreme Court to which I should very much like to direct the attention of those Senators who are interested in the Constitution—and I am happy to say that I think most Senators in this body are interested in the Constitution, and most of them are interested in maintaining it, although some of them apparently would like to dodge it or get around it.

Mr. President, I want to quote further from the Supreme Court, if there is no objection. Here is what the Supreme Court of the United States says in the Civil Rights cases:

It is absurd to affirm that because the rights of life, liberty, and property (which includes all civil rights that men have) are by the amendment sought to be protected against invasion on the part of the States without due process of law, Congress may therefore provide due process of law for their vindication in every case.

The Supreme Court says it is absurd. The Senator from New York says it is wonderful and delightful and ought to be adopted by the Congress. The Supreme Court said it is absurd to assume that Congress has the power to go in and look after all the civil rights of the citizens within the States.

Where do they get those rights? They do not get them from the United States; they do not get them from the Constitution. The ordinary civil and personal rights of individuals who live within the States are derived by them, if they get them anywhere, except those that are inherent in a free government, from the State authority. Mr. President, they had those rights before the Battle of Lexington; they had those rights before the Declaration of Independence; they had those rights before the Constitution of the United States was adopted. They had them because they were free citizens within free commonwealths, 13 of them. And when the Constitution of the United States was adopted they still retained every right they ever possessed, except those expressly delegated to the Federal jurisdiction. This

was not one of them, and the Supreme Court repeatedly and repeatedly has said the same thing. The Supreme Court says it is absurd to affirm, absurd even to affirm it, to say nothing of maintaining it—that because the denial by a State to any persons of equal protection of the laws is prohibited by the amendment, therefore Congress may establish laws for their equal protection.

Here again the Supreme Court assaults this bill amidships. It attacks it in front and by flank and in the rear. The Supreme Court absolutely destroys this measure or it will destroy it if it ever gets by the Congress. The Supreme Court will destroy it. But, Senators, there are those who think that Congress should not consider the constitutionality of an act when it is voted upon, but that we should leave that to the Supreme Court. I do not agree with that doctrine. We are under the same obligation as the Supreme Court to maintain the Constitution of the United States. We took an oath to uphold and defend it and protect it. When we examine a measure in the House of Representatives or in the Senate, it is just as much the duty and obligation of a Representative or a Senator, when he thinks a bill is unconstitutional, to vote against it as it is for a judge on the bench to hold it is beyond the power of Congress to enact it into law.

The other doctrine is a cowardly doctrine. The doctrine of saying, "We shall vote for it and let the Court pass upon its constitutionality" is a cowardly doctrine. It is a doctrine that shirks and dodges and undertakes to evade the solemn responsibility which rests upon every Senator and every Representative in the Congress of the United States.

It is our duty to be guided by that standard and when we are convinced that a bill is beyond the power of Congress and then vote for it, we are violating our obligation and our duty. I do not mean to say that if a Senator or a Representative is in doubt about the matter he is not free to act and he violates no obligation, but where he is clearly convinced that it is beyond the constitutional power of the Congress and then votes for it anyway, he is untrue to the obligations of his office.

The Supreme Court said the Federal Government has no power to go out and devise schemes of taking care of individual civil rights within the States. Speaking of civil rights legislation the Supreme Court said:

> If this legislation is appropriate for enforcing the prohibitions of the amendment, it is difficult to see where it is to stop. Why may not Congress with equal show of authority enact a code of laws for the enforcement and vindication of all rights of life, liberty, and property?

That might have been said of this very bill. The Supreme Court no doubt was looking into the future. The Supreme Court no doubt was undertaking to envisage just where that kind of doctrine would lead us. It probably saw the shadowy outline of the figure of the Senator from New York [Mr. WAGNER] advancing with the bill in one hand and some ballots in the other hand, because here is what the Court said:

> If this legislation is appropriate for enforcing the prohibitions of the amendment, it is difficult to see where it is to stop. Why may not Congress with equal show of authority enact a code of laws for the enforcement and vindication of all rights of life, liberty, and property?

I digress to discuss that statement briefly. The distinguished Senator from Idaho [Mr. BORAH] yesterday pointed out that very aspect of the matter. If the Federal Government may go into a State to regulate State officers in the performance of their functions under State laws, if it may say to them, "We, the Federal Government, will supervise you in the discharge of your State functions and your State duties as to murder", why may it not also go into the States and regulate theft, regulate highway robbery, and every other matter that affects either the life, liberty, or property of the citizen? There is no answer to it.

Every right which we possess comes within the fourteenth amendment if this one does. Every right of property, every right that I possess in my pocketknife, every right that I possess in my personal belongings, every right that I possess to be free, every right that I possess to live and enjoy life and to enjoy the protection of my country is within the jurisdiction of the Federal Government if this particular matter is within the jurisdiction of the Federal Government.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Does the Senator from Texas yield to the Senator from Indiana?

Mr. CONNALLY. I yield.

Mr. MINTON. Does not the Federal Government now have some laws against robbery?

Mr. CONNALLY. Oh, yes; it does.

Mr. MINTON. And with reference to larceny?

Mr. CONNALLY. Yes.

Mr. MINTON. Would there be any objection to having a law against murder?

Mr. CONNALLY. Does the Senator from Indiana believe that the Federal Government ought to invade the States and make all crimes Federal offenses?

Mr. MINTON. No; unless the States fail to do their duty.

Mr. CONNALLY. Suppose the Federal Government decides the States are not enforcing their laws against theft, would the Senator from Indiana advocate a Federal law against theft?

Mr. MINTON. Oh, yes, of course, because we already have such a law. The Federal Government came to the conclusion that the States were not enforcing the law in reference to stolen automobiles and enacted a law relating to stolen automobiles. The Federal Government came to the conclusion that the States were not enforcing the law with reference to kidnaping and enacted a Federal kidnaping law.

Mr. CONNALLY. Does the Senator contend, as to the law relating to stolen automobiles, that the Federal Government can go into a State where a car was not transported across State lines and punish or attempt to punish for the stealing of that automobile?

Mr. MINTON. Oh, no; but it was still an offense under the State law to steal a car used in interstate commerce, and the State was not enforcing the law, so the Federal Government said it came under the interstate-commerce provision of the Constitution and enacted a Federal law relating to such thefts.

Mr. CONNALLY. The Senator from Indiana is driven to making some kind of argument to maintain his position and tries to draw a parallel between the interstate transportation of a stolen automobile and a crime committed wholly within the State. What the Senator from Texas was undertaking to point out was that to go into a State and regulate its domestic affairs is beyond the power of the Federal Government. Of course, the Federal Government has the right to prohibit the transportation in interstate commerce of any kind of stolen property. That is all the law relating to stolen automobiles transported across State lines attempts to do. If it is wrong to steal an automobile and take it across State lines, why did not the Senator offer an amendment to that bill when it was before the Senate to make it a Federal offense to steal an automobile and carry it across the street within a State? It was because he knew he had no authority under the Constitution to do it. But now, because of his advocacy of this measure, he has to seek somewhere to find some kind of shadowy, flimsy foundation upon which to base something that cannot be supported under any circumstances.

Mr. President, of course there is a Federal law against theft. It relates to national banks or any national agency of the Federal Government. Of course, Congress can enact a law to make it a criminal offense to steal from such a national agency, but we all know that the Federal Government has no right to go into the State of Illinois, for instance, and regulate transactions between the people of that State which are now within the police power of the State and nowhere else.

Mr. LEWIS rose.

Mr. CONNALLY. I yield to the Senator from Illinois.

Mr. LEWIS. I merely wish to ask a question of the Senator from Texas. My neighbor in the adjoining seat, the able Senator from New York [Mr. WAGNER], and I, while the Senator from Texas has been making his very able and full argument, have been discussing whether he might not be mistaken in assuming that the bill allows judgments against individuals in their respective localities. Does the Senator from Texas feel that the bill does authorize judgments against individuals? I am opposed to such a provision and tried to get it out of the bill.

Mr. CONNALLY. I am speaking now of the penal sections of the bill. They are directed at individuals.

Mr. LEWIS. We thought the able Senator was directing himself to judgments against individuals.

Mr. CONNALLY. I am not so much concerned about money judgments. I am, of course, opposed to the provision in the bill to give a money judgment against an innocent county or the innocent taxpayers of a county. I am talking about the penal provisions which would put a man in jail or in the penitentiary. I am more concerned with the liberty of my constituents than I am with their dollars. I am more concerned with my liberty of body and mind than I am with my dollars.

The Senator from Illinois pays me the great compliment of advising me that he and the Senator from New York [Mr. WAGNER] were busily engaged in discussing something during my interesting speech. [Laughter.] If he had listened more attentively he would not have had any doubt as to what the Senator from Texas is undertaking to indicate.

Mr. LEWIS. I am very sorry the able Senator's argument leaves us so confused that we could not tell just what he was talking about.

Mr. CONNALLY. The Senator from Texas is always delighted when he has the attention of the Senator from Illinois, and wishes he could get it more often.

Mr. LEWIS. He will. [Laughter.]

Mr. CONNALLY. What the Senator from Illinois says about confusion leads me to say that it is not the speech of the Senator from Texas that is confusing anybody unless they have been listening to the citations of the Supreme Court and of the Constitution, and if they have I can well understand how there is some confusion as to what their duty might be when they want to go in another direction. When all of their impulses are going in one direction, and they suddenly run up on a red traffic light in the form of the Constitution of the United States, and then another red traffic light in the form of decisions of the Supreme Court from the very beginning down to the present moment, I can well understand how the Senator from Illinois would be in a state of some confusion.

The Supreme Court says:

> Why may not Congress, with equal show of authority, enact a code of laws for the enforcement and vindication of all rights of life, liberty, and property?

That is an interrogatory which the Supreme Court propounded many years ago. It has never yet been answered. It cannot be answered; it cannot be refuted by those who now propose this legislation. I assert, Mr. President, that if the Federal Government may go into a State and pass a law like this relating to murder, it may go into a State and regulate how fast automobiles may be driven within a State. I assert that it may go in and regulate the laws as to theft, the laws as to all criminal offenses, and probably even go into the civil courts—because they relate to property, which is associated in the same clause of the amendment with liberty and with life—and take over the control of all the courts and all the internal affairs of the States of the Union. I say if they may do this, they may do that; but, Mr. President, the Constitution gives them no warrant to do either.

Again, the Supreme Court says:

> If it is supposable that the States may deprive persons of life, liberty, and property without due process of law, and the amendment itself does suppose this, why should not Congress proceed at once to prescribe due process of law for the protection of every one of these fundamental rights in every possible case, as well as to prescribe equal privileges in inns, public conveyances, and theaters?

That was the Civil Rights case; and the court asked, if that act had been upheld, why should not the Federal Government then pass a law regulating in every State the conduct of inns and theaters and boarding houses and public conveyances, and completely oust the jurisdiction of the State?

Mr. President, that is not the only time the Supreme Court has spoken. That was the Civil Rights case, involving a statute which, had it not been stricken down, would, for motives that are the same as those behind this bill, have dragged the section of America from which I come down to a state of degradation and social debasement by law, by the fiat of Congress, which would have brought to the white civilization of the South the most terrible agony, the most terrible gloom that has ever been threatened in this or any other republic.

In the case of *Barbier* v. *Connally* (113 U. S. 27), Mr. Justice Field, a great judge from the State of California, used the language I am about to read. Mr. Justice Field was appointed right after the Civil War, or perhaps during the Civil War. A new circuit had been created for California and the adjoining States, and Mr. Justice Field was appointed from California. I desire to read what he said about the fourteenth amendment. He was not a Democrat. He did not live in New York. He did not belong to any political clubs in New York. He was not running for office in New York or anywhere else, thank God. Here is what he said:

> The fourteenth amendment, in declaring that no State "shall deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws", undoubtedly intended not only that there should be no arbitrary deprivation of life or liberty or arbitrary spoliation of property but that equal protection and security should be given to all under like circumstances in the enjoyment of their personal and civil rights; that all persons should be equally entitled to pursue their happiness and acquire and enjoy property; that they should have like access to the courts of the country for the protection of their persons and property, the prevention and redress of wrongs, and the enforcement of contracts; that no impediment should be interposed to the pursuits of anyone except as applied to the same pursuits by others under like circumstances; that no greater burdens should be laid upon one than are laid upon others in the same calling and conditions; and that in the administration of criminal justice no different or higher punishment should be imposed upon one than such as is prescribed to all for like offenses.

But listen:

> But neither the amendment, broad and comprehensive as it is, nor any other amendment, was designed to interfere with the power of the State, sometimes termed its police power, to prescribe regulations to promote the health, peace, morals, education, and good order of the people.

Mr. Justice Field, of the Supreme Court, in handing down the opinion of the Court, said that as broad and sweeping as were the terms of the fourteenth amendment, neither that amendment nor any other amendment was designed to interfere with the power of the State, sometimes termed its police power. Yes; the fourteenth amendment cannot afford the basis for an invasion by the Federal Government of the province of the police power of the States.

Mr. President, that is not all the Supreme Court has said; but what is proposed in this bill? I have undertaken, in a rather unarranged and loose fashion, to point out the limitations of the fourteenth amendment, not only by the plain language of the amendment, not only by the debates in the Congress when the amendment was submitted, the language of Mr. Blaine, the speeches of Mr. Stevens and others, but I have undertaken to point out that that interpretation and construction has been maintained over a long period of years unwaveringly and unflinchingly and unvaryingly by the Supreme Court of the United States.

Let us see what this bill, this great measure, proposes to do.

Mr. President, we in the South have problems that some of the Senators do not understand. We have undertaken as

best we could to solve them. We shall struggle along, notwithstanding the impediments and the burdens that may be put upon us, notwithstanding the harassments and the annoyances which prejudice and passion and political expediency seek to inflict on us. Over half a century ago the South emerged from the Civil War. She was bleeding from many wounds. Her fields were wasted, and many of her gallant sons were left in the green valleys of Virginia or on the hillsides throughout the South. A victorious North had conquered us, and we were in political chains. It was not of our seeking, but the war left us with a population some of whom had been lately enfranchised. My father never owned a slave, but he walked forth with a gun in his hand when he thought the rights under the Constitution of his section and his State were violated.

Mr. President, the war left with us social burdens and problems which I would to God some of the Senators in other States could understand. We are trying to solve them, and we have done pretty well with them. In the matter of lynching, we are opposed to lynchings. I am opposed to lynchings, and over the years the problem has largely been solved. Very few of them now occur.

In my own State, the other day, in the county-seat town of Athens, Tex., a brute committed a heinous offense upon an innocent woman. A crowd gathered. Somebody thought he was going to be mobbed; but a brave and a wise sheriff stepped forth in his own single person, took charge of the situation, and there was no lynching. He was acting under his sworn duty as a State officer. He was not driven to the performance of that duty by a threat from Washington. If that had been the only incentive, he probably would have been down on the creek fishing, and would have let the mob take the prisoner without undergoing any risk on his part of going to the penitentiary; but he was an honest man. He was a brave officer. He performed his duty, and nothing happened. But what does this bill provide?

Mr. President, we of the South do not believe in lawlessness. We are not advocating lynching. We have laws against murder. We have laws, and they are enforced—not, of course, in every case. No law is enforced in every case in any State of the Union. When any Senator rises on this floor and points his finger at me and says, "Your State does not enforce the law on so and so," I shall be able to rise up and point the finger back at him and point out that under the laws and the courts of his State some laws are not enforced as they should be enforced. But, Mr. President, nobody gave the Federal Government power to supervise the States as to how they enforce their own laws. Nobody gave it that power, because no living man possessed the power to confer it.

We speak about two sovereignties, a Federal sovereignty and a State sovereignty. How can a State remain a sovereign if the Federal Government tells the State how and when, and so on, it may enforce its own laws? The State ceases to be a sovereign when a higher sovereign imposes its will and its power upon it.

Let us see what the bill provides:

> That the provisions of this act are enacted in the exercise of the power of Congress—

Listen to this. It starts out with a legislative falsehood:

> That the provisions of this act are enacted in exercise of the power of Congress to enforce by appropriate legislation the provisions of the fourteenth amendment of the Constitution of the United States and for the purpose of better assuring under said amendment equal protection to the lives and persons of citizens and due process of law to all persons charged with or suspected or convicted of any offense within the jurisdiction of the several States.

Mr. President, I say that is a legislative falsehood. It states that the provisions of this bill are to be enacted in the exercise of the power of Congress under the fourteenth amendment, and I have demonstrated, I hope, that there is no such power under the fourteenth amendment. So the assertion here that it is to be so enacted is what I very generously, and very softly, and very euphemistically, term a "legislative falsehood."

> A State—

Who is this speaking? Who is going to tell a State, a sovereign, what it can do? It is a great sovereign when it can be ordered and kicked around by a congressional act—

> A State shall be deemed to have denied to any victim or victims of lynching equal protection and due process of law whenever that State or any legally competent governmental subdivision thereof shall have failed, neglected, or refused to employ the lawful means at its disposal for the protection of that person or those persons against lynching or against seizure and abduction followed by lynching.

Mr. President, Congress is asked to say that a State shall be held to have denied equal protection of the laws under those circumstances. Notwithstanding there is a State law against what may have occurred, notwithstanding State officers are ready and willing to enforce the law, it is the effort of the bill I am discussing to hold that a State has denied equal protection of the law if a lynching happens in the State.

Why did the proponents of the bill insert that provision? Because the fourteenth amendment is directed only at State action, and they must have some sort of a hook on which to hang the theory of the bill, so they undertake to say that the State has denied equal protection, so as to bring it within the fourteenth amendment, if a lynching under the circumstances set forth occurs within the State. That is another legislative falsehood as to the actual facts. It is a subterfuge in a frantic effort to find something upon which to hang the authority to enact the proposed legislation.

What is a mob under the bill? I read:

> Any assemblage of three or more persons which shall exercise or attempt to exercise by physical violence and without authority of law any power of correction or punishment over any citizen or citizens or other person or persons in the custody of any peace officer or suspected of, charged with, or convicted of the commission of any offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such citizen or citizens, person or persons, shall constitute a "mob" within the meaning of this act.

Mr. President, if two men conspired to go down and drag a citizen out and cut his throat, they would not be within the provisions of the law, but if three did it, they would immediately be subject to Federal jurisdiction and Federal power. I am against murder by one man, or two men, or three men, or four men, or five men, or any other number of men. I am against murder whether it is under the gangster section of the bill and over on Fifth Avenue, or down on Second Avenue, or over in the Bowery, or up in Harlem, just as I am if it is in any other part of this Republic.

> Any such violence by a mob which results in the death or maiming of the victim or victims thereof shall constitute "lynching" within the meaning of this act: *Provided, however*—

I want Senators to note this; I want the press to note this:

> *Provided, however*—

We have to take care of our own. We want to pass a bill in order to get all the votes we can of a certain color, and so on, but we do not want to drive any votes away from us, so it is—

> *Provided, however*, That lynching shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers.

They are exempted. Gangsters and racketeers are not a mob. If there is a mob on Broadway, or over on the Bowery, it will go free. If there is a mob in the South we are put in the penitentiary.

If there were a mob over in Harlem—and I saw a statement in the press that there was one not long ago. "Father" Divine resides in Harlem, as I recall, and the "father" has a good many followers, and he has a good many opponents. So, not long ago it was stated in the press that some, I do not know whether it was his opponents or his own group, had ganged up together and were creating a disturbance and breaking the peace. But under the broad and generous provisions of this measure "Father" Divine is given absolution, "Father" Divine can organize all the mobs he wants

to up in his section of Harlem, and "Father" Divine will sit among the anointed; but if a mob occurs somewhere down in the South we are to be put in the penitentiary. If a mob occurs in Harlem they give the members of it reserved seats. If it occurs in my section they give us reserved cells in the penitentiary.

Mr. President, this bill is advanced in order to guarantee to all citizens of the United States the equal protection of the laws. How can we exempt gangsters? If we are to guarantee the equal protection of the laws, and guarantee to every citizen of the United States his rights and privileges and immunities, how can we except anybody from its provisions, whether he is gangster or "gangee"? I wonder who put that provision into the bill? I think I can recognize the handwriting. I think I know the handwriting, although I am not an expert on handwriting.

Provided, however—

I want Senators from the prairie States who are figuring on voting for the bill to note this. If there is a bunch of cattle rustlers out in Idaho, and a vigilance committee catches them and runs them out of the country, that vigilance committee would come under the law; that would be a mob. If there is a vigilance committee in a mining town, or out in the cattle country, and they take a horse thief or a cattle thief and stretch him up or run him out of the country, they become a mob, and they will be put in the penitentiary. But if the same kind of men, with the same kind of motives, organize a little gangsters' association, they can be a mob and kill somebody, and they can plead, "We are not amenable to the law; we are gangsters", and they will go free. So I want the Senators from the West, from Colorado and Wyoming and the Dakotas, from Montana, New Mexico, and Arizona, where the cattle are still on the ranges, and where the wild horses and the bucking bronchos still make picturesque that wonderful region—I want them to know that there are still going to be horse thieves out in that country, there will still have to be vigilantes, perhaps, but if the vigilantes catch a thief, even if they do not hang him, if they simply whip him, or commit any violence on that horse thief or cattle thief, they violate the antilynching law.

But if "Gyp the Blood", or "Billy the Greek", or "Sam the Dago", in New York, organizes a gang and goes out and highjacks some of his antagonists of a rival gang, and does a little violence to them, he can come into court and say, "Well, I am a gangster. I am exempt under this law." And if the Senator from New York should appear as his counsel, we can imagine him pointing out, "I wrote this law, and I know exactly what it means, and lynching shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers. It meant just what I said, and my constituents are not going to be subject to any such outrageous law. I am willing to put it on the boys from the other sections, perfectly willing to put it on the South, perfectly willing to put it on the West, but I am not going to put it on my beloved constituents on Broadway, or on Second Avenue, or in Harlem. I am going to leave 'Father' Divine and the beloved secure." [Laughter.]

Mr. President, I have been dealing with the general outline of the bill. Let us see what else it provides. I read section 3:

SEC. 3. Whenever a lynching of any person or persons shall occur, any officer or employee of a State or any governmental subdivision thereof who shall have been charged with the duty or shall have possessed the authority as such officer or employee to protect such person or persons from lynching and shall have willfully neglected, refused, or failed to make all diligent efforts to protect such person or persons from lynching, and any officer or employee of a State or governmental subdivision thereof who shall have had custody of the person or persons lynched and shall have willfully neglected, refused, or failed to make all diligent efforts to protect such person or persons from lynching, and any officer or employee of a State or governmental subdivision thereof who, having the duty as such officer or employee, shall willfully neglect, refuse, or fail to make all diligent efforts to apprehend, keep in custody, or prosecute the members or any member of the lynching mob, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

The Senator from Illinois [Mr. LEWIS] a little while ago made inquiry as to whether this bill would allow judgments. It not only allows conviction and confinement in prison but, under section 3, it also authorizes a fine as high as $5,000. Of course, the Government could proceed to collect that fine by imprisonment, I suppose, or by judgment. But what the Senator had in mind no doubt was the next section, section 4.

Before I go to section 4 let me make a further suggestion. In section 3 a doctrine is laid down that the Federal Government has the right to go inside a State and pass judgment on a State officer as to how he performs his duty. His duty to what? His duty to the State. The only obligation that officer has is to the State.

Mr. President, where does he get his authority? He gets it from the people who elect him or from the Governor who appoints him. He gets his authority and his duties from the constitution of his own State and from the acts of the legislature of his own State. Whose business is it to see that he obeys the law? It is the business of the Governor of the State, of the legislature, and of the State officers, under their own constitution. Where did the Federal Government get any right to supervise the duties of State officers under the State constitution and under State law? But this bill says that the Federal Government will cross State lines. It will invade a State—not with an army. I would rather it would come with an army, because when it comes with an army we know what to meet and how to fight. But it comes in to destroy the very fundamentals of State sovereignty and State power; it comes in insinuatingly, all dressed up with a beautiful exterior. "We are trying to do away with lynching." Oh, yes; that is simply the little cellophane covering on it; but when the cellophane covering is torn off, we see that it is absolutely destructive of the sovereignty and of the independence and of the responsibility of the State.

Mr. President, how are we to maintain State authority unless we say to the States, "You must, in your own proper way, stand on your own legs. You must assert your own authority. You must meet your own responsibility." We have done enough already to weaken and enervate the States; but if we adopt this sort of a doctrine and follow it up, every vestige of State power to control its own internal affairs will in the course of time disappear.

Mr. President, I shall not vote to give the Senator from New York, or to give to any other Senator, or to give to any Federal functionary anywhere the right to tell the citizens of my State whom they shall elect to office or how that officer, when once elected, shall perform his duty, not to the Federal Government, but shall perform his duty to the sovereignty which creates him, which endows him with all the power that he possesses, and to which he owes every obligation. That is what this section does. It subordinates him. Instead of being an officer of a sovereign State, he begins to wear the red livery of a lackey of the Federal Government. "Oh, yes; I am a State officer, but I have got to do what the Federal Government tells me to do. It is the judge of my fidelity. It passes judgment on whether I am true to my obligation to my State and to my Constitution and to my Government."

Mr. President, I shall not vote to give that authority to anybody in Washington to regulate anybody in New York, or in Wyoming, or in Maine, or anywhere else.

Let us now see what else there is in the bill.

Mr. LEWIS. Mr. President, would the Senator now advert to section 3?

Mr. CONNALLY. I should be very glad to.

Mr. LEWIS. I want the views of the able Senator on that section. Unless I misunderstood him——

Mr. CONNALLY. I think the Senator from Illinois is referring to section 5. I shall get to that in a moment.

Mr. LEWIS. Possibly that is the section I had in mind.

Mr. CONNALLY. I shall go to that section now. I shall skip section 4. I want to accommodate the Senator from Illinois.

Mr. President, the Senator from Illinois is interested in section 5. I read from it:

> Every governmental subdivision of a State to which the State shall have delegated functions of police shall be responsible for any lynching occurring within its territorial jurisdiction.

Does that answer the Senator?

Mr. LEWIS. I was anxious to get the construction of the able Senator from Texas as to what he feels is the meaning and operation of that section. I think we are at variance, but I should like to have his views.

Mr. CONNALLY. I shall quote the language of the bill, and then neither of us will be at variance as to our views.

Mr. LEWIS. It is not the language of the bill the Senator from Illinois desires, but what does the Senator from Texas construe that its operation would be by reason of which he would object to it?

Mr. CONNALLY. The Senator from Texas would construe it this way, as was so well stated by the Senator from Idaho [Mr. BORAH] yesterday. Here is a bill which says to citizens of a county, we shall say, citizens who believe in law, citizens who have passed laws, citizens who have elected officers to enforce the laws, citizens who pay taxes to pay the salaries of officers to enforce the law, and if by any chance a lynching shall have occurred in that county, the taxpayers must pay damages to the family of the victim, though they may have been at home asleep at the time, though they may have been at church worshiping their God and praying for the enforcement of all laws—notwithstanding all those things the taxpayers of the county or any municipal subdivision of the State are being punished by having to pay from $2,000 to $10,000 out of their treasury.

Does that answer the Senator from Illinois?

Mr. LEWIS. Yes; I appreciate the construction placed upon it by the Senator.

Mr. CONNALLY. Does the Senator favor that?

Mr. LEWIS. I must say again, though, not wishing to intrude myself at this time, that I tried to have that particular provision taken out of this bill. I did not favor it originally and I do not favor it now. I hope it can be dropped from this bill, and the whole subject left in the form that the Senator from New York [Mr. WAGNER] has advocated, simply to avoid lynching by those who could prevent it. But placing a heavy fine in dollars and cents on the innocent has had no appeal to me.

Mr. CONNALLY. I thank the Senator. I knew that the Senator from Illinois could not approve all of this bill. He disapproves very bitterly that section. The only way that he can express that disapproval, so as to satisfy his own feelings, I am sure, and the responsibility that he owes his constituency in Illinois is to vote against the bill, because if he votes for it with that clause in it, he will be voting for what he says is wrong. He will be voting for that which he says is an outrage, and I know the Senator from Illinois will not do it. [Laughter.] I do not want to misrepresent the views of the Senator from Illinois.

Mr. LEWIS. Mr. President, I did not quite understand the last observation of the able Senator from Texas. I was for a moment engaged on a legal suggestion made by the Senator from Georgia [Mr. GEORGE].

Mr. CONNALLY. I beg the Senator's pardon.

Mr. LEWIS. What was it my able friend said that he thinks is misrepresenting me?

Mr. CONNALLY. I am not conscious of having made any misrepresentation, but the Senator from Illinois is so attractive in his personality——

Mr. LEWIS. I will not deny that. [Laughter.]

Mr. CONNALLY. That it is difficult to get his attention because others are always pressing for it. [Laughter.] I shall answer the Senator. The Senator from Texas was just pointing out how gratified he was to know that the Senator from Illinois is so much opposed to section 5, which puts a heavy financial burden upon innocent people in the counties and subdivisions of a State, when they have nothing on earth to do with a lynching. Was I correct in that?

Mr. LEWIS. Yes; and I feel that section can either be eliminated from the bill, or so modified as not to obstruct the main purpose of the bill, and I hope something of the kind will be done.

Mr. CONNALLY. That is a hope which the Senator will never see realized. I said but awhile ago, knowing how strongly the Senator from Illinois feels against section 5, knowing how his spirit is outraged by the terms of section 5, that the only way he will have to voice that opposition will be to vote against the whole bill, because if he votes for the whole bill he will be voting for what he condemned and what he says is an outrage upon innocent people, and I know that the Senator, gallant spirit that he is, will never do that. [Laughter.]

Mr. LEWIS. The Senator embarrasses me very much, because in order to be worthy of his virtue I have got to "commit" his vice.

Mr. CONNALLY. The Senator from Texas knows no one more able to "commit" that vice, if he desires, than the Senator from Illinois.

Mr. LEWIS. Very well, since I have the permission to do so from the able Senator from Texas.

Mr. BORAH rose.

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. I was going to call the attention of the Senator from Texas and the Senator from Illinois——

Mr. CONNALLY. Mr. President, will the Senator from Illinois give heed?

Mr. BORAH. I think I will wait until questions relating to virtue and vice have been fully settled.

Mr. LEWIS. I apologize. I again was distracted by eminent men of great attraction. I did not know my able friends had risen to address me.

Mr. BORAH. I was going to ask, and I will direct the question also to the Senator from New York, under what clause of the fourteenth amendment does the Federal Government get the right to go into a State and establish civil liability for damages between citizens of the State or between citizens and a subdivision of a State?

Mr. WAGNER. I was hoping at some time to discuss that question——

Mr. CONNALLY. I hope the Senator from New York will not interfere with the Senator from Illinois, who wants to answer the Senator from Idaho, as I understand.

Mr. LEWIS. Mr. President, the inquiry was equally addressed to the able Senator from New York in charge of the bill, and I yield in deference to my friend from New York first. [Laughter.]

Mr. WAGNER. The Senator from Illinois may proceed, so far as I am concerned.

Mr. LEWIS. I will answer the Senator from Idaho. He asks me under what provision of the Constitution one has a right to go into court for a civil judgment against a citizen. I answer it would be dependent on whether that citizen has violated the Federal Constitution. If he has, he has rendered himself amenable as decided in the case in 127 United States, which I took the liberty of bringing to the attention of the Senate yesterday.

Mr. BORAH. But what I am asking is, under what provision of the fourteenth amendment, what clause or provision of the fourteenth amendment, has the Federal Government the right to go into a State and establish a civil responsibility or civil liability between two citizens on the basis of damage done by one to the other?

Mr. LEWIS. My answer is that if we have passed a law under the Constitution upon the theory of our Government of protecting the life, liberty, and pursuit of happiness of a citizen, and a person in a State violates the provision both of the constitutional principle and the fourteenth amendment,

which guarantees due process of law, he renders himself amenable in the form of penalty that has been provided by the Federal Government.

Mr. BORAH. What due-process-of-law conception has the county within which a crime happened to be committed violated?

Mr. LEWIS. It would depend on whether the officers of that county have either done their duty or ignored it.

Mr. BORAH. Does the Senator contend, by reason of the failure of an officer to do his duty, that the county has thereby become subject to civil responsibility under any clause of the fourteenth amendment;

Mr. LEWIS. No; it would be under law passed under the due-process provision of law drawn from the fourteenth amendment.

Mr. CONNALLY. Mr. President, of course the Senator from Idaho cannot get an answer from the Senator from Illinois, because there is no such clause in the Federal Constitution or in the fourteenth amendment. There is no such thing.

Mr. BORAH. Mr. President——

Mr. CONNALLY. I yield.

Mr. BORAH. The fourteenth amendment provides:

SECTION 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

What I am anxious to know is, under what clause of the fourteenth amendment is found the right upon the part of the Federal Government to go into a State and establish a civil liability between citizens or between citizens and a subdivision of the State by reason of the activities of citizens, either pro or con.

Mr. LEWIS. I must say to my able friend that I recall——

The PRESIDING OFFICER. Does the Senator from Texas yield further to the Senator from Illinois?

Mr. CONNALLY. I yield.

Mr. LEWIS. I apologize. My able friend has given great consideration, with his splendid ability in the law, to the features of the law which are recognized today in the decision called the Webb-Kenyon Act decision, and also under the eighteenth amendment. I ask him does he not realize if the Federal Government could go into a State and punish a man by fine of $10,000 for violating the prohibition laws that it can do so for the taking of the life of a man by murder?

Mr. BORAH. In the case referred to by the Senator from Illinois the action was taken under an amendment to the Constitution of the United States.

Mr. LEWIS. To which I reply we are now acting under an amendment to the Constitution—the fourteenth amendment of the Constitution of the United States.

Mr. BORAH. What I am asking is, What provision, what clause, what phrase of the fourteenth amendment justifies the Federal Government establishing a civil responsibility between citizens of a State?

Mr. LEWIS. If established laws prevent the taking of life or the deprivation of liberty and if the Federal Government should assume that it can carry them out by a penalty in the form of civil liability instead of criminal liability could be prescribed as penalty, such is within the jurisdiction of the law-passing power.

Mr. BORAH. Then, as I understand the Senator from Illinois, section 5 is based on and comes within the purview of the fourteenth amendment?

Mr. LEWIS. As to section 5, I again may say that that is where I have had differences with my able colleagues on this side. I would agree that it be stricken out, and I announced my opposition to the committee. I answered the Senator, giving my views, and say that I have not insisted from my viewpoint upon the imposition of a great penalty in dollars and cents on innocent citizens of a county because of wrong upon the part of some county officer.

Mr. BORAH. Now, I ask the Senator from Illinois another question, if I may be permitted to do so.

Mr. CONNALLY. I yield.

Mr. BORAH. First, I want to read again this provision of the bill:

SEC. 5. (1) Every governmental subdivision of a State to which the State shall have delegated functions of police shall be responsible for any lynching occurring within its territorial jurisdiction. Every such governmental subdivision shall also be responsible for any lynching occurring outside of its territorial jurisdiction, whether within or without the same State.

I presume that is based upon the proposition that the parties lynched had been denied due process of law.

Mr. LEWIS. Such is the way I understand it.

Mr. BORAH. Then, if the lynchers of Chicago who are sometimes called "gangsters"——

Mr. LEWIS. Not in Chicago, of course. [Laughter.]

Mr. BORAH. I will say New York, but I do not know how to differentiate between the two Senators on this proposition. If gangsters have seized a person and have taken his life without any form of trial or hearing, the person so seized and killed has certainly been deprived of his life without due process of law.

Mr. LEWIS. I should say so.

Mr. BORAH. Then, this bill would cover that?

Mr. LEWIS. No; this bill would be limited, as the able Senator must see, to cases where officers of the law who could have exercised their power to avoid it had failed to do so.

Mr. BORAH. Then, I go a step further. If the officers of the city of Chicago or the city of New York failed to do their duty in the eyes of the Federal Government in the way of eliminating or destroying the gangsters of the city, they are certainly failing in the discharge of their duty, are they not?

Mr. LEWIS. If they allowed any man to be lynched, though he would be called a "gangster", when they could have taken steps under the criminal laws to bring him properly to trial by a court and a jury, they would be just as guilty in that state of affairs as if the man did not have the appellation of "gangster."

Mr. BORAH. It all comes back to the question of whether the person has been deprived of his life without due process of law?

Mr. LEWIS. I think the Senator is correct. There is where we agree.

Mr. BORAH. I think a man is deprived of his life without due process of law if he is killed by a gangster just the same as if he is by lynching. Both are really lynching.

Mr. LEWIS. But if he had been deprived, may I say to the able Senator, of due process of law by the action of the law-enforcing officers of the community, then he would be so deprived by the government that names those officers as conceived in this proposed statute.

Mr. BORAH. Then we may assume it to be the Senator's position that if the officer has been derelict in his duty in either instance in not properly protecting the citizen, whether against so-called lynchers or so-called gangsters, the principle of this proposed law will apply?

Mr. LEWIS. The Senator is not asking me that I should apply it in point of money damages. I have expressed my views. It would apply to lynchers and to the officer of the locality in the State who would come within the law.

Mr. BORAH. Does the Senator see any limit to the authority of the Federal Government, under the bill, over the activities of the State with reference to the enforcement of the law?

Mr. LEWIS. I regret to say to my able friend, for we have discussed this phase many times in our court practice and many times in our tribunals of government, that the advance of the Federal Government has been so rapid and seems to multiply itself to such a degree as to drive the States rapidly back into the position of mere provinces or political divisions of the Government of the United States. We have, I deplore

to state, reached a point where we have no longer a "union of States" but we have now a state of the Union. I say to the Senator that I deplore the advance, but since it has been made I feel that it may apply to citizens everywhere and wherever necessary.

I heard the able Senator, if he will allow me to say so, indulge the other day in the Senate on the wage and hour bill in a remarkable and to me an attractive discussion, in which he referred to the fact that the government of Rome, following precedent upon precedent, had reached such a point that after a while a ruler was adopted who became practically dictator of the law, and the government became a despotism. I am sorry to say something of that kind, following precedent upon precedent—as described by Tennyson, I think it is—has happened to us in the United States between the Federal Government and the States. I fear we have gone that far. And since my able friend has delivered that dissertation on the Roman advance, I know he will forgive me for reminding him that, as Julius Caesar reached the little river which we speak of as the Rubicon, desiring to cross the line, and as he pushed his horse forward in his imperial march, he uttered the expression, as is reported by his commentaries, "Illa facta est." In other words, "The die is cast." I am pained to say to the Senator that it is my judgment that the policy of my Government has cast the die, and that the policy now, sir, is no longer to preserve the branch of our Government, the localities called States, as sovereign, but to preserve the sovereignty of the Federal Government in its exercise of protection over its citizens as citizens of the United States.

Mr. BORAH. Does the Senator think that in the matter of the elimination of the States and reducing them to mere geographical expressions sufficient to elect Senators and Members of Congress——

Mr. LEWIS. I regret it; it is regrettable——

Mr. BORAH. That the people of the United States ought to be consulted by the submission of constitutional provisions for the elimination of the States?

Mr. LEWIS. One cannot avoid the fact that the question has got to be met as a direct issue before the country.

Mr. CONNALLY. Mr. President, I have been entertained very greatly by the discussion between the learned Senator from Illinois and the able and eminent Senator from Idaho. As I understand, the attitude of the Senator from Illinois is that he is violently opposed to the consolidation of Federal power and the stripping of the States of their power, but since most of the crowd is going in that direction he will join the crowd and go with it.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Vermont?

Mr. CONNALLY. I yield.

Mr. AUSTIN. Before the Senator leaves this branch of his discussion, I ask him whether he has considered the bearing of the eleventh amendment to the Constitution on this question? I confess that to me, as a member of the committee, section 5 of the bill seemed to transgress the prohibition contained in the eleventh amendment, which absolutely denies any judicial power over an action of law or in equity by a citizen against a State. What I want to ask the Senator is this:

First, is it not true that it makes no difference whether the action of the citizen is brought in his own name under one part of the section or brought on relation of the Attorney General, under another part of the section, it is nevertheless a suit by a citizen?

Mr. CONNALLY. It is.

Mr. AUSTIN. Secondly, is it not true that a municipality or governmental subdivision as described in the bill represents the State and is the State for all definite purposes under the eleventh amendment to the Constitution?

Mr. CONNALLY. It is.

Mr. AUSTIN. Thirdly, is it not true that no such subdivision of any State may be sued save by consent of the legislature of the State?

Mr. CONNALLY. That is true.

Mr. AUSTIN. Fourthly, is it not true that the instances in which a suit has been permitted against subdivisions of a State are extremely few in all the several States of the Union?

Mr. CONNALLY. I would say that is generally true.

Mr. AUSTIN. Then do we not come necessarily to the conclusion that here is an attempt to extend the judicial power beyond the grant by the people of the several States and, therefore, that section 5 ought to go out of the bill?

Mr. CONNALLY. That is correct. I thank the Senator. The Senator from Vermont is learned in the law, a very diligent and able Senator, and I am very happy to have his suggestion.

The eleventh amendment to the Constitution, to which the Senator from Vermont has referred, reads as follows:

> The judicial power of the United States shall not be construed to extend to any suit in law or in equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state.

The judicial power, of course, is the power of the Federal courts. The bill seeks to authorize suits against subdivisions of States, but the only way a suit can be maintained against a subdivision of the State is to treat it as the act of the State, and the proponents of the bill undertake to do that in the first section of the bill by declaring that a State shall be deemed to have denied the equal protection of the laws if and when a lynching occurs in that State.

The Senator from Vermont is eminently correct in the assertion that a subdivision of the State is a part of the State, and derives its powers and functions from State authority. Most of the subdivisions of a State can be sued only by and with the consent of the State. In my own State of Texas there are certain statutes allowing suits against municipal corporations in certain kinds of cases, but it is clearly fundamental that they cannot be sued unless the State consents.

I think the Senator is correct in his view that section 5 of the bill is not warranted under the eleventh amendment to the Constitution.

I want to answer the Senator from Illinois [Mr. LEWIS]. I want to point out what section 5 of the bill proposes to do. It provides that—

> Every governmental subdivision of a State to which the State shall have delegated functions of police shall be responsible for any lynching occurring within its territorial jurisdiction.

Mr. President, every city, every county, in every State of the Union has had delegated to it by the State certain police powers, of course. Therefore, under the terms of the bill, every such governmental subdivision, if a lynching occurs within its borders, is responsible for money damages. Its citizens may be entirely innocent, but they have to go down into their tax money and pay tribute for something for which they are not responsible.

I am an individual. I am lynched. The lynching occurs in a certain county. Senators who urge the passage of the bill in a vain effort to vindicate my having been lynched are willing to assess fines and penalties against thousands upon thousands of innocent citizens who had nothing more to do with the lynching than the Senator from New York [Mr. WAGNER] himself.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. Certainly.

Mr. WAGNER. I had intended not to interrupt the Senator at all.

Mr. CONNALLY. I am very glad to have the Senator interrupt me.

Mr. WAGNER. I have enjoyed his compliments very much during the course of his discussion. The Senator told us that he believes, as a matter of course, if a lynching occurs——

Mr. CONNALLY. I am going to read the rest of this. The Senator from Texas can only read one line at a time. He has read that much and is going to read the balance of it.

The authors of the bill start out with this language:

> Every governmental subdivision of a State to which the State shall have delegated the functions of police—

And that means all of them—

shall be responsible for any lynching occurring within its territorial jurisdiction. Every such governmental subdivision shall also be responsible—

Not satisfied with the first provision, it is further provided that—

Every such governmental subdivision shall also be responsible for any lynching occurring outside of its territorial jurisdiction, whether within or without the same State, which follows upon the seizure and abduction of the victim or victims within its territorial jurisdiction.

Mr. President, under the terms of the proposed bill if three or more persons over in Gary, Ind., should seize a citizen on the streets of that city and transport him to Chicago, and then in Chicago do some violence to him, everybody in the county in which Gary, Ind., is located would be guilty under the law and subject to pay a penalty.

If, on the other hand, some balmy afternoon while the Senator from Illinois [Mr. LEWIS] was promenading along Michigan Avenue, a mob of gangsters should suddenly attack a crowd of other gangsters, and one of the Chicago gangsters should seize and transport one of the gangsters over to Gary, Ind., the Senator from Illinois could be called to Gary, Ind., as a witness in a damage suit against his own city of Chicago, wherein his city of Chicago would be asked to pay from $2,000 to $10,000 because the gangsters had kidnaped a citizen of Chicago and taken him over the State line into Indiana, and tarred and feathered him.

That is the doctrine of the bill. Is that evidence of a desire to give the citizens of the United States the equal protection of the laws? Where is the equal protection of the law that condemns thousands of innocent citizens and makes them go down into their tax funds, collected out of their own toil and sweat and labor, and contribute $10,000 to soften the wrongs of a victim, when those who pay the penalty are innocent and had nothing whatever to do with the crime?

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Texas yield to the Senator from Virginia?

Mr. CONNALLY. I yield.

Mr. GLASS. Will the Senator be good enough to tell me exactly how the fine is to be collected? Suppose the taxing power of the State or the community declines to levy a tax to pay the fine, is the Federal Government to be authorized to levy the tax?

Mr. CONNALLY. The proponents of the bill say that judgment shall be obtained in the sum of $2,000 to $10,000 in the Federal court, and that if the taxing authorities do not levy the tax it is proposed to mandamus them in the Federal court and make the board of assessors or the city authorities or county commissioners levy a tax sufficient to pay the amount demanded.

Of course in most States the State constitutions limit the rate of taxation which may be levied on property. Most of the States already have probably gone to that limit, and the Federal courts in my State have refused to issue mandamuses in cases where the constitutional limit has been reached; but I am not worried about the collection of this money. Not a dime of it is going to be collected until the bill is passed; and my hope is that such a bill never will be passed.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BYRNES. In States where county officials have no right to levy taxes, where they may be levied only by act of the legislature under the State constitution, would the legislature then be called into session by the Federal Government?

Mr. CONNALLY. I think it is the theory of those who advocate this bill that whatever is necessary to be done by the exertion of Federal power on any Governor or legislature or State judge or State officer must be done. They do not specifically say anything about that, but their theory is that the Federal courts would have power to compel those things to be done.

Mr. BYRNES. Mr. President, if the Senator will further yield, if the Governor of a sovereign State should refuse to call the legislature into session, or if the legislators should not appear, would they be jailed for failure to do so?

Mr. CONNALLY. No; because there are some honest Federal judges, and they would not ever do it. The Federal courts would say, "What did the Senate mean by passing a law like that? Did they have no respect for State sovereignty? Did the Senate of the United States forget that States are States and that Governors and legislatures cannot be controlled by the Federal Government?"

Mr. President, we cannot levy a Federal income tax upon the salary of a State officer. Why? Because John Marshall, away back yonder in the case of McCulloch against Maryland, and the Supreme Court in other cases since that time, have held that the Federal Government has no right to lay any burden upon or require any obligation of an officer of a State, because in doing so the Federal Government is interfering with the sovereignty of the State. We cannot collect 10 cents; our tax collectors, our Federal Internal Revenue Commissioner, our Attorney General, our Federal courts, our marshals, our Army, and our Navy, all combined, cannot require the payment of a single dime of Federal income tax by the Governor of a State, or the attorney general, or a county sheriff, or a county judge, or a county commissioner—not a dime—and yet Senators who advocate this bill say that the Federal Government may take $10,000 from a county, which is a subdivision of a State, which derives its existence from the State, which has its life and its being from the State, which owes its obligation to the State, which gets its authority from the State. We cannot extract a dime from the officers of the county in the way of Federal taxes, but we may go down and practically destroy its economic life by requiring the county to pay $10,000 as a fine.

Mr. President, that is not all this bill does. This bill is said to be in behalf of the equal protection of the laws, equality of the law. Let us see what else it does. It is not limited. Under this bill, as I said a while ago about the Senator from Illinois, if a taxicab should stop by the sidewalk, and by any pretext a pedestrian were invited to get in, and those in the taxicab rode away, and afterward, while they were still in that county, they conceived the plan of kidnaping the pedestrian, and carried him over into another county and did some violence to him, the citizens of Chicago would still be liable to a fine of $10,000, even though that might take place in another State.

What is provided in the bill?—

Any such governmental subdivision which shall fail to prevent any such lynching or any such seizure and abduction followed by lynching shall be liable to each person injured—

Each person injured—

or to his or her next of kin if such injury results in death, for a sum not less than $2,000 and not more than $10,000 as monetary compensation for such injury or death: *Provided, however,* That the governmental subdivision may prove by a preponderance of evidence as an affirmative defense—

This is the great privilege that is given to the counties: They have to prove their innocence. The humblest citizen may be dragged into court now, but when he comes there he comes under the law with the cloak of innocence all about him. The law presumes that there is no stain of crime upon any defendant brought to the bar of justice; and until the State or the Government beyond a reasonable doubt strips him of that presumption of innocence, he stands clear. The Senator from New York calls my attention to the rule about the preponderance of evidence. I am now discussing a criminal case. In a criminal case the humblest citizen, the humblest gangster in New York, comes into the court with the presumption of innocence all about him; and until the Government or the State strips from his shoulders that presumption, he stands acquitted before the bar of his country.

But what is done here? The county, the innocent citizens of a county, are condemned, and the county is permitted to prove its innocence.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WAGNER. That is exactly what we are trying to do here—to provide that the humblest person, whoever he may be, charged with or suspected of a crime, may go through the legal processes of being presumed to be innocent until proven guilty, and that instead of being lynched he may have a fair trial where it may be determined whether he is guilty or innocent. That is the objective of the proposed legislation, and I am sure the Senator knows that that is its objective.

Mr. CONNALLY. Why did the Senator exempt gangsters, then, if he wanted the measure to be of universal application? Why did the Senator exempt gangsters?

Mr. WAGNER. Gangsters are not in this proposed legislation because we are dealing here with lynching. There is ample law on the statute books, passed by us within the past 3 years, to apprehend and prosecute racketeers. The States have been very diligent and vigilant in prosecuting gangsters and racketeers; and if the time should arrive when there was any evidence that the States would not perform their duty and give equal protection of the law, Federal legislation would be justified to see that all citizens were equally protected by the law.

No such complaint exists today, however. Gangsters are being prosecuted in my own State and in the Senator's State and in other States; and there is no complaint that they are not being diligently prosecuted, and in many cases convicted. All we say is that the unfortunates who are now being lynched in some jurisdictions—I am sure against the will of many of their citizens—shall have the same treatment, namely, to be apprehended, to be indicted, to be tried by an impartial judge and jury, and then, if they are found guilty, to be sentenced and punished, or, if innocent, to be discharged.

That is the whole objective of the proposed legislation; and I think as a matter of plain justice the Senator certainly is in sympathy with the objective of the bill, anyway, even if he disapproves some of the bill's provisions. As to that, I may say to the Senator, if he will permit me to say that much, that all we are now asking is that the bill be brought before the Senate for consideration. Then we will consider each of its provisions, and if some of its provisions are objectionable, I am sure the Senate will amend the bill if in any respects it does not conform to the sentiment of the majority of this body. All I am now seeking is that the matter be brought before this body for the consideration of the Senate, and I will take their judgment upon the provisions of the bill.

Mr. CONNALLY. Oh, I realize that. It did not require a 10-minute speech to advise me that all the Senator is after is to get his bill up. I have known that ever since yesterday.

Mr. GLASS. Mr. President——

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. GLASS. Before the Senator from New York leaves the Chamber I want to ask him if there is a sentence against lynching in the statutes of New York State.

Mr. CONNALLY. I am going to ask the Senator from New York that very question.

Mr. GLASS. Two years ago, when I presented the statute of Virginia severely treating all lynching cases, I asked the Senator from New York if there was a single sentence in the statutes of his own State against lynching, and he could not produce one.

Mr. CONNALLY. Why, of course not, Mr. President.

Mr. GLASS. And there are more crimes in New York in 1 day than there are in Virginia in 50 years.

Mr. SMITH. Right. [Laughter.]

Mr. CONNALLY. Mr. President, the Senator from New York fires his artillery and then retires to the shade. He cannot answer the Senator. The Senator from New York says that the reason why gangsters are excluded—the Senator from New York has now returned.

Mr. WAGNER. Mr. President, someone said that a reference had been made to my leaving the Chamber. I have been sitting here until this moment, and I was just leaving the Chamber to get a bite to eat. May I be excused that long?

Mr. CONNALLY. Just a moment; the Senator from Virginia desired to ask the Senator from New York a question. Shall I ask the Senator the question on behalf of the Senator from Virginia?

Mr. GLASS. Go ahead.

Mr. CONNALLY. Is there or not in New York a statute similar to this against lynching?

Mr. WAGNER. In New York?

Mr. CONNALLY. A State law.

Mr. WAGNER. I have heard of no lynching in New York; but——

Mr. CONNALLY. But is there a law against it?

Mr. WAGNER. Just let me answer.

Mr. CONNALLY. The Senator from Virginia wishes to know whether or not there is a law of that kind.

Mr. GLASS. I asked the Senator what I asked him 2 years ago, and that is, if there is any statute in New York against lynching.

Mr. WAGNER. Yes; there is. There is a statute against lynching, of course. There is a statute against murder.

Mr. BYRNES. Mr. President, I should like to ask the Senator from New York if there is any State in which there is not a statute against murder.

Mr. CONNALLY. I hope not.

Mr. WAGNER. This proposed legislation will apply to New York State just as it will to any other State in the Union.

Mr. GLASS. I am not talking about that. I asked the Senator from New York 2 years ago to point me to a sentence in the statutes of New York against lynching, in contrast to the severe statute in my own State of Virginia against lynching, and he could not do it.

Mr. WAGNER. I am talking about the enforcement of the law, and giving the equal protection of the law to the citizens of our States, and not having them deprived of their lives, their liberty, or their property without due process of law.

Mr. GLASS. Yes; but why does not the Senator devote himself, first, to New York, instead of coming here to Washington.

Mr. WAGNER. I may say to the Senator that this law applies to New York as it does to any other State.

Mr. GLASS. Oh, I know that just as well as the Senator does. This bill is not the law yet, however; so it does not apply to any State.

Mr. WAGNER. What I am trying to do is to prevent lynching in this country. I am trying to provide that all citizens in all of the States shall have the equal protection of the laws, so that if they are charged with a crime they may be apprehended like other citizens and prosecuted according to the laws of the particular State, receive a fair trial, and, if convicted, of course, then be punished.

I hope to have something to say later about the whole subject.

Mr. GLASS. I hope the Senator will say something more definite in response to my question. [Laughter.]

Mr. WAGNER. I am sure that when I get through I will have persuaded the Senator that those of us who are sponsoring the legislation are right.

Mr. CONNALLY. Mr. President, the Senator from New York indulges a phantasy as violent as when he thinks this bill is within the Constitution. Whenever the Senator from New York convinces the Senator from Virginia that the Senator from New York is right—well. [Laughter.]

Mr. GLASS. The Senator from Virginia will then be convinced that he is wrong. [Laughter.]

Mr. BYRNES. Mr. President, let me ask the Senator from Texas, is there any difference between a mob and a gang other than a geographical difference?

Mr. CONNALLY. Yes; there is a voting difference sometimes. [Laughter.]

Mr. President, what the Senator from New York said was that it was not necessary to include gangsters, that they expressly exempt them because in New York State there is a law against murder. So far as I know, there is a law against murder in every other State, and when a man commits a homicide he is responsible to the State, and to no other jurisdiction, because it is the State law he violates.

The Senator from New York says there is no complaint about violations of the law in New York. Pick up any New York paper, pick up any Associated Press paper, not only today, but tomorrow, and tomorrow, and the next day, and see the lurid headlines concerning the activities of the gangsters—gangsters' operations against innocent citizens, gangsters' operations against rival gangsters, gangsters' operations against policemen, rescuing their "pals" and "buddies" from peace officers. But if they are gangsters in Chicago—where is the Senator from Illinois? [Laughter.] If they are gangsters in Chicago and New York, they are exempt from the law, they are above the law. The Senator from Illinois said there were no gangsters in Chicago.

Mr. LEWIS. Mr. President, the Senator from Illinois is here. Does the Senator from Texas call for the Senator from Illinois?

Mr. CONNALLY. The Senator from Texas was adverting to the fact that a little while ago the Senator from Illinois said that there were not any gangsters in Chicago, as I understood him.

Mr. LEWIS. When the able Senator from Idaho referred to gangsters in Chicago, the reply of the Senator from Illinois was, "Not Chicago!" [Laughter.]

Mr. CONNALLY. Mr. President, I would remind the Senator from Illinois that some years ago we read of what I think was known as the Moran gang in Chicago, when in a certain garage in Chicago they lined up a rival gang—I forget how many it was; 17 or 18 or 20—and shot 18 or 20 of them in one room. Does the Senator recall that?

Mr. LEWIS. Yes; and I am pleased to recall that we hanged seven of them for doing so.

Mr. CONNALLY. And the State did it. They did not have to go to the Federal Government to do it, and any other State that has red blood in it and knows its own responsibility and duty under the State constitution can do it.

The attitude of the Senator from Illinois is that Illinois can enforce her laws, but Illinois wants also to superintend and tell other States further to the south how to enforce and construe their laws.

Mr. LEWIS. I beg the Senator's pardon. He failed to catch the point, unless I failed to make it clear. Had Illinois failed to do her duty, had her officers not undertaken to punish those guilty, then the Federal Government would have have had a chance, under the proposed law, and a right to lay hands upon her.

Mr. CONNALLY. The Senator from Illinois is going the whole length. The Senator from New York is just about three steps ahead of the Senator from Illinois, which illustrates that whenever one begins to play with error, whenever one begins to compromise with error, he is inevitably drawn along with the current of the stream, and the first he knows he goes over the cataract and into the rapids to ruin. The Senator from Illinois started out against part of this bill, but he is going to wind up being for all of the bill.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I yield.

Mr. McKELLAR. Speaking of crimes of gangsters in Chicago, I read:

> In Chicago during 1926 and 1927——

Mr. CONNALLY. I think the Senator from Tennessee should turn and face the Senator from Illinois [Laughter.]

Mr. LEWIS. Yes; just a moment, if I may be pardoned. If this is intended as a reflection on Chicago, turn to me, and let us hear all of it.

Mr. McKELLAR. It is not a reflection on Chicago, unless the truth is a reflection on Chicago. This is what it says:

> In Chicago during 1926 and 1927 there were 130 slayings by gangsters.

Yet the Illinois Crime Survey reports there have been no convictions in crime murders in Chicago during the period covered by this analysis, 1926 and 1927.

In 1934 there were but 15 people lynched in the whole United States. In Chicago in 1926 and 1927 there were 130 gang slayings. Yet the bill exempts gangsters and racketeers in Chicago and New York, while it applies to the rest of the country. It seems to me that we ought to take the beam out of our own eye before we get to fooling with the motes in other people's eyes. [Laughter and applause.]

Mr. LEWIS. Mr. President——

Mr. CONNALLY. I yield. The Senator from Illinois is to be congratulated on receiving such a greeting.

Mr. LEWIS. Mr. President, I gather from the remarks of my friend that this applause in the galleries, which ought not to be allowed by the Presiding Officer, under our rules, was in view of the fact that I had risen to respond to something. For that I express my appreciation. [Laughter.]

I wish to respond to the Senator from Tennessee, who alludes to the fact that in the great city of Chicago there were these offenses, as read from some report, the origin of which I know not, the responsibility of which is not certified. But this much I beg him to understand, that if that report states that there were no punishments of these offenses, it is wholly in error, though I admit they continued for a considerable time, much to the distress of the great city, but they have been greatly overcome by the vigilance of its officers and the commendable course of its mayor.

This much I must answer my friend from Tennessee, if these gangsters, even confessing them to be such, had been seized by individuals and lynched, or attempted to be lynched, and our officers had failed to protect them and give them the due process of law, they would be under this bill, should it be enacted.

Mr. McKELLAR. Mr. President, if the Senator from Texas will yield to me to answer the Senator from Illinois——

Mr. CONNALLY. I yield.

Mr. McKELLAR. The Senator from Illinois refers to the vigilance of the officers in Chicago. Let us see what the Illinois Crime Survey, a survey taken by the people of the Senator's own State, has to say about the vigilance of the officers there.

Mr. LEWIS. Who is it that makes the report?

Mr. McKELLAR. Just a moment. I read:

> In Chicago, during 1926 and 1927, a total of 85 persons were reported as having been killed by the police.

They were not very vigilant.

Mr. LEWIS. It may be that somewhere, somehow, somebody from somewhere has made some report about something, and it may allude to the police.

Mr. McKELLAR. I read from the Illinois crime survey, with which the Senator may be familiar.

Mr. LEWIS. I realize that there are people around who make what may be called a "survey", but I know this, too, that there has been great effort on the part of the great city, and her State, as well as her county, to punish these offenders wherever they have arisen, and I regret that they have arisen in such large number, though it must be recalled it is in a population of practically 5,000,000. But this much the able Senator will say, if it were all true, it would not justify the seizing and lynching of a human being in any part of the country without opportunity of hearing or being brought before the court. That act would not be justified.

I therefore say, had these people of whom my able friend speaks as gangsters been seized by those who, with violence, would prevent them from having a hearing in the court,

should they be accessible to it, they would come within the provisions of this measure, just as well as any colored man who might be seized in the South, or one out on the Pacific coast in the oriental conflict which exists there.

Mr. McKELLAR. Mr. President, will the Senator from Texas yield further?

Mr. CONNALLY. I am very glad to yield.

Mr. McKELLAR. None of us justifies lynching. It is a horrible crime, in my view, just as it is in the view of the Senator from Illinois and of every other Senator. No one can justify it, no honest man but deplores it, no good citizen but deplores it. We have all tried to bring lynchings down to the lowest possible number, and if we let the States take care of handling it, the number of lynchings will gradually diminish. It has come down from a total of 232 in 1905, I believe, to 15 in 1934, and there have been even fewer since that time.

I pray to God that the day may soon come when there will not be any such crime in this country. But I say that the method in which the Senator from Illinois and the Senator from New York are undertaking to deal with this matter is wholly foreign to the Constitution and wholly foreign to our laws, wholly foreign to the best method of succeeding. I wish to say that when the Senator, through this bill, undertakes to exempt from the operation of the law the horrible crimes which are committed by gangsters in this city and in the city of New York, he is advocating something which should not be.

If its provisions are constitutional they would apply to all persons, regardless of who they may be, regardless of whether they are gangsters or racketeers or lynchers. Murder is murder, and it is the State's duty to condemn that murder.

Mr. LEWIS. I reply to my able friend from Tennessee that in some form or other some inspiration has driven him to exaltation of language that has no foundation in fact. There is nothing in this bill that I am aware of—I have not heard any such thing or read of it—that exempts from punishment those who are designated here as gangsters from Chicago. What I gathered from my friend the Senator from New York [Mr. WAGNER], unless I misunderstood him, was that he felt that those who ought to be punished were to be punished under the local laws.

Answering my able friend the Senator from Tennessee, I wish to say that I join him heartily, but I reserve the right to say that the mere fact that a man is designated as a gangster does not justify lynching him if he is charged with that offense. He should be taken before the court and punished. He should not be lynched. If an attempt were made to seize him because he is guilty of being a gangster, and an attempt is made to lynch him on the broad highways, such as now happens to people in our country, those having to do with such attempts would come under this law just exactly as in other cases.

Mr. McKELLAR. Mr. President, if the Senator will permit me, I will call his attention to something which recently occurred. I am sorry that the Senator from New York [Mr. WAGNER] is not here. I read in a newspaper a few days ago that a little girl, 3 or 4 years of age, was brutally, criminally assaulted in the city of New York and then killed, and it was afterward alleged that the man who had committed this crime had destroyed more little girls during the last year than there were persons lynched in 1936. In that year, 1936, only eight lynchings occurred in the United States. Yet here was one man, who has not yet been punished, so far as I know, and no efforts have been made to punish him. I think he is going to be sent to an asylum for destroying 3- or 5-year-old little girls. Yet we find the Senator from New York here trying to pull motes out of the eyes of people of other States and letting his own State go to wrack and ruin.

While I am on my feet I wish to say something about the city of Chicago. The other day the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] had shown a picture of what took place during a riot in Chicago only a short time ago. The picture showed that the officers of the law brutally shot down persons who had gathered together for picketing purposes. I ask the Senator from Illinois, who is so much concerned about the 8 or 10 people who are lynched throughout the country during a year—and he ought to be concerned about them, and I say that I deplore the lynchings as much as he does—I ask the Senator from Illinois, Has he taken any steps in his own city to prosecute those police officers who brutally shot down members of that crowd?

Mr. LEWIS. In the first place, Mr. President, I ask the Senator from Tennessee a question. Does he, when he alludes to that unhappy and brutal incident that occurred in New York, advocate that the man who committed the offense should be lynched?

Mr. McKELLAR. No, Mr. President; but I think he ought to be punished.

Mr. LEWIS. He ought to be punished.

Mr. McKELLAR. He should be punished to the full limit of the law of the State of New York, but not by an attempt to pass a bill like this.

Mr. LEWIS. That brings us back again to whether New York shall punish according to what the able Senator or any humane man would think that man deserves.

I go to my city of Chicago. Since my able friend did not offer the illustration to prove that there are those whom he thought ought to be lynched, let me say that as to Chicago it is true a very unhappy labor dispute seems to have developed into such violence as cannot be denied as coming within a riot, and concerning that riot there is great dispute. One set of photographs in the hands of the able Senator from Wisconsin discloses a condition of assault utterly inexcusable, if true.

Mr. McKELLAR. Assault by the police officers, which is utterly indefensible, and I challenge the Senator from Illinois to say whether a single one of those so-called peace officers has been indicted by the State of Illinois.

Mr. LEWIS. While another set of pictures and another report from the coroner's jury show just to the contrary, and both of those pictures and reports, which show this dispute, are before the committee, and I have no doubt at the proper time will receive very just consideration.

The State's attorney of the city of Chicago has reported that he has proceeded with a grand-jury hearing for the purpose of indicting under the criminal law all of those who were engaged in this undertaking, deplorable as it was. He is taking steps for the purpose of indicting those who appeared to have violated the State statutes of Illinois. I can answer the question only from the information that has come to me, and I give it to the Senator exactly as it was given to me.

Mr. McKELLAR. That is very different from having information in the hands of officers. Why does not the Senator include those infractions of the law when the officers seem to be utterly oblivious to what is right and proper? Why does not the Senator include that in this bill? Why does he want to go to other States to take the proposed action?

Mr. LEWIS. Does the Senator hold that because of these offenses, which I must say are deplorable, he advocates that those guilty of them should be lynched?

Mr. McKELLAR. No.

Mr. LEWIS. Does the Senator then answer and say that this bill should include a provision that the Federal Government should step into the State of Illinois to take charge of punishments for infractions of law in the case of a riot?

Mr. McKELLAR. No; I do not think so. I do not think this bill should include those crimes, or any of the crimes that are now attempted to be included in the bill. I do not think we have anything to do with them. I think punishment for such crimes is up to the State.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I yield to the Senator from Idaho to ask the Senator from Illinois a question, or vice versa.

Mr. BORAH. I want to ask if the Senator from Illinois can explain that which has not yet been explained—why it was thought necessary specifically to exempt gangsters from the operation of this bill? Here is a bill that was framed to apply against mob violence, and gangsterism is mob violence. Why was it thought necessary in legislating against violence carefully to exempt gangsters lest they might be caught in the web of the law?

Mr. LEWIS. I will say to my able friend that as he knows I was not on the committee which considered the bill, but I am informed that the able Senator gives a construction to the bill, as likewise does my friend the Senator from Tennessee [Mr. McKELLAR], that is not justified with respect to the question of lynching of people who are called gangsters.

Mr. BORAH. Let me read the provision of the bill to the Senator:

> Any such violence by a mob which results in the death or maiming of the victim or victims thereof shall constitute "lynching" within the meaning of this act: *Provided*, however, That "lynching" shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers—

Tell me why, in framing a law against mob violence, against mass violence, it was so necessary carefully to exempt gangsters, lest you might get them in the web of the law? [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. Demonstrations on the part of occupants of the galleries are absolutely forbidden by the rules of the Senate. There must be no such demonstrations.

Mr. LEWIS. Mr. President, as the Senator from Idaho knows, I am not on the committee. I did not help prepare the bill. I greatly opposed, as I have announced time and time again, and continue to oppose the feature of the bill that assumes to lay a penalty of dollars and cents against the innocent because of the offense of some officers who might violate the law. I can only assume that what is intended by the bill is not to take from the State authorities the right to punish those called gangsters under the provisions of the laws of the States wherein they are being prosecuted. I must say to my able friend that, despite the construction my able friend gives to the law, it is my judgment, as I have expressed it before, that if any gangster were seized and an attempt were to be made to take him out of the hands of the officers of the law and deny him the right of due process of law before court and jury and to lynch him, those guilty of such a crime would come absolutely within the law, because that would be lynching the individual, and such act would come within the provisions of this bill, and those guilty could not escape its provisions.

Mr. BORAH. Mr. President, if the Senator would carefully study the bill, I think he will find that his construction does not come within the terms of the bill.

We know that gangsterism for the last quarter of a century has been a serious evil. We know that gangsters have gone in with the underworld for their complete organization; they elect their officers, they have their counsel, and they have their complete organization, and it has been said over and over again by officers and by the public press that the officers of the States have been unable to cope with them.

To me it is the most astounding thing that I know of in legislation that in framing a measure against violence you are carefully exempting gangsterism from the operations of the law. I think the labor world will be pleased to know that the gangster and the picketer are placed upon the same level.

Mr. LEWIS. Would my able friend advocate by these observations that those who are called gangsters should be lynched?

Mr. BORAH. No; of course I do not advocate that they should be lynched. What I am saying is that you are legislating here and claiming the right to legislate within the State against violence. You claim that the States are not able to enforce the law. You say, therefore, the Federal Government should step in. If there is any exhibition of a failure to execute the laws of the States of this country, it is in connection with gangsterism.

It is more completely so than any other kind of crime, and when you come to write the law against violence on the theory that the State cannot enforce the law you carefully exempt gangsterism from the operation of the law. I say "you", not meaning the Senator; he is not making the law—but I refer to those who are offering it.

Mr. LEWIS. I understand my able friend and ask him this question: This bill, as I understand it, is not framed on the theory that the officers of the State cannot execute the law, because, if it were and the Federal Government assumed to enter upon the ground that the State was not able to execute the law, we would have a very important question of difference; but it is based on the theory that the officers of the State will not enforce the law, and, with an opportunity of protecting individuals, white or black, allow them to be seized by force, injured in one form or another, or maltreated to their death, with the officers of the law conspiring toward the deed, either by action or inaction. It is not a question of whether they are powerless.

Mr. President, this bill——

Mr. BORAH. I do not know just when it was, but it was not long ago, the Senator will remember, that an assistant district attorney in the city of Chicago was seized by gangsters and was killed. His killers have never been prosecuted. It was said it was because the prosecuting officers were afraid that would happen to them which had happened to the assistant district attorney. Why should you exempt that class of sordid brutes from the operation of this proposed law?

Mr. LEWIS. I beg to remind my able friend that he has been misinformed. We had a most remarkable prosecution in the city of Chicago of a man named Jacob Lingle. The charge was that he was guilty of just the offense to which the able Senator refers. I remind the able Senator that the prosecution was by the distinguished gentleman who has lately been the nominee for Governor upon the ticket of the great party known as the Republican Party. The prosecution was conducted with great power and great zeal. That there was an acquittal was due to the lack of evidence. I assure my able friend he has been misled in the assumption that there was no prosecution.

Mr. BORAH. The man of whom the Senator speaks is not the person I had in mind. The Senator refers to a man named Lingle?

Mr. LEWIS. Yes. There was a prosecution.

Mr. BORAH. I am speaking of the assistant prosecuting attorney who was murdered.

Mr. LEWIS. I think my able friend is alluding to a case involving a man named McSweeny or some such name. I read about that. He was an assistant State's attorney.

Mr. BORAH. He was assistant State's attorney.

Mr. LEWIS. I must say that I do recall that there was a killing, but I am not able to say as to what the subsequent and final legal action was. I must say frankly it is not now in my mind.

Mr. BYRNES. Mr. President——

Mr. CONNALLY. I yield to the Senator from South Carolina, if the Senator from Illinois has concluded.

Mr. BYRNES. Mr. President, a few moments ago the Senator from Tennessee referred to a case in New York where a man criminally assaulted a 5-year-old girl and then killed her. Under this bill that man could not be punished.

Mr. CONNALLY. Oh, no.

Mr. BYRNES. But if three men, relatives of that little innocent child, in sudden heat and passion engendered by the great wrong perpetrated, lost control of themselves and had killed that man, then that would have been a violation of this proposed law of the United States Government?

Mr. CONNALLY. Certainly.

Mr. BYRNES. And the preachers and other law-abiding people of the county where that occurred would have been forced to pay for the action of those three men in killing the

scoundrel who had destroyed and taken the life of that little child.

Mr. CONNALLY. Exactly. Mr. President, the incident to which the Senator from South Carolina alludes, that of a horrible, unspeakable crime committed in New York, causes me to say this: I abhor lynching; I abhor violence; I abhor murder; but I can understand something of the feelings of a father or of a son when he returns to his household and finds it violated, when he finds that murder has been done, when he finds the bleeding and mutilated form of a wife or mother or sister weltering in blood. I can understand something of the terrible passions that, in a moment of frenzy, stir the hearts of loved ones and of neighbors and causes them in such a time rashly to take the law into their own hands. So I can understand the suggestions of the Senator from South Carolina. The fiend, the inhuman brute, who strangles an innocent child and violates her person would go free under this proposed law, but if the family or neighbors, in a moment of passion, should wreak vengeance upon the horrible beast they would be haled into a Federal court and the citizens of that county or State would be made to pay the penalty in money to the kindred of the perpetrator of the horrible crime.

Mr. President, the Senator from Illinois could not and did not answer the Senator from Idaho as to why gangsters are especially exempted from the provisions of this bill.

Mr. BONE. Mr. President, will the Senator from Texas yield for a question?

Mr. CONNALLY. I yield.

Mr. BONE. I have listened with a great deal of interest to the argument, and there has been so much discussion of "gangsters", and how utterly mad and abhorrent they are, that, as I examine the language of the pending bill, I wonder how it might be amended to accomplish what has been suggested and yet not put the measure in rather a peculiar position before the Senate.

Mr. CONNALLY. The Senator from Texas is talking about the bill as it is presented to the Senate. He is not talking about how it may be amended. The only way it can be amended to suit the Senator from Texas is to strike out all after the enacting clause.

Mr. BONE. I am only concerned as to whether the Senator is willing to have me ask him a question.

Mr. CONNALLY. Yes; I am willing to have the Senator ask me a question, but I cannot answer as to what may be introduced by way of amendment to the bill. If, however, the Senator wants to ask me something about the bill I shall answer.

Mr. BONE. Let us take the bill in its present form. That is what I want to ask about. Many references are made to "gangsters."

Mr. CONNALLY. Except by the authors of this bill, they are proposing to exempt gangsters from this bill.

Mr. BONE. Will the Senator permit me to ask the question?

Mr. CONNALLY. I assume that the Senator from Washington is for the bill as it is written?

Mr. BONE. It says in the bill, on page 9, that any such governmental subdivision shall be liable in damages to the family of a dead gangster if other gangsters "bump him off", although he had been guilty of bloody murder.

Mr. CONNALLY. Where does the bill say that?

Mr. BONE. Read the language on page 9:

> Any such governmental subdivision which shall fail to prevent any such lynching or any such seizure and abduction followed by lynching—

That is, in effect, the situation when gangsters "bump off" one another.

Mr. CONNALLY. Has the Senator read page 7, line 10?

Mr. BONE. I am not going to read out of the bill that which is written into it. I merely want to know whether it is bad to keep gangsters from "bumping" one another off. It is said that a bad social disease tends to eradicate itself, and I am not beating my breast because gangsters "bump" one another off.

Mr. CONNALLY. The Senator from Washington is, then, in favor of gangsters if they will "bump" each other off?

Mr. BONE. If the Senator has any objection to a bunch of underworld thugs and assassins "bumping" one another off, he can get what satisfaction he can out of it.

Mr. CONNALLY. I assume the Senator approves of two bunches of gangsters engaging in war with each other, and then, if they "bump" each other off, that is fine?

Mr. BONE. It does not pain me any if a bunch of assassins and thugs in the underworld "bump" each other off.

Mr. CONNALLY. Assassins and thugs! The Senator from Washington is willing for two groups of assassins and thugs to murder each other and not be amenable to the law, but he wants to punish two or three individuals, father and sons or brothers of a woman who has been mutilated and killed and whose person has been violated, because, they in a moment of passion, wreaked vengeance on the brute that assaulted her, and he wants to let walk free the streets for years gangsters who make war on other gangsters and murder them?

Mr. BORAH. Mr. President, I should like to call the attention of the Senator from Washington to this language, which I think modifies the effect of the language which he has quoted:

> Any such violence by a mob which results in the death or maiming of the victim or victims thereof shall constitute "lynching" within the meaning of this act: *Provided, however,* That "lynching" shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers.

The effect of that would be that if the violence was committed by a mob, although it was a gangster mob, and resulted in the death or maiming of the victim or victims, having been committed by a gangster organization, it would be exempted under this bill.

Mr. BONE. I do not think the Senator from Idaho or any other Senator can find anyone in this body who condones violence or crime, but I do not think we need agonize over those whose hands are imbrued with blood, those who are prefessional killers. I do not think we need agonize over the fact that some professional killer "bumps" off another, if I may use a vulgar expression. I do not condone violence; but I cannot quite understand the argument of the Senator from Texas, who seems to be disposed or determined to put in the mouths and minds and wills of other Senators a defense of assassination and murder. The Senator is not fair in doing that, and he knows he is not fair in doing that.

Mr. CONNALLY. We shall see from the reporters' notes what the Senator said. The Senator from Washington is charging the Senator from Texas with not being fair. I ask Senators to bear witness to the fact that the Senator from Washington asked why should anybody complain if two bunches of gangsters "bump" each other off. Did not the Senator say that?

Mr. BONE. I said that gangsterism is like a social disease which has a tendency, like many other bad things, to eradicate itself, and gangsterism is a social disease largely confined to the large cities.

Mr. CONNALLY. In all fairness——

Mr. BONE. The Senator is making the speech. I am not making the speech.

Mr. CONNALLY. The Senator is not going to get away with that, either. The Senator from Washington has charged the Senator from Texas with being unfair. I suppose he means unfair in quoting him.

I challenge the reporter to bring his notes here, and I now ask the Senator from Washington whether he did not say on the floor of the Senate, in answer to the Senator from Texas, that he could see no reason why anybody should be worried about "two gangs of gangsters bumping each other off"?

Mr. BONE. Mr. President, the Senator may go ahead with his speech. [Laughter.]

Mr. CONNALLY. I challenge the Senator to say whether he said it or not, and he says nothing. Let the RECORD

answer as to whether the Senator from Texas was fair or unfair.

Mr. BONE. I shall make answer with my vote when the proper time comes.

Mr. CONNALLY. That is what is in the mind of the Senator from Washington, to vote not only his own vote, but how he can get some other votes on the bill.

Mr. BONE. May I add another thing? Let me say to the Senator that the votes to which he is alluding are, in my own State, so infinitesimal a part of the population that the Senator's argument has little or no weight.

Mr. CONNALLY. No; but that infinitesimal group the Senator loves better than he loves his duty under the Constitution and the decisions of the Supreme Court. Does the Senator want me to yield again? [Laughter.]

Mr. President, I dislike to repeat, but Senators go out for lunch or to confer——

Mr. LEWIS. Mr. President, of course it is not to evade the speech of my able friend from Texas, who is much too attractive and too learned, and in his discussion too informal.

Mr. CONNALLY. I thank the Senator from Illinois. If he were as wise as he is courageous and gallant he would not be voting for this bill.

Mr. President, let me say to the Senator from Washington [Mr. BONE] in all good temper—and I do not intend to be otherwise. The remarks I made were sharp, but they were sharp because the Senator from Washington first attacked the fairness of the Senator from Texas. I want to invite his attention to the language which was quoted by the Senator from Idaho [Mr. BORAH] as it appears on page 7 of the bill:

> Any such violence by a mob which results in the death—

That is one thing—

> or maiming of the victim or victims thereof shall constitute "lynching" within the meaning of this act: *Provided, however,* That "lynching" shall not be deemed to include violence occurring between members of groups of lawbreakers such as are commonly designated as gangsters or racketeers.

That carries out the idea of the Senator from Washington. If two gangs of gangsters want to go out and kill each other, let them do it. Who is going to pass on it? Nobody. Let them pass on it themselves. Two gangs of gangsters, and it is said, "as long as they bump each other off, let them do it."

Mr. President, the Congress of the United States has no right to regulate either gangsters or other private individuals under the State laws and functions. If the States fail, then this Union fails because when the States fail to have a sense of responsibility, when the citizens of those States of ours cease to be patriotic, when they cease to have an interest in public affairs, the Government of the United States will fall because every citizen of the United States is a citizen of some State.

This theory of imperialism, this theory that the States are not able to govern their own affairs, but that there is here in Washington some all-seeing eye, some all-wise personality, some all-wise power, that knows better than the States themselves do as to what their laws ought to be and as to what the duties of their officers ought to be, involves a doctrine which is repugnant to every conception of free government and constitutional liberty that can be found anywhere in history. That is the doctrine of the Caesars. Well did the Senator from Illinois [Mr. LEWIS] refer to Caesar. He said that when Caesar came to the Rubicon it was a question as to whether he would fight his enemies and take over the power of Rome or not. He said, "The die is cast", and plunged into the red tide of the Rubicon. From that day the liberties of the Roman people began to wane. From the day that Caesar's power began to increase, the rights and liberties of the Roman citizens began to decline.

He was followed by Augustus Caesar, a benevolent despot, Augustus Caesar, not by one stroke of the pen or one stroke of the sword. Augustus Caesar pleased the people and appealed to them as being a man who was just and fair and devoted to their interests. Gradually he gathered into his hands this bureau and that bureau, this power and that power and the other power. At last Augustus emerged as the Emperor of Rome and the liberties of the Roman people gradually disappeared, not because Augustus was not benevolent, for he was benevolent. He was a benevolent despot, but the power which Augustus Caesar gathered into his own hands under the plea of his benevolence afterward came to be exercised by a Nero and by a Caligula.

Mr. President, that is the dream of empires which the Senator from Illinois [Mr. LEWIS] suggests. Let Washington say whether the States are performing their functions. Let some distant authority here in Washington say whether the State officer has performed his duty not under Federal law but under a State law.

Mr. President, that is the doctrine of a Caesar. That is the doctrine of the czars who sent their emissaries and agents all over Siberia. That is the doctrine of the Roman emperors who sent their pro consuls and agents into all the known provinces of the world and compelled them to pay tribute to Rome. "Here in Rome sits imperial power, imperial wisdom, and the imperial power to do all things."

Mr. President, when that time comes in America there will no longer be an America. It may still exist in name, it may still be a shell, but America as its founders knew it, America as George Washington knew it, America as the founders of the Constitution knew it, America as the pen of Thomas Jefferson in prophecy flung the dream of America in the face of a foreign king will have disappeared from the life of the nations of the earth.

Mr. President, I am opposed to the Federal Government under the pretense, under the pretext, under the mere excuse of undertaking to guarantee the rights of citizens under the fourteenth amendment to the Constitution, lynching the power of the States themselves and lynching innocent citizens in the counties and penalizing them and bringing them into the Federal courts in response to claims for damages.

Mr. President, such was our conception of the balance of power between the States and the Federal Government. Over the years, of course, there has been a gradual increase in the power of the Federal Government, and a lessening somewhat of the powers of the State, but that has been largely because of the development of quick communication by wire and rapid transportation by airplane and all that kind of thing. But the fundamental thing, the fundamental balance of power between the States and the Federal Government still exists. It is one thing left in the constitutional structure that we ought to preserve and maintain.

If we are going to exercise supervision over all the activities of the States, if the Federal Government is to sit in judgment on a State officer as to the manner in which he has performed his duty to the State, then there is no vestige of authority left to the States. Why, Mr. President, it is the business of the people of the States to pass judgment on whether or not an officer of the State has carried out and enforced the laws of the State. It is the business of the Federal Government to pass judgment on whether a Federal officer has performed his duty. What would be said of a State which should undertake to enact a law saying how a Federal officer located in the State should perform his functions? If a State should undertake to hold a collector of internal revenue or a United States marshal or any other Federal officer accountable for the manner in which he performed his duty to the Federal Government, those who interfered with him would not only have their authority stricken down, but they would probably be called into a Federal court to answer for contempt or be imprisoned for interfering with a Federal officer.

How can the Federal Government maintain its sovereignty and the prestige of its agencies and the integrity of its instrumentalities while at the same time saying to the States and their subdivisions, "We will go into your State and undertake to supervise the activities of your officers. We shall make their activities subordinate to our will. We shall dictate to them how and when and where they shall perform their duty"—not their duty to the Federal Government, but to the States themselves.

Mr. President, a few more words, and I shall have concluded.

Earlier in the day I quoted some of the decisions of the Supreme Court. Their books are full of decisions on the fourteenth amendment. On yesterday the Senator from Idaho [Mr. BORAH] referred to the case of Harris and others. I shall not again burden the RECORD with that reference. That was a case in which a Federal act prohibited persons from congregating on the highways and interfering, just as this bill seeks to prevent, with persons in their civil rights. The Supreme Court invalidated the act because the Court said the act was beyond the power of Congress under the fourteenth amendment.

In Virginia against Reeves, Mr. Justice Strong said what I am about to read. Mr. Justice Strong was a Republican judge, a great judge from Pennsylvania. He said:

> These provisions of the fourteenth amendment have reference to State action exclusively, and not to any action of private individuals.

Holding that the Federal Government under the fourteenth amendment could not deal with individuals, but could deal only with State action and State laws.

Mr. President, we are appealing to the Senate today. We are appealing to its judgment and not to its prejudice. We are appealing to the limitations of power upon the Congress, and not to its extravagances in grasping for an unjust power. We are appealing to the patriotism of Senators, rather than to their political proclivities; but, Mr. President, we are contending, and I believe justly, that the pretensions of this bill are wholly beyond constitutional power. If we believe that to be true, it is our solemn duty to reject the bill, notwithstanding the political pressure that may be brought to bear upon us to enact it.

Mr. President, if the Constitution of the United States is maintained, it ought to be maintained here in this Chamber. This is a great forum. This is a great assemblage, made up of 2 representatives from each of the 48 States.

I know of no place on the planet greater in authority of its kind, greater in dignity, or attracting more the respect of the world, than the Senate of the United States. But, Mr. President, though we come here with the commissions of our States, though we come here as a result of our election by the voters of our several Commonwealths, we cannot perform our duties in the Senate until we first hold up our hands and take a solemn oath to maintain and defend the Constitution of the United States. That is a prerequisite. So, Mr. President, if the Constitution is to be maintained, it ought to be maintained here, in this sanctuary, as it were.

I plead with Senators not to be influenced in voting on this proposed legislation simply by the passing fancy of an hour. Read the bill; consult the Court decisions; read again the fourteenth amendment; and I am convinced that when the appeal is made to your judgment, when it is made to your sense of fairness, you will not vote to take up this bill, and thereby disrupt the legislative program which is now before us.

It was once said here in the Senate—

> This house is a sanctuary, a citadel of law, of order, and of liberty. Here will resistance be made to the storms of political frenzy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper—which God avert!—its expiring agonies will be witnessed on this floor.

Mr. President, if we here in the Senate do not respect the Constitution, if we do not observe its injunctions, if we are not faithful to our obligations under it, how can we expect the citizenry of the Republic to respect it, and look up to it, and revere it, and honor it, and love it?

Mr. President, by no vote of mine shall I transgress the powers that belong to the Federal Government in behalf of the States; neither by any vote of mine shall I strip from the States, in violation of the Constitution, the powers that from the day of its birth to this living moment have been possessed by the States of the Union.

Mr. PEPPER. Mr. President, there is no Senator in this body for whom I have learned to have a greater affection and esteem than I have for the Senator from New York [Mr. WAGNER]. Neither is there anyone in this body who has more the right to say that he comes from the soil of the South than have I; for since long before the days of our national independence I have never had an ancestor who was not born in, did not labor with, and did not finally leave his bones to bleach in the soil of the South that I love.

Neither, Mr. President, have I one word of sympathy to extend to any man who does not appreciate the loyalty, the generosity of spirit, and the faithfulness of the colored race. I was born amongst them. I grew up with them. I have literally lived in their environment all of my life; and I have not one word to indicate countenance for any man who deals an injustice to one of these of another color. But I do believe, Mr. President, that the aspirations of the Senator from New York and the others who are the proponents of this measure are to be deemed better than the judgement with which they push this proposal; and that is the reason why I address myself to it before the issue has come directly before us for consideration.

Mr. President, I respect any laudable aspiration. I appreciate the sentiments of the Senator from New York, who has labored as few men have to ameliorate the conditions of the underprivileged in every part of the Nation.

My heart goes with his in the sympathy which he extends to the man or the woman or the child who needs help, a better economic opportunity, a larger spiritual and mental horizon, a greater objective in life. But, Mr. President, I do not believe that the Senator from New York would like to see the monumental achievements which he has caused to be written into the annals of this body disparaged in the minds of those who will hereafter be critical observers of our conduct by any measure unworthy of the great objects which he has been able to attain in the past.

I am sure the Senator desires that he be not castigated as one who would level the sharp weapon which he wields, both in hand and in mind, not against a condition, but against a particular section of the country which he has tried so hard to help; and yet I am sure there is no man in this Chamber who does not appreciate that the purport, the intent, and the primary effect of this proposal are directed against the Southeastern portion of the United States of America.

Mr. President, lynching is no new crime in the United States, nor is it an increasing offense.

In the period from 1889 to 1899 in the United States there was an average of 187.5 lynchings per year. In the period from 1900 to 1909 that average had fallen to 92.5 per year. In the succeeding 9 years, 1910 to 1919, the average had fallen to 61.9 per year. From 1920 to 1924 the average was 46.2 per year. From 1925 to 1929 the number was 16.8 per year. The greatest decline in all the era of which I have spoken was contemporaneous with the greatest economic prosperity this Nation has ever enjoyed.

Now note what the tendency thereafter, and the correlations, were:

In the year 1931 the number of lynchings in the United States fell to 13.

In the year 1932 the number throughout the entire United States fell to nine, and that marked the period when we began to reach the pit of the depression and all of the social ills which ensued therefrom. In the year 1933 the lynchings, not in the United States but in the South, jumped from 9, in 1932, when the accumulated savings of the people of this Nation had been dissipated and destroyed, and when the national aspiration was at the lowest point then within the memory of this generation, back to 29.

Then, for the year 1934 the number was 17. In the year 1935 it was 23, and in 1936, when economic conditions in this

country were again on the upgrade, under the masterful leadership and guidance of the Democratic Party and its incomparable leader, the number went down to 10. For the year 1937, more than one-half of which has passed, the number has been five.

Mr. President, I propound this inquiry to my friend the Senator from New York and to the other proponents of this measure: Have the people of the South endeavored to prevent this crime from occurring within their borders? Have they indicated their desire that human blood shall never be spilled in that violent and illegal manner by the improvement in public sentiment, the enforcement of the law, and the amelioration of the circumstances out of which the passions which result in lynchings arise? Have the people of the South tried to do their duty in the elimination of this offensive crime? If they have, are their efforts to be rewarded by appreciation from their fellow citizens, or are their efforts to be stigmatized by such humiliating coercion as is attempted by the proposed legislation?

In the first place, Mr. President, this measure is futile. I am sure that it is not necessary that I be other than frank in discussing whether or not any legislation can effectively go contrary to the sentiments of a people. A long time ago this Nation wrote into the organic law which governs this country a prohibition against interference with the right of the colored man to vote, because that was the intent of the fifteenth amendment. Within the memory of my own father that was followed up by Federal soldiery, which stood at the ballot box in my own native State of Alabama and tried to put into effect, under the bayonets of the Federal Government, that constitutional provision.

The amendment to which I refer has not been repealed; it is still a part of the Constitution of this country. It still is an elemental part of the organic law of this Nation, which every Executive is sworn to enforce. Yet how many of the colored race vote in my section of the country? And why do they not vote? Because it is not deemed a permissible policy that they should, under existing circumstances, exercise the privilege of sovereignty through the ballot.

Whatever may be written into the Constitution, whatever may be placed upon the statute books of this Nation, however many soldiers may be stationed about the ballot boxes of the Southland, the colored race will not vote, because in doing so under present circumstances they endanger the supremacy of a race to which God has committed the destiny of a continent, perhaps of a world.

Mere legislation does not change dynamic social conditions. Legislation will not restrain those whose passions have been aroused by some crime which provokes lynching in certain places, because there are offenses for the correction and retribution of which any man would not only suffer the penalty which might be exacted by this statute, but would forfeit the life an Almighty God has given him.

Mr. President, if the sheriff who is to be prosecuted in the district court of the United States under this measure is not to have the right of trial by jury taken away from him, he is not going to be convicted of a violation of the proposed statute if he has made any semblance of effort to prevent the crime of lynching. So do I say that if the right of trial by jury in a civil case is not to be taken away, a jury impaneled from the district court of the United States and its jurisdiction is not going to award damages against a citizenry which was not responsible for the violation of the law.

Do southerners, Mr. President, have thrust upon them a greater burden in the selection of their officeholders than citizens of any other section of the country? Are they to be the guarantors of the conduct of their officers, whereas other citizens simply exercise their best judgment, without penalty for any error in judgment?

It is worse than that, however. As a matter of fact, the proposed legislation, the legislation which is now proposed by the gentlemen who live in the financial and economic centers of this Nation, raises a very great and interesting moral question. Do Senators know that statistics reveal that there is a direct relationship between the price of cotton and the number of lynchings? I repeat, if I may, do Senators know that there is a direct statistical relationship between the price of cotton and the number of lynchings in the South? Any Senator in this body will obviously see the cause of the correlation.

I raise the moral question, Is the man who crazes the mind of the lowly and uneducated with strong drink an innocent causative force behind the crime the victim of such intoxication will commit? If the answer is that he is not innocent, I ask another question. Is the economic power which impoverishes a section of the country and a portion of the people, and drives them into a state in society in which a condition of ignorance and in which a condition of poverty exist—is that economic force innocent as a causative force of the crime of lust or of passion that may be behind a crime committed as a direct result of those conditions?

Mr. President, I say to my friend the Senator from New York, the greatest humanitarian in this body, in my opinion, if he wants to alleviate lynching, if he wants to prevent the recurrence of that crime, then let him join in making it possible for the children of the Southland to get an education by so distributing the wealth of the country, through Federal legislation, that we, who are incapable, by a given percentage of our wealth, to educate our colored people, may be enabled to lead them in the direction away from crime rather than toward it.

I ask those who would be the proponents of this measure if they would not better repent for the sin that has been inflicted upon the consuming sections of this country for generations by a vicious tariff system, and redistribute the wealth which has thus been exacted from the section which this bill is designed to penalize.

I ask, Would not breaking the throttle monopoly has upon the throats of the people of this Nation resident in certain sections of this country do more in the long run to prevent this sort of crime than legislation of this character?

I ask, If such regulation of the transportation facilities of this country as would give to the Southland a fair freight-rate structure and enable a manufacturer in Florida and Georgia and Alabama and the other States of the South to enter as a competitor in the markets of this country, and thereby enable him to pay a fair wage for those who render a fair day's service, and therefore to get an education and live in a decent house and wear decent clothes, and thereby live in an environment that leads away from crime, would not do more toward freeing the South from the seed from which such offenses grow than the proposed legislation?

And, Mr. President, one other inquiry. Referring to those from the North—and many of them we welcome—who come to the southland and find there our resources that grow in plenitude in the bowels of the earth, which God has blessed with His munificence, would not they better abstain from exploiting the labor of the South while their pockets are filled with ill-gotten wealth, in many instances wrung from the sweatshop methods that our children and women and impoverished people have to countenance? Would not they do better, Mr. President, to pay a fair wage and a fair part of the profit which is justly theirs, rather than to pauperize our people and then come back and condemn them for the inevitable consequences of their impoverishment?

So, Mr. President, I raise in the minds of Senators who are conscientious proponents of this bill the question, Is it not better that they try to alleviate the lot of the unprivileged of our people rather than that they should humiliate us with legislation of this character? And would it not be better, Mr. President, for them to aid us in the efforts we are making to eliminate this condition rather than to castigate every effort we have made toward self-improvement?

Therefore, Mr. President, may I paraphrase the words uttered long ago by one of the greatest and most eloquent of the southerners, when Henry W. Grady said there was

an old South, a South of slavery of secession; "but that South", he said, "thank God, is dead." I say now there is another South. It is the South which has tried to maintain intact the best of its traditions of the past, which has come into the birth of a new day as an economic entity in the area of this Nation; a South whose aspirations, Mr. President, reach far beyond the horizon even of tomorrow; a South which dreams of a time when it may be permitted to come back into the confederacy of States without discrimination against its people and may enjoy full fellowship and complete brotherhood in the family of States that make up this the greatest nation under the sun or the stars at night.

So I say, Mr. President, I appeal to the humanitarian sentiments of my friend from New York [Mr. WAGNER] and his colleagues: Do not turn your hands against those who are trying to progress. Do not lay your heavy hands upon this beautiful flower of a new civilization which is emerging from the dear Southland to glorify and to ennoble the traditions and the history of the United States.

Mr. BARKLEY. Mr. President, I have attempted all during this discussion to impress upon the Senate the fact that I had no desire to delay or prevent the consideration of this bill. I have felt all along, and I feel now, that it is entitled to be considered on its merits, free from entanglement with any other legislation.

The bill has passed the House of Representatives by a very large majority. It has been reported from the Committee on the Judiciary of the Senate and has now been on the calendar for several months.

The importance of the subject and the interest of millions of persons in it entitle it to consideration. I think those who oppose the bill are compelled to recognize the fact that it ought to be considered during this Congress. I certainly think it ought to be considered during this Congress, and it is my desire that it be considered during the present Congress.

However, in the juncture in which we find ourselves at this time, I have felt it my duty to confer with the authors of the bill, the Senator from New York [Mr. WAGNER], the Senator from Indiana [Mr. VAN NUYS], and other Members of the Senate who are sponsoring and supporting the proposed legislation. I have also conferred with as many as I could reach among those who at the time are not able to support it. Therefore, with the cooperation of the Senator from New York and the Senator from Indiana and others, I should like to suggest that the wisest and best way to dispose of this question at this time is to make the bill a special order for consideration immediately upon the conclusion of the crop-control legislation at the next session of Congress. I have a motion to that effect, which I cannot make unless the Senator from New York [Mr. WAGNER] withdraws the motion which is now the pending business; and I ask the Senator from New York if he is willing to take that course.

Mr. WAGNER. Mr. President, I have been endeavoring to cooperate with our distinguished leader, and so have others of us who are interested in this measure, and in securing its final passage. If it is posible to procure a definite place for it upon the calendar following the consideration of the crop-control bill, I wish——

Mr. BARKLEY. Mr. President, the motion I have prepared and will offer makes the bill a special order to be considered immediately upon the conclusion of the consideration of the crop-control legislation at the next session of Congress, whether that is in January or at a session held sooner than that.

Mr. WAGNER. Very well.

Mr. ASHURST. Mr. President, the suggestion of the able Senator from Kentucky to make the bill a special order has certain implications of which the Senate may not be aware. The Senator from New York must remember that if the bill is made a special order, and is not voted upon, it will go back to the calendar. A special order is valid only during the time the bill is considered. If the Senator wishes consideration of the bill, he will ask that the motion contain the language "shall be made the unfinished business"; not a special order.

Mr. BARKLEY. Mr. President, I have taken the precaution to confer with the parliamentary clerk about the matter. If the motion I shall offer shall be agreed to, the bill will not only become the special order but will become the unfinished business, and will remain such until it is disposed of. Like any other bill that is made the unfinished business, it will be subject to whatever action the Senate may take.

Mr. ASHURST. Does the motion declare it to be the unfinished business?

Mr. BARKLEY. No.

Mr. ASHURST. Then I wish to add, after the words "the special order", the words "and shall be and remain the unfinished business until disposed of."

Mr. BARKLEY. I have no objection. Let me send the motion to the desk and have it read for the information of the Senate. I think there will be no difficulty about it.

Mr. ASHURST. I wish to have in the motion the language "and shall be and remain the unfinished business until disposed of."

Mr. BARKLEY. I ask the clerk to read for the information of the Senate the motion that is to be offered.

The VICE PRESIDENT. The clerk will read the motion.

The Chief Clerk read as follows:

I move that the bill H. R. 1507, the so-called antilynching bill, be made the special order of business for consideration immediately following the disposition of the bill to be reported at the beginning of the next session of Congress by the Committee on Agriculture and Forestry pursuant to Senate Resolution 158, relative to farm legislation.

Mr. ASHURST. "And said bill H. R. 1507 shall thereby become and remain the unfinished business until the same is disposed of." I offer that amendment.

Mr. WAGNER. I do not think there ought to be any objection to that amendment.

Mr. BARKLEY. I have no objection to the amendment, though I do not think it is necessary.

Mr. HARRISON. Mr. President, there is a good deal of difference between the present status and the order proposed by the Senator from Kentucky [Mr. BARKLEY], to which, however, I shall not object. I want Senators who are opposed to the bill to know, though, that the motion, when it shall have been agreed to, will put the bill in a very different light in January than today. It seems to me all of us ought to agree that the status of the bill in January shall be the same as it is now. Let the motion be made; let the bill be taken up; but the suggestion of the Senator from Arizona [Mr. ASHURST] that it shall remain the unfinished business to the exclusion of everything else, no matter what may come up in January, it seems to me is going pretty far, although I am not going to object.

Mr. BARKLEY. Mr. President, I think the Senator from Mississippi upon reflection will not insist that we simply allow the bill to remain in January in the same status in which it is now situated. The present parliamentary status is that there is pending simply a motion to proceed to the consideration of the bill. That motion has not been voted upon. What I am attempting to do is to have the bill automatically follow the farm legislation at the next session, whether it is in January or at some earlier time, in order that the bill may take its place before the Senate, and that the Senate may be assured that it will be taken up and considered.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. That is quite a different proposition from that suggested by the Senator from Arizona.

Mr. BARKLEY. I will say to the Senator that any bill that is made the unfinished business, of course, is subject to whatever disposition the Senate wishes to make of it, and it enjoys no preferred status above any other bill in that respect; but if the motion of the Senator from New York [Mr. WAGNER] were to be adopted this afternoon, the bill would become the unfinished business and remain the unfinished business until disposed of by the Senate by any motion that is parliamentary.

Mr. CONNALLY. The Senator from Texas was going to suggest that this session of Congress cannot bind the next session to keep the bill continually before the Senate to the exclusion of everything else. If the Senate wants to make it the unfinished business following the farm bill, very well. But I am not going to agree now to a hard-boiled promise to sign on the dotted line on the spot so that we cannot do anything else after we meet except talk about this bill.

Mr. BARKLEY. I do not think that is involved either under the motion I have made or under the amendment offered by the Senator from Arizona.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. ASHURST. The motion made by the able Senator from Kentucky, and certainly the suggestion made by the Senator from Arizona, would not bring the condign consequences glimpsed by my imaginative friend the able Senator from Texas. They would only, in my judgment, make this bill the unfinished business and give it the same status as any other unfinished business; but the Senate at any time could displace it, if it chose to do so, and every Senator would be at liberty to vote to displace it whenever he chose; but the words "shall remain the unfinished business until disposed of" ought to be included in the motion.

Mr. WAGNER. Mr. President, may I suggest that those words be added to the motion?

Mr. BARKLEY. I have no objection to the addition.

The VICE PRESIDENT. The clerk will again read the motion as amended.

The Chief Clerk read as follows:

I move the bill H. R. 1507, the so-called antilynching bill, be made the special order of business for consideration immediately following the disposition of the bill to be reported at the beginning of the next session of Congress by the Committee on Agriculture and Forestry pursuant to Senate Resolution 158, relative to farm legislation.

Mr. ASHURST offers the following amendment:

"And the said bill, House bill 1507, shall thereby become and remain the unfinished business until the same is disposed of."

The VICE PRESIDENT. Is there objection?

Mr. BARKLEY. I accept the amendment offered by the Senator from Arizona.

Mr. WAGNER. Mr. President, I temporarily withdraw my motion.

The VICE PRESIDENT. The Senator from New York withdraws his motion to proceed to the consideration of House bill 1507.

Mr. BORAH. Mr. President, I just came into the Chamber. May I ask to have the motion again read?

The VICE PRESIDENT. The clerk will again read the motion as completed.

The Chief Clerk read as follows:

That the bill H. R. 1507, the so-called antilynching bill, be made the special order of business for consideration immediately following the disposition of the bill to be reported at the beginning of the next session of Congress by the Committee on Agriculture and Forestry pursuant to Senate Resolution 158, relative to farm legislation; and said bill shall thereby become and remain the unfinished business until the same is disposed of.

Mr. BARKLEY. I now offer that motion.

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GEORGE. Is a record vote required upon this motion?

The VICE PRESIDENT. The motion may be adopted by unanimous consent or the Chair can declare that two-thirds of the Senate have voted in the affirmative and that the resolution is agreed to.

Mr. GEORGE. If there is not to be a record vote, I desire to record myself as definitely against the bill, now or hereafter, and I therefore am against the motion.

SEVERAL SENATORS. Vote.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kentucky as amended. [Putting the question.] In the opinion of the Chair, two-thirds of the Senators present having voted in the affirmative, the motion, as amended, is agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; and

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

SUGAR PRODUCTION AND CONTROL

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of House bill 7667, being the so-called sugar bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi that the Senate proceed to consider House bill 7667.

Mr. McKELLAR. What is the bill? Let the title be stated.

The VICE PRESIDENT. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider House bill 7667, which had been reported from the Committee on Finance with amendments.

Mr. BROWN of Michigan. Mr. President, I desire to make a brief explanation of the principal provisions of the bill. It will take but a short time to do so. Substantially the bill reenacts the Jones-Costigan sugar bill, which was enacted in 1933 and which was effective for 3 years, but has not been effective for the past year.

The bill divides American sugar production into two main parts. It provides that substantially 55 percent of the sugar consumption of the United States shall be produced by what are known as domestic producers. The term "domestic producers" includes American sugar-beet producers, continental sugarcane producers, and producers in Hawaii, Puerto Rico, and the Virgin Islands. Forty-four percent and a fraction of our sugar business is given to foreign producers, Cuba, the Philippine Islands, and a few others. I will, for the RECORD, briefly give the percentages for each.

Domestic beet producers are given 41 percent of the American production.

Mainland cane-sugar producers, largely Louisiana and Florida, are given 11 percent.

Hawaii, 25 percent.

Puerto Rico, 21 percent.

About one-fourth of 1 percent is given to the Virgin Islands.

The so-called foreign production is divided between the Philippine Islands, Cuba, and others.

The Philippines are given 34 percent.

Cuba, 64 percent.

Other countries, less than 1 percent.

These allotments are based on an estimate of total consumption to be annually made by the Secretary of Agriculture. These provisions of the bill are not substantially different from the Jones-Costigan Act, which was in effect for 3 years.

Payments to farmers are to be made if certain conditions set forth in the bill are complied with. Those conditions are as follows, in the main:

First, there must be no child labor on farms where sugar beets are produced, excepting such labor as may be performed by members of the farmer's own family.

Second, labor must be paid a fair wage, not less than deemed to be fair by the Secretary of Agriculture.

Third, the farmer must limit the production of sugar beets on his own farm according to the formula or the quota established by the Secretary of Agriculture.

Lastly, the farmer must conform to such reasonable regulations as will increase soil fertility, or at least maintain it, as the Secretary of Agriculture may establish.

Upon complying with these provisions, the Secretary of Agriculture is authorized to pay sugar-beet farmers 60 cents per 100 pounds of sugar. That means substantially $1.80 per ton of beets. The average farmer in the eastern section of the United States will produce about 10 tons to the acre. I think the general average is around 15 tons per acre in Colorado, California, and other Western States. This is in addition to the payment of about 35 cents per ton of beets to those who comply with the provisions of the soil-conservation law enacted last year.

To the cane farmer benefit payments, based on the amount of sugar produced, are substantially similar. Limitations upon these payments are fixed in the bill.

Senators will remember there was considerable complaint about large payments to large producers of sugarcane. I do not believe there were any large payments to producers of sugar beets. This bill, in section 304, provides a limit. There would have to be approximately 400 acres of sugar beets planted by one farmer before the limitation would apply. I am not so familiar with the sugarcane situation, and I will ask the senior Senator from Louisiana [Mr. OVERTON] if he will advise the Senate as to the size of farm which would be affected by the limitation in the sugarcane area.

Mr. OVERTON. Mr. President, in reply to the inquiry, the scale of reduction begins at 500 short tons raw value, and 300 acres will produce about 500 short tons raw value.

Mr. BROWN of Michigan. The tax feature of the bill provides a tax of 53 cents per hundred pounds on refined sugar, levied against the processing of sugar beets and sugarcane. An import tax is levied on all sugar coming in from foreign countries, called an import compensating tax, which is the same in amount, and makes the sugar tax against foreign sugar the same as the sugar tax on the processing of domestic sugar.

The money obtained from this tax will be more than sufficient to pay the benefit payments which I have heretofore outlined.

The final provision of the bill which is of interest provides that it shall not remain in force longer than 3 years, and shall cease to be operative on December 31, 1940.

Mr. President, I have briefly covered the features of the bill about which there is no controversy. When the committee amendments are reached if necessary I will discuss the controversial features. Therefore, unless some question is to be asked I suggest that we proceed with the committee amendments.

The VICE PRESIDENT. The clerk will state the committee amendments.

The first amendment of the Committee on Finance was, on page 5, line 16, after the word "sugar", to insert "(including the amount of direct-consumption sugar)", so as to read:

The Secretary shall determine for each calendar year the amount of sugar (including the amount of direct-consumption sugar) needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements.

The amendment was agreed to.

The next amendment was, on page 6, line 7, after the word "conditions", to strike out:

And in order that the regulation of commerce provided for under this act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in average prices to consumers in excess of those necessary to make the production of sugar beets and sugarcane as profitable on the average, per dollar of total gross income, as the production of the five principal (measured on the basis of acreage) agricultural cash crops in the United States.

And insert in lieu thereof the following:

And in the regulation of commerce provided for under this act the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in excessive prices to consumers: *Provided, however,* That in carrying out this purpose and in making any determination or adjustment the Secretary shall not cause the price of sugar to be so reduced that the percentage representing the relation between the index of the price of sugar and the index of the average price of all domestic foods will become less than the percentage representing the index relation existing in the period 1932–34 (according to indexes officially published by the United States Bureau of Labor Statistics, on the basis in effect Jan. 1, 1937).

So as to make the section read:

SEC. 201. The Secretary shall determine for each calendar year the amount of sugar (including the amount of direct-consumption sugar) needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and changes in consumption, as computed from statistics published by agencies of the Federal Government with respect to inventories of sugar, population, and demand conditions; and in the regulation of commerce provided for under this act the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in excessive prices to consumers: *Provided, however,* That in carrying out this purpose and in making any determination or adjustment the Secretary shall not cause the price of sugar to be so reduced that the percentage representing the relation between the index of the price of sugar and the index of the average price of all domestic foods will become less than the percentage representing the index relation existing in the period 1932–34 (according to indexes officially published by the United States Bureau of Labor Statistics, on the basis in effect January 1, 1937).

The amendment was agreed to.

The next amendment was, on page 14, after line 23, to strike out section 207, as follows:

SEC. 207. (a) Not more than 29,616 short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than 126,033 short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 80,214 short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

(e) Not more than 375,000 short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

And insert a new section 207, as follows:

SEC. 207. Quotas for direct-consumption sugar for distribution in continental United States for each calendar year are hereby established as follows:

(a) For the Commonwealth of the Philippine Islands not to exceed 80,214 short tons, raw value; for Cuba, not to exceed 375,000 short tons, raw value.

(b) The remainder of the amount of direct-consumption sugar needed to meet the requirements of consumers as determined by the Secretary pursuant to the provisions of section 201 shall be allocated by the Secretary on the following basis for each calendar year:

Area and percent

Hawaii	0.4756
Puerto Rico	2.024
Mainland	97.5004

The amendment was agreed to.

The next amendment was, on page 27, to strike out lines 15, 16, 17, and 18, as follows: "Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar", so as to make the paragraph read:

SEC. 401. For the purposes of this title—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "manufactured sugar" means any sugar derived from sugar beets or sugarcane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 percent of the total soluble solids, and except also sirup of cane juice produced from sugarcane grown in continental United States.

The amendment was agreed to.

The next amendment was, on page 31, in line 6, to strike out the subhead "Exportation and livestock feed" and insert "Exportation, livestock feed, and distillation."

The amendment was agreed to.

The next amendment was, on page 32, line 1, after the word "feed", to insert "or for the distillation of alcohol", so as to make the paragraph read:

(b) Upon the use of any manufactured sugar, or article manufactured therefrom, as livestock feed, or in the production of livestock feed, or for the distillation of alcohol, there shall be paid by the Commissioner of Internal Revenue to the person so using such manufactured sugar, or article manufactured therefrom, the amount of any tax paid under section 402 with respect thereto.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. ANDREWS. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 8, line 15, after the words "Puerto Rico", it is proposed to insert "and each State", so as to make the section read:

SEC. 203. In accordance with the applicable provisions of section 201, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii and in Puerto Rico, and each State, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

Mr. ANDREWS. Mr. President, this proposed amendment would amend section 203 in accordance with the applicable provisions of section 201, so that section 203 would read as follows:

SEC. 203. In accordance with the applicable provisions of section 201, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and each State, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

The second amendment which I have handed in, on the same piece of paper, inserts, after the word "areas", the words "which shall not be less than the amount determined to be needed to meet the requirements of consumers therein."

If we are providing that the producers in Hawaii and Puerto Rico shall have the right to produce at least the amount of sugar used by their own consumers, certainly such a right cannot be denied to the people of each State. As provided in this bill, there are States in the Union which are not allowed to produce enough sugar from their own lands to feed their own people. What would be the situation in Alabama, for instance, if the people in Alabama were not allowed to produce enough cotton to clothe their own inhabitants? That is exactly the situation that arises under this amendment as to Florida.

In accordance with the applicable provisions of this bill, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii and in Puerto Rico——

And there I have inserted "and each State."

Why should we not receive the same consideration that the people of Hawaii and Puerto Rico receive? I do not believe the Senate should allow such a provision to go through for the island possessions unless the same provision is made for each State of the Union.

Mr. President, I move the adoption of the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. HARRISON. Mr. President, I hope the amendment will not be adopted. The committee gave due consideration to this proposition. It seems to me almost an impossibility to extend quotas to each State in the Union, applying them to sugar beets as well as to sugarcane.

I hope the amendment will be rejected.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AUSTIN. I understood that the sugar bill had been passed by the Senate.

The VICE PRESIDENT. The Senator is in error about that. The Chair was about to put the question on the passage of the bill, but the Senator from Florida was on his feet offering an amendment. The Senate now is about to vote on that amendment.

The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was rejected.

Mr. ANDREWS. Mr. President, I offer another amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 8, line 17, it is proposed to strike out the words "equal to" and insert in lieu thereof the words "which shall not be less than", so as to read:

And shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas, which shall not be less than the amounts determined to be needed to meet the requirements of consumers therein.

Mr. ANDREWS. Mr. President, I insist that this amendment be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I have an amendment reading as follows:

On page 7, strike out lines 14 to 20, inclusive; and on page 8, strike out lines 1 to 2, inclusive, and the table which follows and insert:

"(a) For domestic sugar-producing areas:

"Quotas (short tons)

	1937–38	1939	1940
Domestic beet sugar	1,550,000	1,550,000	1,550,000
Louisiana	357,000	357,000	357,000
Florida	90,000	150,000	175,000
Hawaii	938,000	938,000	938,000
Puerto Rico	798,000	798,000	798,000
Virgin Islands	9,000	9,000	9,000
(b) For the Commonwealth of the Philippine Islands	1,002,782	970,000	970,000
(c) For foreign countries			
Cuba	1,911,476	1,884,258	1,859,258
Foreign countries other than Cuba	26,412	26,412	26,412

"(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas and in the respective amounts set forth in subsections (a) and (b) and after deducting the total thereof from the determined consumption requirements shall prorate the difference on the basis of the quota established for Cuba and foreign countries

other than Cuba, in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in the subsections (a) to (c), inclusive, from the determined consumption requirements and shall prorate the balance among the domestic sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba, on the basis of the quotas set forth in subsections (a) and (c)."

Mr. President, before I begin my remarks I shall be glad if the Senator from Mississippi [Mr. HARRISON], the chairman of the Finance Committee, will be good enough to answer an inquiry which I shall propound.

I should like to inquire whether it is not the fact that, under the Tydings-McDuffie Act, under which independence is to be accorded to the Philippine Islands, the Philippines are limited to the exportation to this country free of duty of 970,000 short tons a year, and whether it is not the further fact that, if they send in more than that, they must pay $1.87½, that is, the full duty, upon every hundred pounds of sugar that comes in in excess of 970,000 short tons.

I shall be glad if the chairman of the committee, or some other one of the proponents of the bill, will be good enough to answer that inquiry.

Mr. HARRISON. Mr. President, am I to understand that the Senator asked me a question?

Mr. PEPPER. Yes. I will repeat the question.

I desire to ask the chairman of the Finance Committee if it is not a fact that it was by the Tydings-McDuffie Act that the Philippine Islands were accorded whatever rights they have heretofore enjoyed with regard to the exportation of sugar to this country free of duty?

Mr. HARRISON. That is my recollection.

Mr. PEPPER. Is it not a further fact, if the Senator will permit me, that under the Tydings-McDuffie Act the Philippines may send into the United States 970,000 short tons of sugar a year without payment of any duty?

Mr. HARRISON. That is my recollection.

Mr. PEPPER. Is it not a further fact that, if the Philippines send into the United States in any year sugar in excess of 970,000 short tons, the Philippines will have to pay $1.87½ a hundred pounds duty on the excess over 970,000 tons?

Mr. HARRISON. Yes. It is true that the proposed legislation permits some 60,000 tons, I think, to come in from the Philippines each year in addition to the amount we said we would permit to come in under the Tydings-McDuffie Act; but that is due to the fact that the administration was very anxious that the Secretary of State should be able to negotiate reciprocal trade agreements with some other countries, and he desired that much for negotiating purposes.

Mr. PEPPER. Now, may I propound to the Senator an additional inquiry? I hope the Senator will forgive me. What is the difference, therefore, between the 970,000 short tons allowed to the Philippines, excise free, under the Tydings-McDuffie Act, and the number of short tons allowed the Philippines under the bill now under consideration?

Mr. HARRISON. I think it is about 56,000 tons.

Mr. PEPPER. Is it not about 59,000 tons?

Mr. HARRISON. I believe it is 59,000. I shall not dispute the figures with the Senator.

Mr. PEPPER. I want the Senate to be good enough to observe two facts, and I want to say to the Senator from Mississippi [Mr. HARRISON], the chairman of the Committee on Finance, that this is not a facetious or dilatory comment I am making.

We have a situation whereby the State of Florida is adapted by nature to the production of sugarcane if any State of the Union is so adapted. We have been growing sugarcane in Florida effectively and efficiently since 1929, when a sugar mill was opened in the Everglades of Florida. There is a sugar mill there which has a sugar production capacity of 75,000 short tons a year.

The soil there, as Senators who have familiarized themselves with the Everglades of Florida know, is perhaps unique among all the States of the Union. It is known as the "muck land" of the Everglades. At one time it was covered with water, and the depth of that muck is anywhere from 4 to 7 feet. It is so rich that it will literally burn, and constant fire-prevention operations are being carried on upon it.

We began to experiment with the production of sugarcane effectively, as I have said, in 1929, and there are hundreds of thousands of acres of that fallow soil of the Everglades ideally adapted by content and by climatic conditions for the production of sugarcane.

The United States Government has an interest in this matter, because it was due to the aid of the Government that a good bit of the facility of Florida for sugarcane production came about. Senators will remember the terrible hurricanes and floods which came to my State in 1926 and in 1928, and from the shallow, saucerlike basin of Lake Okeechobee, the largest body of fresh water in the United States, the water was washed out all over this flat country round about, resulting in the drowning of thousands of people and the destruction of a great deal of property.

The Federal Government came to our aid in that situation, and they made it possible for us to build great dikes around Okeechobee, a flood-prevention process which is now, thanks to the generosity of the Federal Government, complete. The soil is being employed primarily in the production of sugarcane and in the production of vegetables, and I see within the range of my vision on this floor many Senators who have been there and observed the fertility of that soil.

I wonder whether Senators are aware of the fact that sugarcane in the Everglades of Florida grows to a height of from 15 to 20 feet, and that it does not necessarily have to be replanted except once every several years. I wonder whether Senators are aware of another fact, that the soil is so perfectly adapted and the efficiency of the operation is so well worked out, that Florida produces sugar within less than one-sixth of a cent of the production cost in Cuba. So that we have not only our natural right to the production of this commodity, but by our own operations we are qualified to be entrusted with this opportunity for the production of an essential food.

Mr. President, when the Jones-Costigan law was enacted Florida was accorded a quota of 40,000 tons, our neighbors in Louisiana a quota of 220,000 tons, and our brethren in the West engaged in the production of sugar from sugar beets a very much larger quota; in fact, I think historical facts require me to state it is a quota which they have reached but once in the whole history of their sugar-beet production.

I am not quarreling with what was done when we were given a quota of 40,000 tons and Louisiana one of 220,000; I am willing to admit that that was a natural handicap under which we were to labor in the future. But I do deny that it is right, upon any theory of government or economy, to put the sugar-producing facilities of Florida in a vise through and against which they can never possibly expand, however worthy may be our natural qualities, and however deserving our own conduct.

Mr. President, it would have been assumed that the historical base which was the criterion for that quota of 40,000 tons and for the 220,000-ton quota of Louisiana, and perhaps a given tonnage to the beet-producing area would not forever exist, but that it would be like a golfer in a golf game, who begins under a handicap, but if he makes a par score between successive holes he gets the credit for it. Therefore it would have been assumed that when the consumption requirements of the United States made it possible for more sugar to be consumed we would have been permitted to come fairly into the family of sugar-producing entities and States in the United States. But not so. The Government said to us, "You came late into this picture and we shall apply to you the yardstick of the historical base."

What does that mean? It means that, if that principle were applied to others, our friends in Louisiana would have a quota which gave them the right to produce all they were able to produce before our friends in the beet-producing area were allowed to produce anything at all, because long ago,

before beet production ever started in this country, the State of Louisiana was effectively and economically producing sugar from sugarcane. They, the earliest arrivals, and we, the latest, are treated with equitable disparagement. Consequently we are denied anything like the ratio of production to capacity to produce which other States enjoy, or which is our natural right.

The whole theory of sugar-quota restriction, Mr. President, has certain phases to it which perhaps are not ordinarily observed. I wonder whether the American people recognize what is being done to them. I wonder whether they realize whose pocketbook is paying the sugar subsidies of the United States. It would be well to take a calculating machine and go to every sugar producer within the confines of the continental United States and see how many there are, and then take the calculating machine and get a summation of the total subsidies paid by the Government of the United States to sugar producers under this bill, and see what a price the people of the United States are paying to make it possible for a few people to produce sugar.

We are not one of those who come here as petitioners for subsidy indulgence. We come and say that we are, in the first place, fitted by divine providence for the production of an essential element of American food. That is the first point. We come and say that we have shown ourselves by actual performance, capable of rendering that service. That is the second point.

We come here, Mr. President, and say that we are one of the sovereign States of the American Union, and that by reason of that sovereignty we have certain natural rights. We are not producing something that is a hazard to the health of America. Surely no one will contend that the production of a necessary food product is the necessity for the operation of the police power of the Uinted States.

Simply because Nature has fitted us to grow sugarcane, Mr. President, what wrong have we done that requires the Federal Government to come to us and to say, "We admit your capacity to produce. We admit that you have hundreds of thousands of acres adapted to the production of this commodity, and that you have only a sparse handful of those acres so employed. We admit that you do not seek a subsidy, and that you have lived, and are willing to live, on your actual performance capable of rendering that service. That points itself at us and it is said, "You may not produce sugar in the United States because"—and the chairman of the Finance Committee has just said it in the Senate—"because the Secretary of State wants to have some sugar with which he can bargain for commercial advantage with foreign countries."

Mr. President, I am not talking about sugar that comes from the beet area of the United States. Florida is so humble that it is not asking for any of that. I am not talking about a pound of sugar that comes from Louisiana. The people of that State are our neighbors, and we are fond of them. We come too humbly even to ask a pound of their quota. I tell the Senators also that away across the Pacific Ocean are islands inhabited by a people in whose veins does not run the blood of Americans, and that under the law they are not permitted to send a pound of sugar to this country, duty-free, in excess of 970,000 short tons annually, but that they must pay such a duty upon it that it is not economically feasible for them to send it here, and they will not send it here. Therefore it is not the Philippines that say to us, "You are taking away from us the nourishment of our national economy." We have not even been so full of temerity as to ask a pound from the Philippines, Mr. President.

Well, from whom do we ask it? I do not know. I do not know what country it is with which the Secretary wants to bargain some sugar. I do not know whether perhaps the Secretary has automobiles in mind for which he may be trying to provide a market in some foreign countries to the south or to the east or to the west of us.

I do know, Mr. President, that the natural birthright of Florida—and I speak only for that State—has been bargained away by a government which has increased automobile production and sales from the State of Michigan and other States. I ask, Mr. President, if I may, why not turn that process around? The great Commonwealth of Canada, just to the north of us, loves to consume the citrus products of Florida; but Canada is engaged in the automobile market in fierce competition with the middle section of the United States.

Mr. President, I might propose by the same standard of moral fairness that we should restrict the automobile production of Michigan so that Canada might sell more automobiles, so that Canada would have more money with which to buy the citrus fruits of Florida. Yet, Mr. President, that has not been the theory that has been applied to Florida.

So what do we find? The Secretary of State has launched upon a great enterprise. He is charged with the responsibility of cultivating our relations with our neighbors to the south of us, an enterprise with which I am in hearty accord. But, Mr. President, if it is necessary that the natural produce of my State shall be used as a subsidy with which to purchase the good will of another country, we shall pay a high price for the peace we may enjoy.

I never knew before, Mr. President, that my country was willing to bargain away an inch or a mile of its soil, whatever might be the practical material benefit which might ensue. Are we in Florida being kept in the family of States—we in Florida, who, we think, have a very attractive peninsula down there—are we being permitted to remain in the federation of States simply because no one will pay enough for us to make our sale worth while?

Why not take the peninsula of Florida and bargain it away to some sovereign who would not otherwise restrain his economic hand against us as a Nation? Or why not take the Great Lakes, Mr. President, and our shores contiguous thereto, and bargain them away in order that we may enjoy some natural advantage? What a price, Mr. President, we could get for the various sections of this country, if we ever became so base as to be willing to bargain them away to anybody for anything!

By the same reasoning, Mr. President, what right has my country, because there may be economic profit in it, to bargain away the right of a part of the citizenry of this country to grow the natural produce of its soil? Is there any more logic or reason for the exercise of that power than for the one to which I have just adverted? So we come here in the embarrassing role of not being considered worthy of privilege by our country.

Senators, remember the lines of him who said:

> Breathes there the man with soul so dead
> Who never to himself hath said,
> This is my own, my native land!

Has our fealty been so questionable, Mr. President, has our loyalty been so subject to concern, that we are not entitled to enjoy the same pride and the same privilege which attends upon membership in the great Nation of the United States?

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Florida yield to the Senator from Vermont?

Mr. PEPPER. I yield.

Mr. AUSTIN. I am very much interested in the remarks of the Senator from Florida. They appeal to me with great force. They almost persuade me to vote against this bill. I do not know that they will succeed in that direction. But the Senator's remarks are a commentary upon what may be expected from the change of our Government from a free government into a despotic one, in which power is centered at Washington to reach out into the several States and control their production, manufacturing, and mining. It is inevitable that some States somewhere will be injured by the exercise of that power.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ADAMS. Did the Senator from Florida vote for the Reciprocal Trade Agreement Act?

Mr. PEPPER. The Senator did, after offering two very significant amendments, Mr. President. One of those amendments provided that no commodity shall come within the confines of continental United States unless there is levied upon the imported commodity a tariff equal to the difference between the cost of production abroad and here, which is right. I voted for the amendment, and so did a majority of the Senate, Mr. President, until the forces of the administration corralled all their votes and defeated the amendment by three votes on the floor of the Senate.

The second amendment was that trade agreements which would result in restricting the production of a commodity which we did not produce in quantities sufficient to meet our needs be prohibited, so that to the extent of our productive capacity we would supply the American market. That received a considerable number of votes, and that is and was right as a matter of principle. I venture to say, Mr. President, as I recently said, that any party, any administration, or any government will rue the day that it ever committed its destiny to a contrary course.

I am ashamed that I have to show myself worthy of being considered deserving of the privileges which I thought attended American citizenship, but I believe we could even meet that kind of requirement. I mean that by being allowed to produce what we can produce we will be more prosperous than by any such bargaining with foreign countries as the Secretary of State is carrying on. My humble opinion is that it is better for the prosperity of the United States to give work to our own people and then sell our surplus to them. I am talking not about a sovereignty which says "However humble and however expensive you are, we thank God that you are a part of our country." I am not even making that kind of suggestion. I am saying that I live under a government where I have to show that I am worthy of its concern, and on that basis I say that it is better for the prosperity of America to sell Michigan automobiles—and I use that just as an example, and not with reference to the Senator from Michigan [Mr. VANDENBERG] or his State—or automobiles of any other State in the United States to the agricultural labor in the South who get employment in sugar production, when they otherwise would not have employment, and let them take their purchasing power and buy those automobiles a short distance away at home, rather than have to send such automobiles miles beyond the sea and invoke transportation costs which would raise the price of the commodity and therefore reduce the number of purchases and the effective part of the purchasing power.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. VANDENBERG. I agree so cordially with the Senator's theory about these reciprocal-trade agreements that I remind him that in spite of their value to the automobile business of Michigan I voted against the extension of power, but the Senator from Florida voted for the extension of power.

Mr. PEPPER. The Senator from Michigan will find that as long as I am here I will go just as far as my conscience and the decent self-interests of my State will permit in an endeavor to live in harmony with the administration and the party of which I am a member, and I make no apology for that, although I do commend the judgment of the Senator and his temerity in following the course which he has indicated he did follow.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROWN of Michigan. The Senator realizes, of course, that automobiles produced in Michigan are used in carrying great numbers of people to Florida in the wintertime, and that they spend a considerable amount of money there.

Mr. PEPPER. I am aware of that, but I say to the Senator that I am sure the attraction of Florida is so great that, did they not come, others would come who had gained their ability to be there in a much worthier way than at the expense of the people among whom they enjoy themselves.

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. PEPPER. Certainly.

Mr. ANDREWS. Is it not a fact that under the provisions of the bill, if it should be enacted into law, the State of Florida would not be allowed to produce one-half as much sugar as its own people consume?

Mr. PEPPER. That is correct, and it is proper to say that the Jones-Costigan Act—an emergency measure—allowed Florida to produce but one-third of its consumption requirements, and that this measure, which is not an emergency measure, allows Florida to produce less than one-half of its consumption requirements. Senators must be mindful of the fact that the bill not only forbids Florida the right to produce more than about one-half of what it consumes, but it would forbid us by law to sell more than the quota to our own people, inside the confines of our own State, without ever having crossed the boundary of any other State of the Union.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MINTON. What percentage of its consumption does Florida produce now?

Mr. PEPPER. It produces a smaller percentage.

Mr. MINTON. Did it ever produce as much sugar as was given it under the quota provided in the pending bill?

Mr. PEPPER. The State of Florida is the one State which plowed up 5,000 acres of growing sugarcane, and I challenge anybody else to show that they have done likewise.

Mr. MINTON. Has Florida ever produced as much sugar as she would be allowed to produce under the quota provided in the pending bill?

Mr. PEPPER. Answering the Senator's question, I answer "no", and I likewise state that I have never without wings flown to the moon, because I did not have the power to do it.

Mr. OVERTON. Mr. President——

Mr. PEPPER. I yield to the Senator from Louisiana.

Mr. OVERTON. In line with the interrogatory propounded to the Senator from Florida by the Senator from Indiana [Mr. MINTON], will he state whether or not under the terms of the bill Louisiana would be permitted to produce as much sugar as she has produced in the past and as much as she produced during the past year?

Mr. PEPPER. She would not.

Mr. OVERTON. Then, under the bill, as I understand, Florida would be able to produce more than she ever has produced and Louisiana would be required to produce less than she has produced.

Mr. PEPPER. That is almost correct. Louisiana a long time ago was a very large producer of sugarcane and sugar, but there came upon Louisiana a plague in the form of the mosaic disease, and the State of Louisiana was therefore sharply reduced in the quantity of sugar which it brought forth. Along about that time, when Louisiana was just getting back on its feet, Florida was coming into the sugar-producing picture and making a very full contribution, because it was in Florida that the chief beneficial experimentation was carried on which made it possible for Louisiana to come back into the picture as one of the major sugar producers of the country.

I hold no brief for the treatment the Senators from Louisiana have received; but if two wrongs do not make a right, then wrongs to two do not make a right. Consequently, I have as much sympathy for the position of the Senator from Louisiana, though not in quite the same degree, because the degree of their difficulty is not as great as ours, but as much as is possible in comparison with the discrimination of which we are the victims.

Mr. OVERTON. Under the terms of the bill now under consideration, would the beet-sugar areas be able to produce as much sugar as they have produced in the past?

Mr. PEPPER. My understanding is that the beet-sugar area once did produce a little in excess of what they are awarded as their quota under the bill, and that it is the common judgment of all the experts dealing with the problem that the production of the sugar-beet area next year will not come within thousands—in fact, not within 150,000—of tons of the quota which they are accorded under the terms of the bill. Is not that the opinion of the Senator from Louisiana?

Mr. OVERTON. Mr. President, in answer to the Senator's question I will say that in the year 1933 the sugar-beet area produced 1,756,000 tons, and its quota is considerably less than that under the provisions of this bill. I will also say that Louisiana in different years has produced more than 400,000 tons of sugar, and last year she produced 386,000 tons of sugar, but under this bill she will not be able to produce what she produced last year or what she produced in previous years.

Now, I desire to ask the Senator from Florida a question. Under the amendment he offers, does he propose to increase solely the quota of Florida on the mainland, or does he also propose to increase the quota which will be assigned to Louisiana and Florida in conjunction, and to the beet area?

Mr. PEPPER. The Senator has propounded two queries, and I shall try to answer them in order.

Under this bill Louisiana is receiving, we estimate, a quota of 357,000 tons a year. Why? Because the Department of Agriculture has divided the quota which goes to the cane area 15 percent to Florida and 85 percent to Louisiana. Why? On a historical basis; not because of our ratio of capacity to production—or production to capacity, to state it more accurately—being a given figure, but because the Department says we came late into the sugar arena, and therefore we are to be penalized for the tardiness of our arrival upon the scene—a principle of priority which would operate rather advantageously to the American Indian. But in addition to that Louisiana has never produced more than a little over 400,000 tons a year. That was her maximum production at a time when her ratio of production to capacity to produce was very, very considerable, many, many times in excess of the ratio which we enjoy. I am not quarreling about the right or the privilege of Louisiana to carry on the same ratio of capacity and production that has obtained in the past; but I do deny that that principle can rightly be applied to Florida to suppress us forever into the state to which we early came.

To answer the second question of the Senator from Louisiana, my amendment does not propose to add any quota to anybody except to the State of Florida. That happens to be the only State for which I have the opportunity to speak. I am sure the eloquent Senators from Louisiana, if they have a grievance, will make themselves heard to their colleagues here; and I do not venture to express an opinion as to whether or not they need or should have an additional quota. I am trying to perform the duty for which I have a responsibility here; to present to my colleagues the fact that I represent a State in the American Union, and that that State proposes to grow sugarcane for the production of sugar, and that sugar is an essential element in the food supply of the people of this country, and that we do not produce in this country enough sugar to meet home requirements, and that even in Florida itself we are not permitted to and do not produce enough sugar to meet more than one-half the requirements of our own consumption. Therefore, I say to the Senate of the United States, are we not entitled to ask that at least we should have a place in the family of States, and a fair opportunity to enjoy what nature has fitted us to do that is good for the American people? And, I ask, is not the contrary of that wrong, whoever may do it, or however it may be done?

Mr. President, I was guilty of a bit of inaccuracy in saying that the first amendment I offered would take nothing from any State or country except the Philippines. I should have added that it would take something like 11,000 tons from Cuba, because the amendment was based upon 90,000 tons for 1937–38, 150,000 tons for 1939, and 175,000 tons for 1940. What I should like to do is to point out that Cuba last year got the quota which it enjoyed. Why? Because of the deficiency in sugar production in the beet area of this country; in other words, not due to their initial quota. There was a deficit under the terms of the Jones-Costigan Act, and they had a right to enjoy a proportion of 70 percent of that deficit. Consequently, that is how they got the quota they enjoyed last year. That was not written in the Jones-Costigan Act in terms of tons.

Mr. ANDREWS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to his colleague?

Mr. PEPPER. Yes.

Mr. ANDREWS. Is it not also true that there are thousands of acres of land in Florida that it cost millions of dollars to drain for this purpose that are lying idle, and were taken off production because they were not allowed to raise enough sugar for their own people? Is it not also true that the Government of the United States has been paying a million dollars a year to the people who own that land to let it lie idle and remain uncultivated, and the people of this country are having to pay that tax in order to satisfy the Cuban condition, and Cuba is allowed to ship 2,000,000 tons of sugar a year into the United States while the State of Florida is allowed to produce only 63,000 tons, not enough for its own people? Is not that correct?

Mr. PEPPER. That is correct, Mr. President.

Mr. McCARRAN. Mr. President——

Mr. PEPPER. I am glad to yield to the Senator from Nevada.

Mr. McCARRAN. Before the Senator concludes his remarks, and in connection with the query propounded to him by his colleague, will he discuss the phase of the unemployment which is being brought about by this deprivation worked on the State of Florida?

Mr. PEPPER. Mr. President, I thank the Senator from Nevada for the recognition of that point.

Far be it from me to be desirous of giving up statehood for Florida; but if I were seeking mere practical advantage for my State in the ability to produce sugar, I should come to the Senate and say, "Senators, we have enjoyed fellowship in the American Nation. We were proud of the time when we came into the confederacy of States. We are grateful for the pleasant recollections of our association with you; but, finding that we profit more by being a Territory than a sovereign State, we ask your leave to bid you a State's adieu in the American Union."

I say, Mr. President, if I put our statehood upon the material basis with which the bill under consideration deals with this subject—that is, pecuniary gain only, without a principle being involved—that is what I should have to say. So I suppose I shall have to go home and say to my people, "I have failed as your Senator because sympathy or sentiment or something inclined me against asking a relinquishment of statehood in a nation of which I am proud, and you will just have to go along the best you can not being a Territory." Perhaps that constitutes an additional argument for the Florida ship canal.

Mr. President, permit me to add, as I said a minute ago, that I believe it is better for this country to reserve whatever economic assets we have to our own people, because if we could raise the purchasing power of the bottom third of the population of this Nation we should be better off than if we could gain many new foreign markets, because these are our people. There is a sentimental reason for our so desiring. They are in immediate proximity to our production centers, and the cost of transportation is very greatly diminished in comparison to persons living beyond the seas.

In the South, Mr. President, we have farm laborers who are generally not otherwise employed at the season of the year when sugarcane production is under way. These transient laborers are brought into Florida in many instances from Georgia, Alabama, South Carolina, and others of the

Southern States. They are paid in cash. There is a commissary there which will not take anything but cash, which will not sell an employee a dollar's worth of goods on credit. There is not, in this operation, an instance of taking advantage of the employee by the so-called check system.

In addition to that, those who leave are put in a train car, if they do not go in their own automobiles, and furnished a guard, who goes with them to the point of separation, so that they will carry home as many of the hard-earned dollars as can possibly be made available to them.

In addition to that, it will be found that the wages paid those who labor in this enterprise start at the noteworthy low of $2.70 per day, in cash, plus perquisites, and reach in some instances as high as $11 a day, which is exceptionally high, generally speaking, for farm employees, even skilled operators. So that if we are permitted to add an additional quota to what we may produce, money will be found flowing out of the Everglades of Florida into the channels of purchasing power of this country, which will redound directly to the greater prosperity of this Nation.

Mr. President, just as honesty is the best policy is a profitable maxim in business conduct, so it is that fairness in economic treatment of segments of this country has economic as well as moral advantage. Thousands of employees not now working would go into employment off the relief rolls if we were able to produce a fair sugar quota for Florida.

Now, may I mention one other aspect? In Florida the farmers produce vegetables. Vegetables, unfortunately, are subject to two primary hazards. The first one is a natural hazard. As good and as equable as is our climate, there are exceptions even to a Florida climate, and there are times when vegetables are not a stable crop even in the Everglades of Florida. There are times when floods and excessive rainfall come our way.

Senators will remember that, during the same calendar year when I proposed the amendment I mentioned a moment ago, I read a telegram from the people of the Everglades engaged in vegetable production in which they said they had lost something like $1,000,000 worth of their vegetables due to a flood which had come suddenly upon them.

The second hazard is the market, and the trail winds again along the serpentine path that certain departments of our Government have heretofore laid out comparable to what is involved here today. We used to grow avacados in Florida, we used to grow tomatoes and peppers and beans and commodities of that character. We had a flourishing production, and a pretty good market, because with our own produce we did not flood that market. Then what happened? The tariff on Cuban tomatoes and other comparable commodities was lowered, and Cuba began to take the American market away from the producers in Florida and a little while later we found ourselves in the condition described by one farmer not long ago. After sending all of his produce to market he got back a bill of $1.15. After giving all his produce away he owed the railroad $1.15. He owed that money to those who made it possible for him to put his commodity where it could not be sold.

Mr. BORAH. Who lowered the tariff?

Mr. PEPPER. It was lowered by the same instrumentality and the same principle involved in the proposal being considered today.

Mr. President, while we are considering the farmers who have to compete with producers in Cuba, let us think of the inconsistency of our course. A few days ago by a tremendous majority and very solemnly we dedicated this Nation to the principle of fair-wage and fair-hour conduct. But here it is proposed that we permit to come into this country commodities produced under conditions which are the very antithesis of those we stipulated in the bill recently passed in this body. The Philippines, Cuba, and some of the other foreign competitors, are names synonymous with the suppression of the people under a despotic if not an unfair government, and conditions where the workingman does not enjoy a very large share of the produce of his labor.

When our products go into competition with the products of those countries, it is easy to observe how poorly we fare. The result is that in Florida some crops formerly produced are not even grown now. We are fast losing our tomato and other vegetable crops due to the same causes.

What have we done? We have been filing petitions and having hearings before the various departments. We have pointed out the burdens under which we have been suffering, and what have we been told? They say, in substance, "We can give you figures to show that because of the fact that your vegetable production has been reduced by law, the United States has been more prosperous." They do not say "we." They say we have paid by the produce of our soil for somebody else's prosperity, and they expect us to be lulled into a sense of security because somebody else lives off of our vitals.

I started to say that we want to make it possible for the farmers engaged in the production of a crop which is unstable because of natural hazards and unstable because of market conditions which we have largely brought on to produce a commodity for which there will be a fair market, and which can be produced under rather stable natural conditions. If they were permitted to grow sugarcane, we would not insist that they be able to grow all of their crop in sugarcane. We just want them to be able to grow a part of their crop in sugarcane—we will say a sort of backlog, as it were. They would have that to rely upon, a sort of a stable crop. We would still let them go ahead in competition with Cuba, and try to produce the tomatoes, for which they have almost a hopeless market. Just give us a little backlog, and we will be contented with that.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HARRISON. Some of the Senators have been inquiring about how long they would have to remain. I understand the Senator from Florida would prefer to proceed in the morning, and that he will finish in a reasonably short time.

Mr. PEPPER. That is correct.

Mr. HARRISON. The Senator would prefer to go on in the morning?

Mr. PEPPER. I should prefer that.

Mr. BARKLEY. Mr. President, with that understanding, we will not proceed further with the bill today.

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received last evening from the President of the United States with reference to the proposed sugar legislation. The letter was read to the Finance Committee this morning, and the committee took action after the letter was presented to it. However, I think the views of the President ought to be placed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 11, 1937.

Hon. PAT HARRISON,
United States Senate.

MY DEAR PAT: The amendment to H. R. 7667 adopted yesterday by the Senate Finance Committee has just been brought to my attention.

I am delighted to note that the committee recognizes that our Territories and island possessions are integral parts of the United States and cannot be discriminated against, and that the restrictions on refining in those Territories contained in H. R. 7667 constitute such a discrimination.

I regret that an examination of the committee amendment shows that it not only does not eliminate the discrimination, but introduces a new and highly objectionable feature. The discrimination contained in H. R. 7667 is that sugar producers in Hawaii, Puerto Rico, and the Virgin Islands are prohibited from refining there the sugar which they are permitted to produce under the quota, while there is no similar prohibition on the other areas in the United States. The amendment, which places a refining quota on continental United States at a figure far in excess of the largest quantity of sugar grown there, merely perpetuates this discrimination.

The amendment proposes to limit by law the quantity of sugar that may be refined in various geographical parts of the United States. This introduces a principle of geographical limitations on manufacturing in our country which has no economic or social justification in this instance and would constitute a dangerous precedent.

Agricultural legislation, so desired by our farmers, should not be further delayed by the insertion in an otherwise acceptable agricultural bill of manufacturing restrictions. Their elimination would serve the best interests of our agricultural producers, who desire legislation at this session. If interested parties think there should be manufacturing restrictions on sugar refining, that can be embodied in a separate bill and be considered separately.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

EXTENSION OF AIR MAIL SERVICE

Mr. McKELLAR. Mr. President, Calendar No. 1097, being House bill 6628, is a bill to permit the further extension of the Air Mail Service. As the Senate knows, the law now provides that the Postmaster General shall not extend air-mail routes in excess of 32,000 miles, and the Department has used up that mileage, and it desires to make some further extensions. The bill simply provides that 3,000 miles of additional routes may be established from time to time.

I ask unanimous consent that the Senate proceed to the consideration of House bill 6628, being Calendar No. 1097.

Mr. AUSTIN. Mr. President, I should like to inquire if this is a bill which has been studied generally, and whether Senators generally are acquainted with the bill?

Mr. McKELLAR. Yes. It is a bill that has come over from the House, and is recommended by the Department.

As the Senator knows, and as all other Senators know, the law now places a limit of 32,000 miles upon air-mail routes. The Department has used up that mileage and desires to establish several small lines, and the bill provides for an additional 3,000 miles.

Mr. AUSTIN. Mr. President, this legislation relating to the air mail is very controversial legislation. I am not certain that this particular bill is controversial. I know nothing about it, and I have reason to believe that many Senators know nothing about it. For that reason I shall object to its consideration at this time.

The PRESIDING OFFICER. Objection is heard.

PORTRAIT OF THE LATE SENATOR ROBINSON

Mr. BARKLEY. From the Committee on the Library, I report back favorably, without amendment, Senate Resolution 173, submitted by the Senator from Arkansas [Mrs. CARAWAY] on August 10, 1937.

Mr. President, the resolution refers to a portrait of the late Senator Robinson which hangs in the office of the Secretary of the Senate. The late Senator's widow, Mrs. Robinson, desires to present the portrait to the Senate. The resolution merely authorizes the Architect of the Capitol to accept it. I think Mrs. Robinson presents this portrait to the Senate in a very generous spirit.

I ask unanimous consent that the resolution be now considered and agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution reported by the Senator from Kentucky?

There being no objection, the resolution (S. Res. 173) was read, considered, and agreed to, as follows:

Resolved, That the Architect of the Capitol is authorized and directed to accept a portrait of Hon. Joseph T. Robinson, late a Senator from the State of Arkansas, as a gift to the Senate of the United States from certain friends of his, and to cause such portrait to be hung in a suitable place in the Senate wing of the National Capitol.

TRANSFER OF SCOTLAND COUNTY TO MIDDLE JUDICIAL DISTRICT OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent for the immediate consideration of House bill 7092, to provide for the transfer of Scotland County to the middle judicial district of North Carolina. It provides for the transfer of that county from the eastern judicial district to the middle judicial district.

Mr. KING. Mr. President, I inquire of the Senator whether there has been a report from the Committee on the Judiciary with respect to the bill.

Mr. REYNOLDS. Yes. The bill was passed by the House, and has been favorably reported by the Committee on the Judiciary of the Senate.

Mr. KING. Does the Senator know whether the Department of Justice approves of it?

Mr. REYNOLDS. I am sure the Department does.

Mr. ASHURST. A letter from the Department approving the change is printed in the report of the committee.

Mr. HARRISON. Is there any political controversy in either of the counties?

Mr. REYNOLDS. None whatsoever.

Mr. AUSTIN. Mr. President, can the Senator say whether the Committee on the Judiciary considered the matter fully?

Mr. REYNOLDS. Yes.

Mr. AUSTIN. Was there any opposition to it?

Mr. REYNOLDS. None whatsoever. The bill has passed the House. It provides merely for the transfer of one county to another judicial district for the convenience of the Federal court.

Mr. AUSTIN. Will it involve any expense?

Mr. REYNOLDS. Not at all.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina [Mr. REYNOLDS] for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7092) to provide for the transfer of Scotland County to the middle judicial district of North Carolina, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 98 of the Judicial Code, as amended (U. S. C., 1934 edition, Supp. II, title 28, sec. 179), is amended to read as follows:

"The State of North Carolina is divided into three districts to be known as the eastern, the middle, and the western districts of North Carolina.

"The eastern district shall include the territory embraced on the 1st day of January 1926 in the counties of Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hyde, Johnston, Jones, Lenoir, Martin, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Vance, Wake, Washington, Warren, Wayne, and Wilson.

"The terms of the District Court for the Eastern District of North Carolina shall be held at Raleigh, a 1-week civil term, on the second Mondays in September and March, and at the following places on each succeeding Monday thereafter: Fayetteville, Elizabeth City, Washington, New Bern, Wilson, Wilmington, and Raleigh, the term at Raleigh being a criminal term only. The clerk of the court for the eastern district shall maintain an office in charge of himself or deputy at Raleigh, at Wilmington, at New Bern, at Elizabeth City, at Washington, at Fayetteville, and at Wilson which shall be kept open at all times for the transaction of the business of the court.

"The middle district shall include the territory embraced on the 1st day of January 1926 in the counties of Alamance, Alleghany, Ashe, Cabarrus, Caswell, Chatham, Davidson, Davie, Durham, Forsyth, Guilford, Lee, Hoke, Montgomery, Moore, Orange, Person, Randolph, Richmond, Rockingham, Rowan, Scotland, Stanly, Stokes, Surry, Watauga, Wilkes, and Yadkin.

"The terms of the district court for the middle district shall be held at Rockingham on the first Mondays in March and September, at Salisbury on the third Mondays in April and October, at Winston-Salem on the first Mondays in May and November, at Greensboro on the first Mondays in June and December, at Wilkesboro on the third Mondays in May and November, and at Durham on the first Monday in February and the fourth Monday in September: *Provided*, That the cities of Winston-Salem, Rockingham, and Durham shall each provide and furnish at its own expense a suitable and convenient place for holding the district court until Federal buildings containing quarters for the court are erected at such places.

"The western district shall include the territory embraced on the 1st day of January 1926 in the counties of Alexander, Anson, Avery, Buncombe, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Henderson, Iredell, Jackson, Lincoln, Madison, Macon, McDowell, Mecklenburg, Mitchell, Polk, Rutherford, Swain, Transylvania, Union, and Yancey.

"Terms of the district court for the western district shall be held in Charlotte on the first Mondays in April and October, at Shelby on the fourth Monday in September and the third Monday in March, at Statesville on the fourth Mondays in April and October, at Asheville on the second Mondays in May and November, and at Bryson City on the fourth Mondays in May and November: *Provided*, That the cities of Shelby and Bryson City shall each provide and furnish at their own expense suitable and convenient places for holding the court at Shelby and Bryson City. The clerk of the court for the western district shall maintain an office, in charge of himself or a deputy, at Charlotte, at Asheville, at Statesville, at Shelby, and at Bryson City, which shall be kept open at all times for the transaction of the business of the court.

"There shall be a judge appointed for the said middle district in the manner now provided by law who shall receive the salary provided by law for the judges of the eastern and western districts, and a district attorney, marshal, clerk, and other officers in the manner and at the salary now provided by law.

"All causes in the said middle district in equity, bankruptcy, or admiralty, in which orders and decrees have already been made and which are now in process of trial, shall continue and remain subject to the jurisdiction of the judge of that district by whom the same shall have been made and before whom the same shall have been partially tried and determined."

RESOLUTIONS REPORTED FROM COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolutions 171, 124, and 165; also with amendments Senate Resolutions 15, 117, and 154; and I ask unanimous consent for their consideration at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolutions reported by the Senator from South Carolina? The Chair hears none, and the resolutions will be considered in their order.

LILLIAN V. JOHNSON

The resolution (S. Res. 171) submitted by Mr. BYRD on August 9, 1937, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Lillian V. Johnson, widow of Newton Johnson, late an employee of the Senate under the supervision of the Committee on Rules, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CHARLOTTE C. RIDGLEY

The resolution (S. Res. 124) submitted by Mr. LEWIS on April 29, 1937, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, to Charlotte C. Ridgley, widow of Cornelius J. Ridgley, late an elevator conductor under supervision of the Architect of the Capitol, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF CLAIMS OF NEW BRUNSWICK, N. J.

The resolution (S. Res. 165) submitted by Mr. MOORE on August 3, 1937, was read, considered, and agreed to, as follows:

Resolved, That a committee composed of three members of the Committee on Claims, to be appointed by the chairman of said Claims Committee, is hereby authorized and directed to investigate the claims of the city of New Brunswick, N. J., for compensation for municipal services furnished to purchasers of lands from the United States Housing Corporation, the title to which lands still remains in the United States.

Such committee to be so appointed is authorized to hold hearings and to sit during recesses or sessions of the Seventy-fifth Congress, at such times and places as it may deem advisable, to send for persons or papers, to administer oaths, and to employ a stenographer to report such hearings, the cost of which shall not be in excess of 25 cents per hundred words, the expenses of such investigation to be paid from the contingent fund of the Senate.

INVESTIGATION OF RECEIVERSHIP AND BANKRUPTCY PROCEEDINGS

The Senate proceeded to consider the resolution (S. Res. 15) submitted by Mr. MCADOO on January 6, 1937.

The amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 1, to strike out all after line 8 and to insert:

Congress, for the purpose of enabling the said committee to complete its work and prepare and file reports of its investigation, and for such purpose is authorized to expend from the contingent fund of the Senate not to exceed $5,000.

So as to make the resolution read:

Resolved, That Senate Resolution 78, agreed to June 13, 1933, authorizing an investigation of the administration of receivership and bankruptcy proceedings in the courts of the United States, and other matters pertaining thereto, and supplemented by Senate Resolution 72, agreed to February 15, 1935; Senate Resolution 170, agreed to July 25, 1935; Senate Resolution 282, agreed to June 6, 1936; and Senate Resolution 308, agreed to June 5, 1936, is hereby continued in full force and effect during the Seventy-fifth Congress, for the purpose of enabling the said committee to complete its work and prepare and file reports of its investigation, and for such purpose is authorized to expend from the contingent fund of the Senate not to exceed $5,000.

Mr. AUSTIN. Mr. President, I ask whether the chairman of the committee has been informed of this amendment.

Mr. BYRNES. I will say to the Senator that the amendment is in accord with the statement that was made at the time the Senator who is the chairman of the committee was in the committee room; but I am entirely willing to let the resolution go to the calendar if the Senator wishes that that be done.

Mr. President, for the time being I withdraw the request for the consideration of the resolution.

CONSERVATION AND UTILIZATION OF AQUATIC LIFE

The Senate proceeded to consider the resolution (S. Res. 117) submitted by Mr. SCHWELLENBACH on April 15, 1937.

The amendments reported by the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 2, line 7, after the word "employ", to insert "and call upon the executive departments for", and on the same page, line 15, after the word "exceed", to strike out "$20,000" and insert "$5,000", so as to make the resolution read:

Resolved, That a special committee of five Senators, to be composed of three members from the majority political party and two members from the minority political party, to be appointed by the President of the Senate, is authorized and directed (1) to investigate all matters pertaining to the replacement, conservation, and proper utilization of aquatic life (including marine and freshwater food and game fishes and shellfish) of the United States, its Territories, and waters adjacent thereto, with a view to determining the most appropriate methods for carrying out such purposes, and (2) to report to the Senate as soon as practicable, but not later than the beginning of the first regular session of the Seventy-sixth Congress, the results of its investigations, together with its recommendations for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fifth Congress until the final report is submitted; to employ and call upon the executive departments for such clerical and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution as amended was agreed to.

VIOLATIONS OF FREE SPEECH AND RIGHTS OF LABOR—LIMIT OF EXPENDITURES BY COMMITTEE

The Senate proceeded to consider the resolution (S. Res. 154) submitted by Mr. LA FOLLETTE (for Mr. THOMAS of Utah and himself) on July 22, 1937.

The amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 1, line 7, to strike out "$50,000" and insert "$35,000", so as to make the resolution read:

Resolved, That the limit of expenditures under Senate Resolution 266, Seventy-fourth Congress, second session, agreed to June 6, 1936, and under Senate Resolution 70, Seventy-fifth Congress, first session, agreed to February 19, 1937, to investigate violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively, is hereby increased by $35,000.

The amendment was agreed to.

The resolution as amended was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATION OF HUGO L. BLACK—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate a message from the President of the United States, which was read, as follows:

THE WHITE HOUSE, *August 12, 1937.*

To the Senate of the United States:

I nominate HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States.

FRANKLIN D. ROOSEVELT.

Mr. BARKLEY. I suppose that nomination should go to the Judiciary Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER also laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing the nominations of two postmasters), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of the following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates indicated: Harry E. Trimble, July 16, 1937; James E. Faris, August 1, 1937; and Mark V. Ziegler, August 2, 1937.

Mr. BULKLEY, from the Committee on Finance, reported favorably the nomination of Frank F. Gentsch, of Cleveland, Ohio, to be collector of internal revenue for the eighteenth district of Ohio, in place of Carl E. Moore, resigned.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the following nominations:

Benjamin Harrison, of California, to be United States attorney for the southern district of California, vice Peirson M. Hall; and

Frank J. Hennessy to be United States attorney for the northern district of California, vice Henry H. McPike, whose term has expired.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of William R. Furlong to be Chief of the Bureau of Ordnance, Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Mr. WALSH. I move that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

The legislative clerk read the nomination of Clarence Poe, of North Carolina, to be a member of the Federal Board for Vocational Education.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

That concludes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 13, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 12 (legislative day of Aug. 9), 1937

ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States.

UNITED STATES DISTRICT JUDGE

George F. Sullivan, of Minnesota, to be United States district judge for Minnesota, vice Joseph W. Molyneaux, retired.

UNITED STATES ATTORNEYS

Benjamin Harrison, of California, to be United States attorney for the southern district of California, vice Peirson M. Hall.

Frank J. Hennessy, Esq., to be United States attorney for the northern district of California, vice Hon. Henry H. McPike, whose term has expired.

Victor E. Anderson, of Minnesota, to be United States attorney for the district of Minnesota, vice George F. Sullivan.

COLLECTOR OF INTERNAL REVENUE

Frank F. Gentsch, of Cleveland, Ohio, to be collector of internal revenue for the eighteenth district of Ohio, in place of Carl E. Moore, resigned.

PUBLIC HEALTH SERVICE

The following-named officers in the United States Public Health Service, to rank as such from the dates set opposite their names:

TO BE PASSED ASSISTANT SURGEONS

Asst. Surg. Warren P. Dearing, July 10, 1937.
Asst. Surg. Alexander G. Gilliam, July 10, 1937.
Asst. Surg. Leonard A. Scheele, July 10, 1937.
Asst. Surg. Ralph J. Mitchell, July 10, 1937.
Asst. Surg. William H. Gordon, July 10, 1937.
Asst. Surg. Frederick J. Brady, August 20, 1937.
Asst. Surg. Thomas H. Tomlinson, Jr., August 22, 1937.

TO BE SURGEONS

Passed Asst. Surg. Kirby K. Bryant, July 4, 1937.
Passed Asst. Surg. William H. Sebrell, Jr., June 29, 1937.
Passed Asst. Surg. George G. Holdt, July 1, 1937.
Passed Asst. Surg. Edward R. Pelikan, June 29, 1937.
Passed Asst. Surg. Homer L. Skinner, June 29, 1937.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 12 (legislative day of Aug. 9), 1937

DIPLOMATIC AND FOREIGN SERVICE

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

Homer Brett
Edward A. Dow
Dudley G. Dwyre
John G. Erhardt
Carol H. Foster
Samuel W. Honaker
Wilbur Keblinger
Graham H. Kemper

George A. Makinson	Edward Caffery
O. Gaylord Marsh	Augustus S. Chase
Lester Maynard	Warren M. Chase
Myrl S. Myers	Alexander P. Cruger
John R. Putnam	Ernest E. Evans
Emil Sauer	Harvey T. Goodier
Hugh H. Watson	Franklin C. Gowen
George L. Brandt	Leonard N. Green
Charles Bridgham Hosmer	Knowlton V. Hicks
John D. Johnson	Frederick W. Hinke
Henry H. Balch	Carlton Hurst
Walter F. Boyle	John B. Ketcham
Parker W. Buhrman	Henry A. W. Beck
Ralph C. Busser	Kenneth C. Krentz
Harold D. Clum	Rufus H. Lane, Jr.
Leslie A. Davis	Harvey Lee Milbourne
Edwin Carl Kemp	Hugh S. Miller
Dayle C. McDonough	Nelson R. Park
Lucien Memminger	James E. Parks
Harold B. Quarton	Joseph P. Ragland
Walter H. Sholes	Albert W. Scott
Alfred R. Thomson	Winfield H. Scott
Richard F. Boyce	George E. Seltzer
Richard P. Butrick	Horace H. Smith
Cecil M. P. Cross	Harry E. Stevens
Hasell H. Dick	Alan N. Steyne
John W. Dye	Mason Turner
Louis H. Gourley	Robert S. Ward
Edward M. Groth	George H. Winters
Robert W. Heingartner	Lloyd D. Yates
Frank Anderson Henry	Gordon L. Burke
George D. Hopper	Horace J. Dickinson
James Hugh Keeley, Jr.	Edmund J. Dorsz
William R. Langdon	Andrew W. Edson
Robert D. Longyear	Carlos C. Hall
Robert B. Macatee	Monroe B. Hall
Charles J. Pisar	Thomas A. Hickok
John Randolph	Phil H. Hubbard
George P. Shaw	Charles A. Hutchinson
Samuel Sokobin	Robert Janz
Harold S. Tewell	John S. Littell
Henry S. Waterman	Odin G. Loren
Henry M. Wolcott	Edward S. Maney
Lawrence S. Armstrong	Harold B. Minor
Roy W. Baker	James B. Pilcher
William E. Beitz	Hugh F. Ramsay
Sidney A. Belovsky	Edward B. Rand
William A. Bickers	Joseph I. Touchette
Ellis A. Bonnet	Walter N. Walmsley, Jr.
Roy E. Bower	Thomas C. Wasson
Howard A. Bowman	John H. Madonne

TO BE CONSULS GENERAL

Harold H. Tittmann, Jr.
Joseph Flack

TO BE CONSULS

H. Freeman Matthews	Hugh Millard
George R. Merrell, Jr.	Walter H. Schoellkopf

DEPARTMENT OF THE NAVY

William R. Furlong to be Chief of the Bureau of Ordnance, Department of the Navy.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

Clarence Poe to be a member of the Federal Board for Vocational Education.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants

Harold Robert Carter	Romeyn James Healy, Jr.
Philip Wallace Mallory	John Robert McGraw
Jacob Hal Bridges	Charles Harold Gingles

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Clarence David McGowen.
First Lt. Andrew Thomas McNamara.

PROMOTIONS IN THE REGULAR ARMY

Olin Harrington Longino to be colonel, Coast Artillery Corps.
Peter Hill Ottosen to be colonel, Coast Artillery Corps.
William Ewen Shipp to be lieutenant colonel, Cavalry.
Carl Smith Doney to be lieutenant colonel, Coast Artillery Corps.
Neal Creighton to be major, Air Corps.
Alonzo Maning Drake to be major, Air Corps.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Walter Perry Story to be major general, National Guard of the United States.
Lewis Bacon Ballantyne to be brigadier general, National Guard of the United States.
Harcourt Hervey to be brigadier general, National Guard of the United States.

WITHDRAWALS

Executive nominations withdrawn from the Senate August 12 (legislative day of Aug. 9), 1937

POSTMASTERS

LOUISIANA

Jesse D. McBride to be postmaster at Bastrop, in the State of Louisiana.
Virgil N. McNeely to be postmaster at Colfax, in the State of Louisiana.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 12, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Father, we pray Thee that we may cherish the greatest of gifts—a thankful heart. The emotion of gratitude is often too deep for words, only for expressive silence. We praise Thee that every blessing is a mercy from Thy bountiful hand. Inspire us to respond to Thy generous earth—the radiant, vitalizing sky with its manifold treasures of light and darkness. Thou hast greatly enriched the world with the river of God. Gracious Lord, life at times seems hard, unfair, and its claims excessive, but we rejoice that beneath all there is One eternally good and just. We pray Thee that our spiritual natures may not be dimmed either by disobedience or indifference. O Thou who takest away the sins of the world, assure us that we are not forsaken but forgiven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2281) entitled "An act to regulate proceedings in adoption in the District of Columbia", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints

Mr. KING, Mr. OVERTON, and Mr. CAPPER to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. BIGELOW. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on Tuesday next following the special orders heretofore ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House at this time for 10 minutes.

Mr. O'BRIEN of Illinois. I object, Mr. Speaker.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, and I do not intend to object, the gentleman from Kansas [Mr. LAMBERTSON] has been addressing the House for 1 or 2 minutes and then placing in the RECORD as an extension of remarks information that is coming to him from people in my city. So far as I know, the gentleman has never made any investigation to determine whether or not the statements furnished him were correct. I do not propose to get in a controversy with the gentleman on the subject, but it does seem to me that he should make some inquiry before accepting everything that is submitted to him.

Mr. Speaker, it was necessary for me to secure permission to extend my remarks because I had not completed my statement when taken off my feet by the demand for the regular order and the objection to the gentleman proceeding. About 2 years ago I stated my views on this subject when requested to do so by the gentleman from Wisconsin [Mr. SAUTHOFF]. I had not intended to make any further comment. My statement then explained my position.

Those opposing the grant by the Government for the Louisiana Purchase memorial project in St. Louis have taken the matter to the Federal courts. An injunction was sought and denied. The papers stated a few days ago another phase of the matter has been submitted to the United States District Court in St. Louis. It is true as the gentleman from Kansas has stated on several occasions that the question of opening the ballot boxes which contain the ballots cast in the bond-issue election is before the Supreme Court of Missouri.

What I wanted to comment on today when deprived of the opportunity was the resolution introduced by the gentleman from Kansas. This resolution provides for a congressional investigation of this project. I wanted to call the gentleman's attention to the fact that six Members of Congress are members of this Commission or I might say five Members of the present Congress and one Member of the Seventy-fourth Congress who was not returned to the present Congress. Two are Members of the House today, one a member of the gentleman's party, and three are Members of the Senate, one a Republican. Aside from this it so happens that William Allen White, a distinguished Republican from the gentleman's own State and a close personal friend of the gentleman, is likewise a member of the Commission. It will be seen that the gentleman desires to investigate Members of Congress as well as his personal friend. I have tried to learn if the gentleman from Kansas has consulted any of the Members of the House or Senate and discussed the matter with them. So far I have not found one that he has talked to. The gentleman himself advised me that his friend Mr. White had written him about the project and indicated, according to the gentleman's own statement, that he, Mr. White, did not agree with some of the remarks credited to him in the CONGRESSIONAL RECORD.

There is but one other reference I desire to make and that is I know that a most honorable and trusted employee of the National Park Service has been assigned to handle this project insofar as seeing that there is absolutely no fraud in connection with the amount paid for land in this area. If there is one thing everyone, Republican and Democrat, most agree on, it is that the Secretary of the Interior, Mr. Ickes, is an honest man and he will see to it that there is no scandal connected with the purchase of the land. I read in the paper the other day that steps had been taken to secure all the land by condemnation proceedings through the Federal court. In other words no private purchases. It is not my purpose to object to the gentleman extending his remarks but I do hope that he will in the future read with care what is furnished him before placing the matter in the RECORD.

Mr. RICH. Regular order, Mr. Speaker.

Mr. O'BRIEN of Illinois. I object, Mr. Speaker.

Mr. LAMBERTSON. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Allen, La.	Eaton	Kramer	Simpson
Atkinson	Ellenbogen	Lemke	Sirovich
Biermann	Farley	Lord	Smith, Conn.
Binderup	Fernandez	Luckey, Nebr.	Smith, Maine
Brewster	Fish	McGroarty	Smith, Va.
Buckley, N. Y.	Fulmer	McLean	Smith, W. Va.
Bulwinkle	Garrett	Maas	Starnes
Cannon, Wis.	Gasque	Meeks	Sullivan
Carter	Gilchrist	Mills	Taylor, Colo.
Case, S. Dak.	Goldsborough	Mitchell, Ill.	Teigan
Chapman	Gray, Ind.	Mouton	Thomas, N. J.
Clason	Hartley	O'Brien, Mich.	Vinson, Ga.
Crosby	Havenner	O'Neal, Ky.	Wadsworth
Crowther	Hill, Ala.	Palmisano	White, Idaho
Culkin	Hoffman	Pfeifer	Wigglesworth
Dean	Keller	Phillips	Wilcox
Dirksen	Kleberg	Rees, Kans.	Withrow
Douglas	Kloeb	Sadowski	Wood

The SPEAKER. Three hundred and fifty-seven Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. LAMBERTSON. Reserving the right to object, Mr. Speaker——

Mr. MILLS. I hope the gentleman will not object to my having 1 minute.

Mr. LAMBERTSON. Reserving the right to object, and I may not object, but I do want to say that on Tuesday I asked for 5 minutes at the close of the day and the majority leader denied me the 5 minutes. I waited until the close of the day last night, and the gentleman from Chicago denied me the privilege of speaking for 10 minutes. I sat in this House for 6 years before I ever addressed the Chair, and I am going to insist on having 10 minutes this morning, so I object.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a short address by Dr. Walker, president of Wilberforce University, on the subject President Roosevelt, the Minimum-Wage Bill, and the Negro.

Mr. LAMBERTSON. Mr. Speaker, I am sorry, but I shall have to object.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks by including a brief tribute to our late Speaker, Joseph W. Byrns.

Mr. LAMBERTSON. I am sorry, but, to be consistent, I shall have to object, Mr. Speaker.

Mr. ASHBROOK. These are my own remarks, I may say to the gentleman.

Mr. LAMBERTSON. I object, Mr. Speaker.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

Mr. LAMBERTSON. I object, Mr. Speaker.

PERMISSION TO ADDRESS THE HOUSE

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. RICH. Mr. Speaker, reserving the right to object, I may say that I was on the floor of the House night before last when the gentleman from Kansas [Mr. LAMBERTSON] asked for 5 minutes, which was denied. I was here last night when we granted the gentleman from Mississippi [Mr. McGEHEE] 20 minutes, and then we extended his time 10 minutes, and then extended his time further. The gentleman from Kansas waited until the gentleman from Mississippi had concluded his remarks and then tried to get time, but there was objection. I think the gentleman is taking the proper course to get recognition in the House of Representatives. There is no reason under the heavens why he should have been denied time when the House was ready to adjourn. I think the gentleman is only asserting the rights that should belong to any Member of the House, because he waited until the House had been in session until nearly 5 o'clock before submitting his request.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. I object, Mr. Speaker.

Mr. PARSONS. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. LAMBERTSON] have 10 minutes in which to address the House.

Mr. EDMISTON. Mr. Speaker, I object.

Mr. O'BRIEN of Illinois. Mr. Speaker, I object.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table and all other business today I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I reserve the right to object.

Mr. LAMBERTSON. Mr. Speaker, I shall have to object.

RIVER AND HARBOR BILL, 1938

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes which I send to the desk.

The SPEAKER. The gentleman from Texas calls up the conference report on the river and harbor bill, which the Clerk will report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, and 52, and agree to the same.

That the Senate recede from its amendment numbered 5.

The committee of conference recommends the transfer of amendment numbered 47 to page 23 after line 10; and the transfer of amendment numbered 48 to page 23, after line 24.

J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.
ROYAL S. COPELAND,
MORRIS SHEPPARD,
CHARLES L. MCNARY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7051) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following written statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House authorized new work the total estimated cost of which was $33,687,175.

The amount added by amendment in the Senate was $20,014,350.

Senate amendments to H. R. 7051, involving new authorizations for river and harbor work

Amount carried in H. R. 7051 as passed by the House	$33,687,175
Estimated cost of projects to be considered by Senate Commerce Committee:	
Sandy Hook Bay, N. Y.	768,750
Indian River Inlet and Bay, Del.	283,000
Susquehanna River, Havre de Grace, Md.	1,000
Intracoastal Waterway from Apalachicola Bay to Withlacoochee River, Fla.	480,000
Clearwater Harbor, Fla.	15,000
Mobile Harbor, Ala.	76,000
Calcasieu River and Pass, La.	9,260,000
Bayou Dupre, La.	52,000
Bayous La Loutre, St. Malo, and Yscloskey, La.	48,000
Texas City Channel, Tex.	112,000
Racine Harbor, Wis.	72,600
Mississippi River at Minneapolis, Minn.	5,000,000
Monroe Harbor, Mich.	200,000
Sacramento River, Calif.	2,500,000
Sitka Harbor, Alaska	160,000
San Juan Harbor, P. R.	533,000
Arecibo Harbor, P. R.	468,000
	53,716,525

The Senate made 17 amendments to section 1 of the bill, which authorizes new improvement work. These amendments covered the adoption of new reports received since the Committee on Rivers and Harbors closed its consideration of the bill, except amendment no. 5, authorizing an appropriation of $15,000 for dredging in Clearwater Harbor, Fla., from which the Senate conferees receded. As the result of the conference the amount authorized by the bill for new work is reduced to $53,701,525.

The remaining amendments relate to survey items and verbal amendments, on all of which the House conferees receded.

On amendment no. 1, page 3: Corrects a typographical error.

On amendment no. 2, page 4: Sandy Hook Bay off Atlantic Highlands, N. J. Item adopts new project recommended by the Chief of Engineers for the construction of a rubble-mound breakwater about 4,000 feet in length and the dredging of an area inside this breakwater to a depth of 8 feet. Estimated cost, $850,000. Local interests to contribute $81,250. House conferees recede.

On amendment no. 3, page 4: Indian River Inlet and Bay, Del. Item adopts new project recommended by the Chief of Engineers for the construction of parallel jetties 500 feet apart in the inlet and the dredging of a channel 200 feet wide and 15 feet deep from near ends of jetties to a point in the bay about 7,000 feet from the ocean shore line. Estimated cost, $443,000. Local interests to contribute 50 percent of initial cost, but not to exceed $220,000. House conferees recede.

On amendment no. 4, page 4: Susquehanna River at Havre de Grace, Md. Item adopts project recommended by the Chief of Engineers for the maintenance of the existing small-boat harbor below Concord Point, 400 feet long, 380 feet wide, and 7 feet deep, with approach channel of the same depth, 75 feet wide, leading to deep water off Concord Point. Estimated annual cost, $1,000. House conferees recede.

On amendment no. 5, page 8: Clearwater Harbor, Fla. Item adopts a project not favorably reported on by the Chief of Engineers, for experimental maintenance dredging, local interests to pay half the cost. Estimated cost to the United States not to exceed $15,000. Senate recedes.

On amendment no. 6, page 9: Intracoastal waterway from Apalachicola Bay to St. Marks River, Fla. Item adopts project recommended by the Chief of Engineers for construction of a channel 9 feet deep and 100 feet wide from Apalachicola Bay to St. Marks River, Fla. Estimated cost, $480,000. House conferees recede.

On amendment no. 7, page 9: Mobile Harbor, Ala. (Rivers and Harbors Committee Doc. No. 44, 75th Cong.). Item adopts new project recommended by the Chief of Engineers for widening the existing channel in Mobile River below highway bridge to 500 feet throughout its length. Estimated cost, $76,000. House conferees recede.

On amendment no. 8, page 9: Bayous La Loutre, St. Malo, and Yscloskey, La. Item adopts new project recommended by the Chief of Engineers for a channel 5 feet deep and 40 feet wide from deep water in Lake Borgne to shore line at mouth of Bayou Yscloskey, a channel 6 feet deep and 40 feet wide from deep water in Lake Borgne through Bayous St. Malo, La Loutre, and Eloi to deep water in Lake Eloi, and the removal of snags. Estimated cost, $48,000. House conferees recede.

On amendment no. 9, page 9: Bayou Dupre, La. Item adopts new project recommended by the Chief of Engineers for a channel 6 feet deep from Highway Bridge at Violet, La., to deep water in Lake Borgne, with widths of 80 feet in canal and bayou and 100 feet in the lake with turning basin 100 feet wide and 200 feet long at bayou. Estimated cost, $52,000. House conferees recede.

On amendment no. 10, page 10: Calcasieu River and Pass, La. Item adopts new project recommended by the Chief of Engineers for a channel 30 feet deep and 250 feet wide from the wharves of Lake Charles Harbor and Terminal district to the Gulf of Mexico by way of Calcasieu River. Estimated cost $5,860,000. And for the extension of the jetties to the 15-foot contour, if found advisable to reduce maintenance-dredging costs. Estimated cost, $3,400,000. House conferees recede.

On amendment no. 11, page 10: Texas City Channel, Tex. Item adopts new project recommended by the Chief of Engineers for the extension of the harbor basin 1,000 feet to the southward at present depth of 34 feet and width of 800 feet. Estimated cost, $112,000. House conferees recede.

On amendment no. 12, page 10: Corrects a typographical error.

On amendment no. 13, page 11: Item adopts project for extending the 9-foot channel of the upper Mississippi River project above St. Anthonys Falls, Minneapolis, Minn., the improvement being needed so that more adequate terminal facilities can be provided. The plans of improvement are to be subject to the final approval of the Board of Engineers for Rivers and Harbors. The following is a letter from Brig. Gen. G. B. Pillsbury, Acting Chief of Engineers, United States Army, regarding this amendment:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, August 10, 1937.

Hon. JOSEPH J. MANSFIELD,
Chairman, Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR JUDGE MANSFIELD: In reply to your letter of August 7, I take pleasure in furnishing you a statement showing the estimated cost and the kind of work involved in the project covered by amendment no. 13 to the river and harbor authorization bill, H. R. 7051, providing for the extension of the 9-foot channel in the Mississippi River above St. Anthonys Falls, in accordance with the plan contained in House Document No. 137, Seventy-second Congress, first session, subject to such changes as may be found advisable by the Chief of Engineers, and the final approval of the plan by the Board of Engineers for Rivers and Harbors as necessary to provide adequate terminal facilities for Minneapolis.

The Mississippi River flows through the lower portion of the city of Minneapolis in a deep gorge which restricts access to the river. This gorge terminates at the Falls of St. Anthony, above which the banks of the river are low and suitable for terminal development. The plan for improvement of this section contained in House Document No. 137, Seventy-second Congress, provided for the construction of two locks and channel excavation to afford a channel 9 feet in depth at an estimated cost of $6,384,500 for the construction work to be undertaken by the United States, and a total of $646,000 for bridge changes to be borne by the bridge owners. The report concluded that the costly industrial works required to carry navigation above St. Anthonys Falls were not then justified.

The Board of Engineers for Rivers and Harbors was requested by a resolution of the Committee on Commerce of the United States Senate adopted June 6, 1935, to review this item of the report with a view to determining if any modification of the conclusions therein with respect to this item is advisable at the present time. After a further study of the improvement, the district engineer presented a revised plan and estimates, including the locks in the upper and lower falls, respectively, at an estimated construction cost of $4,480,000 for the United States, $391,000 for the city of Minneapolis in lowering a water main and providing movable spans and three highway bridges, and at an estimated cost of $255,000 by the owners of the two railroad bridges to provide removable spans therein. The district and division engineers did not recommend the improvement. After a hearing before the Board, the division engineer was requested to give further engineering study to the report. His final report is not yet received.

The information before the Department indicates that the 9-foot channel, with two single locks, could be provided to reach the upper portion of the river in Minneapolis, at a cost to the United States of not to exceed $5,000,000.

Sincerely yours,

G. B. PILLSBURY,
Brigadier General, Acting Chief of Engineers.

On amendment no. 14, page 12: Racine Harbor, Wis. Item adopts new project recommended by the Chief of Engineers for the removal of shoals one-half mile lakeward of the harbor entrance to a minimum depth of 25 feet, widening outer harbor basin on the southward to a total width of 825 feet and depth of 19 feet, with suitably increased depth at the entrance, and dredging the channel in Root River below the Fourth Street bridge to a depth of 19 feet and general widths of 95 to 190 feet. Estimated cost $72,600. House conferees recede.

On amendment no. 15, page 12: Monroe Harbor, Mich. Item adopts project recommended by the Chief of Engineers for the modification of the present project to provide that the contribution by local interests toward the initial cost of the improvement shall total $300,000, payable in annual installments of $50,000. House conferees recede.

On amendment no. 16, page 13: Sacramento River flood control, California. Item adopts new project recommended by the Chief of Engineers for the construction by the United States of bank-protection works and levee set-backs substantially as included in the 5-year program recommended by the California Debris Commission and the maintenance, during construction of these works, of the enlarged river channel below Cache Slough, including the revetment of the banks of the cut. Estimated cost, $2,500,000. House conferees recede.

On amendment no. 17, page 15: Sitka Harbor, Alaska. Item adopts new project recommended by the Chief of Engineers for a small-boat basin, 10 feet deep and approximately 6½ acres in area, protected by about 1,900 feet of rock-mound breakwaters. Estimated cost, $160,000. House conferees recede.

On amendment no. 18, page 15: San Juan Harbor, P. R. Item adopts new project recommended by the Chief of Engineers for widening the Anegado Reach between entrance channel and anchorage basin to afford a channel 30 feet deep with width decreasing from 1,200 feet at its outer end to 1,000 feet near the anchorage basin, and for enlarging the anchorage basin to afford an additional area of 90 acres, with a depth of 30 feet. Estimated cost, $633,000. Local interests to contribute $100,000. House conferees recede.

On amendment no. 19, page 15: Arecibo Harbor, P. R. Item adopts new project recommended by the Chief of Engineers for an entrance and approach channel and a maneuvering area of 25 feet depth protected on the north by a stone breakwater. Estimated cost, $756,000. Local interests to contribute $288,000. House conferees recede.

On amendment no. 20, page 15: Corrects a typographical error.

On amendment no. 21, page 18: Project for the construction of the Marshall Ford Dam wholly adopted by striking out words "first stage", which only partially adopted this work.

Preliminary examination and survey items

On amendment no. 22: Northeast Harbor, Maine.

On amendment no. 23: Presumpscot Harbor, Maine.

On amendment no. 24: Portland Harbor, Maine, north of House Island, to determine advisability of removing shoal.

On amendment no. 25: Ipswich River, Mass.

On amendment no. 26: Clinton Harbor, Conn.

On amendment no. 27: Waterway from Albany to Schenectady, N. Y., by way of Hudson and Mohawk Rivers, with a view to securing a depth of 27 feet and suitable width.

On amendment no. 28: Baltimore Harbor and Channels, Md.

On amendment no. 29: Channels to and near Jefferson Islands, Chesapeake Bay, Md., with a view to their establishment as an aid to navigation and the establishment of a harbor of refuge.

On amendment no. 30: Folly Creek, Accomac County, Va.

On amendment no. 31: Woods Creek, Middlesex County, Va.

On amendment no. 32: Dolls Creek, N. C.

On amendment no. 33: Channel from Edenton Bay, N. C., into Pembroke Creek to United States Fish Hatchery.

On amendment no. 34: Indian River (Vero Beach), St. Johns River Waterway, Fla.

On amendment no. 35: Caloosahatchee River and Lake Okeechobee drainage areas, Florida, with a view to constructing additional levees between Kissimmee River and Fisheating Creek.

On amendment no. 36: Bayou Teche, La. Upper portion with a view to improvement in the interest of navigation and flood control.

On amendment no. 37: Colorado River and its tributaries, Tex., with a view to its improvement in the interest of navigation and flood control.

On amendment no. 38: Goose Creek, Tex. Deep-water channel and port.

On amendment no. 39: Arroyo Colorada, Tex. A channel from a point at or near Mercedes, Tex., to its mouth, thence south in Laguna Madre to Port Isabel.

On amendment no. 40: Survey of channel for the purposes of navigation from Jefferson, Tex., to Shreveport, La., by way of Jefferson-Shreveport Waterway, thence by way of Red River to mouth of Red River in the Mississippi River, including advisability of water-supply reservoirs in Cypress River and Black Cypress River above head of navigation.

On amendment no. 41: Brazos River, Tex. A comprehensive survey with a view to preparing plans, estimates of the cost of improvements for navigation, flood control, water conservation, and reclamation, excluding therefrom work now in progress under the Works Progress Administration. The expense of such survey shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

On amendment no. 42: Allens Creek, a tributary of the Brazos River in Austin County, Tex., in the interest of navigation and of flood control.

On amendment no. 43: Mill Creek, a tributary of the Brazos River in Austin County, Tex., in the interest of navigation and of flood control.

On amendment no. 44: Navidad River, Tex., in the interest of navigation and of flood control.

On amendment no. 45: Lavaca River, Tex., in the interest of navigation and of flood control.

On amendment no. 46: Channel or channels across Padre Island, Tex., from Laguna Madre to the Gulf of Mexico.

On amendment no. 47: Canal from Ouachita River to Huttig, Ark.

On amendment no. 48: Saginaw Bay, Mich.

On amendment no. 49: Erie Harbor, Pa. Beach no. 2.

On amendment no. 50: Rochester (Charlotte) Harbor, Genesee River, N. Y.

On amendment no. 51: Necanicum River, Oreg.

On amendment no. 52: Port Angeles Harbor, Wash.

The House conferees recede on all survey items.

J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. RICH. Take amendment no. 29:

Channels to and near Jefferson Island, Chesapeake Bay, Md., with a view to their establishment as an aid to navigation and the establishment of a harbor of refuge.

Will the chairman of the committee inform us whether that harbor of refuge is to be a harbor for worn-out Democrats, or is it the purpose to establish a wildlife harbor of refuge? If you are going to have a wildlife harbor of refuge on Jefferson Island, then are they going to permit the Democrats to go to that island, especially the Jeffersonian Democrats, or will they all be New Deal Democrats who will be permitted to go to Jefferson Island?

Mr. MANSFIELD. Mr. Speaker, first let me say to the gentleman from Pennsylvania [Mr. RICH] that I hope that when this channel is made, Jefferson Island will be eligible for the best type of Republicans as well as Democrats. [Laughter.]

I do not desire to take up any time of the House unnecessarily. The conference report is embraced in the RECORD, which all Members may read for themselves, if they have not already done so. The amendments that have been added by the Senate are amendments that in nearly every instance came in through the regular course from the Chief of Engineers after the bill had passed the House. Of course, they were eligible for consideration by the Senate Committee on Commerce, just the same as they would have been by the House committee if they had come in earlier.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. COLMER. Do I understand that any of these amendments suggested by the Senate did not have the approval of the Chief of Engineers?

Mr. MANSFIELD. Except one they all have the approval of the engineers. The only one not so approved was the Clearwater Harbor, Fla., provision, which was voted out by the House, and the House conferees did not accept it.

Mr. COLMER. Then, if these reports on projects added by the Senate had been made prior to the action by the Rivers and Harbors Committee in the House, in all likelihood they would have been included in the original bill?

Mr. MANSFIELD. Almost beyond question.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. MOTT. What is the item on page 2?—

Intracoastal waterway from Apalachicola Bay to St. Marks River, Fla.

Is that a part of the Florida ship canal?

Mr. MANSFIELD. No.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. RICH. How much did the conference report add to the origina! appropriation? Are there any increases from what it was originally?

Mr. MANSFIELD. Yes; there are two quite large items, and then there are minor ones. It adds $20,014,350 to the House bill.

Mr. RICH. Does the gentleman not think that he should do something, either by the House conferees or the Senate conferees, to eliminate items and not have these appropriation bills so increased?

Mr. MANSFIELD. This does not affect the appropriations for the coming year. These projects will be eligible for appropriations next year and thereafter. This is a legislative bill adopting projects and authorizing appropriations hereafter for prosecuting these improvements when Congress wants to make them. Of the two larger items I refer to, one is at Lake Charles, La., and the other is the Mississippi River at Minneapolis, Minn. They constitute more than half the increase and are very meritorious projects.

Mr. RICH. The only thing is this: If we authorize a lot of these projects, then there are many more people hounding the Committee on Appropriations to have the funds appropriated; and it seems to me, if the gentleman will look at the daily statements of the Treasury, he will see that we cannot continue to go on the way we are, because daily, ever since this year began, we have increased our Budget appropriations by over $7,000,000 a day, and something may crack some day if we do not cut down.

Mr. MANSFIELD. Mr. Speaker, I compliment the gentleman from Pennsylvania for his earnestness in trying to cut down the cost of government, and I am with him 100 percent wherever it is practicable to accomplish that end. The improvements necessary for the handling of our commerce are things that we cannot disregard. Commerce is increasing enormously in various sections of the country and steps must be taken to care for the new conditions arising.

Mr. RICH. I would like to make this observation: That since the 1st day of August, up to August 6, we have spent at the rate of $4,933 a minute more than we have received. Think of it! Four thousand nine hundred and thirty-three dollars a minute; while you eat, while you sleep, while you work, and while you play, every hour of the day you are going that much in the red. Something, somehow, sometime, will crack in this Nation if we do not stop.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. JENKINS of Ohio. I notice the Senate has added amendments which total about $20,000,000.

Mr. MANSFIELD. Yes.

Mr. JENKINS of Ohio. The House has receded on many of the amendments. Do those amendments where the House recedes carry any considerable amount of money, or are they mostly immaterial matters?

Mr. MANSFIELD. The majority of them are surveys which may not cost anything. Unless they are proved to be very meritorious the cost will be infinitesimal. Those that are not surveys, some eight or nine, have been reported upon favorably by both the board and the Chief of Engineers of the War Department in the regular course of their duties.

Mr. JENKINS of Ohio. Of course the distinguished chairman of this committee knows more about these flood-control matters than I do, although I have applied myself rather assiduously to keep posted. I notice the absence of any mention of projects that deal primarily with the control of floods in the Ohio Valley.

Mr. MANSFIELD. We do not handle flood-control matters in our committee unless they are incidental to improvements primarily for other purposes.

Mr. JENKINS of Ohio. I know; but does not your committee take into consideration the construction of some projects that have been accepted by the Army engineers as being a part of the flood-control program?

Mr. MANSFIELD. Where they are incidental to navigation and other purposes of improvement, yes, that is true.

Mr. JENKINS of Ohio. Has there been any taking out of any projects in the vicinity of Pittsburgh and that section which have to do with the holding back of the water of the Ohio River?

Mr. MANSFIELD. None whatever. Furthermore, we favor everything that the engineering branch of the Government will recommend as necessary and useful for that section.

Mr. JENKINS of Ohio. As this bill passed the House it carried a provision with reference to the Scioto-Sandusky plan in Ohio. That is still in the bill, is it?

Mr. MANSFIELD. They took nothing out in the Senate. If that provision was in it when it passed the House it remains there yet, but I believe a provision to that effect was included in the omnibus flood-control bill instead of the river and harbor bill.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. OLIVER. On page 5 of the report, amendment no. 23, "Presumpscot Harbor, Maine", I wonder if the gentleman would offer an amendment to change that "Presumpscot Harbor", that being a misprint?

Mr. MANSFIELD. This has already been approved by the Senate.

Mr. OLIVER. I am wondering whether anything could be done to correct that wording.

Mr. MANSFIELD. I do not think there can at this time.

Mr. Speaker, unless there are some other questions that Members desire to ask, I do not care to make any further statement at this time. I move the adoption of the conference report, Mr. Speaker, and on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NAVIGATION FACILITIES ON THE COLUMBIA RIVER-BONNEVILLE PROJECT

Mr. MANSFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 7642) authorizing the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7642) authorizing the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with two amendments as follows: In section 2 (a) of the amendment, in the twenty-second line of this section, strike out "administrator is authorized and empowered to direct and require the", and in line 24 strike out the word "to" and insert "shall"; so as to make the sentence read "The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy." At the end of section 11 of the amendment, strike out the period, insert a comma, and add the words "including installation of equipment and machinery for the generation of electric energy and facilities for its transmission and sale."

As so amended your committee of conference recommends that the bill do pass.

J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

ROYAL S. COPELAND,
CHAS. L. MCNARY,
MORRIS SHEPPARD,
Managers on the part of the Senate.

STATEMENT

No material changes were made in the provisions of the House bill by the Senate amendment.

The bill, as agreed to, reads as follows:

"An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes

"Be it enacted, etc., That for the purpose of improving navigation on the Columbia River, and for other purposes incidental thereto, the dam, locks, power plant, and appurtenant works now under construction at Bonneville, Oreg., and North Bonneville, Wash. (hereinafter called Bonneville project), shall be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers, subject to the provisions of this act relating to the powers and duties of the Bonneville power administrator provided for in section 2 (a) (hereinafter called the administrator) respecting the transmission and sale of electric energy generated at said project. The Secretary of War shall provide, construct, operate, maintain, and improve at Bonneville project such machinery, equipment, and facilities for the generation of electric energy as the administrator may deem necessary to develop such electric energy as rapidly as markets may be found therefor. The electric energy thus generated and not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith shall be delivered to the administrator, for disposition as provided in this act.

SEC. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said administrator as hereinafter provided. The administrator shall be appointed by the Secretary of the Interior; shall be responsible to said Secretary of the Interior; shall receive a salary at the rate of $10,000 per year; and shall maintain his principal office at a place selected by him in the vicinity of the Bonneville project. The administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Bonneville project not required for the operation of the dam and locks at such project and the navigation facilities employed in connection therewith. He shall act in consultation with an advisory board composed of a representative designated by the Secretary of War, a representative designated by the Secretary of the Interior, a representative designated by the Federal Power Commission, and a representative designated by the Secretary of Agriculture. The form of administration herein established for the Bonneville project is intended to be provisional pending the establishment of a permanent administration for Bonneville and other projects in the Columbia River Basin. The Secretary of War shall install and maintain additional machinery, equipment, and facilities for the generation of electric energy at the Bonneville project when in the judgment of the administrator such additional generating facilities are desirable to meet actual or potential market requirements for such electric energy. The Secretary of War shall schedule the operations of the several electrical generating units and appurtenant equipment of the Bonneville project in accordance with the requirements of the administrator. The Secretary of War shall provide and maintain for the use of the administrator at said Bonneville project adequate station space and equipment, including such switches, switchboards, instruments, and dispatching facilities as may be required by the administrator for proper reception, handling, and dispatching of the electric energy produced at the said project, together with transformers and other equipment required by the administrator for the transmission of such energy from that place at suitable voltage to the markets which the administrator desires to serve.

"(b) In order to encourage the widest possible use of all electric energy that can be generated and marketed and to provide reasonable outlets therefor, and to prevent the monopolization thereof by limited groups, the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations, and facilities and structures appurtenant thereto, as he finds necessary, desirable, or appropriate for the purpose of transmitting electric energy, available for sale, from the Bonneville project to existing and potential markets, and, for the purpose of interchange of electric energy, to interconnect the Bonneville project with other Federal projects and publicly owned power systems now or hereafter constructed.

"(c) The administrator is authorized, in the name of the United States, to acquire, by purchase, lease, condemnation, or donation, such real and personal property, or any interest therein, including lands, easements, rights-of-way, franchises, electric transmission lines, substations, and facilities and structures appurtenant thereto, as the administrator finds necessary or appropriate to carry out the purposes of this act. Title to all property and property rights acquired by the administrator shall be taken in the name of the United States.

"(d) The administrator shall have power to acquire any property or property rights, including patent rights, which in his opinion are necessary to carry out the purposes of this act, by the exercise of the right of eminent domain and to institute condemnation proceedings therefor in the same manner as is provided by law for the condemnation of real estate.

"(e) The administrator is authorized, in the name of the United States, to sell, lease, or otherwise dispose of such personal property as in his judgment is not required for the purposes of this act and such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in his judgment are not required for the purposes of this act: *Provided, however*, That before the sale, lease, or disposition of real property or transmission lines, as herein provided, the administrator shall secure the approval of the President of the United States.

"(f) Subject to the provisions of this act, the administrator is authorized, in the name of the United States, to negotiate and enter into such contracts, agreements, and arrangements as he shall find necessary or appropriate to carry out the purposes of this act.

"SEC. 3. As employed in this act, the term 'public body', or 'public bodies', means States, public power districts, counties, and municipalities, including agencies or subdivisions of any thereof.

"As employed in this act, the term 'cooperative', or 'cooperatives', means any form of non-profit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost.

"SEC. 4. (a) In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

"(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to January 1, 1941, there shall be available for sale to public bodies and cooperatives not less than 50 percent of the

electric energy produced at the Bonneville project, it shall be the duty of the administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until January 1, 1941: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to January 1, 1941, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to January 1, 1941: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1941; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted.

"(c) An application by any public body or cooperative for an allocation of electric energy shall not be denied, or another application competing or in conflict therewith be granted, to any private corporation, company, agency, or person, on the ground that any proposed bond or other security issue of any such public body or cooperative, the sale of which is necessary to enable such prospective purchaser to enter into the public business of selling and distributing the electric energy proposed to be purchased, has not been authorized or marketed, until after a reasonable time, to be determined by the administrator, has been afforded such public body or cooperative to have such bond or other security issue authorized or marketed.

"(d) It is declared to be the policy of the Congress, as expressed in this act, to preserve the said preferential status of the public bodies and cooperatives herein referred to, and to give to the people of the States within economic transmission distance of the Bonneville project reasonable opportunity and time to hold any election or elections or take any action necessary to create such public bodies and cooperatives as the laws of such States authorize and permit, and to afford such public bodies or cooperatives reasonable time and opportunity to take any action necessary to authorize the issuance of bonds or to arrange other financing necessary to construct or acquire necessary and desirable electric distribution facilities, and in all other respects legally to become qualified purchasers and distributors of electric energy available under this act.

"SEC. 5. (a) Subject to the provisions of this act and to such rate schedules as the Federal Power Commission may approve, as hereinafter provided, the administrator shall negotiate and enter into contracts for the sale at wholesale of electric energy, either for resale or direct consumption, to public bodies and cooperatives and to private agencies and persons. Contracts for the sale of electric energy to any private person or agency other than a privately owned public utility engaged in selling electric energy to the general public, shall contain a provision forbidding such private purchaser to resell any of such electric energy so purchased to any private utility or agency engaged in the sale of electric energy to the general public, and requiring the immediate canceling of such contract of sale in the event of violation of such provision. Contracts entered into under this subsection shall be binding in accordance with the terms thereof and shall be effective for such period or periods, including renewals or extensions, as may be provided therein, not exceeding in the aggregate 20 years from the respective dates of the making of such contracts. Contracts entered into under this subsection shall contain (1) such provisions as the administrator and purchaser agree upon for the equitable adjustment of rates at appropriate intervals, not less frequently than once in every 5 years, and (2) in the case of a contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the administrator may cancel such contract upon 5 years' notice in writing if, in the judgment of the administrator, any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this act, and that such cancelation may be with respect to all or any part of the electric energy so purchased under said contract to the end that the preferential rights and priorities accorded public bodies and cooperatives under this act shall at all times be preserved. Contracts entered into with any utility engaged in the sale of electric energy to the general public shall contain such terms and conditions, including among other things stipulations concerning resale and resale rates by any such utility, as the administrator may deem necessary, desirable, or appropriate to effectuate the purposes of this act and to insure that resale by such utility to the ultimate consumer shall be at rates which are reasonable and nondiscriminatory. Such contract shall also require such utility to keep on file in the office of the administrator a schedule of all its rates and charges to the public for electric energy and such alterations and changes therein as may be put into effect by such utility.

"(b) The administrator is authorized to enter into contracts with public or private power systems for the mutual exchange of unused excess power upon suitable exchange terms for the purpose of economical operation or of providing emergency or break-down relief.

"SEC. 6. Schedules of rates and charges for electric energy produced at the Bonneville project and sold to purchasers as in this act provided shall be prepared by the administrator and become effective upon confirmation and approval thereof by the Federal Power Commission. Subject to confirmation and approval by the Federal Power Commission, such rate schedules may be modified from time to time by the administrator, and shall be fixed and established with a view to encouraging the widest possible diversified use of electric energy. The said rate schedules may provide for uniform rates or rates uniform throughout prescribed transmission areas in order to extend the benefits of an integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project.

"SEC. 7. It is the intent of Congress that rate schedules for the sale of electric energy which is or may be generated at the Bonneville project in excess of the amount required for operating the dam, locks, and appurtenant works at said project shall be determined with due regard to and predicated upon the fact that such electric energy is developed from water power created as an incident to the construction of the dam in the Columbia River at the Bonneville project for the purposes set forth in section 1 of this act. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of Bonneville project) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years. Rate schedules shall be based upon an allocation of costs made by the Federal Power Commission. In computing the cost of electric energy developed from water power created as an incident to and a byproduct of the construction of the Bonneville project, the Federal Power Commission may allocate to the costs of electric facilities such a share of the cost of facilities having joint value for the production of electric energy and other purposes as the power development may fairly bear as compared with such other purposes.

"SEC. 8. Notwithstanding any other provision of law, all purchases and contracts made by the administrator or the Secretary of War for supplies or for services, except for personal services, shall be made after advertising, in such manner and at such times, sufficiently in advance of opening bids, as the administrator or Secretary of War, as the case may be, shall determine to be adequate to insure notice and opportunity for competition. Such advertisement shall not be required, however, when (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500; in which case such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards, the administrator or the Secretary of War, as the case may be, may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

"SEC. 9. (a) The administrator, subject to the requirements of the Federal Water Power Act, shall keep complete and accurate accounts of operations, including all funds expended and received in connection with transmission and sale of electric energy generated at the Bonneville project.

"(b) The administrator may make such expenditures for offices, vehicles, furnishings, equipment, supplies, and books; for attendance at meetings; and for such other facilities and services as he may find necessary for the proper administration of this Act.

"(c) In December of each year, the administrator shall file with the Congress, through the Secretary of the Interior, a financial statement and a complete report as to the transmission and sale of electric energy generated at the Bonneville project during the preceding governmental fiscal year.

"SEC. 10. The administrator, the Secretary of War, and the Federal Power Commission, respectively, shall appoint such attorneys, engineers, and other experts as may be necessary for carrying out the functions entrusted to them under this Act, without regard to the provisions of the civil-service laws and shall fix the compensation of each of such attorneys, engineers, and other experts at not to exceed $7,500 per annum; and they may, subject to the civil-service laws, appoint such other officers and employees as may be necessary to carry out such functions and fix their salaries in accordance with the Classification Act of 1923 as amended.

"SEC. 11. All receipts from transmission and sale of electric energy generated at the Bonneville project shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from such receipts a continuing fund of $500,000, to the credit of the administrator and subject to check by him, to defray emergency expenses and to insure continuous operation. There is hereby authorized to be appropriated from time to time, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act, including installation of equipment and machinery for the generation of electric energy and facilities for its transmission and sale.

"SEC. 12. The Administrator may, in the name of the United States, under the supervision of the Attorney General, bring such suits at law or in equity as in his judgment may be necessary to carry out the purposes of this Act; and he shall be represented in the prosecution and defense of all litigation affecting the status or operation of Bonneville project by the United States attor-

neys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may designate as authorized by law, in conjunction with the regularly employed attorneys of the Administrator.

"SEC. 13. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby."

J. J. MANSFIELD,
RENÉ L. DEROUEN,
GEORGE N. SEGER,
ALBERT E. CARTER,
Managers on the part of the House.

Mr. MANSFIED. Mr. Speaker, the so-called Bonneville project bill has been under consideration by the Committee on Rivers and Harbors for many months. It involved a great many controversies that seemed to be almost incapable of being reconciled. We finally whipped it into such shape that it passed the House and went to the Senate. The Senate, after their controversies were ironed out over there, finally ratified the bill and passed it substantially as it was passed in the House. In the conference with the Senate conferees we have agreed unanimously to two clarifying amendments, which do not alter or change the sense or purport of the bill in any way.

Unless there are some questions that some Member desires to ask, I shall not detain you any longer.

I move the adoption of the conference report, Mr. Speaker, and on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

BONNEVILLE IS ALSO A STATE OF WASHINGTON PROJECT

Mr. SMITH of Washington. Mr. Speaker, the Bonneville Dam project on the Columbia River in the Pacific Northwest is as much a State of Washington as it is an Oregon project. I have for 5 years, and particularly during the past year, put forth my every effort to make it a two-State project instead of allowing Portland and Oregon to "bottle it up" for their own aggrandizement to serve the proposed plant of the Bohn Aluminum & Brass Co., which Portland interests have sought to have located in their city and thereby monopolize the electric-power output of the Bonneville Dam. My position is confirmed by the statement which appears in the impartial and nonpartisan report on the Bonneville project contained in Power in the State of Washington, A Survey of Power, Irrigation, and Conservation, and Their Relationship to the Public Interest, by Herebert A. Resner; published by W. P. A., State of Washington, on pages 40–42 thereof, reading as follows:

> However, the real difficulty in the economic distribution of Bonneville power is the fact that Oregon, and especially Portland, is suffering under the delusion that the Bonneville plant is for their exclusive advantage, and that Washington is uncommonly brazen in harboring the idea that they, too, should benefit by this development.

However, this selfish attempt is defeated by the bill which has just passed the Senate, and which conforms in every important detail with the House bill, for in it preferential rights to the local communities, farm cooperatives, and public-utility districts are securely provided for the same as in the House bill. We have saved Bonneville for the people. Those citizens who are interested in the history of the Bonneville legislation in Congress this year should read the hearings held before the Committee on Rivers and Harbors of the House of Representatives, on which I hold membership, consisting of over 500 pages of printed matter, as a result of which the law for the administration of Bonneville was formulated.

The Senate bill as amended also locates the Bonneville project at North Bonneville, Wash., as well as Bonneville, Oreg., and restores the language of the House bill which had been stricken from the Senate bill as substituted by the Senator from Oregon [Mr. MCNARY] by unanimous consent. I append hereto the correspondence relating to this important proviso.

CONGRESS OF THE UNITED STATES,
House of Representatives,
Washington, D. C., August 9, 1937.

Hon. HOMER T. BONE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In the proceedings of the Senate, as published Friday, August 6, in the CONGRESSIONAL RECORD, I note on pages 8390–8392 that under unanimous consent Senator MCNARY substituted the text of the Senate bill on the Bonneville project for the text of the measure passed by the House, and that in the Senate bill the project is designated as being located at Bonneville, Oreg.

I would call your attention to the action which I took in the House, as a result of which the House bill shows the project as also located at North Bonneville, Wash. This important fact—that the dam structure is in the State of Washington as well as in Oregon, and the added fact that the main trunk transmission line will be in the State of Washington, resulted in the House phraseology being approved by the Army Engineers, the Federal Power Policy Committee, and other agencies directly interested in the legislation.

This, of course, is of the utmost importance to the residents of Skamania County and all southwest Washington, and I hope you and Senator SCHWELLENBACH will submit an amendment in the Senate bringing the State of Washington into the Bonneville legislative picture.

With cordial personal regards, I am,
Sincerely yours,

MARTIN F. SMITH.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 9, 1937.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: I am in receipt of your letter of March 4, in which you suggest a minor change in the amendment to the bill H. R. 4948, to provide for the sale of power from Bonneville Dam, this amendment being the insertion of the words "North Bonneville, Wash.", after "Bonneville, Oreg.", in section 1.

I can perceive no objection to the correction indicated.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 4, 1937.

Maj. Gen. E. M. MARKHAM,
Chief, United States Army Engineers,
Washington, D. C.

MY DEAR GENERAL MARKHAM: I am very pleased to acknowledge receipt of your letter of even date enclosing suggested amendments to my bill, H. R. 4948.

I appreciate having this expression from you and am glad to assure you I shall support the amendments vigorously. They are in line with the statements I made before the President's power committee.

I have taken the liberty of making one slight change, which, you will realize, is very important to my southwest Washington district. In section 1 I have inserted the words "North Bonneville, Wash.", after "Bonneville, Oreg." In other words, General Markham, my constituents feel the Washington side of the project should receive equal consideration with the portion on the Oregon side of the Columbia; it is a two-State project. I am sure you will understand and agree with this view.

With cordial personal regards, I am,
Sincerely yours,

MARTIN F. SMITH.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 4, 1937.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: I am enclosing herewith, for your consideration, a copy of H. R. 4948, with suggested amendments, which would change the provisions of sections 1 and 2 (a). The original bill provides for the operation and maintenance of the dam and power-house by the Columbia River administrator and for the operation of the locks by the War Department. The purport of the amendment is to provide for the operation and maintenance of the dam and power-house, as well as the locks, by the War Department.

It is the view of this Department that the Bonneville structures, being primarily for navigation, should remain under the jurisdiction of the War Department. The power generated at the dam would be turned over to the Columbia River administrator at a switchboard in or near the power-house for distribution. The amended legislation would avoid any duplication of responsibility and effort and vest the responsibility for the structures in a single agency of the Federal Government. It would not affect any of the remaining provisions in the bill.

The proposed amendments have been discussed with and approved by the President. I know that they will receive your careful consideration.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 4, 1937.

Hon. JOSEPH J. MANSFIELD, M. C.,
Chairman, Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: In accordance with our telephone conversation this afternoon, I am enclosing herewith the amendments as suggested by Maj. Gen. E. M. Markham, Chief of United States Army Engineers. I am also handing you the letter of transmittal from General Markham.

With cordial regards, I am,

Sincerely yours,

MARTIN F. SMITH.

RELIEF TO WATER USERS ON RECLAMATION PROJECTS

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 305.

The Clerk read as follows:

House Resolution 305

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 413, an act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is a rule for the consideration of a bill the title of which discloses its purpose: To create a commission to study what relief is needed by water users on irrigation and reclamation projects. The members of the committee will explain the bill in detail.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, for a number of years the House has been troubled by annual demands for moratoria on reclamation charges. Unquestionably, some have had payments deferred who could easily pay the Government charge. This year there has been some advance, at least, over what was proposed in other years.

The suggestion has been made that the problem be thrashed out by a commission which will be authorized to grant leniency where needed. The Senate bill provides the moratorium would not extend beyond 50 percent. The House, I repeat, would determine by commission who will have their payments deferred. The commission might give 100 percent moratorium to some and none to others. Which is in the best interest of the Treasury I am not in a position to determine. Either plan, however, is some progress.

What I seriously object to is the establishment of a commission of three in order to determine the leniency. It strikes me in the Bureau of Reclamation there must be three men qualified to deal with this problem, qualified to say which reclamation project is able to pay this year and which is in distress. It is not a very difficult matter to determine as the data are easily available. It ought not to cost the Government $50,000, as provided in the bill, or even $30,000, which I understand the committee is willing to accept. The proposal creates another commission which is absolutely unnecessary, because, after all, this commission would be named by the Secretary of the Interior, Mr. Ickes, and it will not act different from the recommendation of those who supervise the reclamation work. It is simply throwing away $50,000 in salaries which might better be devoted for the relief of some deserving project.

I shall not oppose the rule, because I believe some legislation is necessary, but I think that we ought to consider it carefully, and I do not think we should create another commission. We are piling up too many new commissions with vast armies of employees.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Massachusetts reserves the balance of his time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a bill to continue the policy of moratoria upon payments by those who live on reclamation projects, but it is a bad bill. It provides a way of determining the amount of the moratorium and the places where the moratorium shall take effect, but instead of providing a commission that might be impartial, that might have an opportunity to pass on the question fairly, that might be expected to treat the Government of the United States fairly, it sets up as qualification for membership on the commission that only those who are occupants of and farmers in these reclamation districts are eligible to be appointed on this commission. That makes a packed jury.

Mr. ROBINSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBINSON of Utah. I think the gentleman is in error when he states that the members of this commission can only be occupants of the reclamation district.

Mr. TABER. I said that the qualification set up was such that they must be.

Mr. ROBINSON of Utah. No.

Mr. TABER. In line 7 of page 4 this language appears:

All of whom shall have an intimate knowledge of irrigation farming.

Mr. ROBINSON of Utah. Yes.

Mr. TABER. No one has that knowledge save those who are actually on the job in these irrigation districts.

Mr. ROBINSON of Utah. If the gentleman will yield further, the idea is to appoint men who are not in the reclamation district but men familiar with conditions and who have some intimate knowledge of farming.

Mr. TABER. Are there any people who have an intimate knowledge of farming on reclamation districts except those who are actually financially interested in it?

Mr. ROBINSON of Utah. Oh, yes, hundreds; as a matter of fact, thousands.

Mr. TABER. The gentleman means those who have retired?

Mr. ROBINSON of Utah. No; men who are not living in reclamation districts but who have an intimate knowledge of farming and irrigation districts.

Mr. TABER. How would they get their knowledge?

Mr. ROBINSON of Utah. There are hundreds of men who live on privately irrigated land possibly adjoining reclamation projects or near reclamation districts.

Mr. TABER. They would be prejudiced jurors just the same as the other group.

Mr. ROBINSON of Utah. No. They may be prejudiced, it is true, but they would be prejudiced against the reclamation project itself. They are not interested in the reclamation project. They would be farmers who are interested in irrigation but are not interested in reclamation projects.

Mr. JENKINS of Ohio. Would the gentleman be willing to accept an amendment to this effect? The gentleman has stated his object is to get men who know irrigation farming but who are not interested in the project. Would he object to an amendment in line 10 to this effect: After saying who shall be appointed and so on, providing that they shall not have any financial interest in the matter referred to.

Mr. ROBINSON of Utah. I may say that very matter was considered in the committee and was proposed. The Direc-

tor of the Bureau of Reclamation said that he considered that would be unnecessary, because they would see to it that the people who were appointed had no financial interest at all in the reclamation project.

Mr. TABER. Would it not be a good idea for the Congress to set up requirements that would protect the Government under such circumstances?

Mr. ROBINSON of Utah. As far as I am concerned, I have no objection, unless some of the other Members of the committee have.

Mr. JENKINS of Ohio. Suppose, then, in line 10, after the word "Interior", we strike out the period, insert a comma and provide "and shall have no financial interest in the matters referred to it."

Mr. ROBINSON of Utah. That is satisfactory as far as the committee is concerned.

Mr. FERGUSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. That subject was discussed in committee. Where those men are available, it would be all right; but this bill does not propose to reduce the capital obligation. The financial interest of the Government cannot be decreased. It is only the amount of annual payment that may be regulated by this Commission.

Mr. TABER. That does not necessarily follow, because if a lienor postpones the payment of the claim, oftentimes the continued accrual and the failure to collect results in a failure ultimately to collect it.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. TABER. Mr. Speaker, I want to call attention to a fact which appears on page 3 of the report in the letter from the Assistant Secretary of the Interior, at the bottom of the page:

> At the end of the fiscal year 1936 there had been expended approximately $245,000,000 upon reclamation projects in which $45,400,000 had been repaid by water users. The revolving feature of the fund has been seriously retarded, and there are projects where water has been available for 29 years and only six annual installments have been paid.

I call attention to the fact that the failure of these water users to meet their payments has become a source of embarrassment to the Government. If we are going to continue with this policy of irrigation, we should at least continue it in a way that the installments required to be paid shall be met. Moratoriums along the lines granted heretofore have not been satisfactory.

I hope when the House comes to consider this bill in Committee of the Whole the bill will be amended so that we will have an end to a great many of these delays in making payment, and that wherever there is ability on the part of these people to pay, and wherever their rights are worth in the market what they owe, payments will be required and the situation described by the Assistant Secretary of the Interior will cease.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I intended on Tuesday to talk for 5 minutes about the Interior appropriation bill and the fact that the President had signed it reluctantly. I also desired to call attention to some things in it of great importance that he did not touch on in his statement to the press. Some other things have come about in the last few days that make it necessary that I say a little concerning other things.

I failed yesterday in an effort to be funny. I had the delusion for a minute that possibly I could be, but I failed miserably.

Mr. Speaker, I am a little chagrined at my good friend from Chicago, the senior Member of this House, because of the fact that when he had the chance last night to correct his own wrong words that he put in my mouth he did not do it. I did not say the things he said I stated, and he did not correct them when his attention was called to the matter last night. The RECORD shows exactly what I said. They objected to it being changed. I could not delete it even on my own request. The RECORD shows that I challenged JOHN O'CONNOR's courage being equal to HATTON SUMNERS'. Then I said to HATTON SUMNERS, "You are just an American, but JOHN O'CONNOR is an Irishman." I did not say he was only an Irishman. I did not say he was just an Irishman. I said he was an Irishman, for he symbolized courage. He was more than just an American.

Mr. SABATH did not take that out of his statement when he had a chance to correct it last night. The United Press and other newspapers have not corrected it, either. They have it the same way. I am not apologizing for what I said. Of course, I would not have said it if I thought it would have offended anybody, but it is not enough to offend anybody and it is not deserving of an apology.

Mr. MILLS. Will the gentleman yield?

Mr. LAMBERTSON. I cannot yield now. I will not yield in this speech.

Mr. MILLS. I want to ask the gentleman a question.

Mr. LAMBERTSON. On other days I shall be glad to yield, but not today.

I am serving my fifth term and am a member of the Appropriations Committee and the Labor Committee. I spend 15 hours a day in my office on the Hill. I work 100 hours a week up here. I think I am entitled to a little time. At the close of business, Tuesday, the majority leader denied me 5 minutes and promised me that perhaps I would be able to get time tomorrow. But tomorrow came and I did not get it. I apologize for the procedure I have followed today. So much for that.

When the President reluctantly signed the Interior Department appropriation bill Monday night, the tenth day, he picked out for comment just one item—vocational education. My background, I may state, is that in the subcommittee considering the Interior Department appropriation bill I moved to make the amount $10,000,000, telling the members we could save $4,000,000 and that we could hold the amount to $10,000,000. However, they did not believe me. I have no influence on the floor or in the committee, I guess. Then in the whole committee I made the motion again, and told the members of the committee we could save $4,000,000 if we would make the amount $10,000,000, and that we could hold it to $10,000,000 on the floor. However, they would not believe me. They brought the bill on the floor and got whipped, the proposal got whipped on the floor in the Senate, and the amount was made $14,000,000. Ten million dollars would have done the job, but they would not listen to me. This is my background.

The difference between what would have been appropriated normally and what was finally appropriated involves not more than from $6,000,000 to $8,000,000. However, there are tremendous sums appropriated in this Interior Department appropriation bill which the President did not mention. I have a strong hunch that the Budget asked the President to veto the bill. Mr. McIntyre would not tell me so. I tried to get him to tell me that yesterday, but he would not do it. I think the Budget wanted the President to veto the bill. I wish the President had vetoed the bill in the interest of economy on account of the things which were put over on us in the Interior bill on the floor of the House. This $7,000,000 or $8,000,000 out of the large amount involved in the bill is all that disturbed the President and made him reluctant to sign the Interior Department appropriation bill.

I want to refer to seven things in this bill. First, the Natchez Trace, which was born as an illegitimate child out of emergency funds, and then authorized a year after it was born. This will cost us $23,000,000.

The Skyline Drive, which will cost $34,000,000 when it is completed, got its first real money last year. The Natchez Trace got its first real money this year.

The Big Thompson, which is going to cost us $43,000,000, was given an appropriation of $900,000, but it has not yet even been authorized by the Congress.

Mr. CUMMINGS. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. The bill is pending, and the gentleman knows it. The project has not yet been authorized by Congress. We appropriated $900,000 for the Big Thompson, but the President does not even mention it as one of the things which made him reluctant to sign the bill. I would mention this item if I were reluctant about signing the Interior Department appropriation bill. The Big Thompson project got the votes of the Members seeking appropriations for the Natchez Trace, the Skyline Drive, the Grand Coulee, the Central Valley project, the Gila project, and the Casper-Alcova project. These boys had one grand "pork barrel". These appropriations went through the House in the Interior Department appropriation bill and the Government was pledged to spend ultimately $23,000,000, $34,000,000, $43,000,000, $186,000,000, $80,000,000, $20,000,000, and $170,000,000. These seven things, besides a number of other matters in the Interior bill, did not attract the attention of the President at all. The President concentrated all of his reluctance on the little item of vocational education, whose benefits extend into the rural districts. In my district, which is rural, we have 36 schools which have vocational education. Nine schools were ready to receive it, just like the others, and they should have it just as well as the others. This item the President objected to had been authorized, the entire $14,000,000, but he complained about the appropriation for it. The Big Thompson, which is going to cost us $43,000,000 at least, has not yet been authorized, but the President did not say a word about it. It is the inconsistency of the thing I want to mention.

I may say to the gentleman from Illinois [Mr. O'BRIEN], or anybody else, that you cannot hurt me by keeping me off the floor. I am not a wet nurse to any baby project before Congress. I have no projects I must look after. Thank God, I am a free moral agent here. I am here to try to help save money, and I am going to stick with the President of the United States and help him when he is consistent and wants to do that. However, he has been terribly inconsistent on this Interior Department appropriation bill, for one. I am just pointing these things out to you.

Here are the seven big propositions:

Casper-Alcova got $7,000,000 from the President to start it, $5,000,000 more from Emergency Relief, and in 1937 for the first time it got $1,000,000 from the reclamation fund, plus $650,000 for 1938. These figures are from the Committee on Appropriations.

Mr. GREEVER. Mr. Speaker, will the gentleman yield for a correction?

Mr. LAMBERTSON. I cannot yield.

Mr. GREEVER. The gentleman has made a mistake.

Mr. LAMBERTSON. I got these figures from the Committee on Appropriations.

Mr. GREEVER. Then the gentleman got them wrong.

Mr. LAMBERTSON. If I am wrong then they are wrong. These are the exact figures from the committee.

The emergency fund started the Gila project with $1,800,000. This project received from the reclamation fund last year, $1,250,000; and this year, $700,000. The findings of feasibility have been made which authorize the continuation of the construction of this project with appropriations from the reclamation fund.

The Grand Coulee Dam had a kind of a subrosa authorization in the River and Harbor Act, but it got its birth through $15,000,000 given to it from emergency funds by the President of the United States. This is the way it was born. Later, $19,800,000 was allotted from emergency relief.

The economic survey of $250,000 last year, $20,750,000 for 1937 and $13,000,000 from the reclamation-fund appropriation for 1938.

The Central Valley of California, from emergency relief, $4,500,000 to start it; and in 1937, $6,900,000 from general fund; and in 1938, this year, from same source, $12,500,000, not specifically authorized by Congress, but eligible for appropriations as work in progress.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman from Kansas 5 additional minutes.

Mr. LAMBERTSON. The Big Thompson is a brand new proposition that never would have been passed in this House except for the "pork barrel" vote of the Natchez Trace and the Skyline Drive and the Grand Coulee and the Gila and the Central Valley. It would never have got to first base, and it is not authoized yet. It was the grandest "pork barrel" we ever had put over in this House.

Mr. CUMMINGS rose.

Mr. LAMBERTSON. I cannot yield.

Mr. CUMMINGS. The gentleman looked squarely at me.

Mr. LAMBERTSON. I cannot yield.

The Big Thompson got $150,000 from Public Works for survey, and then in the 1938 bill we give it $900,000 from the Reclamation Act, and it is a brand new proposition that is not yet authorized.

This is the way we do business in this Government.

Then the Natchez Trace was allotted from emergency funds $1,475,185, and this year we gave it its first appropriation of $1,500,000, and it was authorized after it was born.

The Blue Ridge Parkway or the Skyline Drive was allocated from emergency funds $6,818,400, and this year we gave it an appropiration of $4,500,000, the first appropriation that it has had, and starting the innovation of building 100-percent highways out of Federal funds. It was started without any authorization, from emergency funds.

These seven items I have picked out of the appropriation bill as matters that did not attract the President's attention at all, but he was responsible for all these allotments, and then he picked out the little, lowly, humble country schoolboy who is going to be benefited by the addition of $7,000,000 or $8,000,000 to the appropriation for vocational education, and that represents all of his reluctance regarding the Interior appropriation bill.

I might talk about our St. Louis proposition, and I am almost persuaded to do so because the gentleman [Mr. COCHRAN] interrupted a little while ago and said that I asked frequently for a minute to address the House and then somebody furnished me a lot of dope about the matter. I never had the matter brought to my attention until this winter, when it came before our subcommittee on the Interior Department bill. Here we have a matter that he fostered, that he was a wet nurse to, creating a commission and promising on the 8th of June, 1935, twelve times that we would never have to spend a dollar for it, and yet we are obligated for $22,000,000 for sure, with the President giving them six and two-thirds millions; and we have strong evidence that in order to meet their 1-to-4 agreement between the mayor of St. Louis and the President of the United States, they, St. Louis, stole a bond election. We have strong intimation that they stole the bond election and we cannot get them to open their ballot boxes to prove or disprove it. It would then fall of its own weight. What stirred me up was that the President should feel reluctant about signing the Interior bill and yet he let hundreds of millions of dollars go by and hopped on to the little item of vocational education for seven or eight million dollars and that was all the reluctance he felt about this big bill. I want to be consistent. I want to go along with him if he is for economy. It is not the kind of economy I am advocating which comes from the big taxpayers or from any other sources. I think it is about time, when we are spending more every day than we are receiving, that the leaders of our strong committees over here should take a different course with respect to "pork barrels" and nursing these various propositions. They are in positions of leadership, but they are handicapped, and I say that JOHN COCHRAN has hurt himself 50 percent in bringing about any reorganization for

economy when he has fostered this St. Louis proposition which has no appeal to anybody because nobody ever defends it. Have you heard anybody defend it on this floor?

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. No; I cannot yield. The St. Louis Jefferson Memorial will be here next year for its first direct appropriation.

I have made nine different speeches on the proposition, full of facts, but nobody answers me, and I am going to promise you that until this matter is investigated, as long as I stay here, there is going to be a speech about it in the RECORD every week. [Applause.]

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Mr. Speaker, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, made earlier in the day.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, I am inclined to agree with the gentleman from Kansas [Mr. LAMBERTSON] about the devious methods of authorizing irrigation projects. They certainly should come out of a committee, but I certainly heartily disagree with him that because they were not authorized in a proper manner they had no beneficial usage. Certainly irrigation or reclamation of western lands is the salvation of agriculture in this country. As a member of this committee from a State which has no irrigation projects I say to the House that the fact that the Department of the Interior is making an effort here to collect from those districts that can pay certainly is a step in the right direction, and those States that lie in the Great Plains certainly should be interested in the repayment by those projects that can pay. For years the Bureau of Reclamation has refused to recognize any irrigation or reclamation projects in a country that gets over 5 or 6 inches of rain.

When Oklahoma, Texas, Kansas, Nebraska, or the Dakotas have asked for irrigation projects, they have been told that they are in a country that gets 20 inches of rain, and that therefore the Bureau cannot consider those reclamation projects. The series of droughts in the Great Plains country extending from Texas to Canada has certainly demonstrated the fact that the whole economy of agriculture and the whole economy of livestock raising can only continue and can only be profitable by recognition of the fact that we must have supplemental feed supplies, and the only way that we can get them is by irrigation projects. I hope this House will consider this bill a step in cleaning up the irrigation department, in making those projects pay that can pay and granting those extensions when they are fair, and I hope that the Bureau of Reclamation that sponsors this bill and this House of Representatives will recognize the fact that irrigation and supplemental feed for livestock is a solution for our economy in that great territory that extends from Texas to Canada, where our grasses have been depleted and where the drought has killed out the very thing that made it possible for us to live. Until those grasses are brought back—and attempts are being made by the Government to study that problem of regrassing—the future of the Great Plains depends on reclamation projects authorized by the Congress and a more understanding treatment of our problems by the Bureau of Reclamation.

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's table, and the business of the day, I may have the privilege of addressing the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table and the legislative program today I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address that I broadcast yesterday afternoon.

The SPEAKER. Is there objection?

There was no objection.

Mr. BATES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a tribute to my predecessor, Mr. A. Piatt Andrew.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

RELIEF OF WATER USERS ON RECLAMATION AND IRRIGATION PROJECTS

Mr. HILL of Washington. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 413) to create a commission and extend further relief to water users on United States reclamation projects and on Indian reclamation projects.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 413, with Mr. COSTELLO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. HILL of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Chairman, I shall not take up very much time. This is a very short bill, and has but one purpose, and in my opinion it is a very decided step in the right direction. For 5 years Congress has passed each year a moratorium bill relieving the payments of the settlers on reclamation projects that have been established. The result has been that all who had payments to make, or nearly all who had payments to make, deferred those payments. The purpose of these bills was not, of course, to deprive the United States Government of the ultimate payment of this money, but just to continue it for another year. This bill does away with that idea entirely, which I think is a very fine step in the right direction. The bill has been reported out unanimously, practically, from the Senate, and I think unanimously from the Committee on Irrigation and Reclamation of the House.

I might say this was done after very serious consideration and after quite extended hearings, because a great many of the people from the Western States who have reclamation projects in their districts felt they were entitled to the same moratorium this year that they have had each year for the past 5 years. On the other hand, the Department of the Interior, especially Mr. Page, as Director of the Bureau of Reclamation, felt it was wrong to continue this principle. In order to work out that problem it was decided to have a commission of three members appointed. These men

would be experienced farmers, practical farmers, if possible, who would go onto the projects, if necessary, and take testimony, study the condition as it existed in the field, and then report back to the Congress their findings and recommendations as to which projects, if any, should be granted the privilege of deferring their payments, and how much should be deferred, and whether or not there should be any deferring of payments at all. In order to accomplish this, the committee and Mr. Page felt at the time it would cost approximately $50,000. However, in talking to him recently he has thought that by using certain help which they already have in the Bureau, without additional expense, this work can be done for $30,000, so that the committee will offer an amendment to the bill providing that the figures "$50,000" be stricken out and the figures "$30,000" inserted. So that this bill simply provides a commission of three persons be appointed by the Secretary of the Interior, who shall go on to these various projects where they are requested, where they have refused to make payments or cannot make payments, study the conditions and make findings and report back to the Congress, and the Congress then shall determine whether or not they shall be granted a moratorium.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. JENKINS of Ohio. When the gentleman said he was going to offer an amendment to reduce this from $50,000 to $30,000 I want to say he is establishing a profound precedent. We have not heard anything like that for several years. I am very glad to hear it.

Mr. ROBINSON of Utah. I think that is the only statement I care to make, Mr. Chairman. If there are any questions which any of the Members desire to ask, I shall try to answer them.

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. O'CONNOR of Montana. Under the provisions of the bill a man with actual experience as an irrigator or a farmer is qualified to serve as one of these commissioners?

Mr. ROBINSON of Utah. That is correct.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. ROMJUE. What has been the policy with the Department relative to cases of this kind heretofore, where they get in arrears in their payments?

Mr. ROBINSON of Utah. The Department has not any discretion in the matter except to collect the money. Congress, however, has relieved the settlers from the payment of that money for the past 5 years.

Mr. ROMJUE. How often has that been done? Annually?

Mr. ROBINSON of Utah. Annually for 5 years.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. LEAVY. During the last 5 years there have been moratoria and no forced collections for either construction or maintenance costs on irrigation projects.

Mr. ROBINSON of Utah. That is correct.

Mr. LEAVY. And the fact is that current charges that are due are paid up 98 percent in construction and better than 99 percent in maintenance. Is that not the fact?

Mr. ROBINSON of Utah. I think those figures are correct, as I understand it.

Mr. LEAVY. So that reclamation and irrigation, as far as repayment goes, will show a finer bookkeeping account than most any governmental undertaking?

Mr. ROBINSON of Utah. That is correct.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. COFFEE of Nebraska. Will this commission also be authorized to investigate the advisability of relieving certain districts of certain classifications of land, the poorer classes of land, and make it possible to relieve the districts of those classifications, and put them into a nonpaying class? Will they devote some attention to the advisability of legislation along that line?

Mr. ROBINSON of Utah. They will make findings on that proposition and then report their findings back to the Congress, and Congress can act on that question.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. HOPE. With reference to the statement made by the gentleman from Washington to the effect that all current charges now due on reclamation projects are paid up to approximately 98 percent, that means, I understand, that they are paid up to within 5 years.

Mr. ROBINSON of Utah. That is correct; they are not due when Congress remits them, according to my understanding.

Mr. HOPE. These charges are 5 years behind at the present time. Is not that correct?

Mr. ROBINSON of Utah. That is my understanding.

[Here the gavel fell.]

Mr. GEARHART. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

THIS IS A CONSTRUCTIVE PROPOSAL

Mr. CASE of South Dakota. Mr. Chairman, I think that the gentleman from Utah has well outlined the purposes of this legislation. As he says, it comes before the House with the unanimous support of the Committee on Irrigation and Reclamation. I was pleased also to have the gentleman from Ohio point out that in the proposed committee amendment that will be offered to reduce the appropriation from $50,000 to $30,000 that the committee is proposing a constructive type of legislation.

This bill has been referred to sometimes as a moratorium bill. That is, I think, a carry-over from the practice of the past few years. As a matter of fact, it represents a departure from the moratorium principle to the principles of normal financing.

It is a constructive bill, because it says, in effect, that we are getting back to normal and instead of granting a blanket moratorium that irrigation districts shall be studied and collections resumed where the occupants are in position to pay; or if their situation is such that some consideration should be given, then we should proceed upon that basis.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOPE. Under the present law is there any method by which the water user can pay more than the current annual charge? What I have in mind is whether there is a provision whereby in good years he can pay in advance and thus protect himself against default in future bad years.

Mr. CASE of South Dakota. I think that depends upon the contract of a particular district.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. PIERCE. That is possible. They never avail themselves of it, however; they buy cars instead; but they can do it now, as I understand.

Mr. HOPE. Does not the gentleman think that would be a very fine thing for them to do?

Mr. PIERCE. Yes; but they do not.

Mr. HOPE. But it is in the law now?

Mr. PIERCE. Yes.

Mr. CASE of South Dakota. Some projects have deposited money with the Bureau to make the payment for this year; others have the money in their treasury. And some others do not have the ability to pay and will need consideration. The difference between our amendment and the Senate bill is that the Senate bill grants a 50-percent moratorium to all concerned, whereas the House proposal will grant extensions only to those who need them.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. ROMJUE. Does the gentleman anticipate that this legislation is one step in a move to create a sentiment to cancel some of these obligations?

Mr. CASE of South Dakota. I may say to the gentleman from Missouri that I am hardly in position to know what the conditions are in all the different districts. This is not a cancelation bill. This bill is different from some relief legislation already passed in this and other sessions. For instance, we reduced the interest rate on farm mortgages from the Federal land bank to 3½ percent. As the gentleman knows, we make an appropriation to the Federal land bank to make up the difference between the 3½ percent and the contract rate. This bill does not call for anything of that sort.

Mr. ROMJUE. I know, but I am just wondering whether in the end Congress will not be beseeched by some of these persons asking that these debts be canceled in the whole or in part.

Mr. CASE of South Dakota. Personally, I hope not, but certainly it will be a good thing to determine a proper repayment schedule for each district. I might point out that the Department particularly asks for this type of legislation as a collection measure. The Secretary points out in his report that several of the projects now have sufficient money on deposit to pay the construction installments now due; and it is for the purpose of protecting the reclamation fund that the committee is sponsoring this amendment to the Senate bill.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HOPE. As I understand, under the present law these projects all call for payments spread over a period of 40 years.

Mr. CASE of South Dakota. It varies; some have 40, some 20 years.

Mr. HOPE. That was one thing about which I wanted to inquire. What has been the reason for making some of them 20 and some 40? Has consideration been given to the ability of the project to pay out over a certain length of time, or has it been more or less an arbitrary arrangement?

Mr. CASE of South Dakota. You might say it has been arbitrary, because reclamation projects were set up on a given-year basis. The reason for the difference is that some were relatively high-cost projects and some developed difficulties. The time has varied to meet the supposed or demonstrated possibilities of projects, but whatever it has been the term of years has been fixed by law or by the terms of the contract with the district.

Mr. HOPE. Is it the purpose of this bill to bring about a possible readjustment of all these contracts, based upon the ability of the project to make payments on either a shorter or longer time basis than the present contracts call for?

Mr. CASE of South Dakota. The language of the bill indicates that.

Mr. HOPE. The gentleman understands that is one of the purposes of the bill?

Mr. CASE of South Dakota. Yes. The aim is to get on a sound financing basis. If the gentleman himself were lending money and giving a money service, he would probably adjust collections to conditions and would require payment according to the income of the person. If it were simply a money service, that would be his method.

In irrigation and reclamation we have something more than that. These people in the various irrigation districts have not merely borrowed so much money. They have contracted for a certain water service. They have purchased a certain amount of water. I may illustrate by saying on one project I know of the contract calls for an 18- to 24-inch duty of water in a year. Under drought conditions this particular project got only 6 inches of water last year. Obviously their crops failed and their ability to pay was destroyed through no fault of their own. If the gentleman were simply lending money to them and their ability was so impaired, he would adjust the collections somewhat according to their ability. In this instance they are not getting what they are paying for. That particular project will call for some consideration. On the other hand, those who get the full water duty and receive the proper income will be expected to pay accordingly.

Mr. HOPE. Under the present law, however, those facts cannot be taken into consideration?

Mr. CASE of South Dakota. That is right. It is an inflexible situation.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I was impressed with the gentleman's statement that this bill is a move on the part of reclamation to put all projects on a better financial basis. The gentleman made it clear, did he not, that in granting a moratorium it is not a cancelation, but merely a deferring of payment? The projects are to pay later?

Mr. CASE of South Dakota. It is not a cancelation.

Mr. MURDOCK of Arizona. This particular move is a turning away from the blanket moratorium to a more businesslike arrangement?

Mr. CASE of South Dakota. I think so.

Mr. MURDOCK of Arizona. Is it not to the interest of irrigation generally, since many of the projects are now able to make their payments, to see that those payments are made? Does that not safeguard the Government and the reclamation fund?

Mr. CASE of South Dakota. So the House committee felt in recommending this bill instead of the Senate bill. The Senate bill would have granted an automatic moratorium whether they were able to pay or not. It would have given them a 50-percent moratorium. The House committee felt that was not proper legislation at this time.

Mr. MURDOCK of Arizona. That would be poor business, in my judgment, for the reclamation cause and a poor policy for the country. I favor showing proper but not unnecessary leniency to this great branch of American industry. I have great faith in the solvency and worth of reclamation throughout this country.

Mr. CASE of South Dakota. Yes; I think the gentleman is right.

Mr. GEARHART. Will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. GEARHART. The suggestion was offered a moment ago that the passage of this legislation might have the effect of inducing other persons who are obligated to the Government to ask for favors to which they were not entitled. As a matter of fact, before any favors or extensions or deferments of payment are given under the terms of this bill, the district affected will have to show it is entitled to the consideration and show it is unable to pay as provided by its contract?

Mr. CASE of South Dakota. Yes.

Mr. GEARHART. It would have the opposite effect to the encouragement of requests for similar legislation or similar relief from other directions?

Mr. CASE of South Dakota. The gentleman is right. In the debate on the rule I noticed somebody raised the question about the creation of a commission. They felt this might be handled by the Department. Personally, I think probably the Department could make pretty good recommendations; but the Bureau of Reclamation was hesitant about becoming autocratic in this matter, and for this reason suggested the commission idea rather than have the people concerned say that this is all being settled in Washington without a hearing. The bill provides that the commission—

> Shall proceed to the project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report.

It seems to me that would carry out what the gentleman from California has in mind.

May I say, in conclusion, I think this is really constructive legislation. I hope the Committee of the Whole will recommend it to the House. It will be a step forward in putting reclamation on a better financial basis. [Applause.]

Mr. GEARHART. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania (Mr. DITTER).

Mr. DITTER. Mr. Chairman, this legislation has to do with a very commendable activity on the part of the Federal Government. It is a reclamation bill by which those areas that in times past were not productive could be brought into a state of productivity. I think those who sponsor the bill have a right to be proud of their reclamation projects.

It seems to me, however, that it is significant that this reclamation bill should follow immediately another measure that we considered earlier today. That, too, might well have been classed as a reclamation project. I have in mind the conference report in which provision was made for a channel project to Jefferson Island. That is a reclamation project, too. It is a reclamation project with which I am very, very much in sympathy. Ordinarily I would have opposed the conference report because of the channel project to Jefferson Island, but prompted by a sense of brotherliness and because of my sympathy for the feelings of my brethren on the other side of the aisle, I refrained from doing so. My heart goes out to the distress and present discomfiture of my Democratic brethren.

The present administration has been noteworthy for many things. However, I believe that in history it will be recorded that this administration was primarily materially minded. Things of the spirit have had little consideration at the hands of this administration. While you have been accustomed to hear the words "more abundant life" and other phrases that might have spiritual significance, most people have come to look upon them merely as catch phrases, as the material mindedness of the administration is increasingly evident. Little if any time has been given to spiritual things.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. DITTER. In just a moment.

Mr. MURDOCK of Utah. I would like to ask the gentleman a question right there because I think it is pertinent.

Mr. DITTER. I want to be sure that I will not lose my train of thought. I want to keep before you the difference between material and spiritual things.

I yield to the gentleman.

Mr. MURDOCK of Utah. Is it not a fact that nine-tenths of the condemnation that we get from your side of the aisle is by reason of the use of a "brain trust"?

Mr. DITTER. I am trying to pay you a compliment. There is no condemnation intended in this at all. If the gentleman will just bear with me, I think he will find my words are not only commendatory in every way but that I will compliment the party with which the gentleman is identified because of the spiritual conceptions in connection with Jefferson Island. I hope the gentleman will bear with me.

As the material-mindedness of the present administration is impressed upon us, as the complete disregard of spiritual values is so glaringly evident, it is most refreshing and gratifying to note that you have turned at last to Biblical words in the hour of your need as you seek to rechristen your haven at Jefferson Island. The conference report, inspired no doubt by your leaders, calls it "a harbor of refuge."

Jefferson Island has become a national shrine. Jefferson Island is now an institution. Jefferson Island was little known prior to a certain meeting you men had there a short time ago. It was there that the 3-day love feast was held. It was there that refractory Members of this and another body were to be wooed and won.

In view of the importance which Jefferson Island has assumed to all of you, in view of the place of endearment that it has in the hearts of my brethren on the other side of the aisle, in view of its significance in the history of the Democratic Party, it is but natural that you are eager to have the Government provide an easy passage to it. But the beautiful thing is the poetic thought which prompted you to rechristen it as "a harbor of refuge."

I hope no one will charge me with sacrilege when I think of the lines that come to me from the days of my boyhood in Sunday school:

> Other refuge have I none,
> Hangs my helpless soul on Thee.
> Leave, oh, leave me, not alone,
> Still support and comfort me.

That is a beautiful thought. After the effort that was made for the cavorting of some kindred souls at Jefferson Island, and after the large amount of refreshment that was provided, or at least which I understand was provided, in order that kindred souls might warm themselves with other things than atmosphere, it is indeed gratifying to note that your souls were stirred; that impressions of such a deep and lasting character were made as to prompt you to such a beautiful flight of poetic fancy that you want posterity to know what it meant to you by calling it "the harbor of refuge." Truly, one can realize how sorely you need a harbor of refuge for your troubled souls. Souls are being torn by anguish, not only day by day but hour by hour, by the torments with which you are faced, and now you find some place, some spot, where you can pour out your burdened souls and try to find some relief.

I commend you, and my commendation rings with sincerity as I say to you Democrats that I am happy for the spiritual change which has taken place by which they have gone back to the old Sunday-school lines in labeling this place of yours down at Jefferson Island as a harbor of refuge. Note the significance and applicability of those lines, "Leave, oh, leave me not alone." Is there a possible loneliness in your hearts? And yet again those lines, "Still support and comfort me." I am not surprised that you need comfort now and that you are concerned about support. You have certainly had a lot of support in the last few years. I have hopes for the harbor of refuge. I remember the mercy seat, for instance, about which the old evangelists talked. I do hope that to your troubled souls this Jefferson Island will be a mercy seat where you cannot only pour out in contrition the burden that weighs you down, but where, as the result of this unburdening of your souls, there may come to you peace. Oh, how you must crave solace and refuge.

It comes to my mind from the old book that there were cities of refuge in days gone by. The Bible speaks of cities of refuge. Governor PIERCE here, bless his soul, a good Democrat, nods his head in accord with my statement that there were cities of refuge. The cities of refuge were the places to which those who were distressed and persecuted might flee and find relief. Again, bless his soul, the Governor nods approval and adds his word of commendation. I am wondering whether you men want this city of refuge down there for that purpose, whether this city of refuge will be a place where you can get away from persecution, where in your distress you can flee for relief. There your conscience can be put at ease. There those of you who have shown such splendid courage, and God bless you for it, may be safe from this persecution, this recrimination, this reprisal, and from these efforts that have been binding you down, circumscribing not only your ambitions but your very hearts and souls. Surely you men of courage need a harbor of refuge; and I want to help you secure a place of safety.

It is a fine day that dawns today for your party. [Applause.] Your distressed and troubled members are to have a harbor of refuge. A new hope comes to me with respect to the future of your party. Oh, how happy I am to think that you are going to have places of refuge, where those honest souls, those courageous souls, those souls on your side who have a sense of duty, may feel safe from all recrimination and reprisal. God bless Jefferson Island as a harbor of refuge. God bless the man who conceived the idea of "the harbor of refuge." God bless the man in whose heart was the inspiration to provide a channel. Oh, I want to say a word about the channel for a minute.

Mr. PATRICK. Mr. Chairman, will the gentleman yield while I am inspired?

Mr. DITTER. The channel down there should be a safe channel.

Mr. PATRICK. Mr. Chairman, will the gentleman yield while my inspiration continues?

Mr. DITTER. I would like to get away from any of those things which would prevent a safe landing at the harbor of refuge. There should be no shoals there. There should be no rocks there. There should be nothing in that channel which might impede in any way a hasty passage, for, remember, expedition at times might be necessary. Again the lines of an old hymn come to my mind of some poor, struggling seamen seeking a safe harbor, "Let the lower lights be burning." You might want to get to your refuge in a hurry. So let us have the channel broad, let us have it deep, let us have such a channel that there will be no possible chance of anything coming in to interfere with your hasty exit from this grand city of glorious distances to that haven of safety, that harbor of refuge. I think it lacks but one thing. I wish there had been provided in addition to this harbor of refuge a boat on which you might go back and forth. I am on the Committee on Appropriations for the Navy.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

Mr. DITTER. I may be out of order, I may say to my distinguished friend, the gentleman from Oklahoma. If the gentleman wants me to close, I shall do so with a benediction now.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

Mr. DITTER. I do not yield for a parliamentary inquiry. If the gentleman wants to ask me a question, he may, but I do not yield for a parliamentary inquiry, Mr. Chairman.

Mr. PATRICK and Mr. ROMJUE rose.

Mr. DITTER. I yield to the gentleman from Alabama.

Mr. PATRICK. If we become worse, or apparently so, or if we are too well organized, there are too many of us, and we are doing too much, and this blessed land is so properly placed, will the gentleman please tell us how we can get the services of Mr. Hamilton so as to properly and quickly disperse us?

Mr. DITTER. May I answer by saying that I know nothing about Mr. Hamilton's part in a harbor of refuge.

Mr. PATRICK. No; I know that.

Mr. DITTER. This has to do with another distinguished name, which I am not going to mention, but it seems to me the inspiration of it came from a source that might have something to do with the mails. [Laughter.] Without mentioning any names, I honor him, and I honor you. There is nothing disparaging in what I say. I stand foursquare by what I said originally—that my words are words of commendation.

I am a member of the Appropriations Committee for the Navy, and I am wondering whether or not I have not a duty put upon me to have the Navy provide the vessel for your passage. It may have to be a submarine because there may have to be stealthy passages made at times in order that expeditious transit might be completed without too much detection. I want that ship well armed, for it might be that at times missiles will be cast at it so that it would have to defend itself and the occupants aboard. So I think a submarine, well armed, would be the best way to assure you the passage. Mark you, the harbor of refuge is your coveted retreat and I want to help you reach it.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield to the distinguished gentleman.

Mr. ROMJUE. The gentleman has made a wonderful address, which we have all enjoyed.

Mr. DITTER. I appreciate the compliment. I have been encouraged to do so by the nodding of my distinguished friend, Governor PIERCE.

Mr. ROMJUE. That is the very point to which I was going to allude. The gentleman has misjudged the Governor. The gentleman had him mesmerized and the Governor had gone to sleep. [Laughter.]

Mr. DITTER. I would never charge the Governor with nodding or with talking in his sleep. The Governor is one of the most wide-awake men in the House.

Mr. ROMJUE. He was thinking of the harbor you rode into with Mr. Hoover.

Mr. DITTER. No; he was nodding because of his approval of my interest and concern to help provide for those in whom he is interested a harbor of refuge. [Applause.]

Mr. HILL of Washington. Mr. Chairman, Members on both sides of the aisle have fully exhibited the purposes of the bill and have given full and sufficient reasons for its passage, and I ask that the Clerk may read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there is hereby created a commission to be composed of three members, all of whom shall be appointed by the Secretary of the Interior, one of whom shall be a landowner and water user under a United States reclamation project. The commission is authorized and directed to investigate the financial and economic condition of the various United States reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where requested by any such district, association, or other reclamation organization, said commission shall proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial and economic condition of the various United States reclamation projects and their probable present and future ability to meet such water-right charges, shall report to the Congress, as soon as practicable, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments, with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and faithfully from year to year, during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries, in carrying out the provisions of this act. The commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

SEC. 3. That all the provisions of the act entitled "An act to further extend relief to water users on the United States reclamation projects and on Indian irrigation projects", approved June 13, 1935, as amended and extended by the provisions of section 3 of the act entitled "An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects", approved April 14, 1936, are hereby further extended for the period of 1 year, so far as concerns 50 percent of the construction charges, for the calendar year 1937: *Provided, however*, That where the construction charge for the calendar year 1937 is payable in two installments the sum hereby extended shall be the amount due as the first of such installments. If payable in one installment the due date for the 50 percent to be paid shall not be changed.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That there is hereby created a commission to be composed of three members appointed by the Secretary of the Interior, all of whom shall have an intimate knowledge of irrigation farming, but who shall not be employees of the Bureau of Reclamation or the Bureau of Indian Affairs of the Department of the Interior. The commission is authorized and directed to investigate the financial, economic, and other conditions of the various United States and Indian reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where deemed advisable by the commission and requested by such district, association, or other reclamation organization, said commission may proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial, economic, and other conditions of the various United States and Indian reclamation projects and their probable present and future ability to meet such water-right charges, shall report

to the Congress as soon as practicable, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments, with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and fully from year to year during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

"SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries, in carrying out the provisions of this act. The commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

"SEC. 3. If upon investigation the commission shall find that a project, because of partial crop failure due to a water shortage or other causes beyond the control of the water users, is unable to make full payment of the construction charges becoming due and payable for the calendar year 1937, without great hardship or undue burden, the commission is hereby authorized to certify that fact to the Secretary, and such certification, if approved by said Secretary, shall operate to grant an extension of time for the payment of such proportion of the construction charges due for the calendar year 1937 as the commission considers just and equitable, the proportion of the charges so extended to be paid at such time as the Secretary may determine.

"SEC. 4. Sections 1 and 2 of the act approved April 14, 1936 (Public, No. 519, 74th Cong.), are hereby repealed."

Mr. ROBINSON of Utah. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ROBINSON of Utah: On page 5, line 20, strike out "$50,000" and insert "$30,000."

The amendment to the committee amendment was agreed to.

Mr. JENKINS of Ohio. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JENKINS of Ohio to the committee amendment: On page 4, line 10, strike out the period after the word "Interior" and insert a comma and the following: "and shall have no financial interest in the matters coming under their jurisdiction."

Mr. HILL of Washington. Mr. Chairman, the committee accepts the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 413) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, pursuant to House Resolution 305, he reported the same back to the House with an amendment agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under previous order of the House heretofore made, the gentleman from Michigan [Mr. ENGEL] is recognized for 30 minutes.

SOCIAL SECURITY

Mr. ENGEL. Mr. Speaker, history will record the social-security law as either the most colossal success or the most colossal failure of the age. President Roosevelt sees in it the outstanding accomplishment of his administration. The opponents of the law see in it nothing but socialism and radicalism, and predict for it dismal failure. The worker sees in it security for himself and his family, and hopes it will banish poverty which he knows will come with old age. Some believe in it blindly and hope for its Utopian success; others, professing friendship, would secretly give it the "kiss of death."

To me it has meant the beginning of a law which, if perfected, will eliminate much poverty and will bring about greater economic and social justice to the worker and his family.

To eliminate the age-old specter of poverty; to make the aged independent through the payment of annuities; to provide wages during periods of unemployment; to provide for death benefits; to care for the blind and helpless; to protect the health of expectant mothers; to help sick, crippled, dependent, and delinquent children; to provide for vocational rehabilitation; to protect the public health—these and many more worth-while objectives will make this act, if successful, the most humanitarian law of the century.

I have supported social-security legislation for years. In 1921, as a member of the Michigan State Senate, I supported bills providing for old-age pensions, mothers' pensions, employees' compensation, and similar laws. It is because I want this law to succeed; it is because there is growing in my mind a haunting fear that it is being mired slowly but surely in a political bog; it is because I can visualize the bitter disappointment in the hearts of millions at its failure who look upon it as "manna from Heaven"; it is because I fear it will prove the most colossal failure when I want to see it the most colossal success of the age, that I am pointing out what I believe to be the fatal defects in its structure, hoping against hope, that those who have the power and who are responsible for its success or failure will join me in eliminating these defects and make it the outstanding humanitarian law of the age.

I shall propose a plan which I believe will take from the shoulders of the worker, taxpayer, and general public, $26,307,520,000 of the $46,641,100,000 reserve fund and $1,119,386,400 of the $3,000,000,000 required annually to pay benefits and pay these sums out of productive enterprise. I further believe my plan will strengthen instead of impair public credit and will bring about recovery in times of depression and help avoid depression in times of prosperity.

In criticizing the act, let us see first what the old-age annuity section of the Social Security Act will cost, and who will pay that cost under the present law. Who will have contributed the reserve fund of $46,641,100,000, and is that reserve fund necessary or is it as has been said, "fantastic and unnecessary and a menace to free institutions"? Can we have social security without a reserve fund? Who will pay the $3,000,000,000 annually that will be required to meet the proposed benefits in 1980 and thereafter? How will it operate in times of prosperity and in times of depression? Will it meet the test and pay benefits when pay rolls and national income are at a minimum as during the past 7 years? How would it have operated had it been passed in 1874 and in full force and effect in 1929 instead of being passed in 1935 and in full force and effect in 1980? These and many other questions should be answered now.

WHO PAYS FOR SOCIAL SECURITY UNDER THE PRESENT ACT?

The Social Security Act provides for a reserve fund by 1980 of $46,641,100,000. This fund will have been paid in as follows:

(a) Interest at 3 percent on Government bonds held by Social Security Board	$32,884,400,000
(b) 3-percent pay-roll taxes paid by employers	6,878,350,000
(c) 3-percent pay-roll taxes paid by employees	6,878,350,000
Total	46,641,100,000

The employer will add his 3-percent pay-roll tax amounting to $6,878,350,000 to the cost of production and pass it on to the consuming public. The public will also pay in taxes and increased costs the $32,848,400,000 interest charges that will have been paid on the Government bonds and which will go to make up the reserve fund. So the public will have paid directly and indirectly a total of $39,762,750,000 of the $46,641,100,000 reserve fund. The remaining $6,878,350,000 will have been paid by employees in pay-roll taxes which cannot be passed on.

The Social Security Board estimates that by 1980 we will have a population of 155,000,000 people and that 34,775,000 employees will be subject to the pay-roll taxes of the present law. There are approximately 2.5 persons for each adult who comes under the law. So approximately 87,000,000 people, or 56 percent of the total population of 1980, can be classified as beneficiaries under the act and 68,000,000 or 44 percent as nonbeneficiaries.

The nonbeneficiary class will have paid into the fund by 1980 44 percent of $6,878,350,000 or $3,026,474,000 in employers' pay-roll taxes passed on to the public, plus 44 percent of the $32,884,400,000 interest on public bonds levied as taxes, direct or indirect, or $14,469,136,000 in interest, making a total of $17,495,610,000.

The 87,000,000 people classed as beneficiaries will have paid into the reserve fund by 1980, $6,878,350,000 in pay-roll taxes which the employee cannot pass on, plus 56 percent of $6,878,350,000 or $3,851,876,000 employers' pay-roll tax which will be passed on, plus 56 percent of $32,884,400,000 interest on bonds in the reserve fund, which interest will amount to $18,415,264,000 and which will be, of course, paid by the consuming public. The beneficiary class will thus pay a total of $29,145,490,000.

First we tax the worker $6,878,350,000 in pay-roll taxes to make up the reserve fund. Then we lend that reserve fund to the Government which spends it and places its bonds into the fund. Then we tax the workers again to the tune of $18,415,264,000 to pay interest on the money that belongs to him, and to cap the climax we make him pay $3,851,876,000 more which his own employer has passed on to him in increased costs.

Forty percent of the goods produced in America are consumed by the farmer, so the farmer will pay 40 percent of the $39,762,750,000 of the public's share of the reserve fund which will have been passed on to him in taxes, direct and indirect, and in increased costs. In other words, he will contribute $15,905,100,000 toward this reserve fund so the worker may have social security for himself and family, while the farmer and his family do not come under this phase of the act and have no social security.

WHO PAYS THE ANNUAL BENEFITS UNDER THE PRESENT ACT?

On and after 1980 the beneficiaries of the Social Security Act will receive $3,000,000,000 annually in benefits. This amount will be paid into the fund as follows:

(a) The public pays through taxation or increased costs 3-percent interest on $46,641,100,000 United States bonds held by the reserve fund, amounting annually to	$1,399,233,000
(b) The public pays each year in increased costs the employers' share of the pay-roll tax amounting to	$800,383,500
The public pays annually a total of	2,199,616,500
(c) The employee pays in pay-roll taxes which he cannot pass on to the public the balance of	800,383,500
Making a total of	3,000,000,000
Or,	
(d) 1. The beneficiary pays $800,383,500 in pay-roll taxes	800,383,500
Plus 56 percent of his share as a consumer of $2,199,616,500 which the public pays, or	1,231,785,240
Beneficiary pays total of	2,032,168,740
2. Nonbeneficiary will pay in increased costs and taxes 44 percent of the public's share of $2,199,616,500, or	967,831,260
Making a total of	3,000,000,000
(e) The farmer as part of public paying 40 percent of increased costs and taxes will pay annually 40 percent of the public share of $2,199,616,500, or $879,846,600 from which he receives no direct benefit.	

THE VANDENBERG PROPOSAL

Among the remedies suggested was one proposed when, on the 29th of January 1937, Hon. ARTHUR H. VANDENBERG, the very able and distinguished Senator from Michigan, introduced a resolution proposing to amend the Social Security Act and place it on a pay-as-you-go basis. On March 17, 1937, Senator VANDENBERG, in discussing the law on the floor of the Senate, said:

> We submit such a reserve is unnecessary in a tax-supported system; that its ultimate accumulation of $47,000,000,000 in reserve is a positive menace to free institutions and to sound financing.

Again he said:

> There is no analogy between the need for private insurance companies for full reserves and the need of the Government system for full reserves. The former are at the mercy of fluctuating revenues. The latter is compulsory and is guaranteed a continuous flow of revenue.

The Senator advocated a repeal of the full-reserve plan and a substitution of a direct pay-as-you-go system with only a small contingent reserve. He does not state the amount of the reserve nor the ratio of the reserve to the total risk carried.

First let me correct the distinguished Senator. The Social Security Board does not propose to carry a full reserve but only a reserve of two-thirds of that which private insurance companies would be required to have were they to carry the same risk. The Vandenberg proposal is not an insurance plan. When you eliminate the reserve fund and pay as you go, it ceases to be insurance. The very word "insurance", especially when applied to life or annuity insurance, presupposes that the insured sets aside in a reserve fund part of his earnings during his younger years when his earning capacity is greatest, which money together with accumulations of interest will give protection and security to himself and his family when he reaches an age when his earning capacity is small or gone or at his death. In the case of the Social Security Act the amount paid in for the benefit of the employee is matched by the employer, and of course doubles the amount that can be paid in annuities. This part of the law is, in my judgment, sound.

Let us see where the Vandenberg plan would leave us, first in times of prosperity and second in times of depression. When the present Social Security plan is in full force and effect in 1980, it will pay annually $3,000,000,000 in benefits to its members. It will derive this amount each year from three sources—$800,383,500 from a 3-percent pay-roll tax from the employees, $800,383,500 from a 3-percent pay-roll tax from the employers, and the remainder of $1,399,233,000 from interest paid on bonds purchased with accumulated moneys in the reserve fund. The last sum would, of course, have to be raised by taxation. Just how would the proponents of the so-called pay-as-you-go plan raise this $3,000,000,000 annually?

It will require a combined 6-percent pay-roll tax to raise $1,600,767,000. The proponents certainly could not cut down the pay-roll tax. If they did, how would they replace the lost revenues? How would they raise the $1,399,233,000 annually that will be paid into the fund through interest on reserves when they have no reserve? If they would raise it by pay-roll taxes, the 6-percent combined pay-roll tax would be increased to 12 percent. If they would raise it by taxation "in a tax-supported system", as the statement seems to imply, then the two plans would be very much the same as far as this part of the fund is concerned. In each case the people would pay $1,399,233,000 additional taxes. Under the Vandenberg plan they would have nothing for their money while under the present plan they would be raising that amount to pay interest on $46,641,100,000 reserve fund, and would have the use of that fund in return for the interest paid. Under the pay-as-you-go plan, there would be, of course, no reserve fund.

The proponents of the pay-as-you-go plan, like the mutual life-insurance companies of old, would pay small pay-roll taxes now, while the majority of the members are young and under compensable age. As the years rolled by and more men were added to the annuity list, the pay-roll taxes would become higher, reaching a maximum in 1980 when the $3,000,000,000 in annual benefits will have to be paid. The pay-roll tax would then be 12 percent instead of 6 percent,

unless a part of the amount necessary for benefit payments was raised from direct taxation. Let me remind the proponents of the pay-as-you-go policy without adequate reserves, of our experience in the field of mutual fraternal life insurance a few years ago.

These companies were organized on a pay-as-you-go basis without adequate reserves. The death rate was low because only young people, as a rule, joined, hence both the losses and the premiums were low. These companies levied assessments only large enough to meet current losses. Time passed. As members became older the death rate increased, and with it came larger losses and higher premiums. Some States compelled these companies to reorganize and provide for adequate reserves through increased premiums. Other companies saw the handwriting on the wall and voluntarily increased their reserve funds and of course their premiums before it was too late. A few companies went on blindly on a pay-as-you-go basis without adequate reserves. As losses became greater, premiums increased. As premiums increased new policyholders became fewer and old policyholders dropped out until the cost of carrying insurance on a pay-as-you-go basis became prohibitive. Those policyholders who, from an insurance standpoint, were unfortunate enough to live longest found they had paid insurance for those who had passed on, and suddenly learned they were without protection for themselves and their families when the carrying cost became prohibitive. This was an experience in pay-as-you-go insurance without adequate reserves we should not soon forget. The Vandenberg proposal would, I fear, operate in the same way.

Let us consider now what would happen under the pay-as-you-go policy in times of depression. Let us assume that we are in 1980, operating with full benefit payments of $3,000,000,000 annually, and a depression came along.

Let us assume further that as in the recent depression national income and national pay rolls dropped 50 percent. The other 50 percent of the employees who held their jobs and their employers would have to meet the entire $3,000,000,000 in pay-roll taxes, which would require, according to present estimates, a combined pay-roll tax of 24 percent unless supported in part by taxation. In view of the fact that during the past 7 years of depression expenditures of the Government exceeded revenues by $22,247,436,471, it would be hopeless to try to raise $1,399,323,000 annually by taxation. This amount would be required over and above the present pay-roll tax to meet benefits. The result would be that we would, as under the present plan, have to borrow this $1,399,323,000 each year, issuing Government bonds for the same or increase the pay-roll tax to 24 percent. The one definite advantage which the Vandenberg plan would have is that the Government would not be obligated to pay the $46,641,100,000 reserve fund and Government credit would, of course, be stronger.

Again, during the period of depression, the Government expenditures exceeded its revenues by $22,247,436,471, which amount the Government was compelled to borrow. During this same time 342 private life-insurance companies increased their reserves from $9,926,515,486 to $20,404,206,344, their total assets from $11,537,614,609 to $23,216,495,614, and their annual income from $3,017,800,322 to $5,072,095,267. In the face of these facts, who, may I ask, is more "at the mercy of fluctuating revenues", the Government with its "tax-supported system" and "its continuous flow of revenue", or the private insurance companies with their private sources of income? Who has the greater need for a reserve fund? The Government whose expenditures exceeded its income by more than $22,000,000,000, and who was compelled to borrow this amount or these private insurance companies who doubled their income, doubled their assets, and doubled their reserve funds?

IS A $47,000,000,000 RESERVE FUND FANTASTIC?

The Social Security Act provides for the building up of a reserve fund which will reach an estimated maximum amount of $46,641,100,000 in 1980. The able and distinguished Senator from Michigan, in a speech delivered in the Senate on March 17, 1937, said:

> The whole reserve fund ultimately becomes $47,000,000,000—the most fantastic and the most indefensible objective possible.

The Social Security Board, on the other hand, contends that this reserve fund is not fantastic; that the amount is only two-thirds of that required by law of private insurance companies, were they to carry the same risk; and that it is the minimum necessary if we are to have a sound social-security policy to protect the aged of our land. The facts seem to bear them out.

Records of 342 life-insurance companies show that on December 31, 1925, they carried a total insurance of $71,598,749,690 and a total reserve fund of $9,926,515,486. These records further show that on December 31, 1935, these same companies carried a total insurance of $102,730,415,016, an increase of 43.5 percent, and a total reserve fund of $20,404,206,344, an increase of 105.5 percent, during this 10-year period. If they were to maintain this same increase every 10 years, they would have a reserve fund in 1980 of more than $400,000,000,000 and would carry a total insurance of more than $500,000,000,000. This would be not only fantastic but unnecessary in view of the fact that the reserve fund would amount to 80 percent of the total insurance carried. However, let us take more conservative figures and assume that the total insurance and total reserve fund increased 2 percent each year, or 20 percent every 10 years. In 1980 these companies would be carrying $234,324,104,038 insurance and a reserve fund of $46,539,516,516. Since these reserves increased $10,500,000,000 during the 10-year period from December 31, 1925, to December 31, 1935, an increase of less than $27,000,000,000 during the next 45 years could not be considered unreasonable. While the $46,641,100,000 estimated reserve fund to be carried by the Social Security Board in 1980 may sound fantastic to one who has not studied the problem thoroughly, a consideration of the facts forces one to the conclusion that such a reserve fund is not fantastic, nor indefensible, but conservative, practical, and absolutely essential to a sound social-security policy.

HAS SWEDEN ABANDONED HER SOCIAL SECURITY RESERVE FUND IN FAVOR OF A PAY-AS-YOU-GO POLICY?

The statement was made at the hearing before the Senate Committee on Finance on February 26, 1937 (p. 14), that Sweden has abolished the reserve fund of her social-security system in favor of a pay-as-you-go system. The facts do not bear out that statement. In comparing the reserve fund of the Swedish social-security system with that of the United States, one must take into consideration the population of the two countries, the amount of annuities paid per person per month, and the total maximum reserve carried by each fund.

Under the Swedish plan the social-security fund will reach a maximum of 1,000,000,000 kronor by 1952. The normal exchange of the krona is 27 cents. The present rate of exchange is slightly lower. One billion kronor at the normal rate of exchange would be $270,000,000 in American money. While this may seem like a nominal reserve fund, particularly to those who have been in the habit of thinking in terms of billions, when we analyze the facts and take into consideration the difference in the population and the difference in the amount of annuities paid, we are forced to the conclusion that Sweden has not adopted a "pay as you go" basis, but actually has a substantial reserve fund. When we take into consideration the further fact that the Swedish system combines title 1 of our Social Security Act, which we call an old-age assistance plan, and in which no pay-roll taxes are levied, with title 2 or the Federal old-age benefit plan, which does levy a pay-roll tax, then we are forced to the conclusion that their reserve fund is as large or larger than ours.

The present population of Sweden is approximately 6,000,000, and it is estimated that 4,000,000, or approximately 66⅔ percent of the people, benefit under their social-security act. The last published figures issued by the Bureau of the

Census on October 28, 1936, give the estimated population of the United States as 128,429,000 people. It is estimated that 56 percent, or approximately 72,000,000 people, will benefit by the United States Social Security Act. This is 18 times as many beneficiaries as come under the Swedish act. Thus if Sweden were compelled to pay 18 times as many people as they are now paying under their act, they would require a reserve fund of 18,000,000,000 kronor instead of 1,000,000,000 kronor.

Again, the monthly benefits paid under the Swedish act are very small, ranging as low as $1.62 to $3.76 per month per person, if such person has $10.36 or more per month of other income. If such person has no such other monthly income, the pension payable in Sweden ranges from $7.35 to $9.50 per month per person. It has been estimated that Sweden pays on an average of $7.50 per month per person, which, I believe, is a fair estimate. When the Social Security Act is in full force and effect, the United States will pay an average of $45 a month per person, or six times as much as Sweden. If Sweden paid an equal amount, or six times as much per person as she now pays, she would require six times 18,000,000,000 kronor, or a total of 108,000,000,000 kronor, in her reserve fund. Translated into terms of dollars and cents, at the normal rate of exchange, she would require a reserve fund of $29,160,000,000 by 1952, were she to pay as many beneficiaries and as much per month as the United States pays. This is far from a nominal reserve fund.

When you take into consideration the further fact that the Swedish plan covers both what we call title I and title II of our act, it makes our reserve fund of $46,641,100,000 look conservative.

WHAT WOULD HAVE HAPPENED HAD THE SOCIAL SECURITY ACT BEEN IN FULL FORCE AND EFFECT IN 1929?

"The proof of the pudding lies in the eating", is an old saying. Let us assume, for the sake of argument, that the present Social Security Act had been passed in 1874, instead of 1935, and that it was in full force and effect, with a full reserve fund, in 1929 when the depression came. What would have happened? The Social Security Board, according to the estimates, would have been obligated to pay the beneficiary class $3,000,000,000 annually. The Board would have expected to derive that amount as follows: One billion three hundred ninety-nine million two hundred thirty-three thousand dollars from the Government through taxation, being 3 percent interest on the reserve funds invested in Government bonds. The remaining $1,600,767,000 would have to be obtained from pay-roll taxes—one-half from the employer and one-half from the employee.

Our national income and pay rolls were reduced 50 percent. Assuming that the Government had been able to pay its share or the interest charge on the bonds, which it was not, the Social Security Board would have to place on the market each year $800,000,000 in Government bonds held by the fund, par value, to meet the deficiency in the pay-roll tax. The total receipts of the Government during the 7 fiscal years beginning June 30, 1930, and ending June 30, 1937, were $27,316,017,408, including more than $252,000,000 in pay-roll taxes under the Social Security Act. The Government disbursed during that period $49,563,453,879, and had to borrow or obtain from sources other than taxation during the 7-year period $22,247,436,471 to cover these deficits. Had the Social Security Board been operating during that time the Government would have had to borrow each year during that 7-year period $1,399,233,000, or a total of $9,794,691,000, to meet the interest charge. In other words, the Government would have gone into the depression with a public debt of $46,641,100,000 and would have had to borrow in addition $32,042,127,471 to meet this interest charge and these deficits, which would have made a total public debt of $78,683,227,471. We would have spent the $46,641,100,000 reserve fund in times of prosperity and would have been in bankruptcy and unable to raise money for relief and excess operating expenses in times of depression. If we had been able to obtain this money at 3 percent, which is doubtful, the carrying charge of this debt alone would amount to $2,360,496,624 annually. The fact is that any financing such as this would have been out of the question. The interest on Government bonds held by the Social Security Board would have defaulted and there would have been no social security. If an attempt had been made to make current bond issues more attractive by raising the interest rate, we would have depreciated the value of the 3-percent bonds held by the Social Security Board and would have had to take a loss and market more of these bonds to meet the annual deficit of $800,000,000 in pay-roll taxes.

I am not attempting to kill the Social Security Act. I am merely trying to keep it from committing suicide. It is because I believe in social security that I am pointing out these defects. I believe the friends of social security, of whom I claim to be one, ought to save it not only from destruction by its enemies but from self-destruction. Are we not forced to admit that under the present social-security system social security cannot succeed? That we cannot hope to raise $1,399,233,000 annually in taxes in addition to the regular revenues required for the Government, particularly in times of depression, ought to be self-evident. Ought not we frankly to admit that we could not have borrowed this interest money plus relief money plus deficiency in revenues during the period of the past depression had we had a national debt of $47,000,000,000 to begin with without paying exorbitant rates of interest? Should we not frankly admit that to sell bonds at an increased rate of interest would have wrought havoc with the value of the 3-percent bonds held by the Social Security Board? Why stick our heads into the sand like an ostrich while social security in America is going to certain ultimate destruction? Why not try to work out some solution of this great problem?

REMEDY

What, then, is the solution of this perplexing problem? It has been my purpose to criticize in a constructive, friendly way. One should not attempt to tear down a structure if it has some value, despite some defects, unless one is prepared to build a better one. "What would you do if you had the power?" is a fair question.

First. I would incorporate the Social Security Board, and take it, as nearly as possible, out of politics. The Social Security Board has a most difficult task, so difficult, in fact, that it cannot succeed if it is weighted down with political barnacles. I would have a staggered commission with long terms of office and provide that no President could appoint more than two members, which would be less than a majority in any one term.

Second. I would make a trust fund of all moneys paid in and provide by law and, if possible, by constitutional provision that the moneys are to be used exclusively by the Board for the benefit of the workers who paid into the fund.

Third. I would invest the reserve fund in productive instead of nonproductive enterprise. My criticism is not directed at the amount of the reserve fund, but to the method of its investment. I would divide bonds and investments into two classes. Into the first class I would place bonds issued by the Government, whether national, State, or municipal, as direct obligations where the money borrowed is used in nonproductive enterprise, such as highways, streets, parks, buildings, and so forth. While money spent in this way provides temporary employment and may for a time speed up production, in the final analysis the interest, principal, and cost of maintenance will have to be raised by taxation, as the investment in itself in nonproductive. Money spent in nonproductive enterprise is a handicap eventually to recovery in times of depression and tends to bring about a depression in times of prosperity.

Into the second class I would place bonds issued, whether private or public, for the purpose of investing the money in what I call productive enterprise. In this class of bonds the interest and ultimately the principal is paid out of production or out of newly created wealth.

ILLUSTRATIONS

First. A public utility, whether owned privately or publicly, issues its bonds. The money is spent building a power dam. The dam produces electricity. The electricity is sold

to the consumer. With the money realized from its sale the company pays the interest and ultimately the principal of the bond issue.

Second. A farmer borrows money from the Federal land bank or from private sources with which to purchase a farm. He grows crops, thereby producing new wealth. He sells the crops and with the money realized from the production of this new wealth he pays the interest and ultimately the principal of the mortgage.

Third. A home owner borrows money from the Home Owners' Loan Corporation, Federal Housing Administration, or from private sources with which to build, buy, or finance a home. He works in a factory. His wages are paid out of the wealth he has produced. With those wages he pays the interest and ultimately the principal of the loan.

The above are a few illustrations of what I mean by productive enterprise. The interest and ultimately the principal of this class of investments are paid out of production and not by taxation. Instead of being a handicap to recovery in times of depression they help to bring about recovery. Instead of retarding production or being a hindrance to business in times of prosperity they accelerate permanent production and help maintain prosperity. What I believe will prove ultimately to be the fatal defect in the present social-security system lies in the fact that the entire amount of the reserve fund will be invested in nonproductive enterprises, the entire annual interest charge and principal of which must be ultimately paid through taxation. Think of the burden of paying annually by taxation 3-percent interest on $46,641,100,000 or $1,399,233,000. We might pay it in times of prosperity but history of the past 10 years has proven conclusively that we could not have paid that amount in addition to the regular expenses of Government in times of depression.

Fourth. (a) I would provide by law for diversified investments limiting the amount of the reserve fund that could be invested in direct Federal bonds classified as nonproductive investment to 10 percent, and (b) I would limit investment in State, county, and municipal bonds—nonproductive—to 10 percent.

(c) I would provide that at least 80 percent of the reserve funds would have to be invested in loans to productive enterprise specifying by law the percent (not in any event to exceed 10 percent in any one investment) to be invested in each class. A provision similar to the following is suggested:

Of the total reserve funds held by the Board not to exceed the percentages named hereinafter may be invested in the class of bonds named.
(1) Ten percent in direct Federal obligations.
(2) Ten percent in direct State, county, or municipal obligations.
(3) Ten percent in electric light, power, and reclamation projects—public or private.
(4) Ten percent in Federal land-bank loans.
(5) Ten percent in H. O. L. C.
(6) Ten percent in Federal housing projects.
(7) Ten percent in loans made by the R. F. C.
(8) Thirty percent in miscellaneous loans.
(9) All bond issues purchased or loans made to be approved by the Federal Securities and Exchange Commission.

In other words, I would invest the social-security funds exactly as any private insurance company, private trust company, or bank would invest a private trust fund, making safety of investment the first consideration.

It is not only interesting but helpful in the solution of this problem to note that 242 American life insurance companies on December 31, 1935, showed the following investments:

1. U. S. Government, Canadian, and foreign bonds	$3,005,760,677
2. Bonds of States, Territories, and possessions	496,206,923
3. Bonds issued by municipalities and county governments, including subdivisions of States and Territories	1,181,610,333
4. Railroad bonds, including equipment trust certificates	2,608,995,457
5. Bonds issued by public utilities	2,103,573,913
6. Industrial and miscellaneous bonds	570,786,562
7. Invested in stocks	514,380,414
8. Invested in farm and other mortgages	4,298,930,601
Total investments	14,780,244,880

With the exception of items 1, 2, and 3, the principal and interest of these bonds are being paid out of production.

Let us see how my plan would work out. The present act provides for a reserve fund, as stated heretofore, of $46,641,100,000 by 1980. Under my plan, this fund will have been paid in as follows:

Paid by public in taxes and increased costs

(A):	
1. 3-percent interest on 10 percent of reserve fund invested in United States bonds annually to 1980	$3,288,440,000
2. 3-percent interest on 10 percent of reserve fund invested in State and municipal bonds annually to 1980	3,288,440,000
3. 3-percent pay-roll tax passed on to public by employer in increased costs	6,878,350,000
Total paid by public	13,455,230,000
(B) 3-percent pay-roll tax paid by employee and beneficiaries which cannot be passed on	6,878,350,000
(C) Paid into the fund in interest on obligations invested in business and paid out of production 80 percent of the total interest of $32,884,400,000 paid into fund	26,307,520,000
Total reserve fund	46,641,100,000
Or,	
(D) Under my plan the beneficiary class pays a total amount of reserve fund, including his pro-rata share of increased costs and taxation, as follows:	
1. He pays 3-percent pay-roll tax which he cannot pass on	6,878,350,000
(E) He pays, as a consumer, in increased costs and direct and indirect taxes 56 percent of the public share of $13,455,230,000, or	7,534,928,800
Total share of reserve fund contributed by beneficiaries	14,413,278,800
(F) General public, not beneficaries, pay 44 percent of $13,455,230,000, as public's share, or	5,920,301,200
(G) Investing public pays out of productive enterprise 80 percent of $32,884,400,000 interest that goes to make up reserve fund, or	26,307,520,000
Making the total reserve fund	46,641,100,000

The Social Security Act, it is estimated, will pay annually in 1980, $3,000,000,000 in benefits. Under the present plan this amount is paid as follows:

Consuming public will pay:	
(1) (a) 3-percent interest on $46,641,100,000 reserve fund	$1,399,233,000
(b) Paid in pay-roll taxes by employer (passed on to consumer)	800,383,500
Total paid by consumer	2,199,616,500
(c) Paid in pay-roll taxes by employer (not passed on)	800,383,500
Making total of	3,000,000,000
(2) (a) The beneficiary pays $800,383,500 in pay-roll taxes	800,383,500
(b) Plus 56 percent of his share as a consumer of $2,199,616,500 which the public pays, or	1,231,785,240
Beneficiary pays total of	2,032,168,740
(c) Nonbeneficiary will pay in increased costs and taxes 44 percent of the public's share of $2,199,616,500, or	967,831,260
Making total of	3,000,000,000
(3) (a) Under proposed plan 20 percent of reserve fund will be invested in National, State, and municipal bonds (nonproductive enterprise), and public will pay 20 percent of $1,399,233,000 interest	279,846,600
(b) Public will pay employers' pay-roll tax passed on to consumer	800,383,500
Total paid by consuming public	1,080,230,100
(c) Employees will pay their pay-roll tax not passed on	800,383,500
(d) Interest 3 percent on 80 percent of $46,641,100,000 reserve fund will be paid by productive enterprise	1,119,386,400
Total	3,000,000,000

Or.	
(a) Beneficiary class pay, pay-roll tax of $800,383,500, plus 56 percent consumers' share of $1,080,230,100, or total of	$1,405,312,356
(b) Nonbeneficiary class pay 44 percent of $1,080,230,100, or	475,301,244
(c) Productive enterprise will pay 3 percent interest on 80 percent of reserve fund, or	1,119,386,400
Making a total of	3,000,000,000

SUMMARY

(1) Under the present plan, $39,762,750,000 of the $46,641,100,000 of the reserve fund on hand in 1980 will have been paid by the public in interest, taxes, and increased costs. Under my plan $13,455,230,000 of this reserve fund will have been paid by the public in interest, taxes, and increased costs, and $26,307,520,000 will have been paid by productive enterprise out of production.

(2) Under the present plan the beneficiary class will pay $29,145,490,000 of the reserve fund, including $6,878,350,000 pay-roll tax. Under my plan the beneficiary class will pay $14,413,278,800 of the reserve fund, including this pay-roll tax.

(3) Under the present plan the nonbeneficiary class will pay $17,495,610,000 of the reserve fund in 1980. Under my plan they will pay $5,920,301,200.

(4) Under the present plan the farmer, as a part of the public, will have paid $15,905,100,000 of the reserve fund. Under my plan he will have paid $5,382,092,000.

(5) Under the present plan the public pays in taxes and interest and in increased costs $2,199,616,500 of the $3,000,000,000 annual benefits paid workers on and after 1980. Under my plan the public will pay $1,080,230,100.

(6) Under the present plan the beneficiary class will pay $2,032,168,740 (including $800,383,500 pay-roll taxes) of the annual benefits paid in 1980. Under my plan they will pay $1,405,312,356, including the pay-roll tax.

(7) Under the present plan, the nonbeneficiary class will pay $967,831,260 of the annual benefits of 1980. Under my plan, they will pay $475,301,244 of the annual benefits. Productive enterprise will pay out of production $1,119,386,400.

(8) Under the present plan, the farmer will pay annually as part of the consuming public $879,846,600. Under my plan he will pay $432,092,040.

(9) In case of depression under the present plan, the Federal Government would owe the entire $46,641,100,000 of the reserve fund as part of the public debt. Under my plan, they would owe the reserve fund $4,664,100,000.

(10) Under the present plan, the Federal Government would be obligated to pay annually out of taxation as interest on the reserve fund $1,399,233,000. Under my plan they would have to pay $139,923,300.

(11) Under my plan the average interest rate paid on reserve fund would undoubtedly be more than 3 percent as productive enterprise pays 4, 5, and sometimes 6 percent. Assuming that the fund would average 4 percent, the reserve fund could be reduced from $46,641,100,000 to approximately $35,000,000,000 as 4 percent on the latter amount would pay $1,400,000,000 into the fund annually or a sum equal to 3 percent on the present proposed reserve fund of $46,641,100,000.

(12) Under the present plan, in case of depression, the Government would have to borrow the above amount payable to the fund as interest and the pay-roll tax rate would have to be doubled to meet decreased pay rolls. Under my plan a sale of 2½ percent of the reserve fund bonds annually would replace a loss of 50 percent pay-roll taxes and of 25 percent interest charges.

Let us assume that we had a depression and that 25 percent of the interest on the bonds defaulted, amounting to $349,808,000, and that the pay-roll taxes were reduced by 50 percent, losing $800,383,500 more in revenue annually. In that case we would have to sell each year $1,150,191,500 or 2.5 percent of the bonds held by the reserve fund. If these bonds were guaranteed by the Government, they could be sold at par, inasmuch as the Government would not be carrying the entire reserve fund of nearly $47,000,000,000 as a public debt. Much of the loss of revenue through nonpayment of interest would be recovered, and the remainder of the money acquired through the sale of bonds in the reserve fund would again be replaced by normal pay-roll taxes in times of prosperity.

CONCLUSION

In conclusion, permit me to say that I have tried to analyze every phase of this tremendous problem, with the earnest hope that I have contributed something toward its ultimate solution. I make no claim that my plan is perfect. I hope that others who have studied this subject thoroughly will find in it food for thought. As I have not hesitated to criticize the present plan or other plans, so I hope that others will not hesitate to criticize my plan. Only through constructive criticism can we hope to evolve a plan which will ultimately be successful. [Applause.]

LEAVE TO ADDRESS THE HOUSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that on Monday next, after the conclusion of business on the Speaker's desk and the legislative program for the day, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore (Mr. COSTELLO). Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the point following the adoption of the conference report on the Bonneville project, and to include letters and correspondence with General Markham, Chief of Engineers of the Army, and other correspondence.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Dr. Walker, president of Wilberforce University, on the subject of President Roosevelt, Minimum Wage, and the Negro.

The SPEAKER pro tempore. Is there objection?

Mr. KNUTSON. Mr. Speaker, I reserve the right to object. The understanding has been that no extraneous matter is to be placed in the RECORD; nothing but the remarks of Members.

Mr. SWEENEY. These are my own remarks, and it will take less than two pages. It is very enlightening.

Mr. KNUTSON. I am sure it must be.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. SWEENEY]?

There was no objection

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'NEAL of Kentucky, indefinitely, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of

commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes; to the Committee on Military Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER anounced his signature to enrolled bills of the Senate of the following titles:

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; and

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 2260. An act to provide for intervention by the United States direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions in certain cases involving the constitutionality of acts of Congress, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 42 minutes p. m.) the House adjourned until tomorrow Friday, August 13, 1937, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

797. Under clause 2 of rule XXIV a letter from the Attorney General of the United States, transmitting the draft of a bill to permit appeals by the United States to the circuit courts of appeals in certain criminal cases, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TEIGAN: Committee on the Public Lands. S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota; without amendment (Rept. No. 1509). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. H. R. 8125. A bill to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick; with amendment (Rept. No. 1510). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on Indian Affairs. H. R. 6042. A bill making further provision with respect to the funds of the Metlakahtla Indians of Alaska; with amendment (Rept. No. 1511). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia; without amendment (Rept. No. 1515). Referred to the House Calendar.

Mr. McREYNOLDS: Committee on Foreign Affairs. Senate Joint Resolution 191. Joint resolution to protect foreign diplomatic and consular officers and the buildings and premises occupied by them in the District of Columbia; without amendment (Rept. No. 1516). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. S. 1282. An act to amend Articles of War 50½ and 70; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 1283. An act to increase the extra pay to enlisted men for reporting; with amendment (Rept. No. 1518). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 6904. A bill to grant restoration of pension to Nora J. Buchanan; with amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. SOMERS of New York: Committee on Invalid Pensions. H. R. 3580. A bill granting an increase of pension to Georgiana Furey; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 6384. A bill to grant restoration of pension to Viola L. Buchanan; with amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WEST: A bill (H. R. 8224) to amend paragraph 1606 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. VOORHIS: A bill (H. R. 8225) to amend title VI of the Social Security Act to provide for the prevention of the spread of disease in the United States; to the Committee on Ways and Means.

By Mr. BARRY: A bill (H. R. 8226) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation to 3½ percent, and to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 20 years; to the Committee on Banking and Currency.

By Mr. BROOKS: Resolution (H. Res. 307) directing the Chairman of the Federal Home Loan Bank Board to transmit to the House the total number of mortgages and liens secured by the Home Owners' Loan Corporation in the State of Louisiana, and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CITRON: A bill (H. R. 8227) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 8228) granting a pension to Frank N. Curtiss; to the Committee on Pensions.

By Mr. REECE of Tennessee: A bill (H. R. 8229) granting a pension to Leon J. Collins; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3230. By Mr. CURLEY: Petition of Local 802, American Federation of Musicians, Associated Musicians of Greater New York, New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3231. Also, petition of the Interstate Airways Committee, urging enactment of the McCarran-Lea bill for air-transport regulation; to the Committee on Interstate and Foreign Commerce.

3232. By Mr. KINZER: Petition of the citizens of Lancaster County, Pa., urging Congress to enact the old-age pension bill as embodied in House bill 2257; to the Committee on Ways and Means.

3233. By Mr. MASSINGALE: Petition of the Greer County, Okla., cotton growers; to the Committee on Ways and Means.

3234. By Mr. CLASON: Petition of the Board of Selectmen of the town of Wilbraham, Mass., requesting Congress to give immediate consent to the Connecticut River interstate flood-control compact as approved by the Legislatures of Connecticut, New Hampshire, Vermont, and Massachusetts; to the Committee on Interstate and Foreign Commerce.

3235. By Mr. COFFEE of Washington: Petition of the Seattle Local, No. 28, National Federation of Post Office Clerks, affiliated with the American Federation of Labor, urging that whereas the adult-education program of the Works Progress Administration and the Workers' Education Department thereof has been such an important and integral part of the educational function of the trade-union movement in the State of Washington for the last 2 years and that in order to meet the great demand for this type of education the program should be enlarged with assurance of tenure for the teachers employed; to the Committee on Appropriations.

3236. By Mr. SANDERS: Resolution of E. A. Madera and others of Plainview, Tex., recommending that a loan be placed on farm products guaranteeing parity price to producers, etc.; to the Committee on Agriculture.

3237. By Mr. KEOGH: Petition of the Northeastern Poultry Producers' Council, Inc., Washington, D. C., concerning certain amendments to the Black-Connery bill; to the Committee on Labor.

3238. By Mr. PFEIFER: Petition of the Northeastern Poultry Producers' Council, Washington, D. C., concerning certain amendments to the Black-Connery bill; to the Committee on Labor.

3239. Also, telegram of the International Association of Firefighters, Vincent J. Kane, president, Local 94, New York City, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

3240. By Mr. KEOGH: Telegram of Vincent J. Kane, president, Local 94, International Association of Firefighters, New York, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

SENATE

FRIDAY, AUGUST 13, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 12, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 413) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, with an amendment, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, the able chairman of the Committee on Finance is presenting a bill that requires the presence of a quorum. I suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Glass	Lodge
Andrews	Byrnes	Green	Logan
Ashurst	Capper	Guffey	Lonergan
Austin	Caraway	Hale	Lundeen
Barkley	Chavez	Harrison	McAdoo
Berry	Clark	Hatch	McCarran
Bilbo	Connally	Herring	McGill
Black	Copeland	Hitchcock	McKellar
Bone	Davis	Holt	Maloney
Borah	Dieterich	Hughes	Minton
Bridges	Donahey	Johnson, Calif.	Moore
Brown, Mich.	Ellender	Johnson, Colo.	Murray
Brown, N. H.	Frazier	King	Neely
Bulkley	George	La Follette	Norris
Bulow	Gerry	Lee	Nye
Burke	Gillette	Lewis	O'Mahoney
Overton	Schwartz	Steiwer	Van Nuys
Pepper	Schwellenbach	Thomas, Okla.	Wagner
Pittman	Sheppard	Thomas, Utah	Walsh
Pope	Shipstead	Truman	White
Radcliffe	Smathers	Tydings	
Reynolds	Smith	Vandenberg	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Iowa [Mr. HERRING] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague, the junior Senator from Vermont [Mr. GIBSON], having been appointed a member of the committee to attend the dedication of the battle monuments in France is absent on that official duty.

The Senator from Delaware [Mr. TOWNSEND] is necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

CONSERVATION AND UTILIZATION OF AQUATIC LIFE—APPOINTMENT OF SPECIAL COMMITTEE

The VICE PRESIDENT. The Chair appoints the Senator from Washington [Mr. SCHWELLENBACH], the Senator from Connecticut [Mr. MALONEY], the Senator from Oklahoma [Mr. LEE], the Senator from Maine [Mr. WHITE], and the Senator from Massachusetts [Mr. LODGE], as the members of the special committee to investigate matters relating to the conservation and utilization of aquatic life, authorized by Senate Resolution No. 117, agreed to August 12, 1937.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 93)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for printing and binding, Office of the Secretary of the Interior, fiscal year 1938, amounting to $50,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF COMMERCE (S. DOC. NO. 94)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the General Committee of Accident Prevention Conference, Department of Commerce, fiscal year 1938, amounting to $35,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF H. W. ADELBERGER, JR.

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller General of the United States, transmitting his report and recommendation concerning the claim of H. W. Adelberger, Jr., against the United States, which, with the accompanying paper, was referred to the Committee on Claims.

REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 205) providing for benefit payments to cotton producers with respect to cotton produced in 1937, reported it with amendments.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 2022) for the relief of Lt. Lorimer E. Goodwin, reported it with amendments and submitted a report (No. 1184) thereon.

Mr. REYNOLDS, from the Committee on Military Affairs, to which was referred the bill (S. 2765) to grant recognition to distinguished military service, reported it without amendment and submitted a report (No. 1185) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2316) to authorize the award of a decoration under certain conditions to Lewis Hazard for distinguished conduct, reported it without amendment and submitted a report (No. 1187) thereon.

Mr. ADAMS, from the Committee on Banking and Currency, to which was referred the bill (S. 2918) to authorize the striking of an appropriate medal in commemoration of the one hundredth anniversary of the establishment of Chicago, Ill., as a city, reported it without amendment and submitted a report (No. 1186) thereon.

Mr. HUGHES, from the Committee on Banking and Currency, to which was referred the bill (H. R. 7909) to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes, reported it without amendment and submitted a report (No. 1188) thereon.

Mr. BURKE, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1138. A bill to amend the statutes providing punishment for transmitting threatening communications (Rept. No. 1190); and

S. 1691. A bill to provide that residence requirements for judges shall not be held to apply to judges who have retired or resigned (Rept. No. 1191).

Mr. RADCLIFFE, from the Committee on Commerce, to which was referred the bill (S. 2900) to establish a fund for the insurance of mortgages securing loans for the construction or reconditioning of domestic floating property used for commercial purposes, reported it with an amendment and submitted a report (No. 1192) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1327) for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton, reported it with an amendment and submitted a report (No. 1193) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2773. A bill to authorize the issuance of an unrestricted patent to Judson M. Grimmet (Rept. No. 1194);

H. R. 2014. A bill to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934 (Rept. No. 1195); and

H. R. 7022. A bill to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes (Rept. No. 1196).

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5594) to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky., reported it with an amendment and submitted a report (No. 1197) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2888) to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes, reported it without amendment and submitted a report (No. 1198) thereon.

PROGRAM FOR RELIEF AND BENEFIT OF AGRICULTURE

Mr. BILBO. Mr. President, from the Committee on Agriculture and Forestry I report an original joint resolution that deals with the cotton situation, and I may take occasion to announce that upon the passage of the joint resolution the President has agreed to see to it that the farmers get 12 cents a pound for their cotton provided they comply with the farm program of 1938.

Mr. PEPPER. Let me ask the Senator from Mississippi, if I may, does that contemplate any ability on the part of our cotton farmers to sell the cotton which they sell abroad at a lower price than the amount they are going to receive by way of loans?

Mr. BILBO. I am sure that 10-cent loan has not as yet been agreed upon, but I am sure that cotton will be free to go in the markets of the world. One fact is certain, the farmer or producer will get 12 cents for this year's crop if he complies with the program to be put into effect.

The VICE PRESIDENT. Without objection, the report will be received and placed on the calendar.

Mr. BILBO, from the Committee on Agriculture and Forestry, reported a joint resolution (S. J. Res. 207) expressing the views of the Congress as to a program for the relief and benefit of agriculture, which was read twice by its title and ordered to be placed on the calendar.

CRIME AND CRIMINAL PRACTICES (S. REPT. NO. 1189)

Mr. COPELAND. Mr. President, it may be forgotten that in the Seventy-third Congress a committee on crime and criminal practices was appointed or authorized by the Senate. The original committee consisted of the Senator from Michigan [Mr. VANDENBERG], the late Senator from Iowa, Mr. Murphy, and the Senator from New York who is now speaking.

From time to time from the Committee on Commerce we have submitted reports to the Senate and I wish now in the name of the Senator from Michigan [Mr. VANDENBERG] and myself to present the final report of the committee and to ask that it be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed as a Senate report.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRISON:

A bill (S. 2960) for the relief of A. W. Evans; to the Committee on Claims.

By Mr. SHIPSTEAD:

A bill (S. 2961) authorizing the free distribution of Government publications to certain schools and free libraries as a Federal aid to education; to the Committee on Education and Labor.

By Mr. LA FOLLETTE:

A bill (S. 2962) for the relief of Robert Landeau, a minor; to the Committee on Claims.

(Mr. WALSH introduced Senate bill 2963, which was referred to the Committee on Naval Affairs, and appears under a separate heading.)

By Mr. MOORE:

A bill (S. 2964) to amend the act entitled "An act to amend the act entitled 'An act for the relief of certain purchasers of lands in the Borough of Brooklawn, State of New Jersey', approved May 6, 1936"; to the Committee on Claims.

GIFT OF NAVAL MUSEUM

Mr. WALSH. Mr. President, I ask consent to introduce a bill for reference to the Committee on Naval Affairs.

The VICE PRESIDENT. Without objection, the bill will be received and referred, as requested by the Senator from Massachusetts.

The bill (S. 2963) authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

Mr. WALSH. Mr. President, the bill authorizes the Superintendent of the United States Naval Academy to accept gifts of money for use in constructing a building to be used

as a United States Naval Academy museum on land now owned by the United States at the United States Naval Academy. It authorizes the Secretary of the Navy to maintain such building as a United States Navel Academy museum and for the administrative offices of the United States Naval Institute and the Navy Athletic Association. It also authorizes the Secretary of the Navy to accept, receive, hold, and administer gifts and bequests of personal property for the benefit of the museum.

The building will be constructed because of two monetary gifts that are most praiseworthy, without cost to the United States. The design of the building will be in keeping with the general architecture of the Naval Academy and will be so constructed that it may be expanded as future funds may warrant and as the need for more space develops.

The United States Naval Institute was founded in 1873 and its membership consists largely of officers of the Navy, both active and retired, with many associate members who pay annual dues. The objective of the Naval Institute is the advancement of professional, literary, and scientific knowledge of the Navy. The annual dues received has resulted in a surplus out of which the institute is willing to donate $50,000 toward the building of a museum.

The Navy Athletic Association is composed for the most part of officers of the Navy and Marine Corps, former officers of the Navy and Marine Corps, and graduates of the Naval Academy, all of whom pay annual dues to the association. The association conducts, manages, and finances all major athletic activities without cost to the Government at the Naval Academy under the supervision of the Superintendent. The athletic association has accumulated a surplus of funds out of which it is willing to donate $150,000 for the purpose of building a naval museum at the Naval Academy.

There is now in existence at the Naval Academy a local museum, containing many articles, publications, and other property. The academy has recently received a very valuable collection of naval medals dating back to the seventeenth century. It is believed that many similar items would be donated or bequeathed to the Naval Academy if there existed an adequate fireproof museum where such articles would be safe from destruction.

It is believed that the establishment of a Naval Academy museum will be of considerable value in inspiring midshipmen with the traditions of the service through visual evidence of and constant association with the relics of the past which are so closely interwoven with the history and development of our Navy.

For these gifts, I feel certain, the American people are most grateful, and the new naval museum will, when erected, be a monument to the generous and patriotic officers of the Navy who constitute the membership of the United States Naval Institute and the Naval Athletic Association.

AGRICULTURAL CONDITIONS—ADDRESS BY SENATOR PEPPER

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD a radio address delivered by Senator PEPPER on Aug. 12, 1937, on the subject of Agricultural Conditions in the United States, which appears in the Appendix.]

NOMINATION OF SENATOR BLACK TO THE SUPREME COURT

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial from today's Philadelphia Record on the nomination of Senator BLACK to be Associate Justice of the Supreme Court, which appears in the Appendix.]

CHANGE OF ATTITUDE OF SUPREME COURT

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article entitled "The Court Sees a New Light", published in the New Republic of the issue of Aug. 4, 1937, which appears in the Appendix.]

SUGAR PRODUCTION AND CONTROL

The Senate resumed the consideration of the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida [Mr. PEPPER].

The amendment of Mr. PEPPER is as follows:

On page 7, to strike out lines 14 to 20, inclusive, and on page 8, to strike out lines 1 and 2 and the table which follows, and insert in lieu thereof the following:

"(a) For domestic sugar-producing areas:

Quotas (short tons)

	1937–38	1939	1940
Domestic beet sugar	1,550,000	1,550,000	1,550,000
Louisiana	357,000	357,000	357,000
Florida	90,000	150,000	175,000
Hawaii	938,000	938,000	938,000
Puerto Rico	798,000	798,000	798,000
Virgin Islands	9,000	9,000	9,000
(b) For the Commonwealth of the Philippine Islands	1,002,782	970,000	970,000
(c) For foreign countries			
Cuba	1,911,476	1,884,258	1,859,258
Foreign countries other than Cuba	26,412	26,412	26,412

"(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas and in the respective amounts set forth in subsections (a) and (b) and after deducting the total thereof from the determined consumption requirements shall prorate the difference on the basis of the quota established for Cuba and foreign countries other than Cuba, in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in the subsections (a) to (c), inclusive, from the determining consumption requirements and shall prorate the balance among the domestic sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba, on the basis of the quotas set forth in subsections (a) and (c)."

Mr. PEPPER. Mr. President, as pertinent to the discussion which I was attempting yesterday afternoon with respect to the amendment which I have proposed to the pending sugar bill, I should like to read a portion of an editorial appearing in today's New York Times.

Whatever—

Says the editor—

the inherent merits of their argument, the refiners have the advantage over the administration spokesmen at least on the point of consistency. You cannot, as some of those spokesmen seem to imagine, provide for a system of free trade within a tight system of control. You cannot logically approve a system of quotas for producers and denounce the same principle of quotas for refiners. You cannot argue that refining quotas "deny the right of any area to avail itself of its natural geographical advantages" when that is precisely what you are doing in the case of production quotas.

Under a free competitive system the questions that arise are primarily economic, not "ethical." Efficient and low-cost producers expand; high-cost producers are driven under; prices to consumers are kept to their lowest point. Under Government control and a quota system, the question ceases to be one of efficiency and becomes one of "equity." The market is to be divided "fairly" among existing producers. Usually the plan is to freeze the existing percentages of production for each group and individual, and to keep new producers out. Such a plan may secure general agreement at the beginning, especially when conditions are bad, but it becomes increasingly "unfair" to the low-cost producers, not to speak of persons who are not permitted to go into the industry, or of consumers. Should new quotas then be based on how much different producers would have expanded or contracted relatively to each other if there had been no control? But there is no way of discovering these hypothetical amounts. Moreover, the whole purpose of control and quotas is precisely to protect the high-cost producers from the chaos brought about by low-cost production. "Justice" to individual producers under a quota system is ultimately impossible to determine.

The sugar squabble, apart from the interests directly involved, is chiefly significant because it is now our outstanding example of strict Government control, and because it illustrates what happens under a controlled economy. Such an economy poses problems that cannot be solved on any set of sound principles. It becomes necessarily a question of compromises—in other words, of perpetual haggling. Under a free economy it is the business of sugar as of all other producers to produce the largest crop profitable to them at the lowest cost; to meet competition; to woo the

consumer. Under a controlled quota system their chief business is to get as large a quota as possible; they must woo, not the consumer, but the lawmaker. The real remedy—

This I desire to emphasize—

The real remedy is to remove the cause of the lobbying. The real need is not to find an exactly "just" apportionment of quotas, which is impossible, but to work toward an orderly termination of the quota system itself.

Mr. President, in the first place, I desire that I may have unanimous consent, if that be necessary, to withdraw the amendment which I proposed yesterday and to substitute another amendment in its place. The only difference between the amendment proposed yesterday and the one which I now propose is this: In the bill, on page 9, appears this language:

If the Secretary finds that the Commonwealth of the Philippine Islands will be unable to market the quota for such area for the calendar year then current, he shall revise the quota for foreign countries other than Cuba by prorating an amount of sugar equal to the deficit so determined to such foreign countries, on the basis of the prorations of the quota then in effect for such countries.

I wonder if all Senators present recall that yesterday the chairman of the Finance Committee, in answer to my interrogatory, made a statement to the Senate that the reason for that provision in the bill is that the Secretary of State is reserving, for trading purposes with foreign countries other than Cuba, 59,782 short tons of sugar, raw value. The fact is that all the sugar the Philippines send into this country in excess of 970,000 tons raw value must pay a duty of $1.875 per hundred pounds due to the fact that under the Tydings-McDuffie Act only 970,000 tons may be sent into this country by the Philippines without paying the duty of $1.875.

The necessary corollary of that restriction is that it is economically unfeasible for the Philippines to send into this country more than 970,000 tons, which may come in duty-free under the Tydings-McDuffie Act. The Department of State and the sponsors, to a degree, of this measure understand that.

They do not expect the Philippines to get the difference between the 970,000 tons and the 1,029,000 tons, which they are allowed under the pending bill. In the bill itself provision is made for taking that tonnage away from the Philippines. But what are they going to do with it? They are not going to give it to Louisiana. They are not going to give it to Florida. They do not tell us to whom they are going to give it except they say, "We are taking this away from the continental producers of America and putting it as a bargaining power in the hands of the Secretary of State for any purpose for which he may wish to use it."

Talk about the delegation of power to the Executive. Talk about Congress abdicating from its constitutional authority and duty. What about that provision of the bill? If we were told the country with which the bargaining is to be done, what country is to get it, we would have at least some knowledge of the principles to be employed in its allocation.

I invite the attention of the Senate to some data which I have showing where some of that 59,782 tons is likely to go, which is to be used for bargaining purposes by the Secretary of State.

In the Jones-Costigan Act a quota was fixed for foreign countries. Those foreign countries knew, as every other producer of sugar knew, that they were limited to the quotas authorized by the Jones-Costigan Act. In Florida, under the provisions of those restrictions, we plowed up over 5,000 acres of sugarcane because we recognized the force of the law; but did these foreign countries do any such thing? Quite the contrary. I have the Lamborn sugar market report, issued by Lamborn & Co., of New York, dated August 3, 1937, advising us that these foreign countries paid no attention to their quotas under the Jones-Costigan Act, but they actually sent to the customhouses of this country, where it now reposes, 34,591 tons of raw sugar, which is knocking at the door of the market of the United States and which they want to get into this country. Here is what the announcement says:

The following table shows the total amount of sugar from the full-duty countries stored in Customs' custody as of July 1, 1937, for which applications for certification have been made to the Sugar Section. Such sugars cannot be released from Customs' custody in 1937 unless the full-duty quotas are increased as the result of increased consumption or reallotment of deficits.

Then the report goes on to name the foreign countries which have sent their excess of quota to this country in the hope that our domestic law would be modified for their benefit: Belgium, Czechoslovakia, Dominican Republic, Dutch East Indies, Guatemala, Netherlands, Peru, and United Kingdom.

I suppose it is now the desire of the Secretary of State to take 34,000 tons of that excess from the Philippines, which he knows and which it is stated in the bill the Philippines are not going to use, and allow it to those foreign countries which, in practical disregard of our domestic law, have sent sugar here in excess of their quotas.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. SHIPSTEAD. Among the nations named, is Haiti included?

Mr. PEPPER. No; Haiti is not mentioned.

Mr. SHIPSTEAD. Has Haiti a quota?

Mr. PEPPER. I am sorry I cannot answer the Senator's question on that point. I think, however, Haiti does not have a quota.

Mr. SHIPSTEAD. May I interrupt the Senator to make a short statement?

Mr. PEPPER. Certainly.

Mr. SHIPSTEAD. It seems to me if the reciprocal-treaty arrangement under which we are laboring now is to be carried into real practical effect, a trade could be made with Haiti. Haiti buys five times more in this country than she sells here. She sells noncompetitive goods. She has been unable to get any kind of treaty for a quota; at least that was my information a year ago.

The argument for the reciprocal-trade treaty was that we were going to trade farm products out of this country to noncompetitive countries. When I say "noncompetitive", of course, I except sugar. Haiti has asked to be allowed to bring in 30,000 tons. It seems to me it is a very reasonable request and it could well be done at the expense of the Cuban quota, because the Cuban quota comes here largely for the benefit of American financial interests.

Haiti is a poor country, a friendly country, a country for which we have done a great deal and which we have left economically in a position where it is very difficult for them to sustain themselves. I want the RECORD to show that, if any foreign country is going to be given an open door to bring in sugar. In my opinion here is a country which buys five times more in the United States than she can sell here and should be cooperated with.

As a matter of fact Haiti has difficulty getting foreign exchange. Her greatest market is France. Diplomatic negotiations have been conducted, and France has protested against Haiti buying her goods here instead of in France when her market is in France. If a little friendly country like that could be aided, I would be in favor of doing it and taking it out of Cuba's quota. The State Department ought to do it.

There has been a stench over the Cuban sugar situation for many years. Everyone knows it is all the result of the influence of two big banking institutions in New York applied through the State Department.

Mr. PEPPER. I am glad to have the expression from the Senator, because I am in hearty accord with the ideas which he expresses. I think it is a matter of common knowledge that the sugar interests of Cuba are primarily answerable to capital of the United States. It is perfectly all right for capital of the United States to find an available use for itself anywhere it may be found; but I do not think it is the highest kind of patriotism for American capital to go to a

foreign country for the purpose of exploiting foreign labor so as to send the products of that country into its own country which gives it protection both for accumulation and enjoyment and thus beat down the standard of living or of life in its own country, and deprive its own people of the right to produce an essential food commodity.

So, Mr. President, all of us are aware of the fact that when we are giving Cuba the generous quotas that we are giving her, we are giving them in furtherance of some of the monopolies which already have had their fingers upon the throats of the consumers of America for a long time; and this is but another instance of the degree of their rapacity.

Mr. President, I wonder if there is a Senator on this floor who can conceive of the British Empire having a policy such as that of this bill and this country with respect to sugar production.

I am told that the United Kingdom in the British Isles proper produces something like 500,000 or 600,000 tons of sugar a year; that the consumption requirements of the British Empire are in the neighborhood of 1,500,000 tons a year; and that about one-half of the production outside of the British Isles proper comes from the British colonies, and about another half from foreign countries not associated with the British Empire. Is there a Senator on this floor who can imagine its being a British policy to provide that the United Kingdom or a British colony shall not produce enough of a commodity for which Nature has designed it to meet the consumption requirements of that entity itself? Imagine England telling English citizens, who have the heritage of Anglo-Saxon traditions behind them, and the memory of the wars they have fought for personal liberty, and the vivid recollections of a charter of liberties wrung even from a despotic monarch—I say, imagine the United Kingdom telling British citizens that they shall not produce, on soil hallowed with the blood of their forefathers, a commodity for which Nature has designed that soil and those people! On the contrary, the British have subsidized the beet-sugar industry in the United Kingdom itself, and they have aided in the stimulation of sugar production in the colonies of the Empire. Why, Mr. President? Because the far-sighted policy of the British remembers that there was a time after the war when the price of sugar went to 30 cents a pound, and that there may be a time when they will have to be, in time of war, self-sustaining for their food on their own soil. So far-reaching British policy tries to make the British Empire as completely self-sustaining as possible, at least, in essential commodities necessary for national preservation and defense. Consequently at a rather high price the British are subsidizing the beet industry in the British Isles and the cane industry in her colonies.

But what about the policy of our country? Apparently we do not think it is worth while to have a food supply as essential as sugar available to the American people in time of national stress or emergency right here upon continental United States, and not subject to the hazards of war beyond our shores. Our Government says, "We are going to pay a subsidy to the beet-producing section of this country." But to the States of Louisiana and Florida, and particularly Florida, which has thousands and hundreds of thousands of acres of land reclaimed from floods by the Federal Government itself, at large expense, perfectly adapted by nature for sugar production and particularly adapted to the maintenance of a local supply, our Government says: "We are not even interested in that matter of national welfare, and we do not care to stimulate the ability to grow sugar of a section of our country which can grow it within one-sixth of a cent a pound as cheaply as the lowest production units of Cuba, which grow their sugarcane with peon labor." What about that, Mr. President, for far-sightedness in national policy?

Mr. President, I was familiar with the British sugar policy and I did not find any analogue to American sugar policy in the policy of the British Empire. Then I became curious to know whether there was any commodity with respect to which any part of the British Empire was denied the right to produce it at least to the extent of home requirements for consumption; and I called up particularly our Department of State and our Department of Commerce, and got in touch there with the experts who are cognizant of the details of British policy and affairs. They told me there was not a single instance within their knowledge in which such a principle as this was a part of the policy of the British Empire. Why? Do you think perhaps it is an accident of nature that they never had such a situation?

Take the case of rubber, for instance, Mr. President. The British Empire finds rubber to be an essential commodity which that country desires to preserve. Consequently the British have made some agreements for the restriction of production, so that they might lift the world price of rubber; but there is not an instance where they have restricted production beyond the ability of their country to consume what they thus produce. So I say that this principle is wrong. It is contrary to the nature of things. It is contrary to the traditions of this country. It is contrary to the principles of a sound national economy. It leads to bad results. It means that the present Congress is the victim of perhaps some of the most vicious lobbying which has ever victimized Congress, so declared by no less an authority than the President of the United States himself. It means that we come here and haggle with one another, each one trying to find some bargaining power with respect to which he may gain for his State what he thinks it deserves; and by this bill all of us are committed to an economy of scarcity rather than an economy of plenty, which, with its necessary consequences, would make available the produce of our soil in the long run to a larger number of persons.

Mr. President, I have here some statistics which I think will be of interest to the Senate.

First, I have a chart showing the relation of the consumption of sugar to the price of sugar. I find, as indicated by the chart, that in Italy the price of sugar is approximately 18 cents per pound, and that the consumption of sugar in Italy is less than 20 pounds per year per person. I find that in Germany the price of sugar is about 11 cents per pound, and that the consumption of sugar in Germany is about 53 pounds per person per year. In Czechoslovakia the price of sugar is about 10 cents per pound, and each person per year consumes about 60 pounds of sugar.

In France the price of sugar is about 8 cents per pound, and the amount of sugar consumed yearly per person is about 55 pounds. In Norway the price of sugar is about 6½ cents per pound, and about 70 pounds per person per year are consumed. In Canada the price of sugar is a little over 6 cents per pound, and almost 100 pounds per year are consumed by each individual. In the United States the price is about 5½ cents per pound, and the number of pounds consumed per person per year is a bit over 100. In the United Kingdom the price is about 4¼ cents per pound, and each person per year consumes about 106 pounds. In Switzerland the price is less than 4 cents per pound, and the amount consumed per person per year is about 96 pounds.

I also have a chart showing indices of production of foodstuffs, which, taking the period of production from 1925 to 1929 as 100, shows that the world production of foodstuffs is almost on a horizontal plane. The North American production of foodstuffs was slightly above the normal horizontal plane in 1934, and dropped sharply between 1934 and 1935. The production of foodstuffs in the United States dropped to about 80 for 1929, was a little over 80 for 1930, about 90 for 1931, about 92 for 1932, and then dropped sharply to about 61 or 62 for 1933 and 1934, and then there was a slight increase for 1935. That indicates that the United States is becoming more and more dependent for its own food upon other countries of the world. Is that a wise national policy in a land with such a plentitude of fertility as ours?

Mr. President, I also call attention to the fact that the same principle pertains with respect to cotton production, for, taking the period 1931–32 as 100, or normal, cotton

production of all other countries than the United States goes upward to about 110 for 1932–33, to about 130 for 1933–34, and to about 140 for 1934–35.

For the United States, however, what is the trend? Beginning at 100 in 1931–32, the curve falls sharply to 76 in 1932–33, remains at the same figure for 1933–34, and then drops to about 60 for the year 1934–35.

What does that indicate? It indicates that we have not only by our national policy of restriction of production tended to make ourselves more dependent upon foreign countries for what we eat, but that we have done the same thing with respect to what we wear. So, by a policy of restriction of production we have committed this country to a dependence for both food and clothes upon what may some day come to be the charity of foreign producers. What kind of wisdom and far-sightedness is that in national policy?

Mr. President, let me drop the suggestion, and humbly submit it, that if we are to protect the home producer with a subsidy, is it a logical and practical necessity that we lose at the same time our American market? I would rather that the subsidy be paid to the American producer for what can be consumed within the confines of this country, and then, by virtue of the amount of those payments for home production and home consumption, make it possible for the American producer to compete in any world market. In that way we would not cut ourselves away from the avenues of foreign trade, at least with respect to essential commodities.

With respect to sugar production, taking the period 1929–30 as normal, or 100, I find that the curve for the British Empire proceeds upward from 100 to about 110 in 1929–30. It reaches almost 125 in the year 1930–31. It passes 125 in the year 1931–32. It reaches almost 150 in the year 1932–33, passes 150 in the year 1933–34, is about 160 for 1934–35, and reaches 175 in 1935–36. I quote these figures from a chart showing the incline of the production of sugar within the confines of the British Empire from 1930 to 1936.

What about the United States? Starting with 100, there is a gradual increase in domestic production in continental United States almost parallel with the British increase until the year 1933–34 is reached, when the Jones-Costigan Act, fixing the policy of sugar control and the policy of restriction by the Federal Government in the production of essential food commodities, went into effect. From 1933–34 our local production declined from about 160 to about 115. It has increased to slightly in excess of 125 up to the end of the year 1936.

Mr. President, again, not only with respect to general foodstuffs, to which I adverted in connection with the previous chart, but with respect to the essential food element of sugar itself, we have restricted our production until we have become the more dependent upon what may become, as I have said, the charity of foreign powers.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. VANDENBERG. The Senator was not a Member of the Senate in 1934, when this process started, and perhaps he is not familiar with the fact that his indictment might be even more direct and specific, because when the sugar-restriction program was first presented to the Senate Finance Committee and to the House Committee on Agriculture it was presented with the specific statement by Dr. Weaver, representing the Department of Agriculture, that their purpose—and I use his language—was to give the sugar industry a shot in the arm and then slide it out of business entirely.

Mr. PEPPER. Mr. President, astonishing remarks have been made to me by high officials of Government which indicated that they did not particularly care whether we produced sugar within the confines of this country or not, because to them it was not a matter of serious national policy whether we got it from Cuba or from some other foreign country or grew it upon the home soil.

I am certainly not qualified to be a military or naval strategist. I suppose that if we ever reach a time in our national defense when we become incapable of defending our shores, probably we will lose our political and national liberty anyway; but at least it seems to me that it is better for a country to be self-supporting and self-sustaining in food and clothes and war materials than to depend upon any foreign market for any one of those things. That looks to me like an elemental principle of national wisdom and national policy.

Mr. VANDENBERG. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. VANDENBERG. I not only agree with the Senator, but I think he may add—and I think it is a justified assertion—that if the American domestic sugar producer were permitted to enjoy the domestic consumption he would not need a penny of subsidy or benefit payments or anything else of that kind.

Mr. PEPPER. I am glad the Senator from Michigan mentioned that point. I had intended to indicate the same point of view, that if we were permitted to produce in this country the amount of sugar we are capable of producing, the consumers of sugar in the United States and the general taxpayers of the United States would not have to pay the high subsidies for which provision is made in the pending bill.

Let us suppose that another war should come along and that domestic conditions in Cuba, from which place we get such a large volume of our national supply, might perhaps interfere with the production of sugar. Let us suppose that a great emergency should face this country. Then imagine what hurried preparation there would be, imagine what hasty efforts there would be, emanating from the war control boards of this country, to make us self-sustaining in the matter of sugar production and in the production of other food supplies. Then we would do just what we did in the last war, for which we were not prepared. It would unnecessarily cost us a lot of money, if not perhaps a number of lives.

I thought we had learned our lesson of unpreparedness from the last war. We have indicated to the world fairly, I believe, that we are not a militant, jingoistic people. We do not want any other people's assets or advantages, whatever they may be. We want to be a friend of every nation under the sun, and actually to be what our President has so well stated we should be, a good neighbor to the world. But does that mean that we are going to sit supinely here upon our shores and put our defense at the mercy or the charity of the world because we want to be good neighbors? The records of this Congress vividly attest the contrary policy, because the collossal sums we are spending upon our military and naval machines indicate that we are determined that we shall be able to defend ourselves if anybody shall transgress upon what we believe to be our just immunities.

How can we spend millions and billions upon that wise and sensible policy, and yet ignore such an essential phase of our national welfare as whether our sugar production is adequate to our requirements?

Mr. President, unless I am misinformed, the Foreign Affairs Committee of the House has sent or is about to send a delegate somewhere to confer with foreign powers in the effort to make our Nation self-sustaining in respect to certain metals, which we do not have, and which are essential to our national defense. That shows that we are trying to make ourselves self-sustaining; that we deem it wise to do that. Why overlook trying to make ourselves self-sustaining in such an essential element of food as sugar? That is the question we should answer in passing on this proposed legislation.

What will this legislation cost the American consumer? I should like to present a few additional figures. It is

estimated that the total cost of the quota system which is now in effect in this country, or would be in effect if this bill is passed, is about $271,000,000 per year. I ask the question, Mr. President, Who gets that money? In the first place, may I ask, Who pays that money? The consumer, of course. This cost to the consumer may be divided into tax and excess cost over world price. This bill provides for benefit payments. Those benefit payments go to sugar producers. This bill also provides for a processing tax to be paid by sugar manufacturers or processors. But that money which is paid in the form of a tax comes from two sources. The first source is the sugar consumers in the United States, because the tax is necessarily included in the price that the consumer has to pay. But the processing tax on the domestically produced sugar is not quite as large as the benefit payments. Therefore, Mr. President, the excess has to be paid out of the Federal Treasury, because the tax on foreign sugar is in lieu of duty—the duty on sugar having been reduced when the tax was imposed on sugar in 1934. But the greater portion of the cost is due to the higher price the consumer has to pay for sugar—a cost which I will explain in detail.

Mr. President, I said that the annual sugar bill, the annual subsidy that the people of the United States are paying the sugar producers, is approximately $271,000,000.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROWN of Michigan. I do not think the Senator wants to fall into error.

Mr. PEPPER. I certainly do not.

Mr. BROWN of Michigan. I understand the amount of tax that will be raised by the processing tax of 53 cents per hundred pounds, plus the amount of the import tax, will exceed by $15,000,000 the amount necessary to make benefit payments to all producers of sugar cane and sugar beets in the United States. I understood the Senator to say that there would be a deficit, which would have to be paid out of the Treasury. I understand that the experience under the Jones-Costigan law, as well as the estimates of the Sugar Section as to how this law will work out, indicate that it will result in a profit of approximately $15,000,000 to the Treasury of the United States.

Mr. PEPPER. I will answer the Senator from Michigan by saying that I have no contrary opinion, but I call attention to the fact that the reduction in duty results in an annual loss of over $20,000,000, so that this theoretical gain of $15,000,000 is not very real. The important fact is that the people who consume sugar in the United States are going to have to pay every year about $271,000,000, the amount required for sugar subsidies in the United States, that is, tariff and quota. I do not know how many people do not consume sugar in one form or another. There may be a taxpayer who does not. There would be a very small number, I dare say. So it is safe to say that the whole people, not only sugar-consuming taxpayers, but the whole people, big, little, old and young, are having to bear upon their backs the cost of this subsidy.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COPELAND. I am very much interested in the statement the Senator makes, that the cost to the people is $271,000,000. Does the Senator include in that statement the bounty that is proposed to be paid now, and also the tariff on the raw sugar or upon the sugar?

Mr. PEPPER. That is calculated on the basis of about what the tariff and the quota system cost us, I will say to the Senator.

Mr. COPELAND. May I ask the Senator, in the breakdown of his figures how much does he estimate the cost to be to the people at one-half cent a pound, to be paid as a bounty to the beet-sugar producers?

Mr. PEPPER. The result is arrived at by multiplying the estimated United States consumption requirement of 6,682,670 tons by one-half cent per pound. The total is $66,826,700.

Mr. COPELAND. Will the Senator give me those figures again?

Mr. PEPPER. The number of tons of sugar, raw value, which it is estimated that the United States will consume in the ensuing calendar year is 6,682,670. That figure represents short tons of 96° sugar, may I say to the Senator. Now then, reduce that to pounds, and multiply the resultant figure by one-half cent, and Senators will see the staggering amount of the total, which amounts to $66,826,700.

Mr. BROWN of Michigan. Mr. President, I have the figure in mind. The processing tax at one-half cent a pound will amount to approximately $67,000,000.

Mr. COPELAND. And that is before it is pyramided, is it not? That is to say, so far as the people are concerned, that tax to the average consumer will be more than one-half cent a pound, of course?

Mr. BROWN of Michigan. I do not think it works out that way.

Mr. COPELAND. But the Senator confesses to sixty-some million—how many million dollars?

Mr. BROWN of Michigan. Sixty-seven million dollars.

Mr. COPELAND. Sixty-seven million dollars, which is a gift to the beet-sugar industry.

Mr. BROWN of Michigan. Oh, no; that money goes to the beet-sugar farmers and the cane farmers.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. Is there any civilized country where the retail price of sugar is less than it is in the United States?

Mr. PEPPER. This chart, to which I have previously referred, shows sugar prices in Switzerland to be about 3⅞ cents per pound and in the United Kingdom to be about 4¼ cents per pound, as compared with the American price of about 5½ cents per pound on the average from 1930 to 1936, inclusive. The Senator can perhaps best answer that question, however, because he is a sugar authority and he knows what he means by "civilized country."

Mr. OVERTON. I appreciate the compliment paid me by the Senator from Florida, but I will have to state that I am not exactly an authority. However, I have heard that statement frequently made. I know that the Senator from Florida has given as much thought and study to this subject as I have. I have never seen the statement contradicted. I have seen tabulations made of retail prices which indicate that in every civilized country, or practically every civilized country on the face of the globe, the retail price of sugar is higher than it is in the United States of America.

Mr. PEPPER. I will ask the Senator what the world price of sugar is.

Mr. OVERTON. The retail price is not the world price of sugar. When sugar enters into a country it either has to pay a tariff or an excise tax is placed upon the sugar, or some other form of taxation. Either by tariff or by excise tax, or otherwise, the retail price is increased over and above the world price, so that there is not, as I understand, a civilized country on the face of the globe where the price is as low as it is in the United States of America.

Mr. PEPPER. Does the Senator think that if we had no quota system in the United States the price of sugar to the consumer in the United States would be lower or higher than it is?

Mr. OVERTON. I think it would be lower.

Mr. PEPPER. Of course, it would. So the difference is what the quota system and the tariff are costing the people of the United States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. If the Senator from Florida will permit me, I have a table here showing the price of sugar in various countries, from which I will give the figures. This table appears on page 8 of a report of the Department of Commerce of date April 1, 1937, and shows the retail price,

taxes, and ratio of taxes to retail price, of refined sugar in certain countries, as of May 1, 1936:

Retail price per pound (in United States cents per pound)

Country:	
Principally self-supplying:	
Argentina	5.15
Brazil	2.84
Mexico	3.53
Union of South Africa	6.61
Australia	6.56
Japan	4.99
Egypt	5.09
Czechoslovakia*	11.23
Poland	8.45
Italy*	21.80
Netherlands*	14.24
Germany	13.66
France*	9.54
Importing:	
Uruguay	3.49
Chile	3.69
India	5.67
China	(1)
Switzerland*	5.62
Norway	7.19
Irish Free State	7.72
United States	5.50
United Kingdom	4.63

*These countries have devalued their currencies since May 1, 1936. Converted prices at existing present rates of exchange would be more comparable with prices in other countries than those shown for the "starred" countries in this table.

[1] Not available.

Mr. PEPPER. Will the Senator from Louisiana tell the Senate whether or not those figures include the taxes that the governments of those several countries levy against that sugar?

Mr. ELLENDER. They do.

Mr. PEPPER. Of course. How much were those taxes?

Mr. ELLENDER. The import duties and excise taxes per pound and the ratio of taxes to retail price are as follows:

TABLE V.—*Retail price, taxes, and ratio of taxes to retail price of refined sugar in certain countries as of May 1, 1936*

Country	In United States cents per pound		
	Retail price per pound	Import duties and excise taxes	Ratio of taxes to retail price
Principally self-supplying:	*Cents*	*Cents*	*Percent*
Argentina	5.15	.70	14
Brazil	2.84	.14	5
Mexico	3.53	.53	15
Union of South Africa	6.61	.24	4
Australia	6.56	.33	5
Japan	4.99	1.67	34
Egypt	5.09	1.13	22
Czechoslovakia*	11.23	3.72	33
Poland	8.45	3.38	40
Italy*	21.80	13.54	62
Netherlands*	14.24	10.38	73
Germany	13.66	4.26	31
France*	9.54	3.09	32
Importing:			
Uruguay	3.49	1.81	52
Chile	3.69	.99	27
India	5.67	3.21	57
China	(1)	3.35	----
Switzerland*	5.62	3.25	58
Norway	7.19	4.26	59
Irish Free State	7.72	5.66	73
United States	5.50	.95	17
United Kingdom [2]	4.63	----	----

* These countries have devalued their currencies since May 1, 1936. Converted prices at existing present rates of exchange would be more comparable with prices in other countries than those shown for the "starred" countries in this table.

[1] Not available.

[2] See note 4, table I. Import tariff rates are given in table VI.

It will be noted that Great Britain has no import duties and excise taxes, but the Government pays a direct bounty to the sugar growers, which is appropriated from the general fund. This general fund of Great Britain represents taxes that are collected from its people, and hence the people as a whole really and truly pay this bounty by way of taxes.

Mr. PEPPER. So that makes all the difference, of course.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. I did not catch whether the Senator from Louisiana gave the price in the United States.

Mr. ELLENDER. Yes; I did. The price is $5.50 per 100 pounds of refined sugar.

Mr. PEPPER. And what is the tax in the United States?

Mr. ELLENDER. The import duties are 95 cents per 100 pounds, which represents a ratio of taxes to retail price of 17 percent.

Mr. PEPPER. Mr. President, if the world price of sugar is one thing, and if the price of sugar in the United States is higher than that, and if it is the quota system that makes the difference, then the quota system and the incident of it, the subsidy system, and the tariff are imposing a cost burden upon the consumers of sugar in the United States. As I said in the beginning, that amounts to $271,801,331.

Who gets that money? I will suggest simply the conclusion, Mr. President. I can itemize if anyone wants the items. Over $53,827,844 of that gift goes to Cuba. That is what the consumers of sugar in the United States are paying to Cuba when we get down to the last analysis. To the Philippines goes $44,653,807. To other foreign countries $226,185. Therefore, to all foreign countries the gift is $98,707,836. To the Virgin Islands $251,252; to Puerto Rico $38,249,368, to Hawaii $44,927,510. To the Virgin Islands, Puerto Rico, and Hawaii together $83,428,130. So that the gifts to foreign countries total $98,707,836, to our possessions $83,428,130, a total of $182,135,966, leaving to be accounted for $89,665,365. The Senator from Michigan, perhaps, indicated in the neighborhood of $70,000,000 going as a subsidy to producers. So, by admission at least, there is being paid to the sugar producers in the United States $70,000,000 by sugar consumers as a subsidy. This corroborates the thought expressed by the Senator from Michigan [Mr. VANDENBERG] and me that if we did not have the quota system we would not have to have even that subsidy.

Mr. VANDENBERG. If the Senator will excuse me, he must add to that if we did not have the quota system and if we were entitled to sell 100 percent of American consumption.

Mr. PEPPER. That is what I intended to include if the Senator will allow the correction.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROWN of Michigan. That, of course, implies the existence of a tariff wall?

Mr. VANDENBERG. That is correct.

Mr. PEPPER. That is right. It is not a new principle in American economy, Mr. President, for us to assume that a tariff wall for the protection of American industries, and that should just as much include the farmers as the manufacturers. It is none the less a price which the consumer pays for sugar in excess of the world price.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. I am very much interested in the Senator's observations, and I was just wondering if we were to provide a tariff wall in the case of sugar how that might affect the cotton situation.

Mr. PEPPER. The Senator can perhaps best form his own opinion about that. As I suggested a moment ago, my individual theory is—and I deserve no credit for the origination of the idea—that the best way to deal with our cotton problem is to give the farmer something analogous to what the industries have enjoyed in the past in the way of tariff protection or, rather, in the way of a subsidy, which would be an analogue to tariff protection, and thus give the farmer the ability to sell his surplus cheaply enough to compete in the foreign markets.

Mr. LEWIS. Mr. President——

Mr. PEPPER. I yield to the Senator from Illinois.

Mr. LEWIS. May I say to the able Senator from Florida that I think the Senator from Maryland meant to indicate a question on which I am sure we will all be interested in

hearing the view of the Senator from Florida, that if we barred or barricaded by tariff sugar from certain countries what would be their retaliation then upon our country? I myself should like to hear the able Senator's viewpoint if he has contemplated that situation.

Mr. PEPPER. Of course, there are many factors that enter into the adjustment of our trade balances. We all know that it is a very difficult problem. There may be adjustments of tariffs between countries in such a way as to guarantee the free flow of goods from them in certain instances. But I think, Mr. President, that as much as possible that interchange of goods and commodities should be with respect to commodities as to which there is no home competition. In other words, I do not want to encourage Egypt to bring more cotton into the United States. We already produce too much cotton. I want to encourage Egypt to send some other commodity here and take our cotton. But sugar, Mr. President, should not be made the vehicle upon the back of which all these other commodities shall have to ride, because we do produce sugar. In the case of sugar, I will go further than I would go in the case of cotton, however. I would say: "Let us trade the American sugar market to the extent of the amount which we cannot produce." In the case of cotton, since we have a surplus, I would not do so. But I would not trade away so much of the American sugar market as we can supply.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. The reason I brought up the illustration of cotton was that some time ago I put in the RECORD figures showing the development of the cotton industry in other countries than the United States, and those figures seemed to indicate that the production of cotton in the United States was steadily declining, whereas the production of cotton in other places was steadily increasing. The net result of such a policy carried out in time would be that our foreign market for cotton would be filled not by the United States but by foreign countries.

Mr. PEPPER. Exactly, Mr. President, as I indicated. Was the Senator in the Chamber when I referred to the chart I had on that subject?

Mr. TYDINGS. No.

Mr. PEPPER. The chart, taking the figure 100 as normal for the years 1931 and 1932, shows that cotton production in all other countries except the United States in 1934 had gone up to about 140, whereas in the United States it had declined from 100, as normal in 1931 and 1932, to about 60 in 1934 and 1935.

Mr. TYDINGS. Of course it may be wise to have a policy of self-containment; there is much to be said for it; but if we adopt such a policy we must make up our minds that our foreign markets for cotton are going to disappear correspondingly as self-containment is developed in America. We cannot hold to both horns of the dilemma; we have got to take one or the other. The point I am making is that the self-containment policy makes it more difficult for us to sell cotton to our foreign customers and easier for our competitors to sell it. It may be that the advantages will offset the disadvantages in the net result.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. I should like to ask the Senator from Florida what sugar-producing areas produce a surplus of sugar to import in the United States that are at the same time large consumers of American cotton? Are there any?

Mr. PEPPER. There are none, to my knowledge.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. Of course, the Senator from Louisiana and the Senator from Florida know that the effect of tariffs is not always direct as between two countries. There is a three-way trade and a four-way trade, and, naturally, it is not essential that a sugar country should import cotton from us. The very fact that it has money to import cotton, whether it comes from Egypt or from India or Japan, indirectly makes a market for American cotton. So that with a three-way transaction it is equivalent to our taking the sugar and selling them cotton, insofar as their consumption of cotton is concerned.

Mr. OVERTON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. OVERTON. I thank the Senator. Would not the Senator from Florida find some difficulty in applying the three-way and a four-way plan as suggested by the Senator from Maryland in reference to this question of the tariff on sugar and the quota on sugar?

Mr. TYDINGS. Mr. President, will the Senator from Florida allow me to answer that question?

Mr. PEPPER. I yield.

Mr. TYDINGS. The Senator from Maryland would not have any difficulty, for it stands to reason that the richer the Cuban people are the more money they will spend for the world's goods, as they are not an industrial country per se. One of the things for which they spend money is clothing; and, of course, cotton clothing is used in Cuba. The better off the Cuban people are the more cotton goods they are going to buy, and the more cotton goods they buy the better off is the cotton grower in the United States of America.

Mr. PEPPER. I think there is no difference of opinion among us, but may I propound this question? Let us assume that it might be possible to find some countries that do not produce cotton but desire to purchase cotton, for instance, from us; and that if we purchased all our sugar from those countries they would be able to purchase all of our cotton. Let me postulate that situation. That sounds fine from the viewpoint of the national economy.

Mr. LEWIS. Mr. President, will the Senator from Florida allow me to interrupt him?

Mr. PEPPER. Certainly.

Mr. LEWIS. I am seeking information on the sugar question because we who live in the great Middle West have the beet sugar question around us. The questions suggested by the eminent Senator from Florida and the eminent Senator from Louisiana [Mr. OVERTON] involve an idea which is rather novel. The able Senator from Louisiana asked the question if the Senator from Florida knew of any country that produces sugar that likewise may have demands for cotton.

I am disturbed, looking to my country's welfare, how far we may be affected, so far as our cotton is concerned, inasmuch as the cotton production of countries such as Brazil, China, and Australia has been growing very rapidly, if we drive out by any process of government the sugar of sugar-producing countries, under what they may call the equality of opportunity, and cause them to sell cotton in lands which heretofore have been buying American cotton.

Mr. PEPPER. The Senator is now talking only about cotton and not about sugar?

Mr. LEWIS. I am talking about retaliation on us by countries which produce sugar, and how far it would drive them to buy their cotton from lands of which I speak, that are so rapidly increasingly their cotton production, instead of American cotton which heretofore has been consumed by them.

Mr. PEPPER. Of course, Mr. President, there are constantly two tendencies going on. One of them is getting out of the world market and dealing exclusively with the local market, which gets us into a certain habit of dealing which is not consistent with the general world situation. The other one is that as we get out of the world market, others take that market away from us, and we canont always come back when we want to.

In other words, if we were to make our cotton policy a domestic one only and then should desire to change the policy, we would find ourselves out of touch with the world cotton market. We might not find a world cotton market again available for us because other countries might have so increased their production that they might have taken the market away from us.

There are two things our national economy has to take into consideration in this question of restriction in respect to a commodity, and I am speaking now only about a commodity which we produce to excess in this country. That is the distinction, as I shall point out, between cotton and sugar.

My individual theory is that in order to preserve a place in the world cotton market we should so subsidize the American cotton producer as to make it possible for him to sell his excess or surplus at a cheap price in the foreign market.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TYDINGS. One of the most unusual bits of information that has come from the importation of goods into America is this. Every year we have imported the most goods into America, the big importation years have been years of our greatest prosperity. The reason for that, of course, is simply because foreigners use the money they get from selling us their goods to buy the goods which we sell to them, because the same years when we buy the most from foreigners, they buy the most from us.

Mr. PEPPER. I do not want to be misunderstood. I am heartily in favor of the suggestion of the Senator from Maryland that we should do everything we can to make possible a free interchange of goods between this country and foreign countries. Everybody wants to do that. I am perfectly willing that any practical method of doing that shall be employed. But here is my objection even to helping the cotton group of the United States. No government has a right to destroy the sugar crop in order to do that. That is the fallacy of the present situation. It is all right to encourage the export of cotton and to do everything that will help the cotton producer, but instead of the foreign country furnishing the cotton producers their subsidy I do not want to go out into the Middle West and into the South and get it out of the sugar producers. That is the extreme. I am asking for a sugar and cotton exchange that will make the purchase of our surplus possible.

Let us see exactly what is being done with respect to sugar. We are being told in Florida, and I am speaking particularly about Florida, that we may not grow all the sugar we can produce. Why? Because it is desired that Cuba shall be able to export to the United States more sugar, so that Cuba, by the sale of its sugar to the United States, will have more money with which to buy the manufactured products of the United States. Does anyone deny that?

If that is the principle employed, then we are selling the sugar producers to the manufacturers or the industrialists, just as too long in this country our agricultural interests have paid the tariff, which has gone to fatten the industrial sections of the country.

It is all right to interchange goods with Cuba. I do not know enough of all our commodities to say offhand what should be properly the subject of exchange. Let us find something we export and sell it to Cuba for something they export, in addition to a fair portion of our market for sugar above that which we can produce, so there will be a normal and natural interchange of goods between the countries, each one selling its excess. To that extent all kinds of interchange and exchange could be encouraged. But I say it is wrong from a practical point of view, it is wrong from a legal point of view, it is wrong from the viewpoint of national policy, to sell the sugar producers of the country to the automobile manufacturers. That is discrimination of an unjust and unfair character, yet that is exactly the inevitable consequence of this proposed legislation.

See what a pitiful spectacle we are presented here. I come with an amendment and say to the Senate that the Philippine Islands can send into the United States 970,000 tons of sugar a year without paying a prohibitive duty and that for the Philippines to export any more sugar than that would not be profitable to them.

I tell the Senate that the bill points out, that the Department of State itself tells us, that the Philippines will not send us more than 970,000 tons a year; and therefore there will be an excess in this tentative quota of the Philippines of 59,782 short tons. I tell the Senate we do not have enough sugar production in Florida; that we have the soil and the climate particularly adapted to it; that we have shown ourselves to be economical producers of sugar; that we are not permitted to produce more than one-half of what we consume in Florida alone. I beg you, therefore, let us have permission to produce at least what we consume in Florida.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. PEPPER. Certainly.

Mr. ELLENDER. Will the Senator from Florida point out any provision or provisions of the bill that prevents the State of Florida from producing all the sugar it desires so long as that sugar is not transported in interstate commerce?

Mr. PEPPER. I will make this proposition right here and now. If the chairman of the Finance Committee [Mr. HARRISON], if the Senator from Colorado [Mr. ADAMS], and if the Senator from Michigan [Mr. BROWN] will, here on the floor of the Senate, tell me that that can be done, that we may grow sugar in Florida up to the point of meeting our own needs, I shall sit down and say this is the best day Florida ever had. Are those Senators willing to accept such a proposition?

The exact contrary is set forth in the bill, unfortunately. It provides, on page 21, as follows:

> That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugar cane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce--

And so forth.

Mr. ELLENDER. Is that the clause the Senator refers to in answer to my question?

Mr. PEPPER. That is one of the essential clauses. It may be the Senator refers to the fact that that section relates to benefit payments.

Mr. ELLENDER. That is one of the sections. The only penalty Florida growers will suffer is that they will not get benefit payments. They can produce all they desire for their own use, so long as the sugar is not shipped into another State.

Mr. PEPPER. I have the opinion of experts that similar clauses on pages 4 and 16 of the bill effectively prohibit Florida consuming the sugar she may produce within the State, in excess of her quota. As to benefit payments, I do not suppose the people in my State would care to pay benefits to everybody else in the United States and at the same time not have the same benefit payments go to Florida farmers, although Florida's producers in the hearings before the House Committee on Agriculture urged that no tax be imposed and no benefit payments be made.

Mr. ELLENDER. That may be true, but since, according to the statement of the Senator, Florida can produce sugar almost as cheaply as Cuba, why worry about the one-half cent processing tax?

Mr. PEPPER. We would not worry about the processing tax if that were all. But, as I said, we are prohibited by the bill from producing more than our quota, even though we consume it all within the State.

As I said, the tonnage that is being taken away from the Philippines is to be used for trading purposes by the Department of State for some foreign country's advantage. I do not know whether I am correct or not, but I have heard that some of the South American countries owe this country some money, and that if we will give them some sugar they will pay us back that money they owe us. Do Senators realize the principle involved in that proposal? A department of the Government of the United States is saying to Florida, "You cannot produce your just share of sugar, because we have to take the sugar you could and should grow and give it to some foreign country, for instance, Peru, so they may take the money they make from growing the sugar thus given them and pay some creditors of theirs in the

United States." In reality who is paying those creditors? It is just exactly as if a United States marshal were to be sent down to Florida to levy on us to pay them. Florida is paying those debts.

There, again, Senators may see what is being done. We are making one section of the United States, not a foreign country, pay the debts due the creditors of the foreign country in the United States.

Mr. President, when farmers are prosperous, laborers in industry are prosperous. With respect to the correlation which all of us know to exist between farm income and factory pay rolls, I should like to refer to a chart showing that there is almost an identical parallel between the factory pay rolls and the farm income in the United States.

In other words, as the President said to us not long ago, "You cannot have prosperity for the industrial workers of this country, and good pay rolls, unless you have prosperity for the agricultural workers, and good farm prices." The two are irrevocably and inextricably linked together. What we are doing is this: We may think we are helping the manufacturer by taking the farm assets and giving them, through a third party, back to the manufacturing interests of the country; but we are not, because in impoverishing the agricultural interests we shall inevitably pauperize the industrial interests of the country. I will say that this administration, in its professions and in the honest desires which it entertains, in my opinion, hopes to achieve the parity which will make both of them prosperous; but I doubt very seriously if this legislation is a part of such a wise program.

So, Mr. President, I ask for a vote on my amendment. First, I ask leave to withdraw the amendment offered yesterday, and to substitute another amendment for the one I then offered.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Without objection, it is so ordered.

Mr. PEPPER. Now, I should like to make an explanation. The amendment which I now have on the desk, I wish to have the Senate understand, does nothing but take away from the Philippines 59,782 tons which the chairman of the Finance Committee yesterday told the Senate the Secretary of State wanted, by the language set out on page 9, for trading purposes with foreign countries. So, I am not disturbing the beet area. I am not disturbing Louisiana. I am not disturbing Cuba or any other country but the Philippines, and I am not violating any law in the case of the Philippines; and I am not seeking to take any sugar except that which the Secretary of State wants for the general purpose of bargaining with anybody with whom he may care to trade.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. PEPPER. I do.

Mr. ELLENDER. I was not in the Chamber when the Senator began to address the Senate. Am I to understand that the sugarcane growers of Florida can produce sugar for about what it costs the Cuban sugarcane growers to produce it?

Mr. PEPPER. Approximately so.

Mr. ELLENDER. To what extent would the Senator from Florida propose tariff reductions to meet the objection urged by the Senator from New York with reference to the high price of sugar to the consumer?

Mr. PEPPER. I think the general principle which is supposed to manifest itself in any tariff is to equalize the differences in the cost of production. In Cuba, peon labor is generally employed. In contrast, for instance, we in Florida pay a minimum of $2.70 a day for labor, and in the neighborhood of $10 or $11 to some of the expert laborers in harvesting sugarcane.

Mr. ELLENDER. The Senator from Florida, of course, knows that up to a few years ago the duty on Cuban sugar was $1.87½ cents per hundred pounds.

Mr. PEPPER. I think $2 is correct.

Mr. ELLENDER. It was reduced to $1.60 and now to 90 cents.

Mr. PEPPER. That is correct. It is now 90 cents.

Mr. ELLENDER. And the Senator knows that the one-half cent processing tax, which is provided for in the pending bill, plus the existing tariff, would make the tax as a whole less than the tariff on Cuban sugar last year before the trade agreement was entered into.

Mr. PEPPER. Mr. President, we are so fortunately situated in Florida, both in climate and in the adaptability of the soil for sugar production, that we can exist with a much lower tariff than Louisiana, for instance, could, or than the beet area could; but I think the only fair principle would be a tariff on Cuban sugar which would afford fair protection even to the higher-cost producers, or at least the average in cost of production in the United States. We are not insisting on a tariff so low that it would serve as a detriment to Louisiana.

Mr. ELLENDER. I am under the impression that the Senator from Florida is willing to sacrifice the whole sugar industry in order to afford Florida a larger quota.

Mr. PEPPER. Oh, no, indeed.

Mr. ELLENDER. I so interpreted the Senator's views as expressed by him yesterday and today.

Mr. PEPPER. No; I said yesterday that we can do away with benefit payments and still live, perhaps, better than any of the other producers in the country, because ours is the lowest American unit in cost of production. Consequently, we can exist under a lower tariff than any other sugar producers in the United States; but if the Senator asks me about the principle upon which such a tariff should be made, I say it should be a principle which would protect the people of the Senator's State, who are American citizens, entitled to grow cane in this country as well as the beet people of the West are entitled to grow sugar beets in this country. I am not urging lack of protection for Louisiana growers, who need it. I am urging the right of Florida to produce sugar.

Mr. ELLENDER. May I ask the Senator from Florida what his attitude will be toward this bill should his amendments fail?

Mr. PEPPER. I can easily reduce the matter to a positive statement. Perhaps I should not do that before the other amendments are offered; but I will say to the Senator that, if all the amendments I shall offer shall be defeated, Florida will be better off without any sugar bill than with the bill which is now proposed; and I shall at all times try to vote consistently with the best interests of my State.

The PRESIDING OFFICER. The modified amendment offered by the Senator from Florida will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment withdrawn by Mr. PEPPER, it is proposed, on page 2, to strike out lines 14 and 20, and on page 8, to strike out lines 1 to 2, inclusive, and the table which follows, and to insert in lieu thereof the following:

(a) For domestic sugar-producing areas:

Area	*Quotas (short tons)*
Domestic beet sugar	1,550,000
Louisiana	357,000
Florida	122,782
Hawaii	938,000
Puerto Rico	798,000
Virgin Islands	9,000
(b) For the Commonwealth of the Philippine Islands	970,000
(c) For foreign countries:	
Cuba	1,911,476
Foreign countries other than Cuba	26,412

(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas, and in the respective amounts set forth in subsections (a) and (b), and after deducting the total thereof from the determined consumption requirements shall prorate the difference on the basis of the quotas established for Cuba and foreign countries other than Cuba in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in subsections (a) to (c), inclusive, from the determined consumption requirements and shall prorate the balance among the domestic

sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba on the basis of the quotas set forth in subsections (a) and (c).

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Florida [Mr. PEPPER].

Mr. OVERTON. Mr. President, the amendment just read from the desk represents possibly the fifth or sixth or seventh or eighth or ninth effort on the part of Florida to obtain a quota over and above the quota assigned to it by the provisions of this bill.

When the bill now under consideration was pending before the House committee a strenuous effort was made by the Representatives of Florida to obtain an increase in her quota. After full consideration the House established the quota for the cane area as now fixed in this bill. After the House had passed the bill, and it came before the Finance Committee of the Senate, the same effort was made on the part of the Representatives of Florida to obtain an increase in the quota assigned to that State.

A whole day was set aside by the Finance Committee for the presentation by Florida of its cause; and, after thorough consideration, the Finance Committee, by an overwhelming vote, rejected the proposal submitted by the representatives of Florida.

Before the committee there appeared both of the able and eloquent Senators from Florida. They were also aided by an expert. They had a full opportunity to present this question before the committee and they availed themselves of that opportunity.

Yesterday the Senator from Florida [Mr. PEPPER] offered an amendment under and by virtue of which he would take from the quota assigned to the Philippine Islands 59,000 tons, and deduct from the quota assigned to Cuba 51,000 tons, and assign that additional quantity of sugar exclusively for the benefit of Florida. Today the Senator from Florida appears to be somewhat more modest in his request. He now offers an amendment by which he will take 59,000 tons from the quota assigned to the Philippine Islands and will have that quota allocated solely to the State of Florida.

Mr. President, I sympathize with much of what the Senator from Florida has had to say generally upon the subject of sugar legislation. I certainly sympathize with him in his desire to obtain an increased quota for the State of Florida. I can very readily appreciate his desire in that connection, because I should like very much indeed to obtain an increase of quota for the State of Louisiana, and I think I can successfully establish that, if between Florida and Louisiana there is to be an increase in quota, Louisiana is more entitled to the increase than is Florida.

The amendment offered by the Senator from Florida is contrary to the policy that was begun under the original Jones-Costigan Act establishing quotas. It is contrary to the policy of the pending bill. It undertakes to establish a quota for one particular State of the Union.

There is no provision in the pending bill, there is none in the existing Jones-Costigan law, that assigns a quota to any particular State in the Union. If a quota is to be established exclusively for the benefit of Florida, why should there not be a quota established also for Louisiana; and why should there not be a separate quota for Michigan, and a separate quota for Colorado, a separate quota for Utah, a separate quota for California, and for all the beet-producing States?

The philosophy of the bill, and perhaps the feature of it, when it comes to a consideration of quotas, which recommends itself more strongly than any other feature, is that the distribution and production is not to be by States, but by farm units. The allotments to be made under the provisions of the bill, if it shall be enacted, and the allotments made under the existing Jones-Costigan Act are allotments made to farmers and to farm units, and not allotments to States.

Why should the State of Florida undertake to assume a position which gives it a separate classification in the sugar legislation? What right has any particular State to say, "We wish assigned to us a certain quota"? The allotments are to be assigned to the farmers; they are to be assigned to the farms; they are to inure to the benefit of the producers.

Mr. President, there is another objection to the amendment suggested and offered by the Senator from Florida. He takes 59,000 tons from the Philippine quota, but he does not undertake to subdivide that 59,000 tons amongst the other producing areas of our mainland. He does not undertake to give a portion of it to the beet area or to give a portion of it to Louisiana. He undertakes to have the entire 59,000 tons assigned as additional quota to the State of Florida.

As I said a while ago, while I sympathize with the Senator from Florida in the desire of the industry of his State to produce more sugar, I do not sympathize with the position he assumes when he attempts to take from another producing area a certain quantity of sugar, and then undertakes to make a monopoly of that excess in favor of one State, the State he happens to represent.

Why is Florida entitled to such special favor and to such special consideration? I know Florida is a wonderful State, I know she has rich soil, I know that she has an industrious people; but I also know that we have in Louisiana a wonderful State, just as wonderful as Florida; we have a people who are just as ambitious and just as industrious as are the people of the State of Florida and we have an industry in Louisiana which desires, just as much as the Florida industry desires, to expand.

Why should there be this special favor granted by the Congress of the United States to the State of Florida? Is it because she has been a leader in sugar production? She is a mere infant in the production of sugar. Louisiana began the production of sugar in commercial quantities shortly after the Revolutionary War, and through all sorts of calamities which visited that industry, through the ravages of floods, through disasters caused by early freezes, through droughts, through plant disease that almost destroyed that industry, the people of Louisiana have carried the banner of sugar for well over a hundred years.

There are people in Louisiana producing sugar today, farmers and planters, whose fathers and whose grandfathers and great grandfathers before them made a living out of the production of sugar. Why, then, should Florida, which only recently began its career of sugar production, undertake to enjoy an advantage which Louisiana does not possess?

It is said by the very eloquent Senator from Florida that Florida has a capacity to expand her industry, that she has the soil on which additional sugar can be grown, and that she ought to be given opportunity to expand. That is true with reference to Louisiana. Louisiana has produced in times past over 400,000 tons of sugar. She has planted sugarcane on as much as 311,000 acres. But under the effect of the pending bill and under the administration of the existing Jones-Costigan Act, Louisiana is unable not merely to expand her industry but she is unable to bring her industry to the peak where it was established in the years gone by.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. LEWIS. Will the Senator from Louisiana explain to me a matter upon which I confess to be inexperienced? First, I will have him know that my great State of Illinois has assumed beet production, and I have reason to believe for the purpose, perchance, of providing sugar. But the able Senator has stated that the Jones-Costigan Act had for its purpose addressing itself to what the Senator calls "farm units." Will the Senator please explain that to me? I confess I do not understand it, and therefore do not understand the act, if it means that.

Mr. OVERTON. The Jones-Costigan Act divided the mainland into two areas, the beet-sugar area and the cane-sugar area. It assigned a certain quota, to wit, 1,550,000 tons, to the beet area, and it assigned another quota to the cane area, namely, 260,000 tons. This bill pursues the same policy. It assigns a quota to the entire beet area of 1,550,000 tons, approximately, and a quota to the cane area. When the

Secretary of Agriculture administers the bill he assigns allotments of production to the beet growers in the West, and to the cane growers in Louisiana and in Florida that will, taken collectively, aggregate their respective quotas. Does that explain it?

Mr. LEWIS. I thank the Senator from Louisiana. He has made very clear to me provisions of the bill concerning which I was in a great degree of obscurity.

Mr. POPE. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. POPE. When does the quota provision of the Jones-Costigan Act expire?

Mr. OVERTON. The present Jones-Costigan Act expires on December 31, of this year.

Mr. President, I was making the observation that Louisiana has just as much capacity to expand as Florida has. She has not yet reached under the Jones-Costigan Act, and will not under this bill reach her production in the past. But over and above that, if we had a stabilized sugar industry Louisiana could bring thousands of other acres into cane production, and could increase her production far beyond her present yield. I understand from the Louisiana industrial experts that this year Louisiana has planted in the ground sufficient cane to produce somewhere between 400,000 and 450,000 tons. Yet under this bill she will not get a quota that will be commensurate with that production.

But on the other hand the Senator from Florida—a State which has produced as its maximum 51,000 tons—now offers an amendment that will increase the quota of Florida to the comparatively astounding figure of 122,782 tons. If Florida is to get such an increase, which is three times the quota assigned to her under the Jones-Costigan Act, certainly the State of Louisiana would be entitled under the provisions of this bill to a quota of some 600,000 or 700,000 tons.

The Senator from Florida very graciously said to me yesterday, "I am offering this amendment for Florida. You can offer amendments for the State of Louisiana and increase her quota." Where am I going to get the sugar, Mr. President? The Senator has taken all the sugar from the Philippine Islands over and above the duty-free quota that is provided for those islands under the Philippine Independence Act, and undertakes to assign that additional quantity exclusively to Florida. Am I to take the quota from the beet area? Certainly the Senators and the Representatives of the beet-sugar areas would object if I desired to do so.

Am I to take it from Hawaii and Puerto Rico? Already there has been made a most strenuous criticism of this bill that it discriminates against our territory and our insular possessions.

Are we to take it from Cuba? I should be very glad to get it from Cuba. I will be glad to get it from any other area from which I can get it. However, I am not going to take the position, Mr. President, of asking for an increase of quota for Louisiana when in doing so I will upset all the quotas that have been carefully arranged and prepared by the House Agricultural Committee, and passed by the House, and which have been consented to by the Senate Finance Committee.

It is well enough to say to the Senators from Louisiana, "Reach out in the air and get sugar for yourselves." The answer is, "We cannot find it."

Mr. President, I said that Louisiana has historically a better claim than Florida. I have shown that productively, according to present yields, she has a better claim than Florida for an increase in quota. But she has another claim to which I wish to address the attention of Senators. I want to institute the comparison between the methods of production in the State of Florida and production in the State of Louisiana. In the State of Louisiana we have over 9,500 farm units to which allotments of sugar are made, representing over 12,000 farmers engaged in this industry. When we turn from the 12,000 farmers and producers in the State of Louisiana and examine Florida, what do we find? We find that the production of cane in Florida is practically controlled by one man. I understand—and if I am wrong in this the Senator from Florida can correct me—that so far as the farm units are concerned there are only five farm units in all Florida to which an allocation is made for sugar production. Louisiana, with over 9,500 farm units, and the State of Florida with only 5 units? And Louisiana with over 12,000 farmers engaged in this industry and Florida's industry controlled by one man.

Mr. President, if we are going to make any change in the quotas provided by this bill, is it fair or is it just that we shall make a change in the quotas that will inure not to the benefit of the 12,000 farmers in the Louisiana area and the thousands upon thousands of farmers in the beet area, but solely and entirely to the benefit of a single ownership and a singly controlled industry?

There are today operating in the State of Louisiana 67 sugar factories. There are today in Louisiana 11 sugar factories that are idle because they have not the production to supply the factories. But in the State of Florida there are only two sugar factories. One is the United States Sugar Corporation, and the other is—can the Senator from Florida give me the name?—Fellsmere Sugar Co.?

Mr. PEPPER. Yes.

Mr. OVERTON. If we are going to make any alterations in the quotas of this bill are we going to give the increase where it is going to inure to only two sugar factories controlled and dominated by one individual, or are we going to give it where it will inure to the benefit of some 67 factories?

Mr. President, so much for the amendment offered by the Senator from Florida. I regret that this controversy should have arisen between Florida and Louisiana. The Senator from Florida has very graciously and very correctly observed that we are buddies in this sugar program. Louisiana and Florida are buddies. I hope we will remain buddies. But it is not in consonance with that theory that an amendment should be offered that will increase only the quota from Florida and will have no effect whatsoever toward increasing the quota from Louisiana or any other domestic area. Louisiana and Florida were joined in wedlock. It has been a happy union insofar as Louisiana is concerned. It is Florida that is now asking for the divorce and a huge alimony decree.

Mr. President, I wish to say, speaking generally of sugar legislation, that I agree with the Senator from Florida in the contention he makes, as I understand his contention, that there ought not to be any restriction on continental production. The reasons, briefly, for my taking that position are that we are dealing here with domestic consumption; we are dealing with the continental market. It is the consumption requirements of the United States proper, it is the market of our mainland that is to be parceled out by this bill. One would think that a wise policy would be, when we divide the continental market, that we ought to give a preference to the continental producer for that market.

Much has been said of late about discriminations in this bill against Hawaii and Puerto Rico. But Hawaii and Puerto Rico are both permitted to produce all the sugar that that Territory and that island can consume. Both of them may produce all the sugar to meet their own local consumption requirements; but the mainland, under the Jones-Costigan Act and under this bill, is unable to produce sufficient sugar, not only to meet continental consumption requirements but it is restricted in its production. Here, with the continental market that we are dividing up, we undertake to impose a restriction upon the American farmer when he is undertaking to produce for the American market. I use the words "American farmer" and "American market" as applying to the continental market and to the continental producer.

Furthermore, Mr. President, we do not produce an excess of sugar in the United States. We are producing something under 30 percent of the consumption requirements of continental United States; and when we are producing less than 30 percent of our continental consumption requirements, when we are underproducing instead of overproducing sugar, when sugar is an import crop instead of an export

crop, I entertain the view that there should not be any limitation upon continental production.

Mr. President, at the last session of Congress I introduced a bill with that thought and with that philosophy imbedded in it. I found that there was no chance whatever to have such a bill enacted into law. At the present session, I introduced a bill to provide for one continental quota, and that to be an adequate quota. If our legislation should provide, I wish to say to the Senator from Florida, for a continental quota, we would not have perhaps the apparent disagreement that now exists between Louisiana and Florida. If there were one continental quota which was adequate, then the beet area would be satisfied and the cane area would be satisfied. At the present session of the Congress I introduced a bill providing for a continental quota. I found that I could not have that bill enacted into law.

Then, Mr. President, I contended for an additional quota for the cane area. We wanted a quota of 520,000 tons for the sugarcane area. I did not undertake to dissociate Louisiana from Florida, but I undertook to provide what I thought was a fair and just quota for the cane area. The best result that could be obtained is the pending bill, assigning a quota of 420,000 tons to the cane area on the mainland in lieu of the 260,000 tons under the existing law, an increase of 160,000 tons.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. PEPPER. I did not understand whether or not it was the pending bill the Senator was talking about when he said he tried to get a fair quota for the cane area.

Mr. OVERTON. At the present session of Congress I tried to get it, I will say to the Senator.

Mr. PEPPER. The Senator means by conference?

Mr. OVERTON. Yes; by conference with other Senators. The Louisiana delegation in the House of Representatives also made such an effort.

Now, Mr. President, I am going to take this bill as it is, notwithstanding the personal views that I entertain with reference to what should be a sugar program in the United States, and notwithstanding my desire to see a further increase in the quota for the cane area, including both Florida and Louisiana. I am going to accept the bill as it is, because I think that it is going to be beneficial to the sugar industry. I have made my fight. I did not get all I wanted. I am willing to take my medicine; to use a slang expression, I am willing "to go along." We must have sugar legislation in order to preserve the industry in the continental United States, and I have no patience with those who entertain the view that the sugarcane industry and the beet-sugar industry ought to be eliminated and destroyed in continental United States.

In the years to come we may have a modification of the present theory, a modification that will be more in consonance with the views entertained by a number of other Senators and by myself. It may be that we shall have legislation that will inure more and more to the benefit of Florida and Louisiana and to the beet area. I hope so. But I know now that the bill that is presented to us is necessary for enactment in order to preserve the sugar industry of the continental United States, and I believe that the Agricultural Committee of the House of Representatives and the Finance Committee of the Senate have presented to us as good a bill as they could frame, considering all the divergent views and the conflicting interests. I hope, Mr. President, it will be enacted without further amendment.

Mr. ELLENDER. Will the senior Senator from Louisiana yield to me for a few minutes?

Mr. OVERTON. I yield the floor.

Mr. ELLENDER. I will ask the indulgence of the Senate to make a few remarks. The senior Senator from Louisiana has so well covered the ground that I hesitate to further detain the Senate.

Mr. President, I cannot help but feel that the Senator from Florida [Mr. PEPPER] is almost willing to wreck the entire domestic sugar industry of this country in order to provide a larger quota for Florida. He takes the position that Florida can produce sugar much cheaper than Louisiana; in fact, almost as cheaply as Cuba; that, insofar as his State is concerned, he is not desirous of procuring benefit payments for his growers. The Senator well knows that neither the Louisiana growers nor the beet growers could exist unless a quota system is enforced, coupled with reasonable benefit payments, in lieu of higher tariffs. It is my earnest conviction that the quota system is the best method of dealing with our sugar problem. I may state that I am not entirely satisfied with the quota received by Louisiana growers. Our growers could produce much more sugar; but I am willing to accept this bill as it is written, in the hope that as conditions improve my people will be afforded larger quotas. As was pointed out by the senior Senator from Louisiana, Florida had but five farm units under the Triple A program. Louisiana had 9,540 farm units and more than 12,000 producers. The beet area had in excess of 70,000 producers. Now, I ask the question, Would it be good public policy to endanger the profitable operation of over 80,000 farm units in order to permit Florida to expand her sugar industry?

Mr. President, it has been repeatedly stated on the floor that Florida would get 15 percent, or 63,000 tons, of the continental cane quota. This is not a correct interpretation of the provisions of the bill before the Senate. It is true that under the Jones-Costigan Act the 39,800 quota which was assigned to Florida producers or farm units, did amount to 15 percent of the quota of 260,000. But this division was based upon the current production of sugar in the proportion that it was furnished in 1933 by the States of Louisiana and Florida. It is well known that since the first quota allotments in the continental cane area were made in 1934, the production of sugar in Louisiana reached the total of 386,000 tons in 1936 and reached a total of 51,000 in Florida in 1936. The Louisiana production was not the highest that Louisiana has ever produced, but in the case of Florida, 51,000 is the most sugar that was ever produced in 1 year by producers in Florida.

The provisions of the bill before the Senate give authority to the Secretary of Agriculture to give allotments to farmers on the basis of "past production or ability to produce." If we may judge from the formula applied by the Secretary of Agriculture under the Jones-Costigan Act in 1934 and 1935, then past production will be the standard used. And if the standard of past production is used, then obviously Florida will not receive 63,000, but not more than 51,000, which is Florida's highest production.

The agricultural statistics for 1937 just recently issued by the Department of Agriculture give the following figures:

Raw sugar (short tons)

[Extract from agricultural statistics 1937, published by Department of Agriculture]

Florida:	
1928	1,000
1929	14,000
1930	27,000
1931	24,000
1932	37,000
1933	41,000
1934	28,000
1935	42,000
1936 [1]	[2] 54,000

[1] Preliminary estimate.

[2] Since the above was published the Crop Reporting Board issued final figures showing a production of 61,000 tons in 1937.

Louisiana is not asking for expansion at this time but merely to be restored and to be fully protected in its right to participate in the recovery which our President has made the chief objective of his administration. Recovery in the Louisiana sugar industry means that we must be allowed to grow sugarcane for sugar on at least the 310,000 acres which the records of the Department of Agriculture show have been used in the cultivation and production of sugarcane. Recovery for the Louisiana sugar industry means that our growers must be permitted to produce at least the 5,880,000 tons of sugarcane which have been grown in Louisiana for the production of sugar during one crop year. Recovery for

the Louisiana sugar industry means that our growers and producers must be maintained in their current production as shown by the 1936 sugar production figures of 386,000 tons and by the estimates of the growing crop which will begin to be harvested in about 60 days and which gives every indication of producing between 400,000 and 450,000 tons of sugar. Recovery for the Louisiana sugar industry means that the 70 sugar mills now being prepared for the harvest shall be permitted to operate and that the 11 or 12 idle mills shall be permitted to be repaired and restored to production, with consequent benefits to farmer, labor, and industry. Thus it will be seen that Louisiana is still short of complete recovery and has a long way to go before there can be any consideration of expansion.

The industry in Louisiana goes back to sugar production in 1795 and the records show that at one time Louisiana furnished more than one-half of the sugar consumed in the United States. During 13 recent years Louisiana's production has exceeded 300,000 tons as shown by the statistics of the Department of Agriculture, as follows:

Short tons "as made"

1901–2	360,277
1902–3	368,734
1904–5	398,195
1905–6	377,162
1907–8	380,800
1908–9	397,600
1909–10	364,000
1910–11	342,720
1911–12	352,874
1916–17	303,900
1921–22	324,431
1935–36	333,000
1936–37	386,000

Contrarily, Florida's production, as reported in the table quoting statistics of the Department of Agriculture, shows that they have never produced more than 51,000 tons of sugar. The table to which I refer was incorporated in my remarks a few moments ago.

Under the agricultural-adjustment program there were 9,540 farm units in which 12,000 farmers were engaged as producers and received benefit payments from the Government. This year some 1,500 additional farmers have been financed by the Resettlement Administration, which is a branch of the Department of Agriculture, to plant 15,541 acres in sugarcane. The planting of the crop for the 1938 harvest will begin next month and we are reliably advised that the Resettlement Administration is planning to finance the planting of 30,000 acres in Louisiana next month for the harvest in 1938. In addition to this, hundreds of small growers are making preparations for the production of sugarcane in Louisiana in view of the provisions of this bill, which directs the Secretary of Agriculture to give special consideration to small growers. It is entirely within the facts to state that at least 15,000 growers will be affected directly by the benefits or restrictions under this bill. We have no quarrel with Florida, but since the Senator from Florida has proposed an amendment by which the Louisiana quota would be frozen at 357,000 tons for the next 3 years and the beet States would be frozen at 1,550,000 tons for the next 3 years, while Florida is to be given a progressive increase of 90,000 for this year, 150,000 tons for next year, and 175,000 tons for the third crop season, we are forced to invite attention to the fact that Florida had only 7 or 8 growers under the agricultural-adjustment program, and that practically all of the production of Florida in the past was represented by the production of two large corporations, or, more correctly, one extremely large corporation.

There has been a lot of talk about the cost to the American consumer. It is unfortunate that this deception is being insisted upon by so many people who ought to know better. It is entirely erroneous for anyone to say that the cost of sugar in the United States is excessive, for the simple reason that the figures of the Department of Commerce show that the retail price of sugar in the United States is lower than any European country except Great Britain. In the case of Great Britain, its beet growers are subsidized directly by bounty, and there is no tax on sugar which is passed on to the consumer. But any student of government certainly knows that when a bounty is paid out of the general funds, the taxpayers of the country pay the bill whether they do so as taxpayers or as consumers of sugar. I respectfully refer the Senate to a table showing retail prices of sugar in other countries, from which I quoted a while ago in answer to a query from the Senator from Florida [Mr. PEPPER].

The report of the Finance Committee should be studied by those who are not informed regarding this proposition to show that in the recent years of recovery when the prices of all foodstuffs have risen progressively, the price of sugar has not followed the general trend. In fact, the index of the price of sugar, as published by the Department of Labor, is considerably less than the index of the price of other foods. The table in the report of the Senate Finance Committee demonstrates this. Besides, and perhaps more important to the consumer, is the experience which we had in 1919 and 1920, when the production of continental sugar was very small and the United States became entirely at the mercy of foreign producers of sugar, as a result of the readjustments which followed immediately upon the World War abnormality. At this time every housewife of sufficient age will certainly remember that the price of sugar was 25 cents per pound. Today that same housewife can go to any corner grocery and buy her 5 pounds of sugar for 25 cents. In fact, I have noticed from day to day in the Washington daily papers that the chain-store advertisements offer 10 pounds of sugar for 49 cents, and in some instances for 47 cents. It would be foolhardy to attempt to reduce the price of sugar, which is already below the food value of sugar, by the restriction or elimination of the continental sugar industry, when our experience has been that foreigners always increase the price of sugar when they control the home market.

Just one more point and I am through. The Senator from Florida makes much of the low cost of production in his State. I admit that there is some difference in the cost of production in his State as compared to my own State. He gave the figure of $2.50 per hundred pounds of sugar as being the cost of producing sugar in Florida, and $4.80 as being the cost in Louisiana. The Florida costs which he uses are those of one large corporation engaged in mass production, and are taken from 1936 operations, whereas the $4.80 figure quoted by him as being the Louisiana cost was taken, I assume, from the Tariff Commission's report, which is based on costs in 1928, 1929, and 1930. I do not have the report at hand to verify these figures but I feel confident that the Senator from Florida has correctly quoted from said report. We were then in trouble because of mosaic disease, which caused small tonnage per acre and low sugar contents. Also, the costs of labor and material at that time were high because the depression was just beginning.

Mr. President, I have much more I could say, but I feel it unnecessary to further burden the Senate, and I respectfully ask that the amendments of the Senator from Florida be voted down, and that the bill do pass as reported by the Senate Finance Committee.

Mr. PEPPER. Mr. President, I should like to say a word or two, if I may. What the Senator from Louisiana [Mr. OVERTON] has stated is perhaps the best proof of which I am aware of the wisdom of the position that I took in offering an amendment to separate Louisiana and Florida in their quota.

You have not heard me, Mr. President, in anything I have said, utter one word in disparagement of Louisiana or of the beet area. I have not come here and said Louisiana is getting 357,000 tons, and that is too much; I have not come here and said that the beet area is getting 1,550,000 tons, and that is too much. I have come here and merely said that Florida was not getting its fair quota, and I have asked the Senate to give Florida a little additional quota. I am surprised at my friend from Louisiana that he would

rather the off-shore area should have it than that Florida should have it. I am sure the Senator does not really intend to take that position, particularly when we have not in any way whatsoever attempted to disparage the quota which Louisiana is getting.

I may say that the figures show that the cost of producing sugar in Florida is 2½ cents, whereas in Louisiana it is 4.8 cents.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pittman
Andrews	Copeland	La Follette	Pope
Ashurst	Davis	Lee	Radcliffe
Austin	Dieterich	Lewis	Reynolds
Barkley	Donahey	Lodge	Schwartz
Berry	Ellender	Logan	Schwellenbach
Bilbo	Frazier	Lonergan	Sheppard
Black	George	Lundeen	Shipstead
Bone	Gerry	McAdoo	Smathers
Borah	Gillette	McCarran	Smith
Bridges	Glass	McGill	Steiwer
Brown, Mich.	Green	McKellar	Thomas, Okla.
Brown, N. H.	Guffey	Maloney	Thomas, Utah
Bulkley	Hale	Minton	Truman
Bulow	Harrison	Moore	Tydings
Burke	Hatch	Murray	Vandenberg
Byrd	Herring	Neely	Van Nuys
Byrnes	Hitchcock	Norris	Wagner
Capper	Holt	Nye	Walsh
Caraway	Hughes	O'Mahoney	White
Chavez	Johnson, Calif.	Overton	
Clark	Johnson, Colo.	Pepper	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. PEPPER. Mr. President, several Senators have entered the Chamber since I explained the amendment. If I may, I desire briefly to explain it again, so they may understand its purpose.

The bill, on page 9, contains this provision:

> If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect. Any portion of such sugar which the Secretary determines cannot be supplied by domestic areas and Cuba shall be prorated to foreign countries other than Cuba on the basis of the prorations of the quota then in effect for such foreign countries.

Yesterday afternoon the Senator from Florida asked the chairman of the Finance Committee [Mr. HARRISON], who is now in the Chamber, if the purport of that provision was not to make it possible for the Secretary of State to have 59,782 tons to use for trading purposes with foreign nations other than Cuba. The chairman of the Finance Committee said, "Yes." Therefore I proposed the amendment.

The purport of the amendment now before the Senate is that Florida shall not be discriminated against. Under the terms of the bill Florida is getting only 15 percent of the cane allocation, or 15 percent of 420,000 tons, namely, 63,000 tons; Louisiana is getting 357,000 tons, and the beet areas are getting 1,550,000 tons. I pointed out the needs of Florida. I think in fairness I should say to the Senate that I do not propose to take the 59,782 tons from the beet area or from Louisiana but only from that tonnage which the Secretary of State proposes to use to trade with somebody for something, some foreign country other than Cuba, not one of our Territories, not one of our States, not even one of our near neighbors, like Cuba. The Senate is asked to vote on the question whether it is fairer for Florida to have a decent quota, namely, 122,782 tons, while Louisiana has 357,000 tons and the beet areas have 1,550,000 tons, or whether Florida should be kept at 63,000 tons, leaving Louisiana and the beet area where they are, because they would not be affected by my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. PEPPER].

Mr. SMITH. Mr. President, may we have the amendment read?

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The amendment was read, as follows:

On page 2, it is proposed to strike out lines 14 and 20; and page 8, to strike out lines 1 to 2, inclusive, and the table which follows, and insert in lieu thereof the following:

(a) For domestic sugar-producing areas:

Area	*Quotas (short tons)*
Domestic beet sugar	1,550,000
Louisiana	357,000
Florida	92,782
Hawaii	938,000
Puerto Rico	798,000
Virgin Islands	9,000
(b) For the Commonwealth of the Philippine Islands	1,000,000
(c) For foreign countries:	
Cuba	1,911,476
Foreign countries other than Cuba	26,412

"(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas and in the respective amounts set forth in subsections (a) and (b) and after deducting the total thereof from the determined consumption requirements shall prorate the difference on the basis of the quotas established for Cuba and foreign countries other than Cuba in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in subsections (a) to (c), inclusive, from the determined consumption requirements and shall prorate the balance among the domestic sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba, on the basis of the quotas set forth in subsections (a) and (c)."

Mr. HARRISON. Mr. President, the distinguished Senator from Florida [Mr. PEPPER] appeared before the Finance Committee and made a very forceful argument in behalf of his amendment. The committee gave careful consideration to it, but felt that if the principle should be adopted it would disorganize the whole quota situation. The administration has insisted very strenuously, through the State Department, on utilizing the 59,000 tons. If the committee had felt that we should have utilized that tonnage otherwise, I am sure we would have distributed it among Florida, Louisiana, and the sugar-beet areas, so that each of them might have had a portion of it. I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. BRIDGES obtained the floor.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Florida?

Mr. BRIDGES. I yield for a question to any Senator.

Mr. PEPPER. It is quite all right with me, but I was about to say that I have three or four more amendments which it would not take long to dispose of, and which I hoped I might be able to conclude, and then I should be through.

Mr. BRIDGES. I do not yield for the purpose of offering amendments.

The PRESIDING OFFICER. The Senator from New Hampshire declines to yield.

Mr. POPE. Mr. President, will the Senator yield to me?

Mr. BRIDGES. I yield for half a minute.

Mr. POPE. Mr. President, I had intended to offer an amendment, on page 16 of the bill, following line 5, to limit to 1 year the time within which the refined quotas would be in effect. I think every Member of the Senate understands that really the only controversial question left in this bill is that regarding refined quotas as between the continental refiners and the offshore refiners.

In the House bill, as appears in section 207, quotas were fixed for refined sugar from offshore refiners. The Senate committee has amended the bill by fixing certain quotas for refined sugar that may be imported from the Philippines and from Cuba, and also, under a slightly different formula, has fixed the amount of refined sugar that may be imported from Hawaii and Puerto Rico. It seems to me that the issue is, of course, with reference to subsection (b) of section 207, which appears on page 16.

Mr. BRIDGES. Mr. President, is the Senator offering an amendment or taking the floor?

Mr. POPE. Just one more minute, and then I shall refer to the amendment.

Mr. BRIDGES. Having refused to release the floor to the Senator from Florida [Mr. PEPPER] for the purpose of considering amendments, I cannot consistently release the floor to the Senator from Idaho except for remarks.

The PRESIDING OFFICER. The Senator from New Hampshire refuses to yield further.

Mr. POPE. May I read the amendment and then ask a question of the chairman of the committee?

Mr. BRIDGES. Very well.

Mr. POPE. The amendment is as follows:

Following line 5, at the end of section 207, I had intended to offer this amendment:

The quotas in the foregoing subsection (b) shall expire or be discontinued at the expiration of 1 year after the date of the enactment of this act.

It seemed to me the proposed amendment would afford a compromise, or, at any rate, ought to be considered by the conference committee as a compromise in the final solution of this problem. Therefore, I had intended to offer the amendment; but I am assured by the Parliamentarian and by others that the conference committee can consider this amendment when the bill goes to conference.

Mr. BROWN of Michigan and Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. BRIDGES. I yield first to the Senator from Michigan.

Mr. BROWN of Michigan. Mr. President, am I to understand that the Senator is asking whether or not his amendment could be considered in conference?

Mr. POPE. Yes. The question which has been in my mind is whether or not this amendment could be appropriately considered by the conference committee unless it were offered and passed upon by the Senate.

Mr. BROWN of Michigan. After conference with the Parliamentarian, I understand that it could be; and I therefore believe it would be best to proceed with the bill as it is, without the amendment being considered.

Mr. POPE. Now, I desire to ask the Senator from Mississippi [Mr. HARRISON], the sponsor of the bill, what is his understanding on the subject?

Mr. HARRISON. Mr. President, if the Senator from New Hampshire will permit me, I may say that the Senator from Michigan and myself and several others have conferred with reference to this amendment, and also with the Parliamentarian; and we are of the opinion that, if the measure goes through as it is now written, since section 207 of the House text was stricken out and entirely new wording as to certain paragraphs of that section was inserted, this matter would be in conference, and that the conferees, if they should deem it wise, could put a limitation on the refined importation.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Kentucky?

Mr. BRIDGES. I yield.

Mr. BARKLEY. That may depend on whether, in the House language and the Senate language, there is any difference as to the life of the act. If the House language fixes a 3-year limitation and the Senate language fixes a 3-year limitation there can be no compromise on 1 year, because there is no difference between the two Houses. If the House language leaves the term indefinite and the Senate language fixes a term of 3 years, there may be room for a compromise there; but there will have to be a difference between the two Houses as to the length of time during which the act shall be in effect in order to have 1 year or any other period designated in conference.

Mr. HARRISON. I will say to the Senator that the life of the act is approximately 3 years.

Mr. BARKLEY. That limitation applies, then, to all parts of the act.

Mr. HARRISON. That limitation would apply to all parts of the act; but section 207 of the House text was stricken out entirely, and a different percentage basis was applied by the Senate in its amendment. We are advised by the Parliamentarian, and it would seem to be logical, that, so far as this particular paragraph is concerned, since there is no other part of the bill than this which is applicable to the refined quota, it is his opinion that we could fix the term at 1 year or 2 years, or whatever the case may be.

Mr. BARKLEY. I do not wish to discuss the wisdom of that policy; but I am frank to say that if the language stricken out contains no limitation as to time, and the language inserted contains no limitation as to time, the mere fact that the quotas are changed would not permit the conferees to agree upon any amendment as to time; and, in my judgment, the bill would be subject to a point of order if the conferees should go outside the language of the section as passed in the House and the Senate respectively.

Mr. HARRISON. It was my first impression that that was true, and I may say that I had a conference with the chairman of the Agricultural Committee of the House, who has given great study to this question, and he agreed with our Parliamentarian and with us that what I have stated could be done.

Mr. BARKLEY. I want the differences between the two Houses to be broad enough so that we may reach a proper understanding of the matter; but I do not want a situation to arise in which the conference report will come back here in such form that some Senator may make a point of order against it.

Mr. HARRISON. It is the opinion that the matter may be considered in conference.

Mr. POPE. I desire to thank the Senator from New Hampshire; and with the assurances that have been given, I shall not at this time offer my amendment.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 7127) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938.

The message also announced that the House insisted upon its amendments to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. KENNEDY of Maryland, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message further announced that the House disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCREYNOLDS, Mr. BLOOM, and Mr. MARTIN of Massachusetts were appointed managers on the part of the House at the conference.

INTERFERENCE WITH THE MAILS

Mr. BRIDGES. Mr. President, some time ago I submitted in this body a resolution having for its purpose an investigation of alleged interferences with the United States mails. The resolution was known as Senate Resolution 140. It was submitted on June 7 of this year. Subsequently an amendment was offered by the junior Senator from Pennsylvania

[Mr. GUFFEY] which sought to broaden the scope of the resolution.

The resolution was referred to the Committee on Post Offices and Post Roads. The fact that there had been actual interference with the mails or interference with a governmental department of the United States, either against the department's wishes or with the knowledge and acquiescence of some officials of the department, did not come to my attention until the 5th day of June. On that day I read in the metropolitan journals of the country that the mails were alleged to have been held up, and that the transmission of the United States mails had been interfered with, and in addition that the Post Office Department was alleged to be a party to an agreement to hold up certain mails in the strike-bound area.

All this pointed to an uncalled-for influence upon the proper functioning of a department of our Government. That persons may interfere with the United States mails and go unpunished and that postal officials may be a party to an agreement with outside persons without having to face investigation is unthinkable. This is a challenge to the Postal Service, and it should not go unanswered. A tradition has been dynamited—a tradition which has been built up that the mails must go through. The sanctity of the Post Office Department has been securely entrenched in the hearts of the American people from the organization of the Post Office Department under Benjamin Franklin, through the harrowing days of the pony express, and on through the struggle and strife of the great Pullman strike, during which the sanctity of the mail was upheld by the then Democratic President, Grover Cleveland. In our own era the tradition of the Post Office Department was upheld at the cost of many young lives. When Postmaster General Farley upheld the tradition that "the mails must go through", he sent young Army flyers over snow-capped mountains in planes ill-equipped to carry through. The fact that these young men faced death did not stop the Postmaster General at that time from declaring that the mails must go through.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield for a question.

Mr. SCHWELLENBACH. The Senator has referred several times to the Post Office officials. The Senator is fully familiar with the fact as to the individual in the Post Office Department who was in charge of the particular transaction to which he refers, is he not? In the hearings the name of the civil-service employee of the Post Office Department here was brought out, a man who has been with the Department for many years.

Mr. BRIDGES. Relative to interference with the mails?

Mr. SCHWELLENBACH. The incident to which the Senator is referring.

Mr. BRIDGES. I assume it was Postmaster General Farley.

Mr. SCHWELLENBACH. The Senator has referred to the metropolitan dailies as the source of his information. Is it not a fact that even in those metropolitan newspapers it was pointed out that the incident arose as a result of a decision by a man in the Post Office Department who had been there for some 23 or more years, who was not an appointee of the present Postmaster General? Is the Senator from New Hampshire familiar with that fact?

Mr. BRIDGES. I will say to the distinguished Senator from Washington that there is a Postmaster General over there who was and is head of his Department.

Mr. SCHWELLENBACH. I am asking the Senator whether or not he is not familiar with the fact that the agreement was made with an employee of the Post Office Department, a civil-service employee, who was not an appointee of the Postmaster General, and that the Postmaster General had nothing to do with it.

Mr. BRIDGES. I am familiar with the fact that Mr. Donaldson, who is the gentleman to whom I believe the Senator refers, had something to do with it. I do not know whether he had all to do with it or partially to do with it, but he was responsible to Mr. Farley, the Postmaster General.

Mr. SCHWELLENBACH. The Senator has been very free in his discussion of this subject, and I took it, from the fact that he has been so free, and given out newspaper interviews so many times about it, that he knew about Mr. Donaldson, and I am asking the Senator whether he does not think it would be fair of him, since he is discussing this question, to discuss it in terms of Mr. Donaldson, and not in terms of the Postmaster General.

Let me ask the Senator, is he interested in this matter from the point of view of assistance to the Post Office Department, to increasing its efficiency, or is it simply a political matter sent out by the national Republican headquarters?

Mr. BRIDGES. Mr. President, I am referring to an investigation as a result of a resolution which I introduced, and which was quashed by the committee.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. I am glad to yield.

Mr. McKELLAR. The Senator says his resolution was quashed by the committee. In that I think he makes a pretty fair statement of the situation. As I recollect, there were 18 Democrats and 4 or 5 Republicans present in the committee when it was voted on, and every Democrat and every Republican voted against the Senator's resolution except the Senator himself.

Mr. BRIDGES. Mr. President, in answer to the distinguished chairman of the Committee on Post Offices and Post Roads, the Senator from Tennessee [Mr. McKELLAR], let me say that on the day when the resolution was voted on, when the final vote was taken, I believe I was the only Republican present at the time the vote was taken.

Mr. McKELLAR. The Senator is mistaken about the number of Republicans who were present. There were several Republicans there, and I was not surprised, in view of the evidence, that the Senator's Republican friends could not possibly vote for the Senator's resolution.

Mr. BRIDGES Let me explain to the Senator from Tennessee that the only two Republicans on the subcommittee besides myself were the Senator from Vermont [Mr. GIBSON], who at that time was home in Vermont, and the Senator from North Dakota [Mr. FRAZIER], who was not present at the time the vote was taken.

Mr. McKELLAR. The Senator will admit, at all events, that his was the only vote he could get in favor of his own resolution?

Mr. BRIDGES. Yes; and I am proud of my vote.

Mr. McKELLAR. That is all right; I am glad the Senator is proud of it.

Mr. BRIDGES. The fact that these young men faced their death did not deter the Postmaster General at that time from carrying out the tradition that the mails must go through.

Mr. McKELLAR. Mr. President, will the Senator yield again at that point?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. The Senator has referred several times to the time when the Army planes carried the mails, when the aviation contracts were canceled because of fraud and dishonesty in the matter of the contracts, and when these poor young men were forced to carry the mail, being in the Army. Does the Senator know that there were just as many, and even more, young men killed in airplane accidents when they were not serving in carrying the mails as when they were carrying the mails? If he does not know that, he ought to look up the record, because he will find that to be the fact.

Mr. BRIDGES. Mr. President, on June 11 my resolution with its amendment was taken up by the Committee on Post Offices and Post Roads. At this initial hearing were present as witnesses First Assistant Postmaster General William W. Howes, Deputy First Assistant Postmaster General Jesse M. Donaldson, and Solicitor for the Post Office Department Karl A. Crowley.

Mr. Howes, in his statement to the committee, outlined the position of the Post Office Department. He stated that to the

best of his knowledge there had been little interference with proper mail deliveries and that such interference as he was aware of was being investigated by the Department inspectors. That he was aware of no agreements between members of his Department and outside parties. That it was true that the Post Office Department had issued orders to their offices in the strike areas to make only such deliveries to the plants as were "regular" or "normal." That this was done in the interest of safety to the carriers. That the Post Office Department was not engaged in what might be termed "police activities to enforce transmission of the mails."

Upon the completion of Mr. Howes' statement I introduced before the committee a telegram from officials of the Steel Workers Organizing Committee, from which I quote:

Relative to the postal question at Niles, Ohio, Mr. Galloway and Mr. Walter J. Payne did not handle or inspect any packages at the Niles post office. We simply had an understanding with the postmaster, assistant postmaster, and the postal inspector of Youngstown, Ohio, as to what kind of packages would pass through the picket lines and what kind would not pass. It was agreed that all regular mail would go through, but packages containing clothes and foodstuffs would not, as they were irregular. The action taken during the situation was to maintain peace and order, and that we have accomplished.

C. B. GALLOWAY, *President*,
WALTER J. PAYNE, *Secretary*,
Representatives.

Here, in my estimation, is an admission by parties to this alleged agreement between postal officials and strike officials that there indeed was an agreement or understanding. Before adjournment of the first day's meeting it was moved that the hearing be continued and that witnesses be called to substantiate or refute charges made.

On June 17, at the second meeting of the committee, the entire session was taken up hearing the testimony and examining Mr. Philip C. Murray, chairman of the Steel Workers Organizing Committee and vice president of the United Mine Workers of America. When he first heard that there was to be a hearing on alleged interference with United States mail, Mr. Murray wired me and demanded that he be allowed to be heard. I was glad to have him appear. His testimony was in particular relation with Senator GUFFEY'S amendment to my resolution. His charges against the steel company's activities in attempting to break the strike and his story of the Memorial Day strife in Chicago were indeed enlightening. However, his testimony concerning post-office interference was not of much consequence.

On June 18 the major portion of the hearing was again taken up by Mr. Murray, and the remainder by the testimony of Mr. Lewis L. Guarnieri, of Warren, Ohio, an attorney for the Republic Steel Corporation. In his testimony Mr. Guarnieri repeated under oath statements he had made to the press to the effect that packages mailed in various post offices in the strike areas were refused, and that in one instance an assistant postmaster had said to him that it was impossible to make mail deliveries because strike officials would not permit it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. McKELLAR. The Senator recalls also that Mr. Guarnieri testified that one of the parcels or packages which the Republic Steel Corporation asked to have mailed to its employees within the plant was a truck load of bread, which had been shipped from Cleveland, and, incidentally, shipped right by the plant; bread that was intended to be taken to the post office. Instead of delivering it to the plant, as they could have done, they wanted the Post Office to take a truck load of bread into their own plant. The Senator recalls that was one of the parcels, does he not?

Mr. BRIDGES. I desire to quote now from the testimony of Mr. Guarnieri, who testified:

As I was saying, I entered the Niles post office with four packages addressed to Mr. Sam Brown, superintendent of the Niles plant. As I stepped into the post office, the gentleman in charge of the parcel-post window greeted me by name. I asked him if Mr. Marceau, postmaster at Niles, was in. The gentleman at the window said that Mr. Marceau was out with one of the mail carriers but that Mr. Flaherty—Bert Flaherty—the assistant postmaster at Niles, was in the postmaster's office. I walked into the postmaster's office, and I greeted Mr. Flaherty, whom I had known for a considerable length of time. I asked Mr. Flaherty if he would come out into the lobby, that I had four packages that I wanted him to examine. Mr. Flaherty came into the lobby in the presence of three gentlemen who were with me, and I said to Mr. Flaherty that "I have four packages containing nonperishable food that I desire to send through the United States mails"; that the packages were addressed to the superintendent of the Niles plant of the Republic Steel Corporation; that I would like to have the packages sent registered mail; that I would like to have a return receipt; that if he would tell me what the amount of the postage would be, I would be glad to pay it.

Mr. McKELLAR. Mr. President, will the Senator yield at that point?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. The Senator will recall that Mr. Guarnieri, who was the attorney for the Republic Steel Corporation, also testified that he took these four packages to the post office and took three witnesses with him, as I recall the number—it may have been two; either two or three—that he expressed the opinion at that time that he knew the Post Office Department would refuse it, and that his purpose in offering it at the time was to enable him to bring a mandamus suit against the Post Office Department, and afterward he did sue out such a writ against the Department. In other words, what the Senator is talking about is the testimony of Guarnieri, who said that he went there on that occasion for the purpose of arranging to bring a lawsuit against the Postmaster General, and that suit was brought, and, as I understand, abandoned, so that evidently Mr. Guarnieri had no more faith in it than the committee had in the Senator's resolution.

Mr. BRIDGES. I read further from the testimony of Mr. Guarnieri:

Mr. Flaherty said that he was very sorry that he could not accept those packages. He then said to me that only yesterday a gentleman came to the office with a package containing a bottle of medicine for delivery to someone in the Niles plant of the Republic Corporation. Mr. Flaherty said: "The gentleman who brought the package in gave us permission to have it opened." The package was opened. It was found to contain a bottle of medicine. Mr. Flaherty said that there was a postal inspector at the office at the time; that the postal inspector sent for Ben Galloway, a member of the C. I. O. in Niles, a member of the lodge there, and one of the officials, and also Walter Payne, who was an organizer for the union, and Mr. Payne and Mr. Galloway inspected the package. When they found that it contained medicine they readily consented to its delivery into the Niles plant, and Mr. Flaherty said, "That package was delivered."

A further part of Mr. Guarnieri's testimony is particularly appropriate, since the recent bombing which took place last week according to the newspapers. I quote now from the record:

Mr. GUARNIERI. I suppose at times there would be 100, 200 assembled at the corner. These men, for the most part, are armed with ball bats, pieces of clubs, lengths of pipe, rubber hose with pieces of pipe in the end of the hose. As you proceed down the street one or more of the pickets take hold of your arm and ask you where you are going. If you do not have a C. I. O. pass and you are not identified with the union, or you are not a police officer, a city official, or a county official, you are not permitted to go down the street.

Senator BAILEY. Have you seen the C. I. O. pass?

Mr. GUARNIERI. I saw one that a doctor had, Senator.

Senator BAILEY. Signed by whom?

Mr. GUARNIERI. It was signed by Gus Hall or Halberg, a man who lives, I believe, in Youngstown, Ohio, who is not a resident of Warren.

Senator BAILEY. Under what title did he sign? Did he sign as treasurer or secretary or chief or what?

Mr. GUARNIERI. As I recall it—I saw the pass—it was signed "C. I. O., by Gus Hall." That, however, was revoked 4 days afterward, and the doctor was not permitted to have a pass.

Senator BAILEY. Do you think if we could get one of those passes for the Post Office Department they could move the mail?

I ask Senators particularly to note that this testimony of Mr. Guarnieri would seem to be substantiated by the telegram I quoted above from Messrs. Payne and Galloway. In his visits to the various post offices Mr. Guarnieri was accompanied by three witnesses, who followed him in appearing before the committee and substantiated his statements concerning his attempt to make legal use of the United States mail. I ask Senators also to note the name of Gus Hall, who it was, according to Mr. Guarnieri, that signed

the C. I. O. passes permitting people to move up and down the public streets.

I hold here for Senators' inspection a copy of the Washington Post under date of Wednesday, June 30, which shows a picture of Gus Hall, and underneath the legend reads "Sought in bombing."

He is the man who was sought in connection with a bombing in the strike area, and who prior to that time was signing the C. I. O. passes permitting the people to move up and down the public streets.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MINTON. Did they get him?

Mr. BRIDGES. I do not know about that.

Mr. MINTON. Are they still after him?

Mr. BRIDGES. I suppose so.

Mr. MINTON. Does the Senator know whether or not the charges against him have been substantiated in any way?

Mr. BRIDGES. No; I do not.

Mr. MINTON. Yet the Senator from New Hampshire reads the statement into the RECORD indicating that the man is guilty of some offense.

Mr. BRIDGES. I think there were pretty good grounds for suspecting him, because a warrant was sworn out for his arrest.

Mr. MINTON. The Senator wishes that suspicion cast upon this man and to appear in the RECORD, without knowing whether or not he is guilty?

Mr. BRIDGES. Where there is a good deal of smoke I think there is some fire.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. BRIDGES. I yield.

Mr. McKELLAR. The Senator spoke of what occurred when his resolution was voted on. I wish to call his attention to the minutes of the Committee on Post Offices and Post Roads in respect to that matter:

> The committee then took up the resolution of Senator BRIDGES (S. Res. 140). Senator BAILEY stated to the committee that it had investigated whether or not a committee of five should be appointed to investigate further the alleged charges against the Post Office Department relative to delivery or nondelivery of the mails in the strike areas, and upon motion of Senator BAILEY—

The same Senator from whom the Senator from New Hampshire has just quoted, by the way—

> duly seconded, it was agreed that the resolution be reported back to the Senate with the recommendation that such a committee be not appointed. The chairman was instructed to draft the full report.

The vote on the Senator's resolution was as follows: In favor of the Senator's resolution was Senator BRIDGES. Opposed to the Senator's resolution were Senators McKELLAR, HAYDEN, BAILEY, BULOW, O'MAHONEY, MURRAY, CHAVEZ, HOLT, ELLENDER, GREEN, LUNDEEN, SMATHERS, and LA FOLLETTE.

That is 13 to 1. There was one Republican and one Farmer-Laborite there. The Senator from North Dakota [Mr. FRAZIER] was absent.

Mr. BRIDGES. I am glad that the Senator verifies my recollection that there were very few Republican Senators present.

Mr. McKELLAR. There are very few Republican Senators in this body. I think there are only something like 14 regular Republicans in the body.

Mr. BRIDGES. There are 16 Republicans, and there will be more.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BARKLEY. The ratio of 13 to 1 is not widely out of proportion, is it, to the membership on the floor?

Mr. BRIDGES. I think that is perhaps a little out of proportion, but we expect to even up the membership.

Mr. McKELLAR. Aside from the Senator who introduced the resolution, there was no difference at all among the members of the committee, regardless of politics, as to whether or not the Senator's resolution should be reported.

Mr. BRIDGES. Following Mr. Guarnieri on the stand was one James E. Musgrove, a nonstriking worker in the Republic plant at Warren, Ohio. His testimony was mainly confined to beatings, clubbings, and threats of hanging to which he was subjected by pickets and strikers, and was devoid of enlightenment on the mail situation.

Following the testimony of Mr. Musgrove, two women—a Mrs. McDonald and a Mrs. Best, wives of workers in the steel-company plant—testified as to their inability to make use of the United States mail for the purpose of mailing packages of magazines and toothpaste to their husbands. In the case of Mrs. Best this refusal on the part of the Post Office Department caused her husband great trouble, inasmuch as without the powder for holding his false teeth in place he was unable properly to eat. Working in the plant at hard labor he could consume only liquids.

Following Mrs. McDonald and Mrs. Best was heard the testimony of Mr. D. W. Jordan, an employee of the Republic Steel Corporation, Cleveland, Ohio, concerning certain packages which had been delivered to the strike-bound plant. Mr. Jordan testified to the effect that the picket captain permitted one package to go through, but ordered Jordan not to deliver the other package which contained a piece of clothing. The message on the package which was returned was: "C. I. O. would not permit delivery. 6-12-1937, at 1:30 p. m." The package which was allowed to go through contained film for a graflex camera.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. BRIDGES. I yield.

Mr. McKELLAR. The Senator speaks of interference by the C. I. O. strikers. The Senator will recall that the evidence was complete that everyone who interfered with the mails or attempted to interfere with the mails at that place and at other places in that area were arrested; that the Department had the cases investigated and arrested those men, and their cases are now before the court. The Senator recalls that, does he not?

Mr. BRIDGES. No. I understand that nine men are now under indictment by the Federal grand jury, but that by no means is all.

Mr. McKELLAR. That was all in connection with whom there was any testimony. There was not a man who directly or indirectly attempted to interfere with the mails who was not arrested and who does not have to stand trial for it.

Mr. BRIDGES. Postal officials and mail carriers next testified to their inability to deliver United States mail to the plants. I am now talking about postmasters and postal employees, Federal officials, in the testimony from which I now quote. John Wyndham, carrier for the Warren post office, stated that his truck was stopped at the gates by pickets, and he was forced to return to the post office. The second time he attempted to make a delivery to the plant he was again accosted by pickets, and I quote from his own testimony as to what occurred. The questions by Senator McKELLAR, chairman of the committee, were:

> Was there any violence done to you or threatened you?
> Mr. WYNDHAM. No, sir.
> The CHAIRMAN. Why did you return, then?
> Mr. WYNDHAM. Because they told me what they would do if I moved any further.
> The CHAIRMAN. Who told you?
> Mr. WYNDHAM. The strikers.
> Senator BAILEY. What did they tell you?
> Mr. WYNDHAM. Am I permitted to use the language they used?
> The CHAIRMAN. Yes; go ahead.
> Mr. WYNDHAM. They told me that they would beat my damned head off if I went any further.

Mr. McKELLAR. Mr. President, the Senator ought to be fair and state that the very man who used that language has since been arrested and is now being prosecuted both by the Post Office Department and the Department of Justice. There are offenses committed against the mails just as there are offenses committed against other departments. What more can a department do when there is interference with it and an act of violence committed against it than to have the man arrested and sent to jail?

Mr. BRIDGES. Following the testimony of Postman Wyndham was that of Ezra Chadwick, an employee of the

United States Government post office in the capacity of substitute carrier of special-delivery messages.

Mr. McKELLAR. I did not get his name.

Mr. BRIDGES. The name is Ezra Chadwick.

I quote from part of Mr. Chadwick's testimony:

Mr. CHADWICK. I had some letters and three packages, newspapers, that Mr. Dixon said should go through; they were classified as mail.

The CHAIRMAN. Who is Mr. Dixon?

Mr. CHADWICK. Our postmaster. I took them down there and got past the first picket line and in front of the mill where an officer of the law was sitting, and I told him Mr. Dixon said that these packages were to go in. While I was talking with him one of the pickets reached through the window and picked up the package. You couldn't see the ends of it.

Senator BRIDGES. Reached into your truck?

Mr. CHADWICK. Into my car.

Senator BRIDGES. A C. I. O. picket reached into your car and picked up this package of United States mail?

Mr. CHADWICK. Yes; and he put it back down and he said that was clothing and couldn't go through, but the other two packages were open on the ends and you could see they were newspapers and he said they were all right * * *. After he did that, and told me those two could go through, I got out of my car. He wouldn't let me drive the car up to the mill yard, and I walked back with the other two and took the package up to Mr. Dixon as he requested me to do.

Both Mr. Chadwick and Mr. Wyndham testified that the persons who stopped their trucks were armed with baseball bats, clubs, and other weapons.

Mr. McKELLAR. Mr. President, will the Senator yield there?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. The chairman asked Mr. Chadwick this question:

Did any others touch your bag?

And he replied, "No."

The Senator knows that the man who did touch the bag was afterward arrested and is now being prosecuted. What else would the Senator have done under such circumstances?

Mr. BRIDGES. Mr. Harry J. Dixon, United States postmaster at Warren, Ohio, testified that the morning the strike started a committee of C. I. O. men came to his office and protested certain mail deliveries to the plant. He said that these men told him if he did not prevent this mail from going through they were fearful that they could no longer hold the pickets from interference with the mail. Mr. Dixon also stated that after these threats, when packages were offered by wives of nonstrikers and wholesale houses and grocery companies he presumed that he was to judge whether the packages were to be considered regular mail or not.

Mr. Harry Marceau, United States postmaster at Niles, Ohio, testified that he went on a truck to the steel plant in an attempt to deliver mail; that he was prevented from carrying out his duty by a steel cable which was stretched across the gates of the plant and by cars parked solidly across the driveway, in addition to three of four hundred men carrying baseball bats and ordinary clubs. After this incident Mr. Marceau stated that he withheld two packages from delivery; that he recognized such packages as food by the labels on the outside, such as Armour, Swift, or the labels of the different markets in Niles.

Mr. M. B. Flaherty, assistant postmaster at Niles, gave testimony that contradicted that of Mr. Lewis L. Guarnieri. He stated that he had made no agreement with Mr. Payne or Mr. Galloway or other strike pickets, but that he had outlined to them the policy of the Post Office Department in delivering mail to the plants. In part, Mr. Flaherty's testimony is as follows:

Mr. FLAHERTY. I will recite the incident about the package of medicine as it occurred. Mr. Trimber, an inmate of the plant, called me on the phone and told me he was expecting a parcel containing medicine which he was badly in need of; that he was sick. He said, "You may open the parcel and satisfy yourself it contains nothing but medicine; and if you can get that medicine here, I will greatly appreciate it." I told him I would make an effort; make every effort to get the medicine to him. I went out in our workroom and found the parcel, and I opened it, and it contained a single bottle of medicine, and just about that time Inspector Sands came in, and he told me at that time he would like to meet Mr. Payne and Mr. Galloway; he wanted to talk with them. I called attention to this bottle of medicine and said, "I am going up to the plant to take this medicine", and he said, "You leave that here on the table." I brought Payne and Galloway in, and it was at that time Inspector Sands told them what the policy of the Department was.

Senator BRIDGES. What did they say?

Mr. FLAHERTY. That was all right. It was agreeable to them.

Senator BRIDGES. Did they say at that time the medicine could go through?

Mr. FLAHERTY. The medicine had not been mentioned yet, but Inspector Sands called their attention to the bottle of medicine and told them that while that was an unusual parcel and would be construed as unusual, that owing to the circumstances and the humane element of the thing, that he insisted this parcel be delivered, and that was all right with them.

Mr. Flaherty when further questioned considered that his statement which I have read above was not an admission that there was any agreement or understanding between himself and union pickets. This despite the fact that the union officials in their telegram to me admitted there was an agreement, and this despite the fact that Mr. Lewis Guarnieri swore under oath before this committee that Mr. Flaherty had an agreement with union officials, and this despite the fact that Guarnieri's statement was substantiated by three witnesses.

Mr. Carl Armstrong——

Mr. McKELLAR. Before the Senator leaves Mr. Flaherty I want to call to his attention what Mr. Flaherty said about the matter.

The CHAIRMAN. That telegram—

Which the Senator has already quoted—

The CHAIRMAN. That telegram says: "We simply had an understanding with the postmaster, assistant postmaster, and the postal inspector of Youngstown, Ohio, as to what kind of packages would pass through the picket line and what kind would not pass. It was agreed that all regular mail would go through, but packages containing clothes and foodstuffs would not, as they were irregular."

The chairman asked him these questions:

Did you make any agreement to that effect?

Mr. FLAHERTY. No, sir.

The CHAIRMAN. No agreement with those gentlemen?

Mr. FLAHERTY. No, sir.

The CHAIRMAN. Do you know these gentlemen?

Mr. FLAHERTY. Yes, sir.

The CHAIRMAN. How long have you known them?

Mr. FLAHERTY. Just since the strike.

The CHAIRMAN. Did they call on you or where did you see them?

Mr. FLAHERTY. I was requested to call on them at the post office.

The CHAIRMAN. Requested by whom?

Mr. FLAHERTY. Inspector Sands.

The CHAIRMAN. What did you do?

Mr. FLAHERTY. I went to the office of the plant and inquired for Mr. Galloway and Mr. Payne and met them and told them Mr. Sands would like to see them at the post office.

The CHAIRMAN. And they came?

Mr. FLAHERTY. They came.

The CHAIRMAN. What took place?

Mr. FLAHERTY. Mr. Sands outlined to them as nearly as I could get his meaning the policy of the Department.

The CHAIRMAN. What was that policy?

Mr. FLAHERTY. As to delivery of mail, and he said that the Department insisted that all ordinary mail, which included letter mail and parcel mail, must be delivered.

The CHAIRMAN. Was that policy made public and did everybody in Niles know it or have the opportunity to know it?

Mr. FLAHERTY. Well, I think so.

The CHAIRMAN. You stated to them just what you stated to everybody else?

Mr. FLAHERTY. Yes.

That was the testimony of Mr. Flaherty and was the testimony of all the other postmasters and officials from whom the Senator is quoting. Why not let the facts go out before the Senate and before the public just as they came out before the committee when the Senator's resolution was unanimously turned down, except for his own vote?

Mr. BRIDGES. Mr. Carl Armstrong, acting postmaster at Youngstown, Ohio, said that despite the fact that his men could not deliver all types of mail to the plant he had in fact favored the company a little. The following is from his testimony:

The CHAIRMAN. Have you ever tried to favor either side?

Mr. ARMSTRONG. As a matter of fact, we have favored the company a little. We have bootlegged certain articles of parcel post through.

Mr. President, when this country reaches such a state that an official of the United States Government, the postmaster at Youngstown, Ohio, testifies under oath that in order to perform its normal functions it becomes necessary for the Government to "bootleg" the mail through picket lines we have reached a pretty low ebb and it is time that every citizen of the United States was aware of that fact, and a thorough investigation made of the cause of such a disgraceful situation.

Mr. McKELLAR. Mr. President, will the Senator yield on that point?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. I think we ought to be fair with these witnesses. This is what Mr. Armstrong testified, and it related to a truckload of bread:

> The CHAIRMAN. That is the first truckload of bread to be shipped by parcel post I have ever heard of myself. What did they do?
> Mr. ARMSTRONG. Well, I do not know that they did anything except try to get it in, except it was returned.
> The CHAIRMAN. Went back to Cleveland?
> Mr. ARMSTRONG. Yes, sir.
> The CHAIRMAN. How far is Youngstown from Cleveland?
> Mr. ARMSTRONG. About 65 miles.
> The CHAIRMAN. Then what occurred?
> Mr. ARMSTRONG. Of course, we had general instructions from the Department when we refused any unusual mail of that type.

Application had been made to a postmaster to send a truckload of bread by parcel post from the post office to the Republic Steel Co. plant in that town when the truck had to go right by the door of the plant. The matter was taken up by the Post Office Department here, and, under the law governing the Post Office Department, the Postmaster General instructed the postmaster not to receive that unusual kind of mail. What should Mr. Armstrong have done? What does the Senator claim that he did that he ought not to have done or what did he not do that he ought to have done? Should he have disobeyed his superiors? Should he have carried a truckload of bread down there himself or should he have sent it by someone else? Should he have taken part in the struggle between the Republic Steel Co. and its employees? Does the Senator want the Government of the United States to take part in every strike that happens to occur?

Mr. BRIDGES. No; but I do not believe it should sit by with folded arms when there is a virtual civil war in some sections of the country.

Mr. McKELLAR. There was not any civil war there. There was a controversy between the Republic Steel Co. and its employees, and there was a strike. Of course, we all know that the Senator took the side of the Republic Steel Co. and wanted the Government to do so; and he is angry because the Government did not do it, and he is angry also because the Committee on Post Offices and Post Roads of the Senate turned down his resolution, which would have virtually meant that the Government should take part. I say that the Government ought not to have taken part between the strikers and the Republic Steel Co. under the circumstances.

The Senator heard the evidence, and, after having heard it, I do not see how he, or anyone else who either heard the evidence or has read it—and it is here in printed form—can take the position that the Government through its Post Office Department ought to have interfered in that strike. It ought not to have done it, and the Government did exactly right in not taking part in the strike.

Mr. BRIDGES. Let me tell the distinguished Senator from Tennessee something. We had a deplorable condition in the country; law and order flouted, and the Government of the United States unable to perform its normal functions as a result of mob rule.

Let me tell the Senator from Tennessee something else. The day may not be far distant in this country when we shall either have law and order or we shall have an utter absence of law and nothing but disorder. It may become an important issue in this country. When that day comes I hope the Senator will be found on the right side.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. McKELLAR. As a colored man down in my State used to say, "I wonder has the Senator been up and interviewed the great Supreme Being of the universe, so that he is able to prophesy what is going to happen?" The Senator has a right to prophesy all he wishes, and I do not care anything about that, but the Senator ought not to make these charges because he is piqued, because he is disappointed at his own committee turning him down by a vote of 13 to 1 on a resolution which had nothing in it to start with except politics. The Senator introduced it as a political resolution, and the reason I say that is that he not only went to the newspapers with every feature of his resolution, with every step that he took concerning his resolution, but since that time he has constantly gone to the newspapers trying to make something of a political nature out of his contest which was lost before the Committee on Post Offices and Post Roads by a vote of 13 to 1.

Mr. BRIDGES. There is a difference of opinion about that.

Mr. McKELLAR. Yes; a difference of 13 to 1.

Mr. BRIDGES. I am still proud of my vote. I was right, and time will justify me.

Mr. Fred W. Justus, postmaster at Massillon, Ohio, testified that there were two strike-bound steel plants within the area served by his post office, and that for a period of 10 or 12 days after the strike had occurred his office had made an attempt to deliver mail, with the assistance of the local police department. Finally the pickets stopped these mail deliveries, the local police withdrew their assistance, and the pickets were enabled to block all deliveries of mail to plants in the area. Postmaster Justus also said that the carriers carried lists of the mail matter contained in their trucks so that when stopped by the pickets they could refer to these lists and assure the pickets that nothing was contained in the mail pouches which was banned from the mails by pickets.

We have here the sworn testimony of the postmaster at Massillon, Ohio, that he was obliged to make up lists and obliged to carry them in the mail trucks so that the C. I. O. pickets might know what the mail trucks were carrying so they could determine what packages they would let go through. That was a deplorable condition.

Mr. McKELLAR. Mr. President, will the Senator yield to let me show what the witness actually said?

Mr. BRIDGES. I yield.

Mr. McKELLAR. The witness whom the Senator has just been attempting to quote said on page 201 of the RECORD:

> Mr. JUSTUS. We commenced to get an unusual amount of mail to be delivered to the men in the plant and we proceeded to attempt to deliver, and we did possibly for 10 or 12 days with the assistance of the local police department. Now, I did that by counseling with Canton, Ohio, 8 miles to the east, and Akron, Ohio, just 18 miles to the north. Canton was experiencing the same experience we were and Akron had a strike last winter. It was the reverse, however; it was known as a sit-down strike, and on the strength of that I felt it was my duty to attempt to deliver the mail. We did, however, check up the various angles in the P. L. & R.—the Postal Laws and Regulations—and we were cautioning people and asking people about such things as we considered exempt at that time, and that included liquor and firearms and explosives. We did stop some packages that were suspicious looking where we could hear the gurgle or something else in there, you know, and we did probably take out and stop 8 or 10 packages, and we found liquor in the packages going into the plant and notified the sender to come and get his package that he had mailed unmailable matter, but the food and clothing at that time and such packages that seemed to be all right according to the P. L. & R., we attempted to deliver and there was a notice in the Cleveland Plain Dealer that food and clothing were being exempted, and we commenced to have trouble in delivering.

It is against the postal regulations to deliver liquor, firearms, and explosives. Would the Senator have that kind of mail sent through?

Mr. Justus testified there were eight cases of that kind. What would the Senator have the postmaster do? If it was against the postal regulations to carry liquor or firearms or explosives in the mail, would he have had them delivered, regardless of regulations?

Mr. BRIDGES. No; but I would not let the C. I. O. tell me what to do.

Mr. McKELLAR. The C. I. O. had nothing in the world to do with it.

Mr. BRIDGES. The C. I. O. had everything in the world to do with it.

Mr. McKELLAR. I do not know much about the C. I. O. and do not care anything about the C. I. O., but the Senator knows that in this contest in the three post offices which were investigated under the Senator's resolution, there was no question that every attempt to violate the postal laws was not only condemned by the Post Office Department, but the Department through its inspectors conducted an investigation, and had those who were guilty arrested and put in jail. They are there now unless they are out on bond. They have to be tried for whatever offense they committed. Does the Senator expect never to have any difficulty in regulating postal matters? That may be so in the State from which the Senator comes, but it is not so in any other State.

Mr. BRIDGES. I shall continue my statement. I shall cover the Senator's argument in a few moments.

I may say here that the Post Office Department is apparently not only making agreements with the C. I. O. as to what mail it may deliver, but it is apparently also required to list the contents of mail carried in the trucks to assure the C. I. O. officials that the agreement is being kept.

Mr. McKELLAR. Mr. President, I challenge the Senator's statement.

Mr. BRIDGES. Read the testimony.

Mr. McKELLAR. I challenge the Senator to point to a single agreement. I hand him the testimony as it is printed, if he has not a copy of it, and ask him to point out a single agreement between Government officials and the C. I. O. or anybody else. What the testimony shows is that the Post Office Department told everybody interested in the matter, regardless of whether they were laboring men or citizens or C. I. O.'s or what not, what the postal regulations received from Washington were. The Senator failed to submit any evidence of any kind of an agreement between the C. I. O. and the Government, or anybody else with the Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Kentucky.

Mr. BARKLEY. Inasmuch as the Senate has a consignment of sugar which we hope to deliver today, I wonder if there is any hope that we might shorten the discussion about the C. I. O. and the sit-down strikes?

Mr. BRIDGES. I shall yield only for a question and try to finish my remarks.

Mr. BARKLEY. I asked the Senator a question.

Mr. BRIDGES. Mr. President, on June 24 the major portion of the hearing was given over to the testimony of Mr. T. M. Girdler, chairman of the board of the Republic Steel Corporation. His testimony was chiefly confined to giving his side in answer to the charges of Mr. Philip Murray of the Steel Workers Organizing Committee and to making counter charges against the C. I. O. The last half of the hearing was taken up listening to statements of Chicago police officers relative to the Memorial Day occurrence in Chicago. At the conclusion of this hearing on June 24 I asked the Senator from Tennessee [Mr. McKELLAR], the chairman of the Post Offices and Post Roads Committee, to have Postmaster General Farley summoned to testify, but the chairman of the committee refused to have Mr. Farley summoned unless I divulged questions which I intended to ask Mr. Farley, although this had not been necessary in the case of any other witnesses subpenaed.

Mr. McKELLAR. Mr. President, I know the Senator will yield for a question at that point.

Mr. BRIDGES. I yield only for a question.

Mr. McKELLAR. The Senator, of course, knows that during the entire time of the strike Mr. Farley was not in the city of Washington, but that W. W. Howes, First Assistant Postmaster General, was in attendance on the committee every day. Mr. Farley knew nothing in the world about the transactions of his own knowledge.

Mr. BRIDGES. Is the Senator asking a question?

Mr. McKELLAR. Of course the Senator must know——

Mr. BRIDGES. Is the Senator asking a question?

Mr. McKELLAR. I will ask a question. Does not the Senator know and does he dare deny that Mr. Farley was not there?

Mr. BRIDGES. I know Mr. Farley should have been there. If the Senator wants to talk, let him explain where Mr. Farley was and why he was not attending to his job.

Mr. McKELLAR. I do not know where he was.

Mr. BRIDGES. The country might like to know where Mr. Farley spends most of his time.

On June 28 the final hearing of the committee was held, at which time it was determined, by a vote of 12 to 1, to report adversely on my resolution, indicating that a sufficient investigation had been made; by a vote of 7 to 5 to refer the Guffey amendment to my resolution to the Subcommittee on Civil Liberties of the Committee on Labor and Education; and by a vote of 12 to 3 not to call Mr. Farley as a witness.

Mr. President, despite the fact that mine was the sole dissenting vote in the committee on my resolution, I still feel that sufficient evidence has been introduced to warrant a full and extensive senatorial investigation. From the amount of evidence I have outlined, which is at best only a small portion of the whole, it may be seen that the Post Offices and Post Roads Committee has held only preliminary hearings, although these hearings extended over a considerable period of time, and many witnesses were heard. I believe, from evidence which was produced and from testimony which was heard, that it cannot be denied, first, that there are strong grounds for belief that there has been an agreement between United States postal officials and outside parties pertaining to the kinds of mail to be carried; second, that there have been innumerable instances of direct interference with the proper delivery of the United States mails; third, that the Post Office Department is attempting to interpret the United States Postal Laws and Regulations in such a manner as to amount to new legislation and is thereby usurping the power of Congress, which has the sole right to make the laws of the United States; fourth, that crimes have been committed which should not be allowed to go unpunished.

Mr. President, the people of this country have a right to know what we are going to do about this matter. Communications have reached me from all over the country asking that the investigation be not given up. When our citizens, with their letters and packages and newspapers, appear at the windows of our post offices, they are entitled to the services that the United States mail is capable of rendering, without fear or favor. I speak not now of persons like Mr. Lewis L. Guarnieri, who was taking his packages and his witnesses from post office to post office to make out his test case, but I speak of the Mrs. McDonalds, Mrs. Bests, and other mothers, wives, and sisters of steel-plant workers, who have attempted to mail their packages, not containing liquor or firearms, but containing the humble necessities of man, such as food, articles of clothing, and medicine. These people have been turned away from the windows of Government agencies which they assist in supporting with the curt reply that their packages are no longer entitled to the use of the United States mail because they are "irregular."

Mr. President, I ask you to think about the word "irregular." To what laws are we to go to determine what the Post Office Department considers "irregular"? Does the Post Office Department claim that the place of delivery is "irregular"? Does it base its refusal to deliver these packages, offered by citizens who have never before been refused the rights of Uncle Sam's mail, on any such flimsy grounds because of their contents? Or does it classify mail as "irregular" under threat of outside parties, which threat the same outside parties back up by the use of clubs, baseball bats, and

threats of physical harm to United States postmen, as we have seen by the testimony given before the committee?

Mr. President, I ask that you think about this, because I have here evidence in the form of an affidavit of an official of the Goodyear Tire & Rubber Co., of Akron, Ohio, which states that from the 20th of February until the 19th of March 1936 mail deliveries were made of foodstuffs to the Goodyear plants, which were then in the grip of a strike. I have here a letter from the United States post office at Akron, Ohio, which states that during the Goodyear strike there was one attempt to interfere with the United States mails, and that was an attempt to disconnect wires from the motor of a mail truck, after which act one of the strikers apologized and promised no further trouble.

Mr. President, I ask you to think about this "irregular" mail delivery, because in the 1936 strike it was not a question of parcel-post packages of wives, mothers, and sisters of workers in the plant, but it was a question of the delivery of packages from Armour & Co. and Swift & Co. containing ham, bacon, eggs, fresh rolls, butter, cheese, and other food products in the sum total of approximately 48,000 pounds.

Mr. President, in the period of a little over 1 month in 1936 the United States mail delivered almost 1 ton of food per day to a strike-bound plant with no question of "irregularity", with no agreements with strikers, and with but one attempt at interference. What has occasioned the change in the policy of our Post Office Department? Why did not the Postmaster General, in February of 1936, order his Department to stop deliveries of tons of food products? Surely it cannot be said that it was any more usual for a tire and rubber company to feed its nonstriking employees tons of food which were sent through the United States mails by Armour & Co. in 1936 than for a steel company to attempt to feed its nonstriking employees food sent through United States mails by Armour & Co. in 1937.

Mr. President, what is the distinction? It is this that we must investigate. If there is an "irregularity" today, why was there not an "irregularity" a year ago?

I suggest, and I firmly believe, that the term "irregular", as used by the Post Office Department as an excuse for failure to carry out its functions, is in reality based upon the fact that it is unusual to have hundreds of men armed with clubs, sticks, broken bottles, slingshots, and ropes, barring proper delivery of mail. If that is the "irregularity", then the people of the Nation have a right to know what we are going to do about it. To whatever source you go you will find the same feeling of horror expressed when the fact is brought home that our Government stands idly by, making excuses instead of taking action.

I have here an article from a magazine called The Nation, which was written by Oswald Garrison Villard, whom I am sure no one can term a reactionary. I quote from it as follows:

> And when labor or capital seeks to prevent the United States mails from being delivered, it is guilty, in my judgment, of a criminal conspiracy. You also ask my opinion of the withholding of mail by the post office from blockaded and besieged factories. I regret that this has happened, and I have made it clear to the Post Office Department that because it has lacked courage it has appeared to take sides, and that must not be. A department which boasts that neither heat, nor cold, nor rain, nor snow deters it from delivering its mail cannot afford to be frightened off by picket lines. The next time this happens we shall resort to armored trucks, and, if need be, United States guards. Neither labor nor capital has the right to suspend the legitimate functions of this Government, and neither will be permitted to do so as long as I am in the White House.

This quotation is from an open letter which Mr. Villard thinks President Roosevelt should have written to the people of the United States.

Why has Mr. Farley, in his attitude, right-about-faced? Why should he deliver these large amounts of food during strike conditions in 1936, and in 1937 find them to be "irregular" mail? If they were "irregular" in 1937, they were "irregular" in 1936.

Mr. President, the Assistant Postmaster General has testified that what little interference with the mails he was aware of was properly investigated.

Since the beginning of the hearing it has been brought to my attention that cases of interference and threats of interference have extended over a period of several months.

On March 10 of this year the United Automobile Workers, who were striking at the Chrysler plants, after much discussion, stated that they would permit mail to enter and leave the plants. On March 11 of this year Richard T. Frankensteen, organizing director of the United Automobile Workers, said that mail deliveries would no longer be permitted to certain buildings within the plant. On May 13 of this year it is reported to me that a mail truck was upset twice at Aliquippa, Pa., by pickets, its windows broken, and its driver cut by glass. Although Washington was informed by the local assistant postmaster, to my knowledge, nothing has been done about it. Again I ask, Mr. President, what is going to be done?

On March 19 last Mr. Patrick McHugh, a special-delivery mailman for the United States, was stopped in his car in Detroit. When he reported the incident to the police, five men were arrested and were registered on the charge of violating the United States Code. These men were strikers in the Chrysler strike of this year. They gave their names as follows: Edward Zerucha, Steve Zajac, Edward Kawalec, Ben Gryglewski, Louis Lafferty.

I quote from a letter written to me by Mr. Henry W. Piehl, chief of detectives of the Detroit police department. Detective Piehl says, concerning the arrest of the five abovenamed men:

> On questioning them, they stated they were ordered to patrol the road by some union member, unknown to them, from the De Soto Motor Car Co. plant, and to allow no cars to park; that they did not know McHugh was a mailman, as his car was a private automobile, and he wore no uniform other than a badge on his hat. Postal Inspector Dale Peterson, who questioned them at the time of their detention at headquarters, stated that in his opinion no action could be taken against these men, inasmuch as there was no mail in the car at the time it was stopped, and McHugh was returning to the Roosevelt post office to go off duty. He stated he would confer with the district attorney and notify us as to his decision. We later released the above men on the recommendation of Inspector Peterson.

That is simply mentioned as a case where the local police in one of the great cities of this Nation have arrested men for violation of the United States Code, and they have been released upon recommendation of a postal inspector.

Are we to assume, then, Mr. President, in one case that the mail is of the greatest importance to the Post Office Department and not the lives and safety of the carriers, and in another case that the mails cannot be delivered because of danger to the lives and safety of the carriers?

But to get back to more recent incidents, how can we honestly tell the people of this Nation that there is no further cause to investigate such situations as have been shown to exist? How much longer is the public expected to permit outside persons armed with weapons to hold up United States mail trucks and threaten to beat the "damned heads off mailmen"? How much longer is the Post Office going to permit packages to be returned with the mark "C. I. O. would not permit delivery"? How much longer must postal officials "bootleg" mail in order that its proper delivery may be executed?

From beginning to end this whole thing is a disgrace to the United States Government. If an investigation does not take place, the responsibility rests with those who have killed this resolution. Information on the subject is coming into my office daily, and I certainly feel it my duty, as a representative of the people of one State of the Union, to see that they know about what has happened, so that this terrible state of affairs may be corrected and no blemish may remain on the record of the Post Office Department. The eyes of the country are open to the fact that our hearing covered only part of this matter. There is popular demand that it be continued to a proper conclusion.

This is only the beginning. If these things are permitted to go uncorrected, and these persons who have threatened the servants of the people in the proper performance of their duty go unpunished, the people of the Nation will know full well where to place the responsibility. Do not mistake the

fact that from childhood we have all been taught to respect the sanctity of the mail. Let us not permit any scandal to turn this to disrespect.

Mr. President, from the testimony of the First Assistant Postmaster General it is quite plain that the position of the Post Office Department is based upon the right which Postmaster General Farley considers is given to him by section 492 of title 39 of the United States Code, Annotated, from which I quote:

> Whenever, in the opinion of the Postmaster General, the postal service cannot be safely continued, the revenues collected, or the laws maintained on any post road, he may discontinue the service on such road or any part thereof until the same can be safely restored.

Mr. President, can it be said that the present ruling of the Post Office Department pertaining to "regular" and "irregular" mail can in any way be authorized by this section? In the first place, is it not clear that the section gives the Postmaster General only authority to continue or discontinue service, and not to continue part of a service and discontinue part of a service? Is it not clear that the section refers to safety in the sense of safety to the carrier and the mail as a whole? If it is unsafe for a part, then surely it is unsafe for the whole. To arrive at any other conclusion is to admit that outside persons may at some time have the right to exercise censorship over the United States mail. For the postal authorities in the strike areas to deliver packages of film and letters of one nature and refuse to deliver packages containing clothing and food products amounts to censorship; and I defy anyone to show me that this section of our laws gives Postmaster General Farley or any of his assistants the right to censor United States mail.

This so-called irregular mail regulation is nothing more than a face-saving gesture on the part of the administration. Under existing law it cannot be denied that the Post Office Department is bound to accept and deliver all mailable matter which is wrapped in accordance with postal regulations and the postage for which has been paid. The Supreme Court of the United States so decided in the case of the *American School of Magnetic Healing* v. *McAnnulty* (187 U. S. 94). The Supreme Court of the United States commented at some length at that time, saying:

> Here it is contended that the Postmaster General has, in a case not covered by the acts of Congress, excluded from the mails letters addressed to the complainants. His right to exclude letters, or to refuse to permit their delivery to persons addressed, must depend upon some law of Congress, and if no such law exists, then he cannot exclude or refuse to deliver them.

In the case of *Payne* v. *United States ex rel. National Railway Publishing Co.* (20 Appeals D. C. 581) the Court of Appeals for the District of Columbia said:

> It is very clear that the Congress of the United States has not committed to the Postmaster General or to anyone else the matter of determining what should be carried in the mails as second-class matter and what as matter of the third class. It has reserved that power exclusively to itself. It has itself made the classification; and it is not competent for the Postmaster General to add anything to the statute or to take anything away from it. * * * The citizen who desires to have his publication carried in the mails of the United States as second-class matter, and who has fully and fairly complied with all the requirements of the statute in regard thereto, has acquired a positive legal right to have it so carried; and his right will be enforced by the writ of mandamus if the Postmaster General arbitrarily or without valid legal reasons refuses to receive and transmit such publication. Of course, the Postmaster General and his subordinates are required to use judgment and discretion, and it may sometimes be a matter of much difficulty to identify a publication as one included in the category prescribed by Congress. But their discretion is limited to this question of identification; and it is not competent for them to impose additional requirements beyond those specified in the statute.

These cases were suits brought against postal officials to require them to perform such duties.

It is, therefore, beyond contradiction that the mail which the Post Office Department refused to accept or deliver to a strike-bound plant must necessarily be accepted and delivered except for the question of danger. The very code section the Post Office Department hides behind does not empower them to send part of the mail through and refuse to send other parts through. Such action is censorship, and there is no power given by the Congress of the United States to make that possible. We have reached a deplorable condition when it is possible for such censorship to be so conducted.

In no law do I find the Postmaster General empowered to censor the mail in the interest of safety. The action of the C. I. O. is bringing about a situation where the Post Office Department fears for the safety of its personnel and equipment in carrying out its duties under existing laws of Congress, and cannot be characterized as other than a willful obstruction of the United States mails, which is in itself a criminal offense. The motion to call Mr. Farley before the Committee on Post Offices and Post Roads was defeated, but had I been allowed to question Mr. Farley I intended to ask him if the sole reason for the discontinuance of a portion of the service of the Department at Warren and Niles, Ohio, was due to the danger involved, and if so, how he determined what service to discontinue. I think the public is entitled to know what part statements, representations, or threats by C. I. O. pickets or strikers play in assisting the Postmaster General to arrive at his determination.

As I have shown, in 1936 the Goodyear Tire & Rubber Co. had no trouble whatsoever in enlisting the services of the Post Office Department to deliver almost a ton of food products a day from Armour & Co. At that time there was no use made by the Post Office Department of code section 492 of title 39, but that was 1936. Then came the election, at which time Mr. John L. Lewis' C. I. O. affiliates contributed approximately half a million dollars to the political forces of the administration. The Democratic National Committee still owed $50,000 of this sum, according to last reports. Now in 1937 the same type of mail which passed freely in 1936 is classed as "irregular."

Mr. McKELLAR. Mr. President, the Senator talks about the amount of the National Democratic Committee owes. Will he be good enough to tell us how much the Republican National Committee owes?

Mr. BRIDGES. I cannot tell the Senator the exact amount, but I can tell him that we have not resorted to the same tactics for making up the deficit which I understand have been resorted to by the Democratic National Committee.

Mr. McKELLAR. What tactics has the Republican National Committee resorted to? The Senator certainly knows how much his party owes?

Mr. BRIDGES. No; I do not.

Mr. McKELLAR. Why should he be so careful to investigate how much the Democratic Party owes and so careful to leave out what the Republican Party owes? I do not think the Senator knows anything about what either one of them owes.

Mr. BRIDGES. I take the sworn statement of the Democratic National Committee.

Mr. McKELLAR. If the Senator applied for that, why did he not get a statement as to what the Republican Party owed?

Mr. BRIDGES. The Republican Party, so far as I know, has been making no deals and has had nothing to do with the C. I. O. and has received no contributions from C. I. O. affiliates.

Mr. McKELLAR. The Senator's only interest is in the C. I. O.?

Mr. BRIDGES. I will tell the Senator that, so far as I know, the Republican National Committee does not owe John L. Lewis or his C. I. O. affiliates any money, and I thank God for that.

Mr. McKELLAR. I do not know that the Democratic Party owes any such money. I never heard of it.

Mr. BRIDGES. It is true according to the sworn reports.

Mr. McKELLAR. That they owe John L. Lewis money?

Mr. BRIDGES. John L. Lewis' C. I. O. affiliates.

Mr. McKELLAR. I have not heard of it.

Mr. BRIDGES. As a matter of fact, so long as the Senator raises that question, the distinguished Senator from

Montana [Mr. WHEELER] a few days ago described as a deplorable condition the fact that the Democratic National Committee went out soliciting witnesses before their appearance before the Interstate Commerce Committee, and I think the distinguished Senator from Montana [Mr. WHEELER] is to be complimented for his courage in not standing for such a deplorable thing.

Mr. McKELLAR. I am sure that he will be very highly pleased to get that commendation from the Senator from New Hampshire.

Mr. MINTON. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MINTON. I am a member of the committee of which the distinguished Senator from Montana is the chairman, and I did not understand that any witness, knowing himself to be a witness, was solicited by anybody on behalf of the Democratic National Committee.

Mr. BRIDGES. I only know from what I read in the newspapers that a man by the name of Young, who was appearing before the Committee on Interstate Commerce in regard to the Alleghany Corporation, stated sometime before, he had been solicited to buy and had bought certain Democratic convention books, and had paid $15,000 for the books, and the newspapers reported him as making the statement that he would have paid the same amount for soap wrappers if he had been asked.

Mr. MINTON. But there was no intimation or any evidence of any kind, by Mr. Young or anybody else, that the man who sold him the book, or whatever it was, knew that he was coming before the committee to testify, not a scintilla of evidence of that kind.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. ELLENDER. I am sure the Senator is aware of the fact that the Republican Party was supported by John L. Lewis in 1928, is he not?

Mr. BRIDGES. I am not aware of that; but I will take the Senator's word for it if he makes the statement as an actual fact; but it was not supported by him in the recent election.

Mr. ELLENDER. He was O. K. then, I suppose?

Mr. BRIDGES. I will take the Senator's word for it; but I point out that he did not support the Republican Party in the last election, and, so far as I know, if my memory serves me correctly, he or his affiliates did not make any contribution, at least, in 1928. I have no record of it.

Mr. McKELLAR. Was the Senator on the finance committee of the Republican National Committee?

Mr. BRIDGES. No; but I read the newspapers at that time, and have checked up some since.

Mr. McKELLAR. Occasionally the newspapers get things a little wrong.

Mr. BRIDGES. I know they are wrong sometimes, but they cannot all be wrong all the time.

Mr. President, I should like to point out the change of attitude in our Post Office Department following the 1936 election year, and I should like to know whether when Mr. Farley made his decision as Postmaster General, he took into consideration his duties and his obligations as chairman of the Democratic National Committee. That would be very interesting. I wanted to ask him that question.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield for a question.

Mr. McKELLAR. The Senator asked the question. He said he would like to know about a change of attitude on the part of the Post Office Department. I want to tell him one change of attitude, that under the Hoover administration one of the most diabolical conspiracies to rob the Government by the aviation companies, under the leadership of the then Postmaster General, Mr. Brown, was carried out, and it became——

Mr. BRIDGES. Is the Senator asking me a question?

Mr. McKELLAR. It became a national scandal and a national disgrace; and when James A. Farley became Postmaster General afterward, succeeding Mr. Brown, he canceled those contracts and established a system of honesty in the Post Office Department. I am wondering whether the Senator objects to a system of honesty in the Department.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AUSTIN. I should like to ask the Senator from New Hampshire whether he has discovered that the Federal Government has prosecuted any of these so-called conspiracies and frauds which we have heard yelling about on the part of the chairman of the Committee on Post Offices and Post Roads?

Mr. McKELLAR. I do not know whether any of them have been sent to jail or not, but I know, from an examination of the facts, that a number of them ought to have been sent to jail, because they were dealing with trust funds of the United States Government, and they were distributing their favors in millions of dollars to the aviation companies of that day.

Mr. AUSTIN. Mr. President, will the Senator from New Hampshire yield for another question?

Mr. BRIDGES. Certainly.

Mr. AUSTIN. Does the Senator from New Hampshire know that the eight great contractors who were condemned by the executive department of the Government in their absence, and without notice and without trial, and punished, afterward tried to recover from the United States Government damages for such unlawful breach of their contracts, and were denied the opportunity on the ground that the United States had not consented to be sued? Does the Senator know that?

Mr. BRIDGES. I am very glad to have that called to my attention.

Mr. McKELLAR. Does the Senator from Vermont know it? Let him answer the question.

Mr. BRIDGES. I will answer the question the Senator asked me.

Mr. McKELLAR. If the Senator does not know what happened, I will be glad to say——

Mr. BRIDGES. I am not yielding.

Mr. CLARK. Mr. President——

Mr. BRIDGES. I yield to the Senator from Missouri.

Mr. McKELLAR. The contracts were canceled, and the law holds that they are still canceled.

Mr. CLARK. I merely want to ask the Senator from Vermont whether he does not think that what he stated is a perfectly valid objection to a lawsuit?

Mr. AUSTIN. Yes, that was absolutely perfect; but when they got before the only court in which they could appear for a part of their recovery there it was held that the cancelation was unlawful, without any right under the Constitution. When we ascertain the facts regarding the cancelation of the air-mail contracts, we find that all this noise about conspiracy and fraud is a necessary gesture to save the faces of those who exercised sheer tyranny in depriving citizens of this country of their right to contract and in punishing them without trial in a court of justice, and without notice and an opportunity to be heard.

Mr. McKELLAR. Mr. President, quite the contrary is true. The gentlemen whose contracts have been canceled went to the courts and undertook to obtain damages from the Government for the cancelation of the contracts. But this is how they settled: They brought suits for the purpose of saving their own faces, and after bringing the suits they compromised by accepting the amount that was due for the month or part of the month during which they had to carry the mails. That is the truth about the matter. Thereby the contractors whose contracts were canceled by Mr. Farley and by the President of the United States, by accepting the money due them for the month that they had done the work, or for the part of the month during which they had actually carried the mails, agreed that they had no further claims against the Government.

Mr. AUSTIN. Mr. President, will the Senator yield for another question?

Mr. BRIDGES. I yield.

Mr. AUSTIN. Is not the Senator from New Hampshire aware that in addition to this extraordinary punishment of these men—which is not yet completed, because they are disqualified for life from contracting with the Government—the sums of money now mentioned by the distinguished Senator from Tennessee were withheld from these men for a long period of time, more than a year, although the Government and the Post Office Department knew that they owed these gentlemen that money, because they had earned it under the contracts before the contracts were canceled? Yet, in addition to all the other punishments, the Government withheld these funds from the contractors after the funds were earned.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BARKLEY. I understand that the Senator has only two more pages of his speech remaining. I hope his colleagues will let him finish, so that the Senate may transact some business.

Mr. BRIDGES. I thank the Senator.

I desire to quote from an article written by Mr. James Farley in 1933. The article was entitled "Heroes of the Air Mail." In that article Mr. Farley said:

> Then there was Pilot Ambrose Banks, flying over Warren, Ohio, with 31 sacks of mail, when the plane's motor stopped. He could have jumped, but he chose to stay with the plane in a forced landing. He brought it down in a field, but the ship struck a telephone post and burst into flame. Nevertheless, with the aid of firemen from Warren, 28 bags of mail were saved.

The United States mails must go through, according to Mr. Farley at that time.

Why at this time is there a change of front? Why are we not following the precedent established by that great President, Grover Cleveland, who insisted upon respect for the authority of the United States? I believe we are showing today, through the attitude of the Post Office Department in these strike areas, a limp, flaccid, un-American, weak-kneed manner of dealing with these matters, and that we should right-about-face and carry out our normal functions in the name of decent government.

The longer we sit idly by, letting this and that organization dictate to and flout the power of the Federal Government, the bloodier will be the result of the operation which will eventually have to be undertaken. Action is what is desired by the people at this time; action, regardless of any political alliance, regardless of any feelings for either side of the controversy; action in the name of decent government.

Interference with the proper transmission of the United States mails is a crime; and it makes no difference who the individuals may be who interfere, be they employees on strike or be they representatives of the employer. The United States Government should stand firm for law and for the sanctity of the mails. The same rule applies today that applied 40 years ago in the great Pullman strike at Chicago. The same warning should be given to those who have the temerity to make threats and actively to take part in holding up the proper delivery of the mails. The warning is, "Hands off, regardless of who you are, whom you represent, or to what party or organization you belong." If conditions were reversed and Mr. Tom Girdler, of the Republic Steel Co., sought to interfere in any way with the acceptance and delivery of the United States mail, I should ask the Senate for the same investigation I am now asking.

Mr. President, I do not see how the Senate can do otherwise than say that the investigation called for by the resolution is justified. By testimony and by other evidence, sufficient grounds have been established to support the contention that agreements have been made between postal officials and outside persons; that the United States mails have been held up; that employees of the United States Government have been threatened; that high officials in a department of our Government are presuming to make their own interpretations of our laws.

While it is true that the Department of Justice has taken action against nine or more persons charged with committing crimes against the Government in the strike areas, it is quite obvious that many, many times this number are engaged in flouting the authority of the United States. We have no assurance that these troubles are at an end, and that at some time in the near future the mails will not again be held up, the laws will not again be interpreted to suit the whims and fancies of officials and organizations engaged in industrial strife. Let us put an end to this sort of thing once and for all. Let us hold a thorough investigation. Let us call, to testify, all those who should be called to testify, without fear or favor, and without consideration of political consequences.

If we do this it will have a twofold effect. First, it will serve to remove from the record of the Post Office Department any stains now upon it. Second, it will set out a clear rule for the Department to follow in future actions of this kind. If legislation is needed to broaden or curtail Federal laws, now is the time to enact such legislation. Any other action will only serve to put this body in the same category as the Post Office Department in the minds of the public.

We certainly cannot hide behind any United States statute and say that it is "irregular" or "not normal" for the United States Senate to hold an investigation, especially when the grounds warranting the investigation are as strong as those which have just been presented.

I therefore respectfully ask the approval of the Senate of my resolution.

Mr. President, in conclusion, I desire to say very definitely that from my observation and from my studies I believe we have had in certain areas of this country a virtual civil war. The attitude of some minor officials and some major officials has been deplorable. I believe that the United States Government cannot afford to permit the sanctity of the United States mails to be questioned; and I believe it is our duty as a legislative body to make a further investigation to see what actual interference has occurred and is occurring, and to make provision for stopping future interference.

Mr. McKELLAR. Mr. President, I should like to have inserted in the RECORD certain matter relative to the speech which has just been made by the Senator from New Hampshire.

First, I desire to insert an excerpt from the minutes of the Post Office Committee showing the vote on the resolution asking Mr. Farley to appear before the committee.

The PRESIDING OFFICER (Mr. McGILL in the chair). Without objection, the excerpt will be printed in the RECORD.

The excerpt is as follows:

Senator BRIDGES opened the discussion relative to having Postmaster General Farley before the committee to testify on said resolution, and stated to the committee his reasons for asking the committee to require him to be present. After a lengthy discussion by several of the members of the Committee, a motion was made by Senator CHAVEZ "that Mr. Farley be not requested to come before the committee." The motion was duly seconded. A discussion followed. Thereafter the motion was put by the chairman, and the "yeas" and "nays" were as follows:

	Yeas	Nays
Mr. McKellar	Y	
Mr. Hayden	Y	
Mr. Bailey		Y
Mr. Bulow	Y	
Mr. Byrnes	Y	
Mr. O'Mahoney	Y	
Mr. Murray	Y	
Mr. Chavez	Y	
Mr. Holt		Y
Mr. Ellender	Y	
Mr. Green	Y	
Mr. Lundeen	Y	
Mr. Smathers	Y	
Mr. Frazier [1]		
Mr. La Follette	Y	
Mr. Bridges		Y
	12	3

[1] Not voting, had left the meeting.

Mr. McKELLAR. I next want to offer a report of the post-office inspectors in charge in Ohio, dated Youngstown, Ohio, June 12, 1937, as found on pages 315 to 322, inclusive, of the committee hearings, which gives the facts surrounding the alleged violations of the postal laws.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

POST OFFICE DEPARTMENT,
OFFICE OF INSPECTOR,
Youngstown, Ohio, June 12, 1937.

Subject: Youngstown, Ohio; Niles, Ohio; Warren, Ohio; Struthers, Ohio; Campbell, Ohio: Mail conditions in the strike area.

INSPECTOR IN CHARGE,
Cincinnati, Ohio:

1. This report is submitted to describe the conditions relative to the delivery and acceptance of mail matter in the area affected by the steel strike, especially as relates to the information desired by the First Assistant Postmaster General, in his request of June 9, 1937, bearing upon the offices of Youngstown, Warren, and Niles, but it also includes information relative to conditions prevailing at Struthers and Campbell, Ohio. The information relating to each town is set out separately in this report.

YOUNGSTOWN, OHIO

2. In the city of Youngstown, Ohio, having a population of 182,000, is located one of the plants of the Republic Steel Corporation. This plant is located about one-fourth mile from the post office. This plant extends over considerable territory, however, and the Mahoning River runs through the plant grounds. While the main entrance where the office is located is but one-fourth mile from the post-office, another entrance to the plant is located at what is known as Stop 5, Poland Avenue, which is 1½ miles from the post office. The Youngstown Sheet & Tube Co. has two plants that utilize mail facilities of the Youngstown, Ohio, post office. One of these plants is located in the city limits of Youngstown, Ohio, about 2 miles from the post office, and the other is located in the town limits of Campbell, Ohio, about 3 miles from the Youngstown, Ohio, post office.

3. Prior to the steel strike, which went into effect May 26, 1937, the post office at Youngstown made deliveries of parcel-post mail only to the Republic Steel Corporation office, which is located in the Republic Steel Corporation's plant at 335 Market Street. This delivery was made by truck. All first-, second-, and third-class mail other than large packages, was delivered to the Republic Steel Corporation through post-office box. Prior to the strike no deliveries of any class of mail were made by the post office at Youngstown, to either of the plants of the Youngstown Sheet & Tube Co. Deliveries of all classes of mail for the Youngstown Sheet & Tube Co. were made through post-office box. Employees from their downtown office, located in the Stambaugh Building, ordinarily called for this mail. Special-delivery mail for this company was always delivered to their downtown office, located in the Stambaugh Building, on the northeast corner of Central Square, which is two blocks from the post office.

4. Prior to the strike, there were two regularly scheduled parcel-post deliveries daily to the Republic Steel Corporation office, located at the Republic Steel Corporation plant at 335 Market Street.

5. Prior to the strike, the Republic Steel Corporation received approximately three sacks of parcel post daily which, as previously stated, was delivered by truck to their office located at the plant. All other classes of mail for this company, as previously stated, were delivered through post-office box. The company employees would call for their mail five or six times a day, and there would be a considerable volume for them upon each call. All mail for the Youngstown Sheet & Tube Co. was delivered through the post-office box; and employees called five or six times a day, and upon each call, there would be a considerable volume of mail ready for delivery.

6. Not only has the normal service extended to the Republic Steel Corporation, prior to the strike, been continued, but it has been extended at the request of that company, by having the regular mounted parcel-post carrier stop once in the morning and once in the afternoon at the Republic Steel Corporation's plant, located on Stop 5, Poland Avenue. On these two deliveries all mail of all classes on hand and ready for delivery, which includes all mail that was formerly handled through a post-office box, and called for by a company employee, has been delivered twice daily to the plant office by request of the company. The normal service extended to the Youngstown Sheet & Tube Co. prior to the strike has been maintained since, with the exception that mail bearing special-delivery stamps is being sent, if directed to the plant, to the Brier Hill plant, located 2 miles from the post office on Division Street. This special-delivery mail, prior to the strike, would have been delivered to the offices in the Stambaugh Building. This service was extended at the request of company officials.

7. There has been no interference whatever with the normal service as scheduled, prior to the time of the strike. There has, however, been some interference with the newly scheduled service which has been placed into effect since the strike. This feature will be covered at the end of the data bearing upon Youngstown.

8. Since the inception of the strike to date, the acting postmaster, Carl Armstrong, has not been personally approached by any of the officers or members of the striking employees with reference to the delivery service. Objections have been made by members of the striking employees, through delivering postal employees, concerning the delivery of newspapers and parcels containing food or clothing. No permission to examine any of the mail sent out for delivery to any of the plants involved in the strike has been requested by any of the leaders of the striking employees, but some of the pickets have been reported to have made remarks along this line to special-delivery messengers and upon one occasion, to regular Carrier Reen.

9. At no time did the postmaster at Youngstown give anyone not connected with the Postal Service any privilege of examining any mail. He maintained throughout that his understanding of the orders of the First Assistant, as related to unusual mails, was a function of postal employees only. His employees determined whether or not any matter presented for mailing at post-office windows should be accepted. His employees also determined whether delivery of any mail by means of the new extended services, outlined in paragraph 6 of this report, should be made. The work of the accepting employees and the delivering employees was closely observed by the acting postmaster and his supervisors.

10. The acting postmaster at Youngstown, Ohio, in conference with leaders of the striking employees, did not discuss the advisability of delivering mail to the plants, but maintains that he insisted that there must be no interference with the movement of the mails.

11. On May 28, 1937, a truck load of bread from Cleveland, Ohio, which was addressed for delivery to the Profit Co., care of the Youngstown Sheet & Tube Co., arrived at the Youngstown post office. This mail was offered for delivery at the usual delivery point, namely, the post-office box. In view of the fact that a regular delivery of mail is always made to the Stambaugh Building, and prior to the strike, all mail exclusive of special-delivery matter was delivered by post-office box to employees of said company, who worked in the offices at the Stambaugh Building, the postmaster at Youngstown, as a special courtesy, agreed to make delivery of these parcels containing bread to the offices of the Youngstown Sheet & Tube Co. in the Stambaugh Building. The company refused to accept the mail at or through the post-office box or at the offices in the Stambaugh Building and requested that delivery be made to their Campbell plant. Since at no time, either prior to the strike or since the strike, has ordinary mail other than special-delivery mail, been delivered to this point, and since this plant is actually in the delivery limits of the third-class office of Campbell, Ohio, the postmaster declined to make delivery. Thereupon the matter was subsequently refused by the addressee and returned to the senders as "Unclaimed."

12. During the duration of the strike, food products and clothing have been offered for mailing at the mailing windows of the Youngstown main post office and several stations by a vast number of mailers, which mail was so directed as to require delivery into the plants of the Republic Steel Corporation, or the Youngstown Sheet & Tube Co. In these instances the acceptance of the mail was declined. While no record of the number of persons who offered this mail has been maintained, the postmaster states that a vast amount of such matter was refused for mailing.

13. Since the beginning of the strike, to date, a number of packages containing food provisions or clothing, directed for delivery to the plants of the Republic Steel Corporation or the Youngstown Sheet & Tube Co., have been received. Examination of these parcels has not extended to a point of opening the individual packages. However, in some 30 or 40 instances, the parcels, either by outside endorsements or otherwise, clearly showed that they contained food or clothing, and were addressed for delivery by way of the newly extended service outlined in paragraph 6 of this report. They were returned to senders endorsed with the following notation: "Unable to deliver; cannot get through picket lines."

14. Upon one occasion one of the clerks of the Younstown, Ohio, post office refused to accept a mailing of the local newspaper addressed for delivery to the plant of the Republic Steel Corporation because the mailing was a very large package; the clerk considered it as an unusual mailing and believed that delivery by means of the newly extended service could not be accomplished. Newspapers wrapped singly or in small bundles have been accepted by the employees of this office for mailing, regardless of how they were addressed. and delivery of these has been accomplished.

15. While there have been no acts of violence on the part of the strikers toward postal employees, a number of threats have been made. On June 8, 1937, about 1:20 p. m., the regular parcel-post carrier, Ralph A. Reen, attempted to make delivery of all classes of mail matter at stop 5, Poland Avenue, for the Republic Steel Corporation. The driveway leading to the steel plant was blocked by a black Chevrolet sedan automobile bearing a C. I. O. sign, which he believes belonged to one of the pickets of the striking steel workers. The carrier made a left-hand turn to get into the driveway, came in slowly, and stopped within a few feet of the Chevrolet automobile. Within a few minutes possibly 100 strikers and pickets gathered around the truck and inquired of him what he had in the truck; whether he had any food in any of the mail; and he responded that he had mail for delivery. About this time two city policemen, whose names he failed to obtain, arrived and asked the pickets to clear the way; informed them they could not stop the carrier. They requested the man in the Chevrolet to move the car and let the carrier in, but this he refused to do. One of the pickets laid across the front of the mail truck and told the carrier he was not going through. Then the police officers ordered the carrier to drive

through even though the pickets would not get out of the way, but this he could not do because of the Chevrolet car.

16. At this juncture one of the pickets, described as being a young fellow about 26 or 27 years of age with light hair, dressed in a brown suit, remarked, "The other carrier walked in; you can walk in, but you can't drive in, cops or no cops." The carrier thereupon backed the mail truck into the street, drove to a telephone, and called the post office and advised his immediate supervisor of the circumstances. The supervisor instructed him to take the mail in and under no circumstances to permit anyone to examine it. The carrier locked the mail truck and carried the mail, which was all in a no. 4 sack, down past the picket line and made delivery into the plant. As he passed the pickets, they called him many names, using profane, obscene, filthy, and vile language. They remarked to him several times that they intended to see what he had in the mail bag and demanded of him that he open it and let them examine it. He refused to acquiesce to any of their demands. When the carrier arrived at the gates, the mill policemen hesitated for some time and acted as though they were afraid to open the gates and let the carrier in. Finally, however, they opened them, and he made delivery of the mail to the plant. While prior to the delivery of this mail several of the pickets had threatened to "get him" when he came out, when he left the plant the two city police officers met him and accompanied him. When they were about half way to the truck a mob of the pickets stopped them and wanted to know of the carrier what he had delivered. He merely told them that he had delivered ordinary mail. The pickets then stated, "Nobody else is going to get in the plant tomorrow", whereupon the carrier asked them if they realized what they were doing, and one of the pickets replied, "The rats inside did not deserve to get nothing."

17. Mr. Reen did not know any of the persons who abused him with the vile language and did not recognize any of the pickets who stopped him. He does not know the policemen. The carrier stated that the principal objection on the part of these pickets, strikers, and sympathizers appeared to be against delivering mail containing food, cigarettes, or newspapers. This incident is the only interference on the part of the strikers with any of the regular classified employees.

18. On June 11, 1937, Robert W. Bannon, who has been employed as a special-delivery messenger at Youngstown for the past 20 months, was prevented from making delivery of some special-delivery parcels on a trip made to stop 5, Poland Avenue, to the Republic Steel Corporation plant. This occurred at 10:10 a. m. Mr. Bannon states that he and Paul Ricker arrived at stop 5 at the time that Robert Burke, an organizer for the C. I. O., was making a speech to the assembled pickets; that he started in the drive with his automobile, which is a privately owned car bearing a sign on the front of the windshield reading, "U. S. Mail", intending to continue on into the plant, when he was stopped by the pickets, who demanded to know what he intended to deliver. He informed them mail matter, whereupon they asked to examine the parcels. He refused to permit this and was told by the strikers not to enter the plant with the parcels. He made delivery of his letter mail and one small parcel endorsed "medicine."

19. Prior to Robert Bannon's entry into the plant, at the time when the pickets stopped him, he called to Robert Burke, one of the organizers for the C. I. O., and asked about going into the plant with the mail. Burke did not reply, but nodded toward a man who had been sitting in a black Ford sedan, and who, while he did not appear to be a picket, gave Bannon the impression that he was one of the organization leaders. He described this man as being of medium height, rather slim, weight about 145 pounds, wearing horn-rimmed glasses, a blue suit, and a straw hat. Bannon stated he did not know this man, but believes he could identify him if dressed the same as on this occasion. This man told Special Delivery Messenger Bannon, "No packages." Carrier Ricker, who was with Bannon at the time, then remarked, "Packages were delivered to this point all day yesterday", and the man replied, "I don't care what you did yesterday; you are not doing so today." The parcels were returned to the post office and subsequently delivered by the parcel-post carrier on his regular scheduled trip without interference.

20. On the evening of the same day Paul A. Ricker, who has served as special-delivery messenger for the past 7 years, met interference in attempting to deliver parcels at stop 5, Poland Avenue. He recites the incident in part as follows:

"On June 11, about 8:30 p. m., I was on my own trip, by myself, and had six special-delivery parcels addressed to the Republic Steel Corporation, stop 5, Poland Avenue. I slowed down, blew my horn, and turned into the driveway to the plant gate. The men at the gate said, 'It is U. S. mail; go ahead.' When I got a little farther down the driveway I was intercepted by a group of men, who informed me that no packages could be delivered. I informed these pickets that I had two very small parcels containing medicine. They said since it was medicine it was all right. I delivered these parcels and returned the other four to the office. I knew none of the men by name who interfered with the delivery."

21. The interferences as outlined in paragraphs 15 to 20 of this report are the only instances of interference, and the parcels which were denied delivery upon those trips were delivered upon subsequent regularly scheduled trips. For the past several days the postmaster at Youngstown has been able to effect the delivery of all mail coming into his office. He is of the opinion that if proper discretion is used upon the part of the accepting employees at all offices, so as to exclude unusual mailings, that is, large-quantity mailings of foodstuffs and clothing, that no difficulty of any consequence will be experienced in the delivery at his office. There are a great many pickets on duty at the plants involved in the strike, and the force is changed quite frequently. The interferences described in paragraphs 15 to 20 of this report appear to be the result of the more radical element and of pickets who do not understand or else will not follow the instructions of their leaders. This conclusion is arrived at by the fact that objections to deliveries have occurred only upon the three occasions cited.

22. The statements of the regular carrier and the two special-delivery messengers were reduced to writing in the form of affidavits. The affidavit of Carrier Reen was transmitted to your office under date of June 8, 1937, accompanied by preliminary report in case no. 125225–D, and copies of the affidavits of Bannon and Ricker are herewith.

NILES, OHIO

23. In the city of Niles, Ohio, having a population of 16,314, is located one of the plants of the Republic Steel Corporation. This plant is outside of the city limits about three-quarters of a mile from the post office. Prior to April 1, 1937, all mail except parcels for this firm was delivered through a post-office box, and one afternoon delivery of parcels was made daily to the storeroom, located in the plant grounds. On April 1, 1937, which was prior to the strike, the Republic Steel Corporation requested that delivery of all their mail be made to the plant and relinquished their post-office box. Since then one delivery has been made in the morning by mounted carrier of first-, second-, and third-class mail, consisting of from 30 to 50 pieces, to the office building, which is located near the entrance to the plant grounds, and an afternoon delivery was made to the storeroom, which has recently been moved and which is now located approximately one-quarter mile inside the plant grounds. This necessitates the mounted carrier crossing seven railroad tracks. The afternoon delivery includes all classes of mail and normally consisted of about 2 parcel-post packages and 20 pieces of other mail.

24. Since the strike the service normally performed during the period April 1 to May 27, 1937, has not been maintained, in that for the period May 27 to June 3 newspapers and parcels, regardless of contents, addressed for delivery to Republic Steel Corporation, were not delivered. After conferring with Inspector Sands on June 3, a complete delivery of all mail addressed for delivery to this firm was made on June 4. The mail then on hand did not appear to include parcels containing food or clothing and numbered only eight or nine.

25. Harry Marceau, the postmaster, states that on May 27 the pickets at the Republic Steel Corporation plant refused to permit delivery of parcels into the plant grounds, but raised no objections to the delivery of letter mail. This occurred on the first regularly scheduled trip of the day. Shortly thereafter the postmaster states he accompanied the special-delivery messenger with matter for delivery and they were denied entrance to the grounds by the pickets. Upon this occasion the leaders of the strike pleaded with him not to attempt delivery of parcels as they could not control the pickets and serious trouble might result. He then returned to the office without making delivery and notified the sheriff of Trumbull County, who went to the plant and talked to the pickets, after which delivery of all mail on hand for that company was delivered. Later the same day an attempt was made by the postmaster and special-delivery messenger to effect delivery of four large special-delivery parcels containing foodstuffs, but upon being denied admittance to the plant grounds, these parcels were returned to the office and subsequently returned to the senders endorsed, "Undeliverable." Since June 4 no interference with the delivery of any mail at this office has been experienced, but the postmaster has made no attempt to effect the delivery of newspapers, or parcels containing clothing or foodstuffs.

26. Since June 3 in no instance have the officers or members of the striking employees approached the postmaster with reference to the delivery service, have entered no objections to the delivery of any mail to the plant, and have not asked to examine any of the mail delivered into the plant. He stated, however, that on June 3 he gave to them his interpretation of the First Assistant's orders concerning the acceptance and delivery of unusual mail as meaning: "That he should not accept for delivery any mail matter which would not normally have come to this plant for delivery." Since that date this postmaster has refused to accept for mailing at his office parcels containing food or clothing intended for delivery to any plant known to be involved in the steel strike, and that he has not attempted to make delivery at his own office of any such parcels. Because the leaders of the strike contended that the mailing of newspapers to the plant of the Republic Steel Corporation was, in fact, an "unusual mailing", and as he concurred in this view, he has not attempted the delivery of such matter. The postmaster contends that by his actions he has avoided certain difficulties and has afforded the Republic Steel Corporation the same service they enjoyed under normal circumstances, for none of the items now not being delivered were ever before included in that firm's normal mail.

27. The postmaster states he has at no time permitted any member of the striking organization, or any person not connected with the Postal Service, to examine any mail matter or pass upon the delivery of same, for he believed this to be entirely his responsibility.

28. Four conferences were had by the postmaster with the strikers and their leaders. On June 3, Walter J. Payne and B. C. Galloway, C. I. O. leaders, met with the postmaster in his office, at which time the necessity of noninterference with the mails on the part of the strikers was impressed upon these leaders. At this same meeting the postmaster explained that only normal mails would be delivered, but that the strikers and their leaders must have confidence in the postal employees' decisions relative to whether the mail should be delivered or not, and that further interference could not and would not be condoned.

29. Since the strike, it is estimated that approximately 100 persons presented parcels containing clothing or food at this office for mailing, which parcels were intended for delivery to one of the plants involved in the steel strike, and these mailings were refused. It is estimated that approximately 60 to 80 parcels containing food or clothing, which were mailed at other offices intended for delivery at the Republic Steel Corporation at Niles, have been returned to the senders endorsed "Undeliverable." No attempt at delivery was made of any of the parcels returned, except those received for delivery May 27, concerning which previous mention has been made in this report.

30. No violence on the part of the strikers toward postal employees has been experienced at this office. No threats have been made to the postmaster or postal employees since May 27. At that time, however, the pickets and the group of strikers at the entrance to the plant grounds informed the postmaster that they would turn over the mail truck and the special-delivery messenger's car, if any further efforts were made to deliver parcels containing foodstuffs or clothing. Since no further attempts on the part of the postmaster to effect delivery of matter of this nature have been made, no further threats have been forthcoming, and the strikers, according to the postmaster, appear to have confidence in him and his employees, to the extent that they believe he is effecting delivery of only normal mails to the plant. The postmaster does not know the names of any of the persons who threatened him and the special-delivery messenger, although he was present at the time the threats were made.

31. In the event that the present policy of declining to attempt to deliver newspapers, and parcels containing food and clothing should be discontinued, the postmaster firmly believes that violence would result. He also firmly believes that had he insisted on making deliveries on May 27, that it would have resulted in serious trouble and probable injury to himself and other employees.

32. As evidence of the fact that the mail at this office is now abnormally heavy, even though the postmaster is declining to attempt delivery of certain mail matter, as previously stated, the special-delivery records show that 99 more special-delivery letters have been delivered during the first 11 days of June as compared with the same period of time during previous normal times.

WARREN, OHIO

33. In the city of Warren, Ohio, having a population of 41,062, is located one plant of the Republic Steel Corporation. This plant is about one-half mile from the post office, outside the corporate limits.

34. Prior to the strike, two regular deliveries daily were made by mounted carrier to this plant. All classes of mail were included in these deliveries, and are said to have normally consisted of about 500 letters and letter-size circulars, and two sacks of parcel-post packages on the morning delivery, and about 200 letters and letter-size circulars and one sack of parcel post on the afternoon delivery.

35. Normal mail service as to deliveries and as to the type of mail handled previous to the strike has been maintained. No attempt at delivery, however, is being made at this office of parcels endorsed as containing, or which by handling clearly show that they contain clothing or foodstuffs, addressed for delivery to the steel plant. On May 29, there was received at this office for delivery 79 large parcels containing bread, mailed by the Strahley Baking Co., Cleveland, Ohio, which required two mail trucks to handle, and a full truckload of towels mailed by the Penn-Ohio Towel & Supply Co., Youngstown, Ohio, addressed to the Republic Steel Corporation. After the regular scheduled trips were completed, attempts were made to deliver these three additional truckloads of "unusual mail", but the mob of pickets and strikers at the gates refused to permit the trucks to enter with these unusual loads. After the postmaster saw that to force the issue would result in difficulty and probable injury to the employees, the matter was returned to the post office where it was held until such a time as he received instructions as to its disposal. Subsequently, this matter was returned to the senders. The only other instance of interference at this office occurred on June 2, at which time a special-delivery messenger was refused entrance into the plant to effect delivery of a small special-delivery parcel. In both these instances of interference, a great many pickets, strikers, and sympathizers were involved, and it was impossible and impracticable to obtain the identity of the persons involved.

36. A conference was held by the postmaster with Mr. J. W. Grajchias, Harry Wines, and Gus Hall, members of the C. I. O. committee, directing the steel strike at this point, on June 3, 1937. At this meeting the postmaster explained the instructions which he had received and which he intended to follow relative to the delivery of matter considered unusual. He invited their attention to the interference experienced by the special-delivery messenger, and these men explained that it was the act of irresponsible pickets and the situation would be immediately corrected. The postmaster emphasized to these men that the right of determining whether or not any mail matter was to be termed unusual was entirely with the postmaster and postal employees, and that interference on the part of any outsider with the delivery of mail could not be condoned. Since that time the postmaster has made no attempt to effect the delivery of any parcels clearly marked or from ordinary handling plainly showing that they contained clothing or foodstuffs, and no interference has been experienced with the deliveries since that time. At no time, states the postmaster, has he permitted any member of the striking organization or any person not connected with the post office to examine any mail matter or pass upon the delivery of same.

37. A vast amount of food products and clothing has been offered for mailing into the local steel plant and steel plants affected by the strike that are located elsewhere. These mailings have been refused. Likewise, a great number of parcels have been received from other offices which are clearly endorsed to show that they contain clothing or foodstuffs, or which in ordinary handling disclose that they contain clothing or foodstuffs, and these have all been returned to senders endorsed "Undeliverable", without any attempt of delivery.

38. No violence on the part of the strikers toward postal employees has been experienced at this office, and the only threats which have been made to the postmaster or postal employees by the strikers are those which have been recited in paragraph 35 of this report.

39. The postmaster states that the mail that he is now delivering, which does not include any matter known to contain food or clothing, is abnormally heavy and is all that he can reasonably deliver on the regularly scheduled trips with his present equipment. By reference to the special-delivery records at this office it was noted that this service has more than doubled in volume during the period of the strike. The postmaster is of the opinion that there would be violence on the part of the striking employees and strike sympathizers and probable injury to postal employees in the event that attempts were made to deliver matter containing food or clothing to the Republic Steel Corporation plant, and is confident that if the present practice of declining this matter were lifted it would result in the necessity of furnishing him additional equipment and more assistance.

STRUTHERS, OHIO

40. In the city of Struthers, Ohio, having a population of 11,249, is located one of the plants of the Youngstown Sheet & Tube Co., the entrance to which is directly across the street from the post office. Now, as prior to the strike, no regular mail of this plant comes directed for delivery to Struthers, Ohio, but all of it comes addressed for delivery through Youngstown, Ohio. (See information in par. 3 of this report bearing on Youngstown, Ohio.) Only in rare instances was an occasional special-delivery article received at the post office at Struthers for delivery to the Youngstown Sheet & Tube Co., and upon those rare occasions the article would be delivered to the watchman at the gates of the plant.

41. All normal postal functions previously performed at this office prior to the strike have been continued. There have been several special-delivery parcels received at this office since the strike, for delivery at the plant, and delivery of all these has been effected. On June 11, however, objection on the part of striking employees and sympathizers was made to the postmaster when he attempted the delivery of a special-delivery parcel which very clearly showed upon sight that it contained clothing, and he carried the parcel back to the office. Subsequently, the parcel was delivered.

42. The postmaster conferred with the leaders of the C. I. O. and advised them that the matter of determining whether mail was to be considered unusual was a function for postal employees to perform, and suggested that the pickets at the plant at Struthers be instructed not to interfere with any subsequent deliveries of mail. The postmaster has subsequently experienced no difficulty. This postmaster is declining to accept for mailing any parcels addressed for delivery to the local steel plant or any steel plant affected by the strike which contains foodstuffs or clothing. Since the receipt at his office of special-delivery parcels for delivery to the steel plant is certainly "unusual mail", he proposes hereafter to return to sender all parcels which clearly show by endorsement or ordinary handling that they contain food or clothing. This postmaster does not anticipate any further difficulty.

CAMPBELL, OHIO

43. In the city of Campbell, Ohio, having a population of 14,673, is located one plant of the Youngstown Sheet & Tube Co. One of the entrances to this plant is approximately two blocks from the post office.

44. Ordinarily there was no mail due to be received at Campbell, Ohio, for this plant, and no mail from the plant is dispatched through the office. (See information in par. 3 of this report bearing on Youngstown, Ohio.) However, there is an occasional letter or circular received at this office addressed to the Youngstown Sheet & Tube Co. and as the foot carrier passes the entrance to the plant this mail is delivered to the watchmen, who hold it until the arrival of the company's messenger from Youngstown, and it is delivered to him. It is very seldom that any parcels are received and when they are delivery is effected in the same manner.

45. The postmaster advises that since the strike several parcels containing food or clothing have been received at his office, addressed for delivery to the Youngstown Sheet & Tube Co. Attempts

were made to deliver these and entrance to the plant was refused by the pickets and sympathizers. The parcels were returned to the post office and subsequently returned to the senders, endorsed "Undeliverable." The foot carrier has not experienced any trouble in making delivery of any letter mail which he may have to the watchman at the gate; therefore, the normal mail service at this office is being maintained.

46. The postmaster is of the opinion that to attempt a forcible delivery of these parcels would result in serious trouble and probable injury to postal employees.

47. Mail presented at this office containing food or clothing, and addressed for delivery to the steel plants affected by this strike are being refused. If this policy is continued, there will be no trouble experienced at this office.

48. It is our conclusion that the postmasters at Youngstown, Niles, Warren, Struthers, and Campbell, Ohio, have handled a very delicate situation in a commendable manner. In our opinion, none of these postmasters has connived with any person connected with either side of the strike controversy. Each has made an honest effort to carry out the instructions of the Department by continuing normal postal service. Had parcels containing foodstuffs and clothing been accepted for mailing to the plants affected in this strike area, additional equipment and assistance would have been required, or the normal functions of the offices would have been greatly impaired. Furthermore, delivery by mail of food and clothing into the steel plants in these cities in any large quantities would have undoubtedly resulted in violence, and any attempt to do so now would most certainly endanger the lives of the postal employees.

49. While the threats made to postmasters and postal employees referred to in this report may be interpreted as being in violation of section 2357 of the Postal Laws and Regulations of 1932, the evidence is too meager to serve as a basis of prosecution. The United States attorney's office at Cleveland, Ohio, has, however, been advised by telephone of these occurrences. Further attention will be given these cases and supplementary reports submitted as warranted.

V. F. SANDS,
G. J. RESS,
R. E. ELLINGTON,
Post-Office Inspectors.

Mr. McKELLAR. I also desire at this time to give the names of those who were arrested by the Department for violations of the law. Nine were arrested; six have been indicted, and the others have been bound over to the grand jury in accordance with the report of the post-office inspectors, showing that the Department has done its full duty as to any infringement of the law governing the carriage of the mail. I hand the list to the reporter so that it may be put in the RECORD. I will say, in conclusion, that the action taken absolutely refutes practically every statement made by the Senator from New Hampshire.

The PRESIDING OFFICER. Without objection, the list will be printed in the RECORD.

The list is as follows:

Tony Crish, Youngstown.
Dominic Scrafine, Youngstown.
Mike Walker, Youngstown.
Sam Caputo, Youngstown.
Clyde Rochat, Warren.
Will Williams, Warren.
Four others under arrest in Youngstown and Warren.
Arrested at Pittsburgh, Pa.:
Gabriel Mueller.
Ralph Gindlesperger.
John D. Ziekonski.

PLAN FOR PREVENTION AND CONTROL OF FLOODS—VETO MESSAGE (S. DOC. NO. 95)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying joint resolution, referred to the Committee on Commerce and ordered to be printed:

To the Senate:

I return herewith, without my approval, Senate Joint Resolution No. 57, entitled "Joint resolution to authorize the submission to Congress of a comprehensive national plan for the prevention and control of floods of all the major rivers of the United States, development of hydroelectric-power resources, water and soil conservation, and for other purposes."

In my message of June 3, 1937, I proposed for the consideration of Congress a thoroughly democratic process of national planning of the conservation and utilization of the water, and related land, resources of our country. I expressed the belief that such a process of national planning should start at the bottom through the initiation of planning work in the State and local units, and that it should contemplate the formulation of programs on a regional basis, the integration of fiscal and conservation policies on a national basis, and the submission of a comprehensive development program to the Congress by the President.

The reverse of such a process of national planning is prescribed in Senate Joint Resolution No. 57. By this resolution the War Department would become the national planning agency, not alone for flood control but for all the other multiple uses of water. Although the Department of Agriculture would prepare reports on run-off retardation and soil-erosion prevention, and the Department of the Interior be consulted on reclamation projects, the War Department would report for these coordinate agencies directly to Congress, instead of to the Chief Executive. The local and regional basis of planning would be ignored, and there would be no review of the whole program prior to its presentation to Congress from the standpoints of national budgetary considerations and national conservation policies.

The Corps of Army Engineers has had wide experience in the building of flood-control projects and has executed the projects entrusted to it with great skill and ability. Its experience and background is not alone sufficient, however, for the planning of a comprehensive program for the development of the vast water and related resources of the Nation.

The planning of the use and control of water and related resources is distributed by law among numerous governmental agencies, such as the Departments of Agriculture and Interior, the Federal Power Commission, the United States Public Health Service, the International Boundary Commission, and the Tennessee Valley Authority. The joint resolution encroaches upon the functions of these agencies, and ignores and duplicates the coordinated planning work already in progress under the general guidance of the National Resources Committee.

I find it impossible to subscribe, therefore, to the proposal that has been embodied in this joint resolution.

This does not mean, however, that the objective of this joint resolution cannot be attained without the need of any legislation whatsoever. I propose to present to the Congress in January a comprehensive national plan for flood control and prevention and the development of water and soil conservation, such plan to be prepared by all of the many Government agencies concerned.

I trust that this will meet all the desires of the Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 13, 1937.*

WORK ON THE BONNEVILLE PROJECT—AUTHORITY TO SIGN ENROLLED BILL

Mr. BONE. Mr. President, I ask unanimous consent that the Vice President be authorized to sign the enrolled House bill 7642, to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes, known as the Bonneville bill, the conference report on which has heretofore been agreed to, if the bill should be brought to the Senate after it has taken a recess or adjourned this evening.

Mr. KING. Were there any amendments to the bill as it passed the Senate?

Mr. BONE. There were some slight changes in conference. The conference report was before the Senate and was agreed to.

Mr. KING. Were any provisions inserted in conference relating to Boulder Dam?

Mr. BONE. No.

Mr. KING. Or any modification of any outstanding contract between the Boulder Dam authority and the Government of the United States, or between the Government of the United States and other power agencies in the United States?

Mr. BONE. No. There was no reference whatever in the bill as agreed to to the Boulder Dam provision which had

been in the bill in section 14, if that is what the Senator suggests.

Mr. KING. Yes.

Mr. BONE. That is entirely out of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

SUGAR PRODUCTION AND CONTROL

The Senate resumed the consideration of the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Mr. COPELAND. Mr. President, for 2 days I have been waiting to make a 10-minute speech. If, in the meantime, I have forgotten most of what I intended to say, the Senate will not regret that fact.

I wish to express my sympathy and good will to the Senator from Florida [Mr. PEPPER]. We could just feel that his heart was in everything he had to say. But he must not be discouraged. It usually takes about 10 years to pass any piece of real legislation in a form satisfactory to its author. So, this being 1937, I should say that by 1947 he will have realized his fondest dreams. I hope the Senator will not be discouraged, but I wish to be entirely frank with him. I speak feelingly because of efforts that I have made in connection with sugar legislation.

For years and years I have striven to have a square deal accorded to the citizens of Puerto Rico, American citizens. I have not forgotten that in due and legal form the people of Puerto Rico were made citizens of our country. One would not think so when he reads this bill.

I should like to say to the other Senator from Florida [Mr. ANDREWS] that he, too, has my sympathy in this matter. As the third Senator from Florida, I shall hope to help him in his undertakings.

Mr. President, one would not think to read this bill that Puerto Rico had any relationship to the United States. Our Government does not understand the first principles of colonial or insular administration. It is a misfortune to any territory outside the continental United States to be annexed to our country. If I needed any proof of it, I would not require more than this particular bill.

I am not speaking now about Hawaii; I do not know anything about Hawaii. But I do know something about Puerto Rico and its needs. I know that the Puerto Ricans are not decently treated by this bill as it is written.

I have no delusions at all, not the least in the world. I might just as well sit down now because what I may say is not going to change the bill in any respect whatsoever. Both Senators from Florida know by this time that I am speaking the truth. No man ever made more earnest efforts to formulate legislation than they have made, but they did not succeed and neither will I succeed. But that does not make any difference; we will do our duty, anyway.

If I had my way, raw sugar, regardless of where it came from, would come in free. Then I would have a protective tariff so high on refined sugar that it would all be refined in our country.

Of course I realize that there are complications. We have the beet-sugar growers who, in good faith, have gone into the business of raising sugar beets and making sugar from sugar beets. That ought never to have been done. That is not the kind of a crop that America ought to raise. Sugar beets should be raised where there is an enslaved or an impoverished population, where little children can be put out in the beet fields to be crippled by the work of pulling the weeds. That is not the kind of a crop that ought to be raised in the United States.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. We do not want our children treated in that way. I am aware of the fact that efforts are being made locally and by various States to overcome these evils. Perhaps they have been overcome and by the progress of invention some of the weeds may be taken out by machinery.

Mr. ADAMS. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I cannot yield to all the friends of beet sugar at one time.

Mr. ADAMS. Will the Senator pick one to yield to?

Mr. COPELAND. I will yield first to the Senator from Utah, who was on his feet first.

Mr. KING. Mr. President, I regret exceedingly to differ from my dear friend the Senator from New York. I share with him the sympathetic expressions respecting Puerto Rico, but I cannot agree with the animadversions of my friend with respect to those who are engaged in the production of beet sugar.

I may say to my friend, if he will pardon me for a moment, that we have by legislation which I shall not describe, largely cut off our foreign exports of agricultural crops. The result has been that millions of acres that formerly produced profitable agricultural crops now remain fallow. Sugar beets and sugarcane may be grown in the United States profitably and advantageously, and they will, in part, meet the losses which have been sustained by reason of the destruction of the foreign market for our surplus agricultural products. If I had my way, I would enact such legislation as would enable the United States to produce at least 40 to 50 percent of our consumptive sugar needs, in which event there would be more cane sugar and there would be more beet sugar.

May I say to my friend from New York that if he should go into the beet-producing States he would find labor employed under conditions which are more favorable than he will find in many of the great industrial sections of the country. Wages are high. So far as children are concerned, there is no claim whatever that children are employed in the production of beets.

Mr. COPELAND. I will now receive the apology of the Senator from Colorado. [Laughter.]

Mr. ADAMS. Mr. President, the apology begins with the suggestion that it would have been a good idea for the Senator from New York to read the bill before he made his speech. If he will read the bill he will find, on page 19, that subparagraph (a) specifically provides that no child under the age of 14 years may be employed in a beet field if any payments or benefits are to be received, and that no child between the ages of 14 and 16 may be employed for more than 8 hours. The Senator from New York would have sugar that comes in as raw sugar from the great fields of Cuba, where such fine labor conditions exist, and from Java, where such marvelous labor conditions prevail, rather than to have it raised in the beet fields of the United States under wholesome sanitary conditions, under proper child-labor regulations, and under wage limitations which are to be required under the terms of the bill.

That, Mr. President, is my apology. [Laughter.]

Mr. COPELAND. Are there any other beet-sugar States to be heard from? [Laughter.]

Mr. President, I do not care how many laws we may have, the children of the country will be exploited. Those who make the laws are kind-hearted and well-intentioned, but we do not have to go far to get evidence that there are too many children in this business 14 years of age who have all the appearance of being 10. At any rate, I insist that the soil and climate and genius of America are not suited for that sort of thing.

I do not want the sugar-beet grower to think I want to disregard them and put them into outer darkness and condemn them to everlasting poverty. I know the beet growers were encouraged to plant these crops. When I was a young doctor I practiced in Bay City, Mich., and while I was there in practice the beet-sugar industry of Michigan was started in the Saginaw Valley. Everybody was delighted to think we were going to make sugar. So I know something about it, and I know those people in good faith invested their money.

I am perfectly willing that they should have a bounty. I can see that it is necessary that they should have a bounty. They cannot compete with other countries without it.

But it hurts my feelings a little bit when I find, according to the testimony of the junior Senator from Michigan [Mr. BROWN], that this "little" bounty of one-half cent a pound means $67,000,000 to the American people—a $67,000,000 tax on the sugar bowl! I have observed always when we start out with half a cent tax, as it is pyramided through the various handlings it soon becomes 2 cents. So the sugar bowl of the American housewife is being taxed in order to make possible carrying out the provisions of this bill.

Mr. President, in the House on the 6th of August Representative JONES placed in the RECORD a statement from one of the departments giving four reasons why the refined sugar interests were already taken care of. I ask to have inserted at this point in my remarks the official statement which Representative JONES at that time had placed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The first three paragraphs of section 207 of H. R. 7667 discriminate against Puerto Rico, Hawaii, and the Virgin Islands by limiting refining operations in these areas without corresponding restrictions on the other domestic areas of the United States. These provisions are demanded by the seaboard refiners of the mainland in order to limit the amount of competition in the sale of refined sugar. The seaboard refiners are given extraordinary benefits and protection under other provisions of the pending bill, as follows:

(1) Under the quota provisions total supplies are adjusted to consumers' needs which stabilizes the sugar market in the United States, as operations under the Jones-Costigan Act have indicated. Refiners thus obtain at public expense, in legal form and under public safeguards the general market stabilization which they sought unsuccessfully to achieve at their own expense through control of sugar marketing practices under the Sugar Institute regime of 1928–30, which control was held by the United States Supreme Court in its decision of March 30, 1936, to be in violation of the antitrust laws of the United States.

(2) For many years refiners have sought to limit importations of liquid sugar into the United States, which, they maintain, replaces their refined product among certain types of consumers (confectionery, baking, etc.). Section 208 of the bill prohibits the importation of liquid sugar from any foreign country except Cuba and Dominican Republic, which two countries are permitted quotas based on previous years' marketings in the United States, thereby limiting competition of foreign liquid sugar with refiners' products. Section 210 (b) provides in effect that any liquid sugar marketed by the domestic areas shall be included in the sugar quotas, thereby limiting possible competition with seaboard refiners' products of liquid sugar which may be produced in domestic areas.

(3) Under section 207 (e) refiners receive the unusual protection of an outright embargo on any importations of direct-consumption sugar from the principal competing country (Cuba) in excess of 375,000 short tons, raw value, which represents a decrease, as compared with the 1936 quota, of 87,000 short tons of sugar, although the United States Tariff Commission, after official investigation of costs of refining in the United States and Cuba, reported to the President on January 22, 1934, that no change was warranted in the tariff differential between raw and refined sugar.

It should be clearly understood that the foregoing reference to the figure of 375,000 tons of direct-consumption sugar is not to be taken as implying acceptance of that figure. The Department of State maintains that the Cuban direct-consumption quota should not be reduced below a quantity equal to 22 percent of the total Cuban quota.

(4) Under the provisions of the Philippine Independence Act the refiners are protected against importations of refined sugar, duty-free, from the Philippine Islands, where great expansion of refined-sugar production would be possible if no restrictions were imposed. To the limitation of 50,000 long tons of duty-free refined sugar provided for in the Philippine Independence Act, there is added the provision in the pending bill in section 207 (d) that no more than 80,214 short tons, raw value, of direct-consumption sugar may be brought in from the Philippines in any calendar year, even with payment of full duty.

Under the quota system the seaboard refiners increased their meltings from 4,129,000 tons in 1933, the year prior to the Jones-Costigan Act, to 4,514,000 tons in 1936. The excess of the American refiners' margin above the world refiners' margin per pound of sugar amounted to over $20,000,000 in 1936 on the refiners' aggregate deliveries of sugar, an indirect subsidy under quota legislation to the 14 refining companies of $1,600 for each person employed by them, as against an average wage of $1,005.

The question at issue is not whether the 14 mainland cane-refining companies, employing approximately 14,000 people, should be protected but whether, after having been granted the foregoing unusual forms of protection against competition in the bill, they should be given this additional protection, which is an outright discrimination against American citizens residing in the Territories and possessions of the United States.

The provisions discriminating against Hawaii, Puerto Rico, and the Virgin Islands in the matter of refined sugar are in complete violation of traditional American policy and of basic American principles.

First. These discriminatory provisions establish trade barriers within the United States. These provisions establish that a certain part of the Union may not manufacture, may not process, the products of its soil. This discrimination against one part of the Union is established not merely in favor of another part of the Union—in itself an unjustifiable performance. It establishes discriminations against parts of America, inhabited by American citizens, in favor of a few mainland companies already highly privileged by this legislation. As a precedent this kind of discrimination is unthinkable—and because it was introduced without the administration's approval 3 years ago in the Jones-Costigan bill, in an emergency, is no reason for making it continuing national policy.

Mr. COPELAND. Mr. President, in London, on May 6, 1937, was brought into existence what is known as the International Sugar Agreement. It was signed in London on the 6th of May of this year. The United States was a party to the agreement. I hold in my hand an official copy of that agreement as transmitted with a message of the President to the Senate. The agreement was signed by all the delegates of the United States. It was an agreement for all of the United States. When we say "all of the United States" we include Puerto Rico, because our country with all of its possessions is considered as a single unit. But the pending sugar bill seeks to set apart and to treat differently the offshore areas of the United States as against continental United States.

I say again that it is outrageous to treat the people of Puerto Rico as is to be done by the terms of the bill. It is grossly inhuman and unfair for the United States to sit in an international conference and bind the United States as a whole and then by the terms of a bill like this split into areas our family possessions. There is no use talking about it. It is going to be done. I have a dozen amendments which I should like to offer, but I know it would be futile to do so.

Mr. President, there are in my State several sugar refineries. I want them to prosper. I want labor to be employed. I want the families of those employed in the sugar refineries to have the wherewithal to clothe and feed themselves and to provide shelter. I think the bill has in it much, perhaps more than is needed by the refiners, but so far as that feature is concerned I rejoice to think that my own people are about to be taken care of in our refineries.

I go back to my original statement: If I had my way, I should make raw sugar free. I should provide preferences for our own possessions, to see that they had first call upon the demand for raw sugar. Then I should have the refineries of America conduct the manufacturing processes which are necessary to prepare this essential food for the table.

Mr. President, that is all I am going to say. I merely wanted to put myself on record now, as I have done before. Whenever this subject has been before us, I have made the same appeal, more strenuous in other years than now, because I had hoped then that we might accomplish something for Puerto Rico. But from past experience and from what has happened to other amendments here during the past 2 or 3 days, I feel that it is utterly useless to make further effort.

I have declared myself and have made clear what I feel in my heart—that we are not treating Puerto Ricans, who are American citizens, with the degree of consideration which should be accorded them. They are our brothers and sisters so far as nationality is concerned, and we are treating them as if they were stepchildren and utterly unworthy of our thought or consideration.

Mr. PEPPER. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. PEPPER. I have an amendment, Mr. President, which I will send to the desk in just a minute. The amendment reads as follows:

On page 8, after the table which follows line 2, insert the following:

Whenever the total of the allotments to the producers of sugarcane within any State for any year is less than the equivalent of 125,000 short tons of sugar, raw value, then the sugar used within such State in excess of the quota of such State and not in excess of 150,000 tons, which sugar is the product of sugarcane grown therein, shall not be charged against the quota for the mainland cane-sugar area, and shall not be in violation of the quota of such area.

In addition to that, I offer three other amendments, which strike out, by appropriate reference, certain language.

On page 4, lines 24 and 25, I move to strike out the words "commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate."

On page 16, lines 20 and 21, I move to strike out the words "commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate."

On page 21, lines 7 and 8, I move to strike out the comma in line 7 which follows the word "in" and the words "or so as to compete with or otherwise directly affect."

The purport of the fourth amendment is as follows:

In this bill, what is known as the Minnesota Rate Case rule is applied, namely, that persons are not only forbidden to produce sugar for sale in interstate commerce, but they are forbidden to produce sugar for sale in intrastate commerce. In other words, Florida, which was permitted to produce only about one-third of her requirements and by this bill may produce only one-half of the sugar consumed in that State, under the terms of this bill is not only forbidden to send sugar in excess of its quota outside the State, but we are likewise—not by the State government but by the Federal Government—told that the Everglades cannot sell sugar to Florida citizens inside Florida, without crossing State lines, in excess of a quota which is fixed in this bill.

Mr. President, all of us are obligated to observe the Federal Constitution in our conduct here. For the life of me I cannot see how anyone can read the A. A. A. decision which invalidated the processing tax and still decide in favor of the validity of the provision which I am questioning at the present time.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Louisiana.

Mr. OVERTON. Did the Senator from Florida support the wage and hour bill?

Mr. PEPPER. I did support it, and I voted for an amendment which cut out that section, although, unfortunately, the amendment was lost.

Mr. OVERTON. After the amendment was lost, did the Senator vote for the bill?

Mr. PEPPER. I voted for the general bill; yes, I did.

Mr. OVERTON. Did it not contain a similar provision?

Mr. PEPPER. It did contain a similar provision; but I may add for the Senator's attention, if he will examine that bill very carefully, that there are other provisions in it which, in my opinion, either minimize or entirely prevent the operation of the principle of regulating purely intrastate operations under the provisions of that bill, because the subject was not new to me when the wage and hour bill came up, and I devoted considerable time to a scrutiny of it.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Colorado.

Mr. ADAMS. Earlier in the day the Senator from Louisiana offered an amendment increasing the quota of Florida, leaving the quota on the sugar-beet areas and on Louisiana. The same constitutional objection which the Senator now raises would apply to the sugar-beet quota which he was willing to accept, and to the Louisiana quota which he was willing to leave alone, and to the increased quota of Florida which he wished to attain.

Mr. PEPPER. Mr. President, the Senator is correct. I should like to make two answers to the Senator's suggestion. The first one is that if the Senator from Colorado objects to a prohibition against that State selling to its own citizens any surplus of sugar, I am sure the eloquent and capable Senator from Colorado—who, perhaps more than any other Senator in this body, has influenced the course of sugar legislation—would attempt to remove such restriction. I was primarily concerned about Florida's inability to produce enough sugar even to meet its own needs, because the Senator from Colorado will recall that his quota is something in excess of 300,000 tons, I believe, and the quota of the State of Florida is 63,000 tons. Being able to produce over 300,000 tons in a State the size of Colorado, with a population of—will the Senator refresh my memory as to the population of his State? It is a little over a million, is it not? Am I wrong about that?

Mr. ADAMS. Our population, roughly, is a million and a quarter.

Mr. PEPPER. The population of Colorado is approximately one and one-quarter million, and the State is able to produce over 300,000 tons of sugar. The population of my State is 1,600,000, and we can produce 63,000 tons of sugar. I can understand why the Senator from Colorado might not be as much concerned about a desire to sell his sugar inside the State as I am under our embarrassed circumstances.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PEPPER. In one moment.

The other answer is that I am perfectly agreeable to vote for, and I will vote for, an amendment which will permit any State in the Union to sell, inside of the limits of such State, all the sugar it cares to produce. So if the Senator from Colorado cares to make that benefit available to any other State I am certainly in accord with him and will try to help him.

Mr. ADAMS. Mr. President, now will the Senator yield?

Mr. PEPPER. Yes; I yield to the Senator from Colorado.

Mr. ADAMS. The State of Colorado does not have a quota under this bill. There is a quota of 1,550,000 tons to the beet-producing areas, of which Colorado is a part. That quota would be allocated by the Secretary of Agriculture. That quota, I will say to the Senator, is far below the actual production of beets within the beet-producing areas as of the year before the enactment of the Jones-Costigan Act. It is far below the present capacity of the beet areas to produce. It is far below the desires of the beet areas to produce. It is 50 percent below the capacity of the beet factories to refine. The beet areas in fact conceded a substantial tonnage to the two cane States in order that their quota might be raised, while when the estimated consumption of the United States was increased by the Secretary of Agriculture some 260,000 tons, the beet areas in fact did not ask for any portion of that increase, but did give roughly 160,000 tons to the States of Florida and Louisiana in order to equalize conditions and bring about what seemed to the beet areas fairness to those areas. We are having in the beet areas less than what the Senator would call a fair quota.

Mr. PEPPER. Will the Senator permit me to inquire of him what the Secretary of Agriculture allowed Colorado last year as its quota under the Jones-Costigan Act?

Mr. ADAMS. I am not able to state the allowance to Colorado. The actual production was somewhere between 200,000 and 300,000 tons of sugar.

Mr. PEPPER. Although it is not specified in the terms of the act itself, the Senator knows that on the historical base, which has been the criterion of allocation by the Secretary of Agriculture, he will get for Colorado in the neighborhood of 300,000 tons next year, and Colorado has been enjoying that in the past. Is not that correct?

Mr. ADAMS. That is substantially true. As a matter of fact, the State of Florida has been a beneficiary of the drought in my State; that is, my State and other Western beet-producing States did not produce the quotas, and the deficit was allocated to the cane States.

Mr. PEPPER. So the next year the State of Colorado, with a million and a quarter inhabitants, will get in the neighborhood of 300,000 tons and benefit payments, and the State of Florida, with a population of 1,600,000, will get 63,000 tons, if the standards of allocation observed in the past are employed in the future.

Mr. ADAMS. But the Senator from Florida, I think, stated on the floor of the Senate that the maximum production of cane sugar in Florida at any time has been 51,000 tons.

Mr. PEPPER. Exactly.

Mr. ADAMS. And it is already allocated, under the bill of which he complains, an increase of 12,000 tons, the only area in the country that is being given an allocation in excess of what they have ever produced.

Mr. PEPPER. Will the Senator permit a suggestion? Why is it, in justice, to be said that because Colorado happened to begin producing sugar before Florida began producing sugar, for all time to come Colorado shall have 300,000 tons and Florida shall have 63,000, or whatever you charitable gentlemen choose to give it? Is that going to last forever?

Mr. ADAMS. I hope not. I am in entire accord with the Senator on the fundamental theory that the American market should be available to the American producer and that there should be no limitations placed upon Florida or upon Colorado below the actual consuming capacity of the United States. But the State of Colorado and the State of Florida, and the beet industry and the cane industry, have been confronted with a very practical condition.

The administration in Washington have said to us, "You cannot do that. A bill without limitations will not be approved. It probably could not pass Congress." We are simply trying to make the best of a situation which we cannot cure. The Senator from Colorado would be delighted to go with the Senator from Florida and endeavor to have the restrictions removed so that the farmers of our States may not be under restrictions. But so long as they are, we must be reasonable with each other; in Florida, as well as in Colorado, we must accept some limitations in order to accomplish results.

The Costigan Act, passed largely through the influence of my colleague, who by reason of illness is no longer here, but who almost gave his life in his battle for the sugar industry, did things for the sugar industry in Florida, in Louisiana, in the beet areas, in Puerto Rico, and Hawaii, and Cuba, far beyond what they had ever had. A prosperous condition was established; and if we do not pass a bill establishing some quotas we will destroy the industry, at least in every place except in Florida, and that is what some of us are interested in—the preservation of a great industry upon which a million people depend. One criticism I offer of the Senator from Florida is that in his loyalty to his State I think he has overlooked the fact that, if he carried his point, he might tear down the structure built by Senator Costigan, and destroy a great national industry in the United States.

Mr. PEPPER. Mr. President, I assure the Senator that I am as far from any intention or desire of doing such a thing as the Senator from Colorado is. I have heretofore stated, and I do not have any disposition to withhold the expression now, that I have had a feeling—and I think that feeling is shared by my colleague, and it may be shared by our colleagues from Louisiana, but they will have to speak for themselves—that the sugar legislation of this Congress has been a little closed corporation. I do know that a few eminent Senators to a large extent have sat down around the table and fixed these quotas without saying a word to any of us little fellows about it, and I happen to be of the little crowd. I say that with all kindliness, but it is no less a fact. No one ever consulted me with regard to how much Florida could get along with. So far as I know, no one ever consulted my colleague. It may be that we as individuals are not worthy of consultation, but we do happen to represent a sovereign State. No one came to us and said, "Let us all sit around the table. We have so many pounds of sugar. Let us divide it up fairly among all and preserve the principle of sugar legislation."

The first I ever heard of sugar legislation in this Congress was when certain Senators early in the year went to the Department of Agriculture and came back with a sugar bill, and handed it out with the interpretation—implied, at least—that it was the approved sugar bill, and that we would have to take it or leave it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COPELAND. I think the President is rather critical of the bill, is he not?

Mr. PEPPER. Yes.

Mr. COPELAND. I should judge so from a letter I saw printed in the RECORD.

Mr. PEPPER. Mr. President, I shall not detain the Senate very much longer.

Mr. OVERTON. Mr. President, if the Senator will yield to me, I do not wish to have the statement go unchallenged in the RECORD that necessarily the ratio between Louisiana and Florida will be 85 percent and 15 percent. The ratio will be established in accordance with the provisions of the pending bill, if it shall be enacted into law, and that takes into consideration three factors—past performance, ability to produce, and the interest of new producers and small producers, and the interest of producers who are cash tenants, share tenants, adherent planters, or sharecroppers. Therefore the quota which may be assigned to Louisiana in the end may be larger than the Senator from Florida anticipates, and that of Florida may be smaller.

Mr. PEPPER. Mr. President, I want to express the very earnest hope that the Senator from Louisiana [Mr. OVERTON] may learn the doctrine of neighborliness and extend a little greater generosity than he has shown today. One of the reasons why I have tried to get Florida's share and quotas specified in this bill is because there are just two cane States. I believe in getting along with my neighbors. I love my neighbors, but I want my neighbors to love me a little bit. The sentiments of charity which my friend has exhibited to me here today have almost brought the feeling on my part that he has not been reading his Bible well and lately.

Mr. OVERTON. If the Senator will yield, I will say that I have been trying to be neighborly in this fight. I have fought for an increase of cane-area quota all along. I have not tried to make any distinction between Louisiana and Florida, and the controversy between Louisiana and Florida has been brought up by the Senators and Representatives from Florida and not from Louisiana.

Mr. PEPPER. I can well understand Louisiana's fighting for a general cane quota when she gets 85 percent of it. Under no other theory could she hope to get as much. But will the Senator tell me anything I have said to provoke a controversy with Louisiana in any way, directly or indirectly?

Mr. OVERTON. Indeed I can. I went through the whole argument today for about an hour, in which I endeavored to show that the Senator from Florida, instead of undertaking to increase the cane-area quota, instead of undertaking to increase the continental quota, undertook to take from the quota assigned to Cuba originally and from the Philippines, with the thought—if I may use the expression, and I do not want to use it with any sort of reflection upon the Senator from Florida—but with the thought of "hogging" it all for Florida. That was my objection.

Mr. PEPPER. Do I understand the Senator from Louisiana to prefer that the Philippines keep the quota which they are not going to use, and that the Secretary of State shall have it with which to bargain with foreign countries, rather than that Florida should have it?

Mr. OVERTON. No, Mr. President, that is not my attitude at all. I have no objection to lowering the quota on the Philippines. But when you do take anything from the quota that is assigned to the Philippines, so far as you can legally do so within the Philippine Independence Act, I do not want all of that sugar to be assigned simply to one area, when Louisiana has an infinitely better right and a better claim,

according to history, according to past experience, according to present productiveness, and according to capacity to produce, than has Florida.

Mr. PEPPER. Not even when Louisiana has received an increase of 137,000 tons? I will ask the Senator from Louisiana how much it costs to produce sugar in Louisiana?

Mr. OVERTON. The distribution under this legislation is not dependent upon the cost. If it were, most of it would go to Hawaii and Puerto Rico and to Cuba, and scarcely anything to the mainland.

Mr. PEPPER. The Senator would not deny the fact, would he, that it costs almost exactly twice as much to produce sugar in Louisiana as it does in Florida?

Mr. OVERTON. No. I think it costs less to produce the sugar in Florida than it does in Louisiana.

Mr. PEPPER. Will the Senator be good enough to tell me whether Louisiana has plowed up any sugarcane or not, or whether it is not a fact that it is exceeding its quota nearly every year, and has come on its knees to the Secretary and has sought to get benefit payments, even though it violated the quota that it was authorized to plant?

Mr. OVERTON. It did not violate the quota that was given to it, Mr. President. I shall have to take some time to answer the Senator's question in that connection. When Louisiana was assigned the ridiculously low quota of 220,000 tons, whereas she had a productive capacity of 400,000 tons——

Mr. PEPPER. And Florida got 40,000 tons.

Mr. OVERTON. And Florida got 40,000 tons, when the largest quantity she had ever produced up to that time was 41,000 tons, and Louisiana had produced over 400,000 tons—then the Department of Agriculture went into Louisiana and experimented with new varieties of cane, and those new varieties were disease-resistant, and they were more prolific, and the result was that we produced a larger yield of cane than we were assigned in the quota. Then the Louisiana farmers and the Louisiana planters came here to the Secretary of Agriculture and stated to him what that situation was. Then it was that the Secretary of Agriculture issued an administrative order reducing the penalties that were to be inflicted upon Louisiana for producing in excess of its quota—did so by reason of the fact largely that the excess production was due to these varieties of cane that the Department of Agriculture had introduced into Louisiana.

Then when the A. A. A. decision came along, and the benefit payments and the processing taxes were set aside under the decision of the Supreme Court, then it was that the Secretary of Agriculture went back to his old ruling, his old administrative order, and inflicted a penalty of over $1,500,000 upon Louisiana producers.

Mr. PEPPER. I thank the Senator very much. The fact is though that the moral obligation to pay on the contracts did not exist in the case of Louisiana whereas it did exist in the other areas, including Florida.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. Will the Senator tell me what had been the quota of Florida under the old act?

Mr. PEPPER. Forty thousand tons for Florida. Last year due to distribution of deficits in some other sections it was around 50,000 tons.

Mr. SCHWELLENBACH. What is the quota proposed under this bill?

Mr. PEPPER. If my generous friend from Louisiana [Mr. OVERTON] does not prevail and reduce the share that we have been getting in the past from the Department of Agriculture, I assume that we would get the glorious proportion of 15 percent of that which goes to the cane area. If my friend is correct we will get less than that, but if we get 15 percent we will get a total of 63,000 tons.

Mr. SCHWELLENBACH. An increase of 23,000 tons.

Mr. PEPPER. That is exactly correct.

Mr. SCHWELLENBACH. What was the quota of the beet-sugar States under the old act?

Mr. PEPPER. The initial quota was 1,550,000 short tons. Actual final quotas were: for 1934, 1,556,000 tons; for 1935, 1,550,000; for 1936, 1,342,000 tons. For 1937, due to increased consumption requirements, her initial quota was 1,613,000 tons. Her actual deliveries for 1937, however, will be nearer 1,400,000 tons.

Mr. SCHWELLENBACH. What is it under this act.

Mr. PEPPER. One million five hundred and fifty thousand tons.

Mr. SCHWELLENBACH. Less than it was under the old act?

Mr. PEPPER. Yes; the beet area is not sharing in the increase in consumption requirements from 6,452,000 tons to 6,682,670 tons.

Mr. SCHWELLENBACH. The Senator is complaining that he was not invited in on these meetings, when the other people met and took a reduction for themselves and made an increase for Florida. Perhaps if he had been there he would have talked them out of that.

Mr. PEPPER. That is entirely possible.

Mr. SCHWELLENBACH. Perhaps it is a good thing that he was not there.

Mr. PEPPER. That is entirely possible. The Senator has not observed this distinction, however. The concession they made came out of thin air, and not out of beet sugar, for the good reason that in 1933–34 the beet area did produce 1,756,228 raw tons. That was in 1933–34, the year before the Jones-Costigan Act. Since the passage of that act the beet area has never produced its full quota and will not do so this year.

In 1935 the beet area had a quota of 1,550,000 tons, and they produced in the year 1934–35 crop 1,239,474 tons.

In 1936 they had a quota of 1,550,000 tons, and they actually produced in the 1935–36 crop 1,261,459 tons.

In 1937 they had a quota of 1,613,576 tons, and they produced in the 1936–37 crop 1,396,426 tons.

Their actual deliveries for 1937 will fall at least 150,000 tons short of the quota. All this time, consumption requirements increase and quite naturally the beet area could not share in this source of quota.

If any sugar expert will not say that the beet people this year contemplate a deficit of 150,000 tons, then I am very sadly misinformed by the experts, and there are some of them here in this Chamber. The truth is that the beet people only one year in their history produced as much as their quota is, and has been, under the Jones-Costigan Act, and they have never produced anything like that much since.

Last year their deficit was so much that Cuba got over 2,000,000 tons by being the beneficiary of that deficit that they were able to send into this country. So the beet growers are giving up something out of the air, whereas, we are giving up sugar that we can and will, if allowed, actually produce.

Mr. SCHWELLENBACH. Mr. President, will the Senator again yield?

Mr. PEPPER. I yield.

Mr. SCHWELLENBACH. Regardless of the deficits in production, it is a fact that these people who did not invite the Senator into the room, did not ask for any increase in their quota for themselves, and did give Florida an increase from 40,000 tons to 63,000 tons?

Mr. PEPPER. I will give the Senator from Washington my interest in the throne of Great Britain for 25 cents. I shall be glad to make that kind of sale in exchange, because it is not giving up anything on my part. That is what the Senators from the beet States did. They got generous and gave up part of a quota which they have never enjoyed, and which they have never had the capacity to produce, and they do not now intend to produce, and they call that making a concession, by giving us the difference between 40,000 tons and 63,000 tons, if we get our 15 percent, which my generous friend the Senator from Louisiana I am sure is not, on second thought, going to take away from us.

If he will not take that away from us we will get a 23,000-ton increase.

Mr. SCHWELLENBACH. The quota was 40,000 tons?

Mr. PEPPER. That was the original quota under the Jones-Costigan Act, but last year we had about 51,000 tons.

Mr. SCHWELLENBACH. There was a drought in certain other areas where they produced beet sugar. So far as the Senator's quota was concerned, there was an actual increase of 23,000 tons, was there not?

Mr. PEPPER. If there has been a drought in the beet area, it has lasted ever since 1934. Any weather condition that lasts that long I would not call temporary.

Mr. President, I did not intend to prolong the discussion. The amendment merely provides that if there is any State which is producing less than 125,000 tons it may produce as a gross production up to 150,000 tons, but all above its quota as fixed in the bill will have to be sold entirely within the confines of the State.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I have another amendment which I should like to offer. I send it to the desk for that purpose.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, strike out lines 14 and 20; and page 8, strike out lines 1 to 2, inclusive, and the table which follows, and insert in lieu thereof the following:

	Area	*Quotas (short tons)*
(a)	For domestic sugar-producing areas:	
	Domestic beet sugar	1,550,000
	Louisiana	357,000
	Florida	92,782
	Hawaii	938,000
	Puerto Rico	798,000
	Virgin Islands	9,000
(b)	For the Commonwealth of the Philippine Islands	1,000,000
(c)	For foreign countries:	
	Cuba	1,911,476
	Foreign countries other than Cuba	26,412

(d) In the event that the Secretary determines that the amount of sugar needed to meet the requirements of consumers is less than 6,682,670 short tons, then the Secretary shall first establish the quotas for the areas and in the respective amounts set forth in subsections (a) and (b) and after deducting the total thereof from the determined consumption requirements shall prorate the difference on the basis of the quotas established for Cuba and foreign countries other than Cuba in subsection (c); if the Secretary determines that the amount of sugar needed to meet the requirements of consumers exceeds 6,682,670 short tons, then the Secretary shall deduct the total of the quotas set forth in subsection (a) to (c), inclusive, from the determined consumption requirements and shall prorate the balance among the domestic sugar-producing areas set forth in (a) and Cuba and foreign countries other than Cuba, on the basis of the quotas set forth in subsections (a) and (c).

Mr. PEPPER. I will say for the benefit of Senators that I am still referring to the Philippine quota. The bill, as Senators will recall, provides for an excess of 59,782 tons above that which the Philippines are legally entitled to enjoy. The Secretary of State says he wants the whole 59,782 tons to trade with. I propose that we divide it equally, the Secretary of State to take 30,000 tons and let Florida have 29,782 tons. That is making an even division of the 59,782 tons. That would make Florida's quota on the whole about 93,000 tons, Louisiana's 357,000 tons, and the beet area 1,550,000 tons, and the Philippines will get all they are entitled to and the Secretary of State will have half of our heritage with which to bargain.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I offer another amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, after the word "current", it is proposed to strike out lines 17, 18, 19, and 20, as follows: "he shall revise the quota for foreign countries other than Cuba by prorating an amount of sugar equal to the deficit so determined to such foreign countries, on the basis of the prorations of the quota then in effect for such countries:" and insert in lieu thereof the following: "he shall allocate the deficit so determined to the mainland cane area and fairly and equitably apportion the deficit so determined among new producers in such area", so as to make the sentence read:

If the Secretary finds that the Commonwealth of the Philippine Islands will be unable to market the quota for such area for the calendar year then current, he shall allocate the deficit so determined to the mainland cane area, and fairly and equitably apportion the deficit so determined among new producers in such area.

Mr. PEPPER. Mr. President, I ask the particular attention of my friends from Louisiana to the amendment. On page 9 of the bill the language is as follows:

If the Secretary finds that the Commonwealth of the Philippine Islands will be unable to market the quota for such area for the calendar year then current, he shall revise the quota for foreign countries other than Cuba by prorating an amount of sugar equal to the deficit so determined to such foreign countries, on the basis of the prorations of the quota then in effect for such countries.

The effect of my amendment would be that the excess which the Philippines have, instead of going to the Secretary of State for bargaining purposes, would be allocated by the Secretary of Agriculture to the mainland cane area, and by the Secretary of Agriculture equitably and fairly apportioned in the cane area among new producers. That means that the historic base would not be used to throttle Florida or Louisiana's natural expansion. It would be the Secretary of Agriculture who would have the authority and discretion to make allocation and apportionment among the members of the cane area. I hope Senators will be good enough to appreciate that point.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 38, line 20, it is proposed to strike out the numerals "1940" and insert "1938", and in line 20 to strike out "1940" and insert "1938", so as to make the section read:

SEC. 513. No tax shall be imposed on the manufacture, use, or importation of sugar after June 30, 1941, and the powers vested in the Secretary under this act shall terminate on December 31, 1938, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1938 and previous crop years.

Mr. PEPPER. The effect of the amendment would be that the bill would be in effect for the years 1937 and 1938 only. Before the expiration of that time, if desirable, a new sugar bill could be considered. The amendment would simply reduce by 2 years the period during which the bill would be in effect and provide that it shall expire of its own terms December 31, 1938.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I send to the desk another amendment, which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 19, line 11, after the word "feed", it is proposed to strike out the period and insert a semicolon and the following: "or (5) sugars manufactured in continental United States and used for inedible purposes", so as to make the section read:

SEC. 212. The provisions of this title shall not apply to (1) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year; (2) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba, in individual sealed containers of such capacity as the Secretary may determine, not in excess of 1.1 gallons each;

or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed; or (5) sugars manufactured in continental United States and used for inedible purposes.

Mr. PEPPER. The purpose of the amendment is merely to provide that sugar used for nonedible purposes shall not be considered as within the quota provisions. There are two exceptions already in the bill. One is sugar used for livestock and the other is sugar used for alcohol purposes. There are certain particular experimental purposes being studied now. It is true in my State, and may be true in other States, that sugar may be applied by discovery, before the bill expires, to some use that is nonlivestock, nonalcohol, and nonedible. I cannot see why anyone should have an objection to that amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I send to the desk another amendment which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 28, line 17, it is proposed to strike out the numeral "0.465" and insert in lieu thereof the numeral "0.0465"; on page 28, line 19, strike out the numeral "0.00875" and insert in lieu thereof the numeral "0.000875"; on page 28, line 22, strike out the numeral "0.5144" and insert in lieu thereof the numeral "0.05144"; and on page 30, line 11, strike out the numeral "0.465" and insert in lieu thereof the numeral "0.0465."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I offer another amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, after line 9, it is proposed to insert:

The Secretary shall make the first revision of sugar quotas for the calendar year 1937 within 60 days after the date of the passage of this act in accordance with the provisions of section 202 thereof.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I send to the desk another amendment which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 8, in lines 20 and 21, it is proposed to strike out the words "as he deems necessary during the calendar year" and insert in lieu thereof "on June 1 and September 1 of each year", so as to make the sentence read:

SEC. 204. (a) The Secretary shall, on June 1 and September 1 of each year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Commonwealth of the Philippine Islands, or Cuba, will be unable to market the quota for such area.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I send to the desk another amendment, which I offer.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 24, line 20, it is proposed to strike out "60" and insert "37½", so as to make the paragraph read:

SEC. 304. (a) The amount of the base rate of payment shall be 37½ cents per hundred pounds of sugar or liquid sugar, raw value.

Mr. PEPPER. The purpose of the amendment is to reduce the base payment from 60 cents per hundred pounds to 37½ cents. I want it to be known that is for the purpose of reducing the cost of the sugar subsidy to the American sugar consumer.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was rejected.

Mr. PEPPER. Mr. President, I have one more amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 11, line 15, after the "made", it is proposed to insert the following:

Any interested person, or the representative authorized by him to appear, shall have the right to appear and be heard at such hearing.

Mr. PEPPER. Mr. President, the purpose of that amendment is to provide that any interested person may appear at the hearings before the Secretary of Agriculture to present what he may deem to be his interest in allocations and apportionments and other actions which the Secretary is carrying on.

The bill does not permit an interested person to appear as a matter of right. Surely the right of being heard is not going to be taken away from any American citizen who has a legitimate interest in a matter of that sort which affects his interests.

I offer the amendment, and ask for its adoption.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida.

On a division, the amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 9, at the end of the committee amendment heretofore agreed to, it is proposed to insert the following:

Provided, however, That such determination of consumption and the total quota supply made available to consumers thereunder shall not be less than the quantity of sugar required to give consumers of sugar in the continental United States a per-capita consumption equal to that of the 8-year period 1927 to 1934, inclusive.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. LA FOLLETTE. I yield.

Mr. HARRISON. This is the amendment which clarifies the amendment reported by the Senate committee, is it not?

Mr. LA FOLLETTE. Mr. President, this amendment would follow the language inserted by the committee in lieu of certain language stricken out in section 201, which is designed to give some protection to the consumer of sugar

The language inserted by the Finance Committee provides:

That in carrying out this purpose—

That is, the purpose of making additional allowances necessary to meet the requirements of the consumer—

the Secretary shall not cause the price of sugar to be so reduced that the percentage representing the relation between the index of the price of sugar and the index of the average price of all domestic foods will become less than the percentage representing the index relation existing in the period 1932–34.

And the committee amendment provides that the indices which are to be utilized are those compiled by the United States Bureau of Labor Statistics.

Upon consultation with some of the experts, I find that the effect of the committee amendment without the language I have proposed would have resulted in 1935 in the Secretary being required to reduce the allotments for sugar to the point where the price of sugar would have been 6.08 cents per pound instead of 5.7 cents, as it actually was during 1935; that in 1936 the effect of the committee amendment without the language of the pending amendment would have been to have a price of 6.20 cents per pound instead of a price of 5.6 cents; and for the first 6 months of 1937, under the terms of the committee amendment without the addition of the language I have suggested,

the price would have averaged 6.5 cents per pound as compared with the actual average price of 5.66 cents per pound.

I am satisfied that this language will help to strengthen this provision and make it more workable; that it will not result in any complication of the quotas which are set up under the bill; and at the same time that it will assure the consumer that there will be not less per-capita consumption provided than there was in the 8-year period 1927–35, namely, 105.8 pounds, or a total of short tons (raw value) of 6,793,894.

I feel certain that there will be no objection to the amendment.

I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a table showing the sugar supplies required for the United States to give consumers the per-capita consumption of past periods.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Sugar supplies required for the United States to give consumers the per-capita consumption of past periods [1]

Period	Average per-capita consumption of each period	Total supplies (short tons, raw value)
5 years (1924–25 and 1928–29)	114.1	7,326,874
10 years (1919–20 and 1928–29)	106.9	6,864,530
10 years (1925–26 and 1934–35)	107.2	6,883,794
9 years (1926–27 and 1934–35)	106.3	6,826,001
8 years (1927–28 and 1934–35)	105.8	6,793,894
7 years (1928–29 and 1934–35)	105.1	6,748,944
6 years (1929–30 and 1934–35)	102.7	6,594,829
5 years (1930–31 and 1934–35)	102.5	6,581,986
4 years (1931–32 and 1934–35)	102.3	6,569,143
3 years (1932–33 and 1934–35)	101.8	6,537,036
2 years (1933–34 and 1934–35)	101.6	6,524,193

[1] Assuming July 1, 1936, population of 128,429,000.

Mr. HARRISON. Mr. President, I have talked to the expert and to the Senator from Michigan [Mr. BROWN]. There is no objection to this amendment.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] is agreed to.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7667) was read the third time and passed.

NATIONAL CAPITAL AIRPORT

Mr. KING. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2838, Calendar No. 980.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2838) to establish a public airport in the vicinity of the National Capital, which was read, as follows:

Be it enacted, etc., That a public airport for the purposes of the United States and the District of Columbia shall be developed by and under the control and jurisdiction of the Secretary of War on a site south of the road leading from Camp Springs to Meadows, in Prince Georges County, Md., which has been selected and recommended by the "District of Columbia Airport Commission" under authority of the act of April 21, 1936 (49 Stat. 1236), entitled "An act to establish a commercial airport for the District of Columbia."

The Secretary of War is authorized and empowered to acquire by purchase, or condemnation under and in accordance with the provisions of the act entitled "An act to authorize condemnation of land for sites of public buildings, and for other purposes", approved August 1, 1888, as amended (U. S. C., title 40, sec. 257), an area not exceeding 2,500 acres of land on which to locate this public airport. Any land or property now belonging to the Government of the United States, or any department thereof, which may be included in the site selected is hereby transferred to the jurisdiction of the Secretary of War, so that it will be available for airport purposes.

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,286,250 for the acquisition of land and the development of the airport contemplated herein, including the clearing of land, grading, construction of runways, construction and installation of buildings and appurtenances thereto, including interior facilities, fixed, movable and office equipment, necessary services, roads, water supply, sewers, sewage disposal, connections to gas and electric mains, purchase and installation of telephone and radio equipment, and similar improvements, and procurement of transportation incident thereto, without reference to sections 1136 and 3734, Revised Statutes (U. S. C., title 10, sec. 1339; title 40, sec. 267), including general overhead expenses of transportation, engineering, supplies, inspection and supervision, travel connected therewith, and such services as may be necessary in the offices of the Secretary of War; and the engagement by contract or otherwise without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as the Secretary of War may determine, of the services of architects or firms or corporations thereof and other technical and professional personnel as may be necessary; to remain available until expended.

When, in the opinion of the Secretary of War, the development of the said airport shall have been completed as contemplated within the amount of funds provided in this act, he shall transfer all property, control, and jurisdiction thereover to the Secretary of Commerce, who is hereby empowered to maintain and operate said airport, notwithstanding the provisions of section 5 of the Air Commerce Act of May 20, 1926 (U. S. C., title 49, sec. 175).

The Secretary of Commerce shall, with due regard to existing law and the functions of other Government departments, make reasonable regulations and establish charges, fees, and tolls for the use of such airport; fix penalties for the violation of said regulations; and establish liens to enforce payment of said charges, fees, and tolls.

The landing area of said airport shall be reserved wholly for the use of the public and shall not be leased for public or private purposes but shall be maintained and operated as a public landing field for the use of private and Federal aircraft, including aircraft of organized passenger and freight lines, under such regulations and charges as the Secretary of Commerce may prescribe. Space in public buildings and space on the airport for the erection of hangars and other service buildings may be leased under such regulations as the Secretary of Commerce may prescribe. All departments and agencies of the United States operating aircraft shall have free use of the airport and, subject to the consent and approval of the Secretary of Commerce, may erect and install thereon such structures and improvements as the heads of such departments and agencies deem advisable.

There is authorized to be appropriated annually so much as may be necessary for the operation and maintenance of the airport, including compensation of employees, repairs and accessories, purchase of supplies and materials, and the care, installation, maintenance, repair, and operation of utilities and services. All moneys received from the operation of said airport shall be turned into the Treasury as miscellaneous receipts.

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the construction by the Secretary of Agriculture of an express highway from the airport provided for herein to a bridge over the Anacostia River, including the acquisition of land for the right-of-way, construction costs, engineering, supplies, inspection and supervision, and such services as may be necessary in the offices of the Secretary of Agriculture: *Provided*, That in addition to the amount herein appropriated the Secretary of Agriculture may enter into contracts for these purposes to an additional amount not in excess of $500,000, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment thereof. The route and design of this express highway within the District of Columbia and the determination of which bridge over the Anacostia River shall be the terminus of the highway shall be as recommended by the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

Mr. COPELAND. Mr. President, will the Senator from Utah temporarily lay the bill aside so that I may finish the flood-control bill?

Mr. KING. I ask unanimous consent that the pending bill may be temporarily laid aside so that the Senator from New York may ask for the consideration of the bill referred to by him.

The VICE PRESIDENT. The Senator from Utah asks unanimous consent to lay the bill aside temporarily. Is there objection? The Chair hears none.

FLOOD CONTROL

Mr. COPELAND. Mr. President, I ask unanimous consent that the Senate resume the consideration of House bill 7646, Calendar No. 940. This is the flood-control bill, the consideration of which was practically completed the other day; but there are one or two further amendments. Before the Senator from Kentucky offers his amendment, I desire to ask to have certain amendments read.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

There being no objection, the Senate resumed the consideration of the bill (H. R. 7646) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936.

Mr. COPELAND. I present a few clarifying amendments, which I ask to have stated.

The VICE PRESIDENT. The amendments offered by the Senator from New York will be stated.

The Chief Clerk proceeded to read the amendments offered by Mr. COPELAND.

Mr. CLARK. Mr. President, let us have the amendments read one at a time, please.

Mr. COPELAND. The first one that was read is to add a survey which has not been included.

The VICE PRESIDENT. The clerk will state the first amendment offered by the Senator from New York.

The CHIEF CLERK. On page 8, after line 6, it is proposed to insert:

Youghiogheny River watershed above Dawson, Pa.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

The CHIEF CLERK. On page 8, it is proposed to strike out lines 21, 22, 23, and 24, in the following words:

Navidad River, Tex.
Mill Creek, a tributary of the Brazos River, in Austin County, Tex.
Lavaca River, Tex.

Mr. COPELAND. That is because these rivers and the creek are included in the river and harbor bill, and they should not be included in the flood-control bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

The CHIEF CLERK. On page 9, between lines 21 and 22, it is proposed to insert:

Yellowstone River, Mont.

Mr. COPELAND. That is another survey.

The amendment to the amendment was agreed to.

The CHIEF CLERK. On page 13, before line 4, it is proposed to insert:

Whatcom Creek at Bellingham, Wash.

The amendment to the amendment was agreed to.

The CHIEF CLERK. On page 14, after line 9, after the amendment heretofore agreed to, it is proposed to insert:

SEC. 9. That the project for the protection of the city of Memphis, Tenn., from floodwaters by the construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek, in accordance with plans to be approved by the Chief of Engineers, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the provisions and conditions of the Flood Control Act of June 22, 1936.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BARKLEY. I offer an amendment, which I send to the desk and ask to have reported.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 2, after line 10, it is proposed to add the following:

Provided further, That if after investigation the President finds that any city or town is by reason of its financial condition unable to comply with the requirements of section 3 as to local cooperation, he is hereby authorized to waive such requirements in whole or in part.

Mr. CLARK. Mr. President, let me ask the Senator from Kentucky whether this is a provision to exempt only cities in the Ohio Valley from local contributions toward flood-control projects.

Mr. BARKLEY. This bill is an amendment to the Flood Control Act of 1936, and the amendment which I have offered, if adopted, would apply to the whole country.

Mr. CLARK. I have the most intense sympathy with the project, and I wanted to know the purpose of the amendment.

Mr. BARKLEY. It is not limited to the Ohio Valley.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. COPELAND. I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. COPELAND, Mr. SHEPPARD, Mrs. CARAWAY, Mr. MCNARY, and Mr. WHITE conferees on the part of the Senate.

NATIONAL CAPITAL AIRPORT

The Senate resumed the consideration of the bill (S. 2838) to establish a public airport in the vicinity of the National Capital, which was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. I ask to have inserted in the RECORD the act creating the commission known as the District of Columbia Airport Commission and a letter from the chairman, District of Columbia Airport Commission, transmitting a report of the Commission required by section 2 of the act.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[Public, No. 529, 74th Cong., H. R. 3806]

An act to establish a commercial airport for the District of Columbia

Be it enacted, etc., That there is hereby created a commission to be known as the "District of Columbia Airport Commission" (hereinafter referred to as the "Commission"), to be composed of three Members of the United States SENATE, to be appointed by the President of the Senate, three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and three persons to be appointed by the President of the United States, who because of their official positions are interested in the development of a commercial airport in the District of Columbia. No person shall serve on the Commission who has any financial interest direct or indirect in any site or sites for said airport which may be the subject of consideration. The Commission shall proceed immediately after its appointment and organization to examine all available data concerning potential sites for commercial airports and to inspect such potential sites, and shall select a site for such purpose with due regard to the cost of its acquisition and development, its safety, and its adaptability to the requirements of commercial aviation and national defense.

SEC. 2. The Commission shall preserve its decision and selection in confidence and shall make a confidential report thereon to the President of the Senate and the Speaker of the House of Representatives, or the Secretary of the Senate and the Clerk of the House of Representatives if Congress is not in session: *Provided, however*, That said report shall be made as soon as practicable.

SEC. 3. The members of the Commission shall receive no salary as such, but shall be reimbursed for actual expenses incurred in the discharge of official duties as such commissioners. There is hereby authorized to be appropriated the sum of $10,000, to be charged one-half to the moneys in the Treasury to the credit of the District of Columbia and one-half to the moneys in the Treasury not otherwise appropriated, which shall be used for carrying out the purposes of this act, including the employment of such experts and other assistants as the Commission may deem necessary.

Approved, April 21, 1936.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

Letter from the Chairman, District of Columbia Airport Commission, transmitting a report of the Commission required by section 2 of the act

July 15, 1937.—Ordered to lie on the table and to be printed

JULY 9, 1937.

The Honorable JOHN N. GARNER,
President of the Senate.

SIR: In conformity with the provisions of an act of Congress (Public, No. 529, 74th Cong. (H. R. 3806)), approved April 21, 1936, a District of Columbia Airport Commission was created to examine all available data concerning potential sites for commercial airports, to inspect such potential sites, and to select a site for such purpose.

I have the honor, therefore, to submit herewith confidential report of the Commission required by section 2 of the act.

Respectfully,

WILLIAM H. KING,
Senator from Utah,
Chairman, District of Columbia Airport Commission.

The Honorable JOHN N. GARNER,
President of the Senate.

SIR: In conformity with section 2 of the provisions of the act of Congress, approved April 21, 1936 (Public, No. 529, 74th Cong. (H. R. 3806)), entitled "An act to establish a commercial airport for the District of Columbia", the District of Columbia Airport Commission, authorized under section 1 of the act, has the honor to submit the following report:

I. ORGANIZATION

1. Under the authority contained in the act the following appointments to the Commission were made:

(1) By the President of the Senate:
William H. King, Senator from Utah.
Royal S. Copeland, Senator from New York.
Warren R. Austin, Senator from Vermont.
(2) By the Speaker of the House of Representatives:
Mary T. Norton, Representative from New Jersey.
W. Sterling Cole, Representative from New York.
Jack Nichols, Representative from Oklahoma.
(3) By the President of the United States:
Mr. Frederic A. Delano, Chairman, National Capital Park and Planning Commission.
Col. Daniel I. Sultan, Engineers Corps, United States Army; Engineer Commissioner, District of Columbia.
Maj. Gen. Oscar Westover, Air Corps, Chief of the Air Corps, United States Army.

2. The first meeting was held on May 7, 1936, at which time the Commission was organized, with Senator William H. King as chairman and Mr. Jack Nichols, Representative from Oklahoma, as secretary.

3. A subcommittee with Maj. Gen. Oscar Westover as chairman and Senator Warren R. Austin and Representative Jack Nichols, members, was appointed to undertake an investigation of available data upon which the Commission as a whole could act.

II. THE SCOPE OF THE STUDY

4. Having perfected the organization, the Commission then examined the scope of its responsibility, particularly in view of the very definite directive contained in the closing words of section 1 of the act: "and shall select a site for such purpose with due regard to the cost of its acquisition and development, its safety, and its adaptability to the requirements of commercial aviation and national defense."

The Commission also outlined basic principles to cover its procedure and considered a schedule for accomplishment. In outlining these principles it took cognizance of the tremendous growth of commercial aviation in recent years, and particularly the tremendous strides in engineering development. It informally reviewed the operating records of the major transport companies so far as those records are of common knowledge. The great strides in technical development which forecast the operation of commercial and military planes under conditions of weather which today keep airplanes grounded was discussed in its relation to the problem presented. These ramifications of the problem crystallized the minds of the members of the Commission on the paramount issue of safety of operation under all conditions at the expense of other requirements.

5. The Commission then charged the subcommittee with the preparation of an agenda. This the subcommittee did at a meeting on May 14, 1936. The agenda was presented to the Commission as a whole on May 20, 1936, at which time it was considered and approved.

6. The Commission met regularly thereafter to discuss progress, recommend procedure, and to expand its investigation as the need became apparent. Throughout, the Commission was determined that no factor that might contribute to a final, fair, and unbiased decision would be ignored. Every interested party was given consideration, either in person or by the medium of correspondence or past testimony on this subject. Every site suggested was investigated.

III. ASSISTANCE RENDERED BY THE SEVERAL DEPARTMENTS OF THE FEDERAL GOVERNMENT

7. Prior to discussing the mechanics of its study, the Commission, at this time, desires to pay tribute to the splendid cooperation of the several departments of the Federal Government in the invaluable assistance those departments rendered to the Commission in its study.

8. Every request brought forth whole-hearted, intelligent, and sympathetic response. It was only thus that the investigation upon which this report is based could be made so exhaustive, so lacking in prejudice. Thus, too, was it possible for the Commission to submit its report at this time.

9. The Commission particularly wishes to express its appreciation for the assistance rendered by the following agencies of the Federal Government:

The War Department: The Air Corps, the Quartermaster Corps, the Engineer Corps.
The National Capital Park and Planning Commission.
The Bureau of Air Commerce of the Department of Commerce.
The Public Works Administration.

IV. SOURCES OF INFORMATION

10. Prior to the compilation of any data or the investigation of any site, the subcommittee made a thorough study of all records available of past research affecting the selection of a site for an airport for the District of Columbia. These records consisted of hearings before congressional committees, files of the United States Army Air Corps, of the National Capital Park and Planning Commission, and of the Bureau of Air Commerce. Among other data available was a Washington and vicinity map prepared by the National Capital Park and Planning Commission indicating 48 sites suggested for investigation. Personnel of these agencies who had made studies of the problem in the past were interviewed and the subcommittee made generous use of their experience and advice.

V. AIRPORT QUESTIONNAIRE

11. Based on the study of the records referred to above, and after consultation with personnel of both the Army Air Corps and the Bureau of Air Commerce experienced in the problems involved in large airplane operation and in the layout and construction of airports, the subcommittee formulated an airport questionnaire designed to contain all information essential for a preliminary decision as to the relative value of any site as an airport.

VII. BASIC REQUIREMENTS FOR A MODERN AIRPORT

12. The subcommittee then reviewed the situation existing or developing at some of the Nation's major airports. It immediately became apparent that engineering development of aircraft was rapidly outdistancing ground facilities; that is to say, that the distance required for take-off and landing of our largest planes and the angle of ascent and glide had become of such an order as to preclude the use of airports that but a few years ago were considered ample for any contingency. And the end is not yet in sight, for even now airplanes are being projected that are more than twice the size of present craft.

13. The result of this unforeseen and unprecedented development has been extremely unfortunate for some municipalities. Either it has been necessary to restrict the use of the airport to the smaller type of airplanes, with a consequent decrease in importance as an aviation center, or the community has been forced to acquire additional land for expansion at tremendous cost. The situation in the United States is not unlike that in Europe. Le Bourget, at Paris, France, is preparing a runway 10,000 feet long. It is reported that the German Government is expanding Templehoff Airdrome, at Berlin, to 2 miles, at tremendous cost, and Croyden, in England, is being enlarged.

14. In most cases the early proponents of municipal airports attempted to locate them as close to the cities which they served as was possible. With older, slower type ships and no attempt to maintain schedules in bad weather, and with generally poor road communications, this was indubitably the ideal situation. But for the same reason that the small airport is outmoded, the airport at the gates of a city has become dangerous.

15. The Commission is well aware that scheduled air-transport operations are being conducted from this type of field with only minor accidents, but they are convinced that no serious, impartial student of the situation will contend that the danger of an appalling accident is not imminent.

16. With these thoughts in mind the subcommittee laid down the following requirements for a modern airport:

(1) That runways at least 5,000 feet long on the major points of the compass with provision for blind-landing runways and unobstructed approach 2 miles long, parallel to the direction of bad weather winds (for blind landings).

(2) That it be located in an area which permits of expansion.

(3) That it be free from obstructions, positively from buildings, towers, stacks, and similar types of construction, and as much as possible from natural hazards.

(4) That the land selected should be relatively flat, with firm soil, good drainage. and preferably high.

(5) That the cost of the land and its preparation be neither exorbitant nor unreasonable.

(6) That it be convenient to the city of Washington, which it is to serve, and that a suitable express highway connecting the two be considered in the cost of the entire project.

(7) That it be as free from the disadvantages of local-area fog prevalence as other circumstances will permit.

It will be observed from a study of these requirements that the Commission desired to select a site that would provide the maximum of safety at the minimum of cost and yet be sufficiently close to Washington to warrant short-haul traffic.

VII. PHOTOGRAPHIC MOSAIC OF WASHINGTON AND VICINITY

17. Having progressed thus far, the Commission called upon the Air Corps to photograph and lay a mosaic of Washington and vicinity. This mosaic covered an area of 36 miles in diameter, with the Capitol as the focal point. In addition to this map, the Air Corps furnished individual prints of every site, thus making it possible to discover particular features of the site that even a close inspection on the ground might not disclose.

VIII. PRELIMINARY INVESTIGATION

18. In all, 49 sites were investigated. These 49 sites included every site that was suggested either by citizens' associations, owners, real-estate agents, or other persons interested in the development of an airport for the District. Each site was inspected from the air and on the ground. For each site an individual file was prepared containing an airport questionnaire and an aerial photograph.

19. The greater majority were limited in size and not subject to expansion due to surrounding construction or terrain. In some the cost of grading and filling would have made the development of an airport prohibitively expensive. In every case where a site showed possibilities, a preliminary runway layout was made on a photographic enlargement of a contour map section and a rough estimate made of the amount of earth it would be necessary to move to provide a level area of the dimensions desired. Where it was obvious that development costs would be unduly high, the site was eliminated from further consideration.

IX. SITES SELECTED FOR FURTHER INVESTIGATION

20. After reviewing the work of the subcommittee to this point, the Commission selected nine sites as most nearly meeting the requirements, and directed that estimates be prepared showing the cost of development.

21. These nine sites are listed below without priority of choice:
Washington-Hoover Airport, Va.
Gravelly Point, Va.
Hybla Valley, Va.
Fort Hunt, Va.
Suitland, Md.
Forestville, Md.
Oakland, Md.
Silver Hill, Md.
Camp Springs, Md.
These sites the Commission inspected.

X. FINAL INVESTIGATION

22. The subcommittee then caused to be prepared photographic enlargements of a contour map of each site as well as aerial photographs measuring 18 by 24 inches. On each of these enlargements the most advantageous runway lay-out, eliminating as much as possible expensive grading and filling by taking full advantage of level areas and natural drainage, was superimposed. Where hazards existed, either constructional or natural, the take-off and glide angle of large transports was plotted, showing dangerous areas and the directions toward which take-off and from which a landing was difficult if not dangerous. For these data the subcommittee again consulted the Bureau of Air Commerce, which agency was in the process of developing some extremely illuminating and interesting information on accident rates and performance of aircraft. The Matériel Division of the Army Air Corps also submitted data of value.

23. Abstracts of costs were then prepared covering each site. Due to the confidential nature of the study, the estimates for land costs were approximations, but later developments indicate that these approximations were reasonably accurate. Runway and building and other costs are based on standard local prices, so may be assumed to be reasonably correct in the absence of detailed drawings and specifications.

The totals are listed below:

Washington-Hoover Airport, Va., 219½ acres	$4,672,000
Gravelly Point, Va. (approximate), 500 acres	4,746,000
Hybla Valley, Va., 2,000 acres	3,396,250
Fort Hunt, Va., 1,800 acres	4,653,750
Suitland, Md., 2,000 acres	5,619,125
Forestville, Md., 2,000 acres	5,392,000
Oakland, Md., 2,000 acres	5,556,875
Silver Hill, Md., 1,500 acres	5,048,125
Camp Springs, Md., 1,900 acres	3,286,250

25. The disparity of costs is attributed to the fact that, with the exception of Gravelly Point, Hybla Valley, and Camp Springs, each site is in an area of either industrial or residential development. A comparison of acreage will also disclose the high cost, for benefits gained, of several sites.

XI. SELECTION OF THREE SITES IN ACCORDANCE WITH THE AGENDA

26. In accordance with the agenda, the Commission as a whole selected three sites from which a final choice was to be made. However, prior to making this choice and recommending any one of the three, it was decided to secure the suggestions and opinions of a number of air-line operators and persons similarly interested, as well as some other witnesses who had expressed a desire to be heard. A number of witnesses were heard and their testimony well covered the scope of the study.

27. It was also believed advisable to gain all possible information relative to management and costs of maintaining and operating an airport.

28. The Commission wishes to express its appreciation to the following-named gentlemen, managers of the Nation's leading airports, for the excellent cooperation they afforded in the study of this phase of the Commission's investigations:

Richard Aldworth, superintendent, Newark Airport.

Ralph W. Page, manager, Lambert-St. Louis Municipal Airport.

John J. McLean, airport manager, Allegheny County (Pa.) Municipal Airport.

John A. Casey, superintendent, Chicago Municipal Airport.

John Berry, commissioner of airports, Cleveland Municipal Airport.

Albert L. Edson, airport superintendent, Boston Municipal Airport.

29. It was found that there is no fixed policy in management, charges, nor control of the several airports. It did find, however, that the income is generally only sufficient to care for ordinary operating and maintenance expenses and in no case sufficient to pay off the bonded indebtedness and interest.

30. The benefits that are derived from a well-operated airport are indirect and intangible. It is the Commission's confident opinion that while this situation may continue for some years, major airports may eventually become self-sustaining.

XII. SELECTION OF THE SITE FOR THE DISTRICT OF COLUMBIA AIRPORT

31. The three sites selected for further consideration were Washington-Hoover Airport, Va., Gravelly Point, Va., and Camp Springs, Md.

32. Washington-Hoover at best, if the land now belonging to the Department of Agriculture's Experimental Farms and a fill in the boundary channel were included, could not exceed 219½ acres. In addition, it lies at the bottom of a hill, and on the southeast is an industrial area. To the west also are the Arlington radio towers, the tops of which are 800 feet above the field. Not far to the northeast is the Washington Monument. The field has been flooded under periods of unusual high water and is subject to river fogs. To overcome flooding would require a considerable fill. Five-thousand-foot runways are not possible in all directions.

33. Statistics indicate that many accidents occur on the airports in motor failure on take-off. Motor failures occur as an average 40 seconds after take-off has begun from a dead stop. It has also been demonstrated that 5,000 feet is the minimum allowable distance to bring the plane to a safe stop from the point of start if a motor fails after 40 seconds.

34. Large planes are also landed under power; that is, the motors are never completely throttled until the plane is but a few feet from the ground. If at any time during the approach glide a motor fails, it results in a "short" landing which in the case of Washington-Hoover Airport would be fatal in view of the surrounding obstacles and the limited area of the field. In addition, the hills, radio towers, Monument, and other obstacles surrounding the airport make an approach under conditions of bad weather hazardous. Certainly, Washington-Hoover Airport does not fulfill any of the basic requirements, except its proximity to the city, and, as the Commission has previously stated, the safety factor should be stressed at the expense of the convenience factor.

35. The Commission feels that the efforts of the owners of Washington-Hoover Field constantly to improve the facilities at that airport in the interests of safety are worthy of hearty commendation of all concerned. It is greatly to be regretted that due to the rapid development of aviation and limitations of the possible expansion of Washington-Hoover Field, the Commission, in the interests of safety of air transportation at all times and under all conditions cannot favorably consider this airport, although so favorably situated to facilitate travel to and from the city, as capable of meeting modern airport requirements.

36. In the case of Gravelly Point, it is proposed to develop a site by fill. The Commission is of the opinion that the general experience in similar developments is an excellent indication of what may be expected in the present instance.

37. Any fill, unless built up with carefully selected materials at a very high cost, requires years to settle sufficiently to provide a good base for the purpose intended. Thus, it believes that construction could not be started until at least 2 years after the fill at Gravelly Point was completed. Further, similar objections raised with reference to Washington-Hoover have application here, except that the available area would consist of 500 acres.

38. In both developments the cost would be extremely high per acre, and since the bill directed the Commission to "* * * select such a site with due regard to the cost of its acquisition and development * * *", it is the opinion of the Commission that all these considerations and the further danger inherent in heavy operating schedules at both the Naval Air Station, Anacostia, and Bolling Field warrant the elimination from favorable consideration for use at all times, or under all conditions, of both Washington-Hoover and Gravelly Point.

39. In harmony with the opinions of the experts who gave the Commission the benefit of their experience, the Commission found that the site at Camp Springs, Md., most nearly met the requirements for a site for a modern airport for the District of Columbia.

40. Camp Springs is on some of the highest ground in the vicinity; thus it offers excellent drainage as well as being free from river fogs. It is the largest extent of level high ground within miles of Washington, thus reducing to a minimum the grading and filling necesary in the development of the airport and as a consequence the ultimate cost. Five-thousand-foot runways can be developed and constructed immediately, with expansion possibilities of at least 1 mile in the east and west directions and 2 miles in the north and south directions at relatively small cost.

41. The surrounding territory is free of industrial and residential development as well as natural hazards, more so than any other site inspected, thus making its safety factor for blind landings very high.

42. The land is relatively undeveloped, consisting for the most part of scrub timber, or young growth, thus reducing the cost below surrounding land that is now under cultivation. It is accessible to the city on good roads and within 10.2 miles of the Willard Hotel. All facilities are available or can be made available without undue cost except railroad connections, which latter the Commission does not believe to be essential.

XIII. OPTIONS

43. Options have been secured on most of the parcels of land comprising the site. Included in the area is a small tract of land owned by the Bureau of Standards which would be required in the development of the site.

XIV. RECOMMENDATIONS

44. The Commission recommends that the site at Camp Springs be selected as the location for the District of Columbia Airport and that a bill be prepared and enacted, authorizing the project; that the necessary funds be appropriated at the earliest possible moment to carry into effect the recommendations of the Commission to establish a modern airport for the District of Columbia.

45. The Commission urges that conclusive action be not delayed, as the continued use of the present airport is, in the frank opinion of the members, inviting disaster.

46. The Commission also recommends that in preparing the bills authorizing and appropriating for the project that provision be made for the construction of a suitable express highway from the airport to the bridge over the Anacostia River.

47. There was testimony before the Commission to the effect that in addition to an airport such as was contemplated by the act creating the Commission an auxiliary airport would prove advantageous.

XV. RECORDS OF THE COMMISSION

48. All the records prepared by the subcommittee and the Commission are available for official inspection and research in the office of the chairman of the subcommittee, Maj. Gen. Oscar Westover, Air Corps, Chief of the Air Corps.

XVI. CONCLUSION

49. The Commission, having made its study, found and recommended, in accordance with the provisions of the act authorizing it, closes its report with the urgent recommendation that in the interests of aviation and in order that there may be available at the District of Columbia the most modern and best air communication and transportation service, its recommendations be accepted.

50. The establishment of such ground facilities and air-transportation service will serve to attract the attention of the world, and should contribute to national unity and leadership and international peace through closer and more frequent good-will contacts.

WILLIAM H. KING,
Senator from Utah,
Chairman, District of Columbia, Airport Commission.
WARREN R. AUSTIN,
Senator from Vermont.
MARY T. NORTON,
Representative from New Jersey.
W. STERLING COLE,
Representative from New York.
FREDERIC A. DELANO,
Chairman, National Capital Park and Planning Commission.
DANIEL I. SULTAN,
Colonel, Engineer Corps.
O. WESTOVER,
Major General, Air Corps, Chief of the Air Corps.

JULY 9, 1937.

PROGRAM FOR RELIEF AND BENEFIT OF AGRICULTURE

Mr. BILBO. Mr. President, because it is an emergency matter I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 207, the agricultural relief measure.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. THOMAS of Oklahoma. Mr. President, I desire to offer two amendments, which are strictly clerical, to clarify two words in the joint resolution.

The VICE PRESIDENT. We have not yet reached the amendment stage. Is there objection to the request of the Senator from Mississippi?

Mr. CLARK. Mr. President, I ask that the joint resolution be read.

Mr. LA FOLLETTE. Mr. President, I also should like to have the joint resolution read.

The VICE PRESIDENT. The clerk will read the joint resolution.

The joint resolution (S. J. Res. 207) was read, as follows:

Joint resolution expressing the views of the Congress to a program for the relief and benefit of agriculture

Whereas the whole Nation suffers when agriculture is depressed; and

Whereas the Nation has felt and still feels the unfavorable economic consequences of two different kinds of misfortune in agriculture; and

Whereas the first of these misfortunes was the ruinous decline in farm prices from 1929 to 1932; and

Whereas the second kind of misfortune was the drought of 1934, followed by the drought of 1936; and

Whereas a permanent farm program should (a) provide not only for soil conservation but also for replacing the crop-adjustment methods of the Agricultural Adjustment Act, (b) protect agriculture and consumers against the consequences of drought, and (c) safeguard farmers and the business of the Nation against the consequences of farm-price decline; and

Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles:

(1) That farmers are entitled to their fair share of the national income;

(2) That consumers should be afforded protection against the consequences of drought by storage of reserve supplies of big-crop years for use in time of crop failure;

(3) That if consumers are given the protection of such an ever-normal granary plan, farmers should be safeguarded against undue price declines by a system of loans supplementing their national soil-conservation program; and

(4) That control of agricultural surpluses above the ever-normal granary supply is necessary to safeguard the Nation's investment in loans and to protect farmers against a price collapse due to bumper yields resulting in production beyond all domestic and foreign need.

Now, therefore, be it

Resolved, etc., That abundant production of farm products should be a blessing and not a curse; that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening; and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

Mr. LA FOLLETTE. Mr. President, let me ask the Senator from Mississippi the interpretation of the word "reconvenes." Does the Senator have in mind a special session or the next regular session?

Mr. BILBO. In the event a special session should be called, the joint resolution would apply to that. It means any session.

Mr. LA FOLLETTE. That is the interpretation I placed upon it, but I wanted the RECORD to show that that was the understanding of the author of the joint resolution.

Mr. BILBO. It relates to the next session.

Mr. BARKLEY. As I understand, the joint resolution was unanimously reported from the Committee on Agriculture and Forestry, and follows the instructions given a few days ago to that committee to report a measure along these lines during the first week of the next session, whether it is the regular session or a special session.

Mr. KING. May I inquire of the Senator from Mississippi whether the Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Agriculture and Forestry, approves the joint resolution?

Mr. BILBO. He does.

Mr. McKELLAR. Mr. President, let me inquire whether or not, after the joint resolution shall be passed, loans will be made by the Commodity Credit Corporation.

Mr. BILBO. There is a perfect understanding with the executive department that an Executive order will be issued granting relief to cotton farmers to the extent of 12 cents a pound.

Mr. CLARK. Mr. President, I should like to ask the Senator from Mississippi whether there is any perfect understanding with the executive department about loans to the producers of any other commodities.

Mr. BILBO. Yes.

Mr. CLARK. There are many other commodities besides cotton.

Mr. BILBO. There were representatives of the corn and wheat producers present at the conference, and they were

equally assured that if they were faced with a tragic situation, as the cotton farmers are, they, too, would be relieved.

Mr. CLARK. How about oats?

Mr. BILBO. All commodities are included.

Mr. CLARK. There is a situation existing in some States in the Middle West at the present time, where there was a complete failure of the wheat crop due to very unusual weather conditions, and where there is a very large oat crop, the producers of which are now suffering from exactly the same sort of seasonal glut that has affected the cotton crop.

Mr. BILBO. I am sure that if the Senator would present his cause his constituents would get relief.

Mr. CLARK. To whom should a Senator present his cause?

Mr. BILBO. We had a conference with the Secretary of Agriculture and the President of the United States.

Mr. CONNALLY. Mr. President, reserving the right to object, may I say, regarding the loan matter spoken of by the Senator from Tennessee, that on the 11th of this month I introduced Senate Joint Resolution 205, providing a benefit payment of 2½ cents a pound on the cotton crop of this year, and that the Committee on Agriculture and Forestry today reported the joint resolution to the Senate with an amendment providing for carrying out for the present the same plan that was adopted in 1935, which provides for a 9- or 10-cent loan, and, in case of sale, that the seller is paid by the Government the difference between the sale price and 12 cents, but in no case exceeding 2 cents per pound. That joint resolution is now on the calendar and probably will be called up at an early date.

Mr. KING. Mr. President, I should like to ask the Senator from Mississippi where the money is to come from with which to pay 12 cents a pound for ten or fifteen million bales of cotton.

Mr. CONNALLY. Mr. President, if I may answer that question, in section 32 of the Agricultural Adjustment Act there is a provision which the Senator from Texas offered on the floor in the form of an amendment, which was adopted, providing for the segregation of 30 percent of all revenue and income from tariffs into a special fund for the payment of benefits to agriculture, and cotton being a great export crop, and the act being designed to aid in its exportation, the 1935 benefits, to which the Senator from Texas recently adverted, were paid from that fund, it is contemplated now that those benefit payments will be paid from that same fund.

Mr. KING. My recollection of the amounts estimated to result from tariffs on imports is that they would be less than the amounts required for the payment of 12 cents a pound on cotton.

Mr. CONNALLY. That is entirely possible. There is an authorization in the joint resolution for such appropriations as the Congress may see fit.

Mr. KING. Inasmuch as the Treasury of the United States is being resorted to for everything, I suppose we should let this go.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AUSTIN. This resolution is limited in its scope to action by the Senate, is it not?

The VICE PRESIDENT. It is a joint resolution.

Mr. McGILL. Mr. President, may I ask the Senator from Mississippi a question? Is it the understanding with reference to loans to be made by the Commodity Credit Corporation that such loans shall apply to all commodities, and are not to be limited to any one commodity?

Mr. BILBO. That is the purpose of the organization of the Commodity Credit Corporation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. CLARK. That has always been the purpose of the Commodity Credit Corporation. That was my purpose and the purpose of the Senator who joined me in introducing the bill creating the Corporation. The fact is that the Commodity Credit Corporation has deliberately violated the purpose for which it was created. It seems to me that the action contemplated ought to be made mandatory on the Commodity Credit Corporation. That is the reason why I asked the Senator from Mississippi, not the purpose for which the Commodity Credit Corporation was originally created, but as to what assurance he had that the Commodity Credit Corporation is willing to carry out its function, or would carry out its function until the next meeting of the Congress.

Mr. BILBO. My understanding is that the President has authority under the existing law to issue an Executive order to carry out the purpose.

Mr. CLARK. The President has always had that authority. If the Senator from Mississippi has assurance from the President that it will be carried out, I am perfectly content. So far as I am concerned, from my experience with the Commodity Credit Corporation and from the experience of other Senators, I would not trust the Commodity Credit Corporation as far as I can throw this desk to carry out the purposes of the act.

Mr. McGILL. Mr. President, was it the understanding that if the proposed amendments to this joint resolution were adopted the Commodity Credit Corporation's funds would be made available on all commodities?

Mr. BILBO. That was my understanding.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi [Mr. BILBO]?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 207) expressing the views of the Congress as to a program for the relief and benefit of agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I offer two amendments which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendments will be stated.

The CHIEF CLERK. On page 2, in the second line, it is proposed to strike out the word "replacing" and insert "developing and improving."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

The CHIEF CLERK. On page 2, in the 14th line, after the word "drought", it is proposed to add a comma and the words "floods and pestilence causing abnormally high prices."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. Is it proposed to strike out the preamble?

Mr. BARKLEY. I think the preamble of this joint resolution should not be stricken out.

The VICE PRESIDENT. Very well.

The preamble was agreed to.

ARMY HOUSING

Mr. SHEPPARD. Mr. President——

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. SHEPPARD. I ask unanimous consent for the immediate consideration of House bill 7645, being Calendar No. 992, the so-called Army housing bill. When that bill was called on the calendar, the Senator from Utah [Mr. KING] objected to its consideration. The Senator from Utah has since withdrawn his objection. I now ask for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7645) to authorize appropriations for construction and rehabilitation at military posts and for other purposes, which had been reported from the Committee on Military Affairs with amendments.

The amendments were, on page 1, line 4, after the word "exceed", to strike out "$21,460,688" and insert "$25,587,456"; on page 2, after the item "Fort Crook, Nebr." and the total, to insert:

Fort Devens, Mass.	Quarters, officers	107,400
	Quarters, noncommissioned officers	42,500
	Telephone, telegraph, and radio station	45,000
	Telephone construction	6,000
Total		200,900

On page 3, after the item "Fort Sam Houston, Tex." and the total, to insert:

Fort Huachuca, Ariz.	Hospital (50 beds, 32 Medical Detachment)	225,000
	Barracks (250 men)	275,000
	Telephone construction	500
Total		500,500

On the same page, after the item "Jefferson Barracks, Mo." and the total, to strike out "Fort Knox, Ky., hospital, 200,000" and insert:

Fort Knox, Ky.	Hospital	200,000
	Barracks	550,000
	Quarters	277,200
	Telephone construction	10,000
Total		1,037,200

On page 4, after the item "Fort Myer, Va." and the total, strike out:

Presidio of San Francisco, Calif.	Barracks	137,500
	Quarters (noncommissioned officers), telephone construction and utilities.	38,870
Total		176,370

And insert:

Presidio of San Francisco, Calif.	Barracks (250 men)	275,000
	Barracks, quartermaster and detachments	275,000
	Telephone construction	5,000
	Quarters (noncommissioned officers) telephone construction and utilities.	38,870
Total		593,870

On page 5, after the item of "Fort Thomas, Ky." and the total, to insert:

Fort Francis E. Warren, Wyo.	Barracks, medical detachment	137,500
	Gymnasium	140,000
Total		277,500

And immediately thereafter to insert:

Headquarters Provisional Brigade and Washington Quartermaster Depot, D. C.	Barracks	1,320,000
	Land, purchase of	573,188
Total		1,893,188

On page 5, after the item of "Fort Wayne, Mich.", to strike out:

Total for the United States.	15,090,588

And insert:

Total for the United States.	19,217,356

On page 6, after the item of "Total, Panama", to strike out:

Grand total	21,460,688

And insert:

Grand total	25,587,456

On the same page, line 2, after "Colorado" and the comma, to strike out "an extension to" and insert "a branch of"; on the same page, line 3, after the word "School" to insert "at Chanute Field, Ill."; and at the end of the bill add a new section 3, so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $25,587,456, to be expended for the construction, rehabilitation, and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, as follows:

Station	Description of construction	Amount
Army and Navy General Hospital, Hot Springs, Ark.	Quarters	$34,000
	Telephone	1,000
Total		35,000
Air Corps Technical School, Denver, Colo.	Barracks	935,000
	Hospital headquarters and administration building	200,000
	School building	540,000
	Runways	300,000
	Grading and improving landing field	300,000
Total		2,275,000
Fort Barrancas, Fla.	Quarters (noncommissioned officers, 10)	85,000
	Telephone construction	2,000
Total		87,000
Fort Benning, Ga.	Water system, improvements to pumping and filtration plants; reservoir storage.	180,000
Fort Bliss, Tex.	Barracks	275,000
	Quarters (warrant officers and noncommissioned officers, 20).	170,000
	Radio station, including towers (Biggs Field)	17,000
	Telephone construction	1,000
Total		463,000
Fort Bragg, N. C.	Barracks	412,500
	Telephone construction	1,000
Total		413,500
Carlisle Barracks, Pa.	Quarters	238,000
	Telephone construction	3,000
	Quarters	348,000
	Sterilizing plant, etc.	35,000
	Barracks (125 men)	137,500
Total		761,500
Chanute Field, Ill.	Barracks, including mess facilities	1,035,000
	Quarters, noncommissioned officers	505,000
	Hospital	300,000
	Central heating plant, beginning	500,000
	School building	540,000
Total		2,880,000
Fort Crook, Nebr.	Barracks (addition to)	55,000
	Barracks	137,500
	Telephone construction	500
Total		193,000
Fort Devens, Mass.	Quarters, officers	107,400
	Quarters, noncommissioned officers	42,500
	Telephone, telegraph, and radio station	45,000
	Telephone construction	6,000
Total		200,900
Fort Douglas, Utah	Medical detachment barracks	42,000
Fort Du Pont, Del.	Barracks	412,500
	Telephone construction	1,000
Total		413,500
Fort Ethan Allen, Vt.	Quarters (30 noncommissioned officers)	255,000
	Telephone	2,500
Total		257,500
Fitzsimons General Hospital, Colo.	Hospital	1,750,000
	Telephone construction	20,000
Total		1,770,000
Frankford Arsenal, Philadelphia, Pa.	Office building	225,000
	Extension building no. 127 acoustic laboratory.	23,000
	Extension of annealing room building no. 215	7,000
Total		255,000
Fort Sam Houston, Tex.	Hospital (addition)	235,000
	Basement in transmitter building	4,000
	Barracks	550,000
	Telephone construction	4,000
Total		793,000
Fort Huachuca, Ariz.	Hospital (50 beds, 32 Medical Detachment)	225,000
	Barracks (250 men)	275,000
	Telephone construction	500
Total		500,500
Fort Humphreys, D. C.	Reproduction plant	74,880
	Telephone construction	3,500
Total		78,380

Station	Description of construction	Amount
Jefferson Barracks, Mo.	Barracks (medical and other detachment)	$82,500
	Mess and kitchen addition to barracks	60,000
	Nurses' quarters	63,000
Total		205,000
Fort Knox, Ky.	Hospital	200,000
	Barracks	550,000
	Quarters	277,200
	Telephone construction	10,000
Total		1,037,200
Fort Leavenworth, Kans.	Auditorium and production plant	650,000
Madison Barracks, N. Y.	Barracks	137,500
	Quarters, noncommissioned officers	136,000
	Telephone construction	1,000
	Water supply	85,000
Total		359,500
Fort MacArthur, Calif.	Barracks and utilities	137,500
	Telephone construction	1,000
Total		138,500
Fort McPherson, Ga.	Radio station	23,000
	Dental clinic	85,000
Total		108,000
Fort Monmouth, N. J.	Barracks	137,500
	Signal Corps laboratory	220,000
	Telephone construction	20,000
Total		377,500
Fort Monroe, Va.	Barracks, quartermaster detachment	110,000
	Barracks (addition to)	225,000
	Enlisted Specialists' School	69,500
	Telephone construction	12,000
Total		416,500
Fort Myer, Va.	Hospital addition	9,000
	Barracks Building No. 104	55,000
	Barracks (addition to)	220,000
	Telephone construction	500
Total		284,500
Presidio of San Francisco, Calif.	Barracks (250 men)	275,000
	Barracks, Quartermaster and detachments	275,000
	Telephone construction	5,000
	Quarters (noncommissioned officers) telephone construction and utilities	38,870
Total		593,870
Fort Riley, Kans.	Academic building	400,000
	Telephone construction	5,000
Total		405,000
Fort D. A. Russell, Tex.	Motor shop, truck, and gun shed	77,818
Fort Sill, Okla.	Barracks	330,000
	Telephone construction	1,000
Total		331,000
Fort Thomas, Ky.	Barracks	412,500
	Telephone construction	2,500
Total		415,000
Fort Francis E. Warren, Wyo.	Barracks, medical detachment	137,500
	Gymnasium	140,000
Total		277,500
Headquarters Provisional Brigade and Washington Quartermaster Depot, D. C.	Barracks	1,320,000
	Land, purchase of	573,188
Total		1,893,188
Fort Washington, Md.	Quarters (officers' double)	30,000
Fort Wayne, Mich.	Quarters (8 noncommissioned officers)	68,000
Total for the United States.		19,217,356
HAWAII		
Schofield Barracks	Barracks, Eleventh Field Artillery	1,256,200
	Barracks, detachments	498,300
	Telephone construction	11,000
	Barracks, detachments	283,800
Total		2,049,300
Fort Shafter	Barracks	825,000
	Telephone construction	2,500
Total		827,500
Department Headquarters, Fort Shafter.	Quarters	$246,500
Tripler General Hospital	Barracks, medical detachment	176,000
	Telephone construction	3,000
Total		179,000
Total, Hawaii		3,302,300
PANAMA		
Fort Clayton	Barracks	825,000
	Telephone	3,000
	Barracks	687,500
	Telephone construction	2,000
Total		1,517,500
Corozal General Depot	Barracks	454,300
	Telephone construction	5,000
Total		459,300
Fort Davis	Barracks	550,000
	Telephone construction	3,000
Total		553,000
Fort de Lesseps	Barracks	120,000
Fort Kobbe	Barracks	55,000
	Warehouse and shops	20,000
	Special project	7,000
	Water tank	8,000
Total		90,000
Panama Canal Zone	Rehabilitation	328,000
Total, Panama		3,067,800
Grand total		25,587,456

SEC. 2. The Secretary of War is hereby authorized to establish in or near Denver, Colo., a branch of the Air Corps Technical School at Chanute Field, Ill., and to accept on behalf of the United States, free from encumbrance or conditions and without cost to the United States, for use as a site for the extension to such school, the title in fee simple to 960 acres of land, more or less, within and without the city limits of the city of Denver, Colo., including the property known as the "Agnes (Phipps) Memorial Sanitarium", together with existing buildings and equipment located thereon; and also a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps: *Provided*, That in the event a donor is unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

SEC. 3. That the military reservation near Little Rock, Ark., now known as Camp Pike, shall be designated, and hereafter be known as "Camp Joseph T. Robinson."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SHORE CONSTRUCTION WORK FOR THE NAVY

Mr. WALSH. Mr. President——

Mr. BARKLEY. I yield to the Senator from Massachusetts.

Mr. WALSH. I move that the Senate proceed to consider Senate bill 2338, to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs with amendments, on page 2, line 12, after the words "buildings and", to strike out "accessories" and insert "accessories,"; in line 13, after the word "land", to insert "at a cost not to exceed $125,000"; in line 17, after the words "buildings and", strike out "accessories" and insert "accessories,"; in line 18, after the word "land", to insert "at a cost not to exceed $264,000"; in line 24, after the

words "buildings and", to strike out "accessories" and insert "accessories,"; in line 25, after the word "land", insert "at a cost not to exceed $36,000"; and on page 3, to strike out lines 9 to 13, inclusive, in the following words:

Naval Supply Depot, Oakland, Calif.: Fleet supply facilities, including buildings and accessories, waterfront structures, dredging, and purchase of land in substantial accord with Bureau of Yards and Docks Drawing Au–2, approved April 27, 1937.

And to insert:

Marine Barracks, Parris Island, S. C.: Four barracks buildings at main station, in substantial accord with Bureau of Yards and Docks Drawing Au–11, approved April 27, 1937; barracks building and accessories, rifle range, in substantial accord with Bureau of Yards and Docks Drawing Au–12, approved April 27, 1937; barracks building and accessories, receiving station, in substantial accord with Bureau of Yards and Docks Drawing Au–13, approved April 27, 1937.

Navy Yard, Puget Sound, Wash.: Acquisition of private rights in building no. 138, $6,057.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to proceed with the construction of the following-named public works projects:

Navy Yard, Pearl Harbor, Hawaii: Purchase of land, at a cost not to exceed $165,000.

Submarine Base, New London, Conn.: Submarine training school building and accessories, in substantial accord with Bureau of Yards and Docks Drawing Au–7, approved April 27, 1937; barracks building and accessories, in substantial accord with Bureau of Yards and Docks Drawing Au–8, approved April 27, 1937.

Fleet Air Base, Coco Solo, Canal Zone: Quarters and accessories for officers in substantial accord with Bureau of Yards and Docks Drawing Au–10, approved April 27, 1937.

Fleet Air Base, Pearl Harbor, Hawaii: Final assembly shop building and accessories, in substantial accord with Bureau of Yards and Docks Drawing Au–9, approved April 27, 1937.

Naval radio and direction-finder stations: Annapolis, Md., additional facilities, including buildings and accessories, and purchase of land at a cost not to exceed $125,000, in substantial accord with Bureau of Yards and Docks Drawing Au–1, approved April 27, 1937; Mare Island, Calif., master receiving and control station, including buildings and accessories, and purchase of land at a cost not to exceed $264,000, in substantial accord with Bureau of Yards and Docks Drawing Au–4, approved April 27, 1937; high-frequency transmitting station, including buildings and accessories, in substantial accord with Bureau of Yards and Docks Drawing Au–5, approved April 27, 1937; Oahu, Hawaii, radio receiving station, including buildings and accessories, and purchase of land at a cost not to exceed $36,000, in substantial accord with Bureau of Yards and Docks Drawing Au–3, approved April 27, 1937; general improvement of radio facilities, including buildings and accessories, at a cost not to exceed $85,000.

Naval Supply Depot, San Diego, Calif.: Storage buildings and accessories, in substantial accord with Bureau of Yards and Docks Drawings Au–6a, and Au–6b, approved April 27, 1937.

Marine Barracks, Parris Island, S. C.: Four barracks buildings at main station, in substantial accord with Bureau of Yards and Docks Drawing Au–11, approved April 27, 1937; barracks building and accessories, rifle range, in substantial accord with Bureau of Yards and Docks Drawing Au–12, approved April 27, 1937; barracks building and accessories, receiving station, in substantial accord with Bureau of Yards and Docks Drawing Au–13, approved April 27, 1937.

Navy Yard, Puget Sound, Wash.: Acquisition of private rights in building no. 138, $6,057.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to effectuate the purposes of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF AIR TRANSPORTATION

Mr. McCARRAN. Mr. President——

Mr. BARKLEY. I yield to the Senator from Nevada.

Mr. McCARRAN. I move that the Senate proceed to the consideration of Calendar No. 702, being Senate bill 2.

Mr. LA FOLLETTE. Let the bill be read by title.

Mr. McKELLAR. Mr. President, is that motion debatable?

Mr. LA FOLLETTE. I am only asking that the bill be read by title before we vote on the motion.

The VICE PRESIDENT. We are going to have a little order in the Senate. The Chair recognized the Senator from Kentucky because he is the leader of the Democrats in the Senate. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. Mr. President, I yielded to the Senator from Nevada to make a motion, which he has made.

The VICE PRESIDENT. The Senator from Nevada has moved that the Senate proceed to consider Calendar No. 702, Senate bill 2.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Is the motion debatable?

The VICE PRESIDENT. It is.

Mr. McKELLAR. Mr. President, I desire to be recognized to debate the motion.

Mr. LA FOLLETTE. Mr. President——

Mr. McCARRAN. I have the floor.

The VICE PRESIDENT. The Senator from Nevada has the floor. Does the Senator from Nevada yield?

Mr. McCARRAN. For what purpose?

Mr. LA FOLLETTE. I wish to inquire what the bill covers, and what is involved in it, before the motion to proceed to its consideration is disposed of. Of course, I have no objection to the Vice President recognizing the Senator from Kentucky [Mr. BARKLEY], but I do say that other Senators are entitled to know what business is being transacted in the Senate.

The VICE PRESIDENT. When the Chair recognized the Senator from Kentucky it was on the theory that the Senator from Kentucky would yield to whatever Senator desired him to yield, in order that a motion might be made to take up for consideration some piece of proposed legislation. The Senator from Kentucky was on his feet at the time. The Chair thinks it is his duty to recognize the Senator from Kentucky when he is on his feet, or to recognize the Senator from Vermont [Mr. AUSTIN], who is acting as leader of the minority at the present time, if he should be on his feet. The Senator from Kentucky yielded to the Senator from Nevada for the purpose of making a motion, as the Chair understood, to proceed to the consideration of a certain bill. After that motion was made, the Senator from Tennessee [Mr. McKELLAR] asked whether the motion was debatable. If so, he desired to debate it. That is the parliamentary situation at this moment.

Mr. BARKLEY. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. Mr. President, I yielded to the Senator from Nevada for the purpose of allowing him to make the motion to consider the bill, not with the view of considering it this afternoon, but to make it the unfinished business. It is the aviation bill which has been on the calendar for some time.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LA FOLLETTE. Most respectfully I desire to say that under the rules of the Senate I think it is not permissible for one Senator to be recognized and then to yield to another Senator and thus permit him to obtain the floor to make a motion. The rules of the Senate are very specific, and, in my judgment, they are mandatory upon the Chair. They provide that he must recognize Senators in the order in which they address the Chair.

I have no objection to the Senator from Nevada making the motion to proceed to the consideration of the bill referred to by him, but in view of the rapidity with which the Senate has been proceeding during the past 5 minutes I was very apprehensive that the bill might be made the unfinished business before the Senator from Wisconsin could ascertain what the bill is. When I attempted to secure recognition to obtain information about it, the Chair kept informing the Senator from Wisconsin that he had recognized the Senator from Kentucky, and that the Senator from Kentucky in

turn had farmed out the floor to the Senator from Nevada. [Laughter.]

The VICE PRESIDENT. Let the Chair make a statement. The Chair recognized the Senator from Kentucky because he is the leader on the Democratic side of the Chamber. He would recognize the Senator from Vermont [Mr. AUSTIN], acting Republican leader, in the same way. When the Senator from Kentucky yielded to the Senator from Nevada, the Senator from Nevada was on his feet. Had the Senator from Kentucky informed the Chair that he wanted the Senator from Nevada to be recognized, as he was on his feet, the Chair would have recognized him. So the procedure is the same. The Chair would have recognized the Senator from Nevada [Mr. MCCARRAN] because the Senator from Kentucky had suggested to the Chair that he would like to have the Senator from Nevada recognized, and that Senator being on his feet and other Senators on their feet the Chair would have recognized the Senator from Nevada. So the result is about the same.

Mr. LA FOLLETTE. Mr. President, will the Senator from Nevada yield further?

Mr. MCCARRAN. I yield.

Mr. LA FOLLETTE. I recognize that under the rule, where more than one Senator is addressing the Chair, obviously the Chair has a right to recognize the Senator who addresses him first; but it is perfectly clear that when the Chair recognizes one Senator and then permits that Senator, in turn, to yield to another, such procedure does not conform to the rule and the result is not the same, for all Senators are not given an equal opportunity to address the Chair and to seek recognition from the Chair.

The VICE PRESIDENT. The statement of the Senator from Wisconsin is absolutely correct. It is only a matter of mathematics. [Laughter.] If the Senator from Kentucky [Mr. BARKLEY] had suggested to the Chair that he desired to have the Senator from Nevada take up a certain bill at the conclusion of the consideration of the bill in charge of the Senator from Massachusetts [Mr. WALSH], the Chair would have recognized the Senator from Nevada [Mr. MCCARRAN]. Ordinarily he recognizes the Senator from Kentucky at this hour. The Senator from Kentucky yielded to the Senator from Nevada.

The Senator from Wisconsin is absolutely correct that the Senator from Kentucky cannot farm out his time. However, the Chair would have recognized the Senator from Nevada upon the suggestion of the Senator from Kentucky.

Mr. LA FOLLETTE. Mr. President, will the Senator from Nevada yield further?

Mr. MCCARRAN. I yield.

Mr. LA FOLLETTE. I do not desire to detain the Senate any further by a discussion of the parliamentary situation. However, it is very important from the point of view of precedence and from the point of view of the conduct of the business of the Senate, and that is why I want to make one further statement concerning the situation.

The Chair will obviously recognize that on day before yesterday a situation developed which gave an opportunity to the junior Senator from New York [Mr. WAGNER] to move to proceed to the consideration of a bill, which would not have been possible had the Chair been following the procedure which he has followed this evening, because the Senator from Kentucky [Mr. BARKLEY] could then have stated that he yielded to the Senator from Utah [Mr. KING]. However, so far as that is concerned, there would be no objection whatsoever to the Senator from Kentucky making all motions to proceed to the consideration of bills.

Let it be understood that I am not in favor of upsetting the procedure here, nor the program; but I believe that the question of recognition is very important from the point of view of preserving the rights of Senators. While I realize that no rights have been sacrificed in this instance, I want to call attention to the question, and I hope the present occupant of the Chair will understand.

The VICE PRESIDENT. Let the Chair make a further statement. The Senator from Wisconsin is absolutely correct. So long as the present occupant of the chair is presiding over the Senate there is going to be absolute compliance with the rule as to recognition. The illustration of the Senator from Wisconsin, however, is unfortunate in this respect, that when the present occupant of the chair recognized the junior Senator from New York [Mr. WAGNER], the Senator from Kentucky [Mr. BARKLEY] was not on his feet nor was any other Senator on his feet and, therefore, the Chair was compelled to recognize the Senator from New York [Mr. WAGNER]. If the Senator from Kentucky had been on his feet at the time or if any other Senator had been on his feet at the time, the Chair could have taken his choice, but at that time no Senator was on his feet except the junior Senator from New York, and the Chair recognized him, as he should have done.

Mr. BARKLEY. Mr. President, the Senator from Kentucky would have been on his feet at the time except that he expected another Senator to be on his feet, but he did not happen to be on his feet at the time. [Laughter.]

Mr. President, I have no desire to farm out the right to be recognized on the floor, but from time immemorial it has been the custom late in the afternoon for the Senator in charge of the program to obtain the floor and then yield to other Senators to call up bills which were not controversial. In attempting to arrange the program for today, I had understood that after the sugar bill was out of the way, the Senator from Utah [Mr. KING] would be recognized to move consideration of the District airport bill; that following the disposal of that bill the Senator from Texas [Mr. SHEPPARD] would move to proceed to the consideration of an Army housing bill; and following that the Senator from Massachusetts [Mr. WALSH] would ask the Senate to proceed to the consideration of a naval housing bill.

Of course that seemed to involve a pretty good day's work, and I had not anticipated those bills would be out of the way in time for the Senator from Nevada [Mr. MCCARRAN], who for days has been seeking recognition to make his bill the unfinished business, to do that this afternoon. Having the floor, while it was not strictly in accordance with the rule, yet it was in accordance with the custom that I should yield to him and for that reason I did so. I have no desire to farm out the time of the Senate to any Senator.

Mr. MCKELLAR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MCKELLAR. When a Senator is recognized for the purpose of making a motion and he has made the motion, is he entitled to retain the floor?

The VICE PRESIDENT. If he desires to retain the floor he is entitled to it.

Mr. MCKELLAR. I desire to say, if the Senator from Nevada will permit me, that the bill which is in charge of the Senator from Nevada is an exceedingly important bill——

Mr. MCCARRAN. Mr. President, I do not yield for the purpose of a speech.

Mr. MCKELLAR. If the Senator does not yield now, I want to be recognized before action is taken on the motion of the Senator from Nevada to proceed to the consideration of his bill.

The VICE PRESIDENT. The Senator from Tennessee will never be deprived of his right to address the Senate.

Mr. MCKELLAR. I know that, particularly so long as the Vice President is in the chair.

Mr. BARKLEY. Mr. President, it is obvious the motion of the Senator from Nevada cannot be disposed of this afternoon.

The VICE PRESIDENT. What is the pleasure of the Senate?

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations in the Marine Corps, which was referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Frank J. Hennessy to be United States attorney for the northern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Benjamin Harrison to be United States attorney for the southern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. McADOO. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations of the United States district attorneys for the northern and southern districts in California.

The VICE PRESIDENT. Without objection, the President will be notified.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Frank F. Gentsch to be collector of internal revenue for the eighteenth district of Ohio.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Harry E. Trimble to be senior surgeon in the Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Mark V. Ziegler to be senior surgeon in the Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James E. Faris to be senior surgeon in the Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

CONSIDERATION OF UNOBJECTED-TO BILLS TOMORROW

The Senate resumed legislative session.

Mr. BARKLEY. Mr. President, I wish to state if the pending business involved in the motion of the Senator from Nevada [Mr. McCARRAN] is disposed of in time tomorrow, it is the desire to proceed to the call of the calendar for unobjected bills. I think that ought to be stated for the information of Senators.

The VICE PRESIDENT. Senators will take due notice.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Saturday, August 14, 1937, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate, August 13 (legislative day of Aug. 9), 1937

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

First Lt. John F. Stamm to be a captain in the Marine Corps from the 30th day of June 1937.

First Lt. William B. Steiner to be a captain in the Marine Corps from the 30th day of June 1937.

David L. Henderson, a citizen of the State of Virginia, to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of July 1937.

Harry N. Shea, a citizen of the State of New Jersey, to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of July 1937.

Quartermaster Clerk Walter J. Czapp to be a chief quartermaster clerk in the Marine Corps, to rank with, but after, second lieutenant from the 30th day of June 1937.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 13 (legislative day of Aug. 9), 1937

UNITED STATES ATTORNEYS

Frank J. Hennessy to be United States attorney for the northern district of California.

Benjamin Harrison to be United States attorney for the southern district of California.

COLLECTOR OF INTERNAL REVENUE

Frank F. Gentsch to be collector of internal revenue for the eighteenth district of Ohio.

UNITED STATES PUBLIC HEALTH SERVICE

Harry E. Trimble to be senior surgeon.
Mark V. Ziegler to be senior surgeon.
James E. Faris to be senior surgeon.

POSTMASTERS

ARKANSAS

Joseph D. Gault, Dardanelle.
Robert R. Holland, Dyess.
Hazel B. Holt, Joiner.

OKLAHOMA

Mr. Laura Lonnie Dolphin, Boley.

TEXAS

Samuel M. Compton, Celeste.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 13, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Hear our prayer, O Jehovah, Father, and give ear to our supplication. May the beauty of the Lord God be upon us and may life become stronger and richer as the days go by. We pray Thee to make the questions of duty clear to our reason and help us to accept the wisest persuasions of our understanding. Enlarge our trust in that better self which beckons us on and bless us with a large and a more wholesome life. May we resolve that we shall be patient, steadfast, and kindly, and, above all, may we not forget that life means giving and not withholding. Our Father, in a world of mingled good and evil, amid a ceaseless struggle of right and wrong, keep us subdued and in accord with Thy will by the discipline of Thy redeeming government. Finally, may we enter into the secret place of the Most High. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7092. An act to provide for the transfer of Scotland County to the middle judicial district of North Carolina.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7642) entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigaiton, and for other purposes."

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein several tables compiled by the Administration of Public Works.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ELECTION CONTEST, ROY *v.* JENKS

Mr. KERR. Mr. Speaker, I offer a privileged report in the election contest of Roy against Jenks.

The Clerk read the title of the resolution.

The SPEAKER. Referred to the House Calendar and ordered printed.

Mr. TOBEY. Mr. Speaker, I rise to make a point of order against the acceptance by the House of the report and resolution just offered by the chairman of Elections Committee No. 3.

Mr. Speaker, it is my contention that the making of this report constitutes a violation of section 47 of rule 11 of the rules of the House of Representatives, which reads as follows:

47. The several elections committees of the House shall make final report to the House in all contested election cases not later than 6 months from the first day of the first regular session of the Congress to which the contestee is elected except in a contest from the Territory of Alaska in which case the time shall not exceed 9 months.

The language of this rule is not permissive; it is mandatory, compelling.

It does not say the committee may, or the committee should, but conclusively and definitely says the committee shall make final report to the House in all contested election cases not later than 6 months from the first day of the first regular session of the Congress, and inasmuch as this regular session of Congress began on January 5, the prescribed period within which this committee can make its final report expired on July 5.

Mr. Speaker, it is your privilege and your duty to insist that the rules which have long been established, and which are set forth in the House Manual, be complied with by an impartial interpretation of the language thereof.

The manifest motive behind this rule is to give 6 months and no more for a contest to be heard and final report rendered to the House.

Mr. Speaker, I make the point of order that this report and resolution are not in order and that the committee has had no jurisdiction since the expiration of the time prescribed in the rule, which was July 5 of this year.

Mr. O'CONNOR of New York. Mr. Speaker, I desire to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. O'CONNOR of New York. Mr. Speaker, I think the precedents will show that in spite of this rule—clause 47 of rule XI—reports of election committees have been permitted to be filed after the expiration of the 6 months, for the reason that to work out justice in these contests, if for some reason the 6 months elapses before a conclusion is reached, further time is and must necessarily be granted. Furthermore, the House is always a judge of "the elections, returns, and qualifications of its own Members"—article I, section 5—and is entitled at any time to determine the right to a seat between contesting parties. I think this precise question has arisen before.

Mr. TOBEY. Mr. Speaker, if the gentleman has finished and before the Chair rules, I would ask of the Chair the privilege of making brief reply to the argument of the gentleman from New York.

Mr. DOWELL. Mr. Speaker, will the gentleman from New York yield?

Mr. O'CONNOR of New York. Yes.

Mr. DOWELL. Is it not true that where time is needed it has been the rule of this House and the custom always that a resolution is brought before the House, and if permission is given for reasons assigned, that the committee may examine further into the case?

Mr. O'CONNOR of New York. I do not recall such resolutions, and while I cannot put my finger on any exact instance in which this situation has arisen before, the gentleman must always bear in mind that the rules of the House are merely the procedure adopted by the majority of the House.

At any time a majority of this House can work out equity and justice and can change its rules.

Mr. DOWELL. No; that is not correct. I beg the gentleman's pardon. There is only one way to correct a rule and that is in the regular form prescribed in the rules. The question has to be submitted to the House and that has not been done.

Mr. O'CONNOR of New York. The gentleman is in error.

Mr. DOWELL. The time in this case has expired.

Mr. O'CONNOR of New York. The gentleman is in error, because Mr. Longworth, a distinguished Speaker of the gentleman's party, considered entertaining a motion from the floor to change the rules as to the Private Calendar.

Mr. DOWELL. That was on a different matter entirely from this. This is a matter purely of procedure in election cases and the rule has been adopted by the House for a very good and sufficient reason. The gentleman will recall that in the past it has been, I will not say the custom, but very frequent that the Elections Committee did not report until the end of the term of service for which the contest was made. I recall one instance in which it was, I think the day before adjournment and the contestee had served during the entire term practically, with the exception of 1 day, and then the Elections Committee made a report and the gentleman was unseated on practically the last day of the session. This rule was adopted for the very purpose of stopping that sort of procedure, as the gentleman knows.

Mr. O'CONNOR of New York. May I ask the gentleman a question? Suppose that due to the magnitude of the testimony the matter could not be completed within 6 months and on the day after the 6 months the committee found that the contestee was entitled to the seat, would the gentleman then advocate that the duly elected person be denied his seat on purely a matter of the statute of limitations in face of the constitutional provision?

Mr. DOWELL. I will answer that in this way: It has been the custom of the Elections Committee when time is needed to appear before the House, and I well know this and well recall it, to ask for further time. That was promulgated for a good and sufficient reason, and had been the custom of the House prior to the adoption of this rule.

This rule was adopted, as the gentleman will recall, in 1924 after the time when we had spent many, many days here waiting the report of the Elections Committee and it did not report. The rule was adopted for a good and sufficient reason. I think the House intended to follow the rule, I think it will follow the rule, and I am sure it ought to follow the rule.

Mr. O'CONNOR of New York. In reply to the gentleman, may I say I have no recollection of any resolution being adopted to extend the 6-month limitation. There have been resolutions adopted here where a contestant or the sitting

Member did not have time to furnish his testimony or brief within the time limit and he has been given additional time.

Mr. DOWELL. That has been the only purpose for which he would be entitled to anything.

Mr. O'CONNOR of New York. Oh, no.

Mr. DOWELL. There would be no reason for a continuation of the hearings unless there was reason for not getting the evidence before the committee.

Mr. O'CONNOR of New York. The reason for those extensions of time has nothing to do with this 6-month rule. Under the law a certain time is set when papers must be filed with the Clerk of the House, but there is no connection between those resolutions and this rule of the House. As a matter of fact, under the statute the matter cannot be completed within 6 months. There has never been an instance I can recall where this rule has been enforced to prevent the hearing of a contest in this House.

Mr. DOWELL. But this rule is very specific. It is final. It is definite, and it cannot be misread.

Mr. GREENWOOD. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from Indiana.

Mr. GREENWOOD. I want to offer the observation that not only the Constitution but the rules give the House the power to decide the question of its own membership. If the contention of the gentleman from Iowa [Mr. DOWELL] were to be upheld by the technicality of a rule on the filing of a report, then the House of Representatives would be denied the constitutional power of deciding on the qualifications of its Members. I think the contention of the gentleman from New York [Mr. O'CONNOR] is correct. I think the rule can only be considered as directory, and cannot be construed as depriving the House of Representatives of what is its constitutional right and its right as stated in the rule itself.

Mr. RAYBURN. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from Texas.

Mr. RAYBURN. Is it not the understanding of the chairman of the Rules Committee that the rule to which the gentleman from Iowa [Mr. DOWELL] refers was adopted for the sole purpose of expediting matters like this, and grew out of a Pennsylvania case in which a gentleman had held the office for 2 years and on the night of adjournment was unseated? The other Member drew $20,000.

Mr. DOWELL. Under the gentleman's construction of this rule it has absolutely no effect whatever. The gentleman makes the statement it was intended to apply in some other case, and now the rule is to be annulled by giving it no attention whatever. I want to say to the gentleman that this rule was adopted by the House for a good and sufficient reason to be followed by the House, and it was the intention of the House to follow it. I insist it is in plain language; and while it does not affect the constitutionality of the question, it affects the report of the committee here to unseat or seat any Member.

Mr. RAYBURN. It is my understanding there is no question raised that this committee has not completed this case with as much expedition as possible. It was because committees in the past had not moved with expedition that this rule was adopted.

Mr. O'CONNOR of New York. May I reply further to the gentleman from Iowa, as I recall a previous occasion upon which this question was raised, while the rule says the committee shall report within 6 months, there is no provision in the rule as to what happens if it does not report. That was brought forcibly before the House within the past few years.

Suppose for some reason, negligence or otherwise, the committee failed to report, and the day after the 6 months had expired, or thereafter, the whole House knew the sitting Member was not entitled to his seat. Would the gentleman contend that gentleman should keep his seat?

Mr. DOWELL. I contend we must follow this rule in order to accept a report from the committee, and that a report from the committee filed after the time stated in the rule has expired is invalid and cannot be considered by the House.

Mr. O'CONNOR of New York. There is no penalty stated in the rule following a failure of the committee to file a report.

Mr. TOBEY. If the gentleman will yield, will the gentleman point out to me some rule of the House which has a penalty attached? Violation of a rule is not a State's prison offense.

Mr. O'CONNOR of New York. A penalty could have been stated in the rule. Some of our rules provide that in case there is not compliance with the rule, the Speaker shall not recognize Members for a certain purpose, and other rules provide that such matters shall not be considered in the House. No such provision is in this rule. If the gentleman were drafting a rule now, after this occurrence, he could provide in the rule that "in case the committee shall not have reported in 6 months, the Speaker shall not be authorized to recognize a Member to file a report", or it could be provided that "the House shall not be authorized to consider the election contest." However, such provisions are not in the present rule.

Mr. DOWELL. Mr. Speaker, will the gentleman yield further?

Mr. O'CONNOR of New York. I yield to the gentleman from Iowa.

Mr. DOWELL. There is a statute of limitations which is just as definite as this rule. When the time stated in such a statute has expired and a question comes before the court, there is no further consideration whatever because the time has expired, as it has under this rule.

Mr. O'CONNOR of New York. Such a statute as this rule does not run against the constitutional right of this House to determine the qualification of its own Members.

Mr. DOWELL. That question is not involved here. It is not a question of determining under the Constitution who has the right to sit here. This is a question of accepting the report of a committee whose time for reporting has expired. Under such circumstances the committee has no jurisdiction whatever.

Mr. O'CONNOR of New York. If a Member has not been duly elected, surely he is not qualified to sit in this body.

Mr. TOBEY. May I submit to the gentleman that that is not the question here. The last clause of the gentleman's statement is not pertinent. It is not a question of the qualification of a Member to sit; it is a question of what the rules of the House are for, whether they are to be obeyed or thrown out the window. We rest our case on that.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from Wisconsin for a question.

Mr. BOILEAU. May I suggest to the gentleman from New York, and particularly to the Speaker, that the Committee on Elections is a privileged committee. This committee is coming on the floor with what it claims to be a privileged resolution. I submit that after the 6 months' period has expired the committee loses its privilege. I grant what the gentleman states, that the House is still the judge of the right of any of its Members to sit; but it would seem to me that in order to make this resolution in order, it would have to be made in order by a special rule from the Committee on Rules. The Committee on Elections loses its privilege after the expiration of the 6 months' period, it seems to me.

Mr. O'CONNOR of New York. The privilege of that committee is obtained from an entirely different provision than clause 47 of rule XI. It is granted under clause 45 of the same rule XI.

Mr. BOILEAU. The rules give the committee the privilege of bringing in resolutions which are properly before the committee and properly reported by the committee.

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from North Carolina.

The SPEAKER. The Chair is ready to rule on the point of order.

Mr. SNELL. Mr. Speaker, how does it come that the gentleman from New York [Mr. O'CONNOR] has time on this kind of a proposition and can yield time?

The SPEAKER. The Chair has no disposition to curtail argument, if the gentleman from New York [Mr. SNELL] desires to be heard.

Mr. SNELL. The gentleman from New York [Mr. O'CONNOR] is yielding time. I maintain the gentleman has no right to yield time in a proceeding of this kind.

The SPEAKER. The Chair will recognize the gentleman from New York [Mr. SNELL] if he desires to make a statement, as soon as the chairman of the Committee on Elections, the gentleman from North Carolina [Mr. KERR] has made his statement.

Mr. KERR. Mr. Speaker, I desire to state the facts in regard to this matter. I do not understand that the House has a right to make any rule which would invalidate the statutes of the Federal Government or to invalidate the plain mandate of the Constitution of the United States. It has been correctly stated that the House is the sole judge of who is properly elected and who is eligible to sit in its membership. This is a direction made and ordained by the Constitution of the United States. I do not understand that anything can abrogate or annul this power.

These are the facts. The Federal statute under which these election contests are governed gives the contestant and the contestee a much longer period than 6 months in which to make out their cases and have them presented to the House. Not only has this statute been faithfully observed, but if the statute had been carried out to its full extent and both the contestant and the contestee had insisted upon their full rights under the law, this case could not have been reported to the House before the 6th or 7th of September. The case has gotten here more than a month before the expiration of the time limit under the Federal statutes and rules of the House. Under the statutes of the United States the case could have been kept from the House even longer than this and probably beyond the limit of this session of Congress. I think my observation about this must be correct, namely, that no rule made by this House can annul either the Constitution or a statute of the United States.

Mr. SNELL. Mr. Speaker, I think I know a little about this rule and why it was put in the Rules of the House of Representatives because I originally wrote it. I wrote this rule, and it was unanimously adopted by the House, and it has been adopted at least 8 or 10 times since then for the reason set forth by the gentleman from Iowa [Mr. DOWELL], and I will not repeat those arguments at this time.

When I first came to the House, and for several years thereafter, it was the practice of the committees at various times to bring in a report from an election committee; and, as the gentleman from Iowa has told you, we did it at one time on the night of the last day of the Congress, and it was unanimously agreed that the only fair thing to do to all parties concerned was to bring in a resolution, making it a part of the rules of the House, that an election committee must make its final report inside of 6 months. Remember, this rule was written for this definite purposes.

I have listened to a great many arguments on rules on the floor of the House, but this is the first time in my experience here that the chairman of the Rules Committee himself has ever taken the floor and made the specious argument that the rules of the House of Representatives do not mean anything and can be changed at will at any time. If you want to change the rules, there are express provisions in the rules for making those changes.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. SNELL. Not just now.

Mr. O'CONNOR of New York. I did not say that.

Mr. SNELL. Does the gentleman say he did not make that statement?

Mr. O'CONNOR of New York. I did not.

Mr. SNELL. The gentleman made the argument here that, although the rules of the House provide that they shall make this report within a certain time, it is not at all compelling.

Mr. O'CONNOR of New York. And I may say to the gentleman that this rule has been held heretofore as being directory and not mandatory. Now let me ask the gentleman this question——

Mr. SNELL. I do not yield for a question now.

I claim that every rule in that book is mandatory until you bring in a rule changing it; and there is not a rule in the whole book that is so definitely mandatory in its language as this one.

Mr. O'CONNOR of New York. A majority of the House can always change a rule.

Mr. SNELL. I admit you can do that; and I am simply asking you to make that change in the manner prescribed in your own rules.

Mr. O'CONNOR of New York. And the House can change its rules without bringing in another rule.

Mr. SNELL. I admit you can change the rule, but I am contending that until the rule is changed it is a rule of the House.

Mr. O'CONNOR of New York. Of course, it is a rule of the House, but the question is whether it is mandatory or directory.

Mr. SNELL. It is just as mandatory as the English language can make it.

Mr. O'CONNOR of New York. Let me ask the gentleman what would happen if the House adjourned before the expiration of 6 months?

Mr. SNELL. Let me continue with my own argument. The gentleman has made his argument.

Mr. Speaker, I am not saying a word against the constitutional right of this House to pass upon the eligibility of any of its Members, but that is not the question before the House at the present time, and the only argument that I am making is that under the rules of the House that have been unanimously adopted by the present majority, this report is subject to a point of order at this time. This is the only question before the House under this rule, and the rule stands as a rule of the House until the majority decides to bring in a change of the rule and writes something else in its place, and I maintain that no Speaker can go back of the rule.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. O'CONNOR of New York. Suppose we had adjourned on May 1——

Mr. SNELL. This is not a question of supposition; this is a question of the rules of the House as you wrote them.

Mr. O'CONNOR of New York. Oh, no; you wrote them.

Mr. SNELL. Or as you brought them in here. It is not a hypothetical question.

Mr. O'CONNOR of New York. The House is not a continuing body——

Mr. SNELL. I admit that I wrote it 15 years ago, but you adopted it unanimously on four separate occasions.

Mr. O'CONNOR of New York. The House is not a continuing body, and suppose we had adjourned before the 6 months was up.

Mr. SNELL. There is no supposition about the rule involved here.

Mr. O'CONNOR of New York. I suggest that in connection with the intent of the rule.

Mr. SNELL. I know what is the intent of the rule and the gentleman knows that also.

The SPEAKER. In order to clarify the situation as much as possible, will the gentleman from New York allow the Chair to ask a question?

Mr. SNELL. Certainly.

The SPEAKER. Assuming the Elections Committee had made no report upon this contested-election case within 6 months, what would have happened to the case?

Mr. SNELL. As far as I am concerned, the contest would have been dropped, under your own rules, as adopted by the present majority of this House. The rule was adopted to force a decision of contested-election cases early in the session.

Mr. DOWELL. That is exactly the meaning of this rule.

The SPEAKER. The Chair was interrogating the gentleman from New York.

The gentleman from New York.

Mr. SNELL. I have made my answer to the argument that has been made, and I submit that under the rules of the House as now written by the present majority, the Chair is not authorized to receive this report.

The SPEAKER. The Chair is ready to rule.

Mr. TOBEY. Mr. Speaker, may I be heard in reply to those who oppose my point of order?

Whether or not the committee has been ignorant of the rule or knowingly breached the rule, and whether or not in past years this rule has been more honored in the breach than in the observance has absolutely nothing to do with the issue before you today. The only question to be determined is whether this rule which I have cited has been breached. If it has been breached, then the report and the resolution are not in order.

Mr. Speaker, in this day when standards of morality have gone to the four winds, when business standards and ethics are often thrown into the discard, when even among the nations of the world, as the President of the United States said in my presence, agreements often are nothing but scraps of paper, let there not be established a precedent whereby a standing rule of this House of Representatives is circumvented and nullified under your leadership.

The SPEAKER. The Chair is prepared to rule on this point of order. The matter before the Chair is involved in the contested-election case of Alfonse Roy against Arthur B. Jenks, from the First Congressional District of New Hampshire.

The gentleman from North Carolina [Mr. KERR], chairman of Elections Committee No. 3, has filed a report from that committee with reference to its findings on the issue involved in this contested-election case. The gentleman from New Hampshire [Mr. TOBEY] challenges the right of the chairman of that committee, or, indeed, of the committee itself, as the Chair understands it, to file the report because, as he asserts, it contravenes the provisions of paragraph 47 of rule XI of the House of Representatives. Of course, this is a rather serious proposition which has been submitted to the Chair, because it involves the right of the contestant or the contestee to have the issue presented to this House as to whether or not the contestant or the contestee is entitled to a seat on the floor. The rule itself in terms states:

> The several elections committees of the House shall make final report to the House in all contested-election cases not later than 6 months from the first day of the first regular session of the Congress to which the contestee is elected except in a contest from the Territory of Alaska, in which case the time shall not exceed 9 months.

The Chair thinks it proper in the construction of this issue not only to take into consideration the verbiage of this rule but also a provision of the Constitution of the United States which has been cited in this argument. Section 5 of article I of the Constitution, in part, provides:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

The Chair is of opinion that although the terms of the rule are in the language read by the Chair and as argued by the gentleman from New Hampshire, yet, nevertheless, the Chair must look at all the facts in the case in order to reach a decision as to what was the fair intention of the House of Representatives in the adoption of this rule. The Chair refers briefly to the various steps that are authorized under the statute in order to give the contestant and the contestee an opportunity to take evidence, to give proper notice one to the other of the procedures of the case, and to present it finally for the determination of the House of Representatives. The Chair finds on examination that under sections 201, 202, 203, and 223 of title II, United States Code, the contestee and the contestant are allowed more than 6 months in which to present the evidence in the case to the House for its consideration. So that if they used, as they apparently did in this case, the time that was allowed to them by the statute in such case made and provided for presenting the contest, it would have been physically impossible as a matter of time, for the House to have had the case presented to it at all for its consideration. In this case, according to the letter filed by the Clerk of the House with the Speaker, which may be found in House Document 305, Seventy-fifth Congress, the issue was filed on July 21, 1937, and immediately referred to the Committee on Elections No. 3, and it appears to the Chair that the Committee on Elections has not been dilatory in this matter, but, upon the contrary, has exercised great diligence and dispatch in reaching its conclusion with reference to the issues involved. So that the Chair is under the impression that a fair construction of this rule, taken in connection with the constitutional rights of the contestant and the contestee, taken in connection with the fact that both parties to the issue were entitled to use more than 6 months in the preparation of their case, and, taking into consideration the fact that these issues were only presented to the committee on July 21, that a fair construction of the rule under all of the circumstances in this case would indicate that the provisions of this rule properly construed are not strictly mandatory, but directory. Otherwise, the Chair is of opinion that the contestant, or even the contestee, might be deprived not only of his constitutional privilege but under the terms of the statute in such case made and provided it would be made impossible for the issue to be properly presented to the House of Representatives for its determination.

There is one other matter that the Chair feels justified in taking into consideration in an interpretation of the rule under discussion.

It will be remembered that the rule in question was adopted in 1924, at which time Congress ordinarily did not assemble until more than 1 year had expired after the election of Members, and under that situation the 6-month rule would be within the realm of reason and give a fair opportunity to both parties to the contest to comply with its provisions and the provisions of the statutory law. Since its adoption, however, the so-called "lame duck" amendment to the Constitution has been ratified, under the provisions of which the Congress meets in regular session within 2 months after the Members are elected. The Chair is of the opinion that if this status had existed at the time the rule was adopted, that its harsh and impossible terms would never have been agreed to as a permanent rule of the House of Representatives.

The contestee and the contestant having each more than 6 months under the statutes to present their case, the Chair is of opinion that under all of the circumstances the fair and reasonable and just interpretation of this rule justifies him in overruling the point of order, and the Chair does overrule the point of order.

Mr. SNELL. Mr. Speaker, I respectfully appeal from the decision of the Chair.

The SPEAKER. The gentleman from New York appeals from the decision of the Chair.

Mr. RAYBURN. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER. The question is on the motion of the gentleman from Texas to lay the appeal on the table.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 212, noes 63.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 286, nays 69, answered "present" 1, not voting 74, as follows:

[Roll No. 142]

YEAS—286

Aleshire	Eicher	Lanham	Ramsay
Allen, Del.	Elliott	Lanzetta	Ramspeck
Allen, Pa.	Evans	Larrabee	Randolph
Amlie	Faddis	Lea	Rankin
Anderson, Mo.	Farley	Leavy	Rayburn
Arnold	Ferguson	Lesinski	Reilly
Ashbrook	Fitzgerald	Lewis, Colo.	Richards
Atkinson	Flannagan	Lewis, Md.	Rigney
Barden	Flannery	Long	Robertson
Barry	Fleger	Lucas	Robinson, Utah
Beam	Fletcher	Luckey, Nebr.	Rogers, Okla.
Beiter	Forand	Ludlow	Romjue
Bell	Ford, Calif.	Luecke, Mich.	Ryan
Bernard	Ford, Miss.	McAndrews	Sabath
Biermann	Frey, Pa.	McClellan	Sacks
Bigelow	Fries, Ill.	McCormack	Sadowski
Bland	Fuller	McFarlane	Sanders
Boehne	Gambrill	McGehee	Schaefer, Ill.
Boileau	Garrett	McGrath	Schuetz
Boland, Pa.	Gasque	McKeough	Schulte
Boykin	Gehrmann	McMillan	Scott
Boylan, N. Y.	Gildea	McReynolds	Secrest
Bradley	Gingery	McSweeney	Shanley
Brooks	Goldsborough	Magnuson	Shannon
Brown	Gray, Pa.	Mahon, S. C.	Sheppard
Buck	Green	Mahon, Tex.	Smith, Conn.
Buckler, Minn.	Greenwood	Maloney	Smith, Va.
Burch	Greever	Martin, Colo.	Smith, Wash.
Byrne	Gregory	Massingale	Snyder, Pa.
Caldwell	Griffith	Maverick	South
Cannon, Mo.	Griswold	May	Sparkman
Casey, Mass.	Haines	Mead	Spence
Celler	Hamilton	Merritt	Stack
Champion	Hancock, N. C.	Miller	Starnes
Chandler	Harlan	Mills	Steagall
Chapman	Harrington	Mitchell, Ill.	Sumners, Tex.
Citron	Hart	Mitchell, Tenn.	Sutphin
Clark, N. C.	Harter	Moser, Pa.	Sweeney
Claypool	Havenner	Mosier, Ohio	Swope
Cochran	Healey	Mouton	Tarver
Coffee, Nebr.	Hendricks	Murdock, Ariz.	Taylor, S. C.
Coffee, Wash.	Hennings	Murdock, Utah	Teigan
Colden	Higgins	Nelson	Terry
Cole, Md.	Hildebrandt	Nichols	Thom
Collins	Hill, Okla.	Norton	Thomas, Tex.
Colmer	Hill, Wash.	O'Brien, Ill.	Thomason, Tex.
Cooley	Honeyman	O'Brien, Mich.	Thompson, Ill.
Cooper	Hook	O'Connell, Mont.	Tolan
Costello	Houston	O'Connell, R. I.	Towey
Cox	Hunter	O'Connor, Mont.	Transue
Cravens	Imhoff	O'Connor, N. Y.	Turner
Creal	Izac	O'Day	Umstead
Crosser	Jacobsen	O'Leary	Vincent, B. M.
Crowe	Jarman	O'Neill, N. J.	Vinson, Fred M.
Cullen	Johnson, Luther A.	O'Toole	Voorhis
Cummings	Johnson, Lyndon	Owen	Wallgren
Curley	Johnson, Minn.	Pace	Walter
Daly	Johnson, Okla.	Palmisano	Warren
Deen	Johnson, W. Va.	Parsons	Wearin
Delaney	Kee	Patman	Weaver
Dempsey	Keller	Patrick	Wene
DeMuth	Kelly, Ill.	Patterson	West
DeRouen	Kennedy, Md.	Patton	Whelchel
Dingell	Kennedy, N. Y.	Pearson	Whittington
Dixon	Kenney	Peterson, Fla.	Wilcox
Dorsey	Keogh	Peterson, Ga.	Williams
Doughton	Kerr	Pettengill	Withrow
Doxey	Kirwan	Pierce	Wood
Drew, Pa.	Kitchens	Poage	Woodrum
Driver	Kniffin	Polk	Zimmerman
Dunn	Kocialkowski	Quinn	
Eberharter	Kopplemann	Rabaut	

NAYS—69

Allen, Ill.	Fish	Martin, Mass.	Short
Andresen, Minn.	Gearhart	Mason	Snell
Andrews	Gifford	Michener	Stefan
Arends	Guyer	Millard	Taber
Bacon	Gwynne	Mott	Taylor, Tenn.
Burdick	Halleck	Oliver	Thomas, N. J.
Carlson	Hancock, N. Y.	Plumley	Tinkham
Case, S. Dak.	Holmes	Powers	Tobey
Church	Hope	Reece, Tenn.	Treadway
Clason	Huil	Reed, Ill.	Welch
Cluett	Jarrett	Reed, N. Y.	White, Ohio
Cole, N. Y.	Jenkins, Ohio	Rees, Kans.	Wolcott
Crawford	Kinzer	Rich	Wolfenden
Ditter	Knutson	Robsion, Ky.	Wolverton
Dondero	Lambertson	Rogers, Mass.	Woodruff
Dowell	Luce	Rutherford	
Engel	McLean	Sauthoff	
Englebright	Mapes	Seger	

ANSWERED "PRESENT"—1

Jenks, N. H.

NOT VOTING—74

Allen, La.	Boren	Bulwinkle	Clark, Idaho
Bates	Boyer	Cannon, Wis.	Crosby
Binderup	Brewster	Carter	Crowther
Bloom	Buckley, N. Y.	Cartwright	Culkin
Dickstein	Gavagan	Lamneck	Shafer, Mich.
Dies	Gilchrist	Lemke	Simpson
Dirksen	Gray, Ind.	Lord	Sirovich
Disney	Hartley	McGranery	Smith, Maine
Dockweiler	Hill, Ala.	McGroarty	Smith, W. Va.
Douglas	Hobbs	McLaughlin	Somers, N. Y.
Drewry, Va.	Hoffman	Maas	Sullivan
Duncan	Jenckes, Ind.	Mansfield	Taylor, Colo.
Eaton	Jones	Meeks	Thurston
Eckert	Kelly, N. Y.	O'Malley	Vinson, Ga.
Edmiston	Kleberg	O'Neal, Ky.	Wadsworth
Ellenbogen	Kloeb	Pfeifer	White, Idaho
Fernandez	Kramer	Phillips	Wigglesworth
Fitzpatrick	Kvale	Schneider, Wis.	
Fulmer	Lambeth	Scrugham	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson of Georgia (for) with Mr. Dirksen (against).
Mr. Fulmer (for) with Mr. Wadsworth (against).
Mr. Gavagan (for) with Mr. Smith of Maine (against).
Mr. Boyer (for) with Mr. Lord (against).
Mr. Sirovich (for) with Mr. Wigglesworth (against).
Mr. Gray of Indiana (for) with Mr. Crowther (against).
Mr. Phillips (for) with Mr. Hoffman (against).
Mr. Binderup (for) with Mr. Simpson (against).
Mr. Kramer (for) with Mr. Carter (against).
Mr. White of Idaho (for) with Mr. Douglas (against).
Mr. Bloom (for) with Mr. Eaton (against).
Mr. Pfeifer (for) with Mr. Shafer of Michigan (against).
Mr. Edmiston (for) with Mr. Culkin (against).
Mr. Scrugham (for) with Mr. Maas (against).
Mr. McLaughlin (for) with Mr. Brewster (against).
Mr. Fernandez (for) with Mr. Gilchrist (against).
Mr. Hobbs (for) with Mr. Hartley (against).

General pairs until further notice:

Mr. Kleberg with Mr. Bates.
Mr. Drewry of Virginia with Mr. Kvale.
Mr. Doughton with Mr. Schneider of Wisconsin.
Mr. Jones with Mr. Lemke.
Mr. Mansfield with Mr. Allen of Louisiana.
Mr. Bulwinkle with Mr. O'Malley.
Mr. Dies with Mr. Crosby.
Mr. Fitzpatrick with Mr. Meeks.
Mr. Lambeth with Mr. Duncan.
Mr. Hill of Alabama with Mrs. Jenckes of Indiana.
Mr. Sullivan with Mr. Kelly of New York.
Mr. Lamneck with Mr. Dockweiler.
Mr. Taylor of Colorado with Mr. Somers of New York.
Mr. Disney with Mr. O'Neal of Kentucky.
Mr. Smith of West Virginia with Mr. Cannon of Wisconsin.
Mr. Cartwright with Mr. Dickstein.
Mr. McGranery with Mr. Buckley of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Colorado [Mr. TAYLOR] may extend his own remarks in the RECORD on the national public-land policy and the workings of the Taylor Grazing Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SUSPENSION OF THE RULES OF THE HOUSE

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution (H. Res. 308) for printing in the RECORD:

House Resolution 308

Resolved, That during the remainder of the first session of the Seventy-fifth Congress it shall be in order for the Speaker at any time to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII; it shall also be in order at any time during the first session of the Seventy-fifth Congress for the majority leader, or the chairman of the Committee on Rules, to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the first session of the Seventy-fifth Congress to consider reports from the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during the remainder of this session of Congress.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. KELLER submitted a conference report and statement on the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission.

PROCEEDINGS IN ADOPTION IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2281) to regu-

late proceedings in adoption, in the District of Columbia, with House amendments, insist on the House amendments, and agree to the conference requested.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none and appoints the following conferees: Mr. PALMISANO, Mr. KENNEDY of Maryland, and Mr. DIRKSEN.

PERMISSION TO ADDRESS THE HOUSE

Mr. GUYER. Mr. Speaker, I ask unanimous consent that after the disposition of the business on the Speaker's table and the close of legislative business on Monday next, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

INTERNATIONAL PETROLEUM EXPOSITION

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7127) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938, with Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 3, strike out all after "Sec. 2" down to and including "exhibition" in line 10 and insert "All articles which shall be imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. FISH. Mr. Speaker, reserving the right to object, does this measure carry any appropriation of any kind?

Mr. McREYNOLDS. No, sir; it does not.

Mr. FISH. Is there any indirect promise carried in it?

Mr. McREYNOLDS. No, sir.

Mr. FISH. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CLAIMS AGAINST THE GOVERNMENT OF MEXICO

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the House joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would like to have someone explain the status of this bill. I would like to know what the Senate amendments are.

Mr. McREYNOLDS. The Senate amendments to the bill extend the Mexican Commission a year. We had a provision in the bill that was passed that they should wind up their business by the 1st of September. We passed another bill providing that pro-rata payments should be made on these claims that have already been allowed, and we want that done.

Mr. McFARLANE. Is there an amendment in the bill that will permit of public hearings being held on any of these claims now pending?

Mr. McREYNOLDS. There are no special claims pending, except that some claims have been referred to the General Commission for determination as to whether there are any special claims in the list. If so, provision is made that the Secretary of State may set up a commission to decide those few special claims.

Mr. McFARLANE. The reason I ask is that I have some letters that refer to claims that are now pending before this special Mexican Claims Commission.

Mr. McREYNOLDS. The Special Claims Commission have finished their work, except as I have just stated.

Mr. McFARLANE. They have not finished the particular claims I have in mind. That is the reason for my inquiry.

Mr. McREYNOLDS. The claims will be referred to the General Claims Commission to ascertain whether there are any special claims among them.

Mr. McFARLANE. Has the Secretary of State approved this bill?

Mr. McREYNOLDS. Yes; but he did not approve the amendment placed by the Senate on this bill, and that is the reason for this conference.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McREYNOLDS, BLOOM, and FISH.

Mr. FISH. Mr. Speaker, I respectfully decline to accept the appointment as conferee on this bill.

The SPEAKER. Without objection, the gentleman from New York is relieved of responsibility as a conferee.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Massachusetts [Mr. MARTIN] conferee in the place of the gentleman from New York [Mr. FISH].

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address by our colleague the gentleman from New Jersey [Mr. O'NEILL].

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. WARREN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8202) to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes.

Pending that motion, Mr. Speaker, I would like to know of the gentleman from New York if we can agree upon time for general debate.

Mr. TABER. Mr. Speaker, I think an hour and a half will be sufficient on this side. I do not want to ask for more time than we need. I think that would be a fair amount.

Mr. WARREN. Mr. Speaker, I ask unanimous consent that general debate be confined to the bill, to run for 3 hours, to be equally divided, and to be controlled by the gentleman from New York and myself.

Mr. KENNEY. Mr. Speaker, reserving the right to object, does that mean that we shall complete the bill today?

Mr. WARREN. We hope so.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8202.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8202, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WARREN. Mr. Chairman, when I have used 30 minutes I request to be notified.

Mr. Chairman, I would like to complete my general statement before being interrupted. Then, if possible, I shall be glad to yield to any Member.

Mr. Chairman, at the outset I wish to pay a very genuine tribute to my fellow members on this special committee in the work that we have been associated in since last January. This committee consisted, after the death of the late Mr. Buchanan, of Texas; of the gentleman from Missouri, Mr. COCHRAN, chairman; the gentleman from Kentucky, Mr. FRED M. VINSON; the gentleman from Utah, Mr. ROBINSON; the gentleman from New York, Mr. MEAD; the gentleman from Ohio, Mr. KNIFFIN; the gentleman from Illinois, Mr. BEAM; the gentleman from New York, Mr. TABER; and the gentleman from Massachusetts, Mr. GIFFORD. I think that all the members of the committee have been imbued from the start with the desire to bring to the House a measure that might prove fairly and generally acceptable, because all of us have believed, and, as I think a majority of the House believes, that Government reorganization talked about for years but never accomplished, is absolutely imperative, both from the standpoint of efficiency and from the standpoint of economy. I shall not elaborate, for it opens a wide field of discussion.

Mr. Chairman, this bill involves 85 percent of the question of reorganization and of the carrying out of the recommendations made by the President of the United States after a thorough and complete study made by a commission appointed by him. The House has already passed the bill (H. R. 7730) providing six administrative assistants to the President and other measures will follow dealing with the General Accounting Office and the Civil Service. That will practically complete the contemplated program.

The House committee knew that it could consider this matter from now until doomsday with all of its various ramifications, and that we would inevitably come back to the proposition presented to you in the bill now under consideration. We know from past experience, indeed from sad experience here in this body, that the Congress will never of its own accord and of its own initiative reorganize the Government of the Nation. Time after time it has been tried, and time after time it has met with failure. Every agency down the street will say that there ought to be a reorganization, but every agency will immediately step up and say, "It is good for the other fellow but not for us."

We propose today to give to the President of the United States, the only person who is in a position to attempt a reorganization, the power to do it within certain bounds, limitations, and restrictions. We propose to give to the present Executive for a period of 2 years only what we gave Mr. Hoover in 1932, considerably minus, if you please. In 1932 we gave President Hoover without any limitation as to time the right practically to reorganize and consolidate every agency of the Government within certain bounds.

There was a provision in the act of 1932 providing that when an Executive order was issued by the President it might be suspended upon a resolution of either House of the Congress. Attorney General Mitchell held that provision to be invalid. Is there anyone who will question the soundness of that decision?

In the act of March 3, 1933, signed by Mr. Hoover, but passed considerably earlier by both Houses, an amendment was agreed to which provided that these Executive orders could only be set aside by an act of Congress. It also provided that these orders must stand for 60 days, and if there was no act of Congress upsetting them, then they would become the law.

The only change that has been made in that is to reenact the act of 1932 and the amendment of March 3, 1933, as amended, by the act of March 20, 1933, which provides that those orders must be sent here while Congress is in session.

You are going to hear raised an extreme case in reference to these orders. Someone will say, "Suppose the President on the day before adjournment of Congress should send down an Executive order under the provisions of this bill and under the authority we gave the President on March 20, 1933?" That order, if sent down at that late date, would become effective, but there is nothing, nor can there be anything, that would prohibit the Congress at its next session from passing a law to override it if they saw fit.

The President, in the very nature of things, is going to have to send down here a large number of Executive orders to the Congress if he goes into a thoroughgoing reorganization. It might be safe to assume that out of this large number there would be a minimum that might be controversial; yet if you seek to tie his hands while the Congress is in recess over nonessential orders to which no one could possibly object, you have in the very nature of things delayed and hampered any reorganization over a period of perhaps many months.

Mr. COLLINS. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Mississippi.

Mr. COLLINS. I am in sympathy with the purposes of this bill. There is one question, however, on which I should like to have the gentleman's views. Congress has created an agency of the Government or a governmental corporation and that agency or corporation by Executive order is merged or destroyed under the authority of this act by Executive order. In such case, would the Executive order repeal such existing law or would it be necessary for such Executive order to be specifically approved by Congress through further legislation?

Mr. WARREN. It is my opinion it would repeal existing law because we have reenacted the same provision that we gave to Mr. Hoover and to Mr. Roosevelt for a period of 2 years, which would permit him to liquidate the agency in question, if it was abolished. An Executive order would not require specific approval of Congress.

Mr. COLLINS. In other words, according to the gentleman's views, the President could exercise right to repeal laws by Executive order?

Mr. WARREN. Only within the limitations, of course, named in this act. As I previously stated, that power has been given twice before.

Mr. COLLINS. I have great respect for the gentleman's ability, and therefore am glad to get the gentleman's views.

Mr. WARREN. I may say to my good friend from Mississippi that he voted for that twice. I have the roll calls before me.

Mr. BEITER. Will the gentleman yield?

Mr. WARREN. In just a moment.

Here are the standards prescribed in the bill to guide the President in making his reorganizations: To reduce expenditures to the fullest extent, consistent with the efficient operation of the Government; to increase the efficiency of the Government and the operation to the fullest extent practical within the revenues; to group, coordinate, and consolidate executive and administrative agencies of the Government as nearly as may be according to major purposes; to reduce the number of such agencies by consolidating those having similar functions under a similar head by abolishing such agencies or such functions thereof as may not be necessary for the efficient conduct of the Government; to eliminate overlapping and duplication of effort; and to segregate regulatory agencies and functions from those of administrative and executive character.

Mr. Chairman, although on two occasions we gave authority to two different Executives to deal absolutely with regulatory agencies, we have exempted in this bill the regulatory agencies of the Government which act as legislative agents and aid the Congress in the making of law by the process of filling in details. With the exception of the function of preparing estimates of appropriations, we have exempted from the provisions of reorganization the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, Securities and Exchange Commission, Federal Communications Commission, the National Labor Relations Board, the National Bituminous Coal Commission, the United States Tariff Commission, the United

States Maritime Commission. The General Accounting Office, the Engineering Corps of the Army, and the Coast Guard are also exempted.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. What becomes of the personnel of the governmental agency that is abolished or merged with another governmental agency? Let us say the employees are under civil service. Let us assume further they have established homes here and have reared families. Do they lose their civil-service status?

Mr. WARREN. They would not lose their civil-service status. Moreover, the bill has no effect whatever upon the Classification Act. The President would, of course, have the right, if he were to abolish a bureau on the ground of efficiency and economy, to reduce the personnel. I am one who thinks there ought to be a reduction in personnel of the Government. [Applause.]

Mr. BUCK. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from California.

Mr. BUCK. Did the gentleman's committee give any consideration to a similar elimination of the Board of Tax Appeals?

Mr. WARREN. We certainly did.

Mr. BUCK. It seems to me that there is one board which should not be put under the jurisdiction of a department when it is trying cases between the Treasury and individual citizens.

Mr. WARREN. If there is an amendment offered in reference to the Board of Tax Appeals we will try to fully inform the House on that. It has not a leg to stand on to be exempted, because under no strained view could the functions of the Board of Tax Appeals be considered as a regulatory agency. I will be glad to discuss that if there is an amendment offered.

Mr. FRED M. VINSON. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Kentucky.

Mr. FRED M. VINSON. In answer to the question raised by the gentleman from Wisconsin [Mr. SAUTHOFF], may I call attention to section 404, reading as follows:

SEC. 404. The President's order directing any transfer, consolidation, or elimination under the provisions of this title shall also make provision for the transfer or other disposition of the records, property (including office equipment), and personnel, affected by such transfer, consolidation, or elimination. In any case of a transfer or consolidation under the provisions of this title, the President's order shall also make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated, as he deems necessary by reason of the transfer or consolidation, for use in connection with the transferred or consolidated function or for the use of the agency to which the transfer is made or of the agency resulting from such consolidation.

Mr. SAUTHOFF. Will the gentleman yield for a question?

Mr. WARREN. Not right now. Just let me finish this statement, and I shall then be pleased to yield.

We included within the provisions of this reorganization corporations owned or controlled by the United States. Mr. Hoover thought they were included in the act of 1932. Mr. Roosevelt thought they were included in the reenactment of that act for a period of 2 years. However, the Attorney General ruled they were not included. We have, springing up like mushrooms, corporations owned either in whole or in part by the Government, scattered about here and there, with no departmental control.

Let me tell you something else we have done in this bill, and I call your attention to title II. I wish to state publicly that we are greatly indebted to our friend the gentleman from New York [Mr. TABER] for his help in perfecting this title. We have, with the exception heretofore noted, exempted these regulatory agencies, but we are bringing them under budgetary control. Is there any objection to this? You are all familiar with the Humphrey decision. Since the Humphrey decision many of these regulatory agencies are taking the position that they are part of the legislative branch of the Government. What does this mean? It means they take the position that "no; we are not accountable to anyone as far as our budget is concerned. We are part of the legislative branch. Therefore, we can go to Congress itself for our appropriations because we do not come under the Budget." This is their construction of that decision, and that is why we bring them in.

Mr. BEITER and Mr. MAY rose.

Mr. WARREN. I yield first to the gentleman from New York.

Mr. BEITER. The gentleman has referred to title III of the bill, which, of course, provides for a new Cabinet officer.

Mr. WARREN. I have not got to that yet.

Mr. BEITER. The gentleman probably refers to title II, but I understand him to mention title III. I know there are 26 agencies at the present time having to do with public welfare. However, in section 303 of the bill I note that "the Secretary of Welfare shall promote the public health, safety, and sanitation; the protection of the consumer; the cause of education." I am particularly interested in the protection of the consumer and the cause of education. At the present time we have an Office of Education in the Department of the Interior. The Federal Trade Commission and the Department of Agriculture will take care of the protection of the consumer. Will we not have two conflicting departments there, so one secretary will be trying to take duties away from the other?

Mr. WARREN. No; I do not agree with the gentleman. We have three consumers' counsels already. Why should they not be put under one agency?

Mr. BEITER. I agree with the gentleman on that, but of course it would be up to the President to determine which agency.

Mr. WARREN. Yes; that, of course, is entirely up to the President.

I now yield to the gentleman from Kentucky.

Mr. MAY. I am interested particularly in the gentleman's very first statement with regard to the objectives of this legislation, and I am sure that represents the intent of the committee, that is, to save money for the Government.

After providing the exemptions for various agencies of the Government which are not included under the provisions of this bill, you set up the Department of Welfare under title III. Then, after providing for a secretary of welfare, an under secretary of welfare, two assistant secretaries of welfare, and a solicitor, you have a provision in section 303 with reference to what the secretary of welfare shall do. Among these duties are:

The relief of unemployment and of the hardship and suffering caused thereby, the relief of the needy and distressed, the assistance and benefits of the aged, and the relief and vocational rehabilitation of the physically disabled.

Mr. WARREN. They mark the outlines of the new department. I wish the gentleman would be brief.

Mr. MAY. The question I want to ask is, What is going to become of the Social Security Board if this department of public welfare is going to take care of old-age benefits?

Mr. WARREN. Neither I nor anyone else has any knowledge of what will become of the Social Security Board. I do know there are today 26 separate and distinct agencies of the Government dealing with welfare problems. I would assume that if a department of welfare were established, the President would, quite naturally, make the Social Security Board a bureau under that department.

Mr. MAY. In other words, the gentleman thinks the President will probably include all of these 26 separate agencies under this department of public welfare?

Mr. WARREN. I certainly hope he will.

Mr. MAY. If he does not do so, then what hope have we for any economy through setting up a new department or agency of the Government in this bill for the reorganization of Government agencies?

Mr. WARREN. The gentleman is anticipating something which has not happened, and I do not think will happen.

Mr. MAY. It is the very thing that has happened.

Mr. MOTT, Mr. ANDREWS, and Mr. GIFFORD rose.

Mr. WARREN. I yield first to the gentleman from Oregon.

Mr. MOTT. Under this bill, would the President have authority to transfer the Forest Service from the Department of Agriculture to the Department of the Interior?

Mr. WARREN. He certainly would. There are today 14 different and distinct agencies of the Government dealing with forestry problems, with one of the greatest lobbies around this Capitol that has ever been known in order to keep them from coming under any reorganization plan.

Mr. MOTT. May I also ask if, after transferring the Forest Service from the Department of Agriculture and making such other transfers of bureaus as he may desire to the Department of the Interior——

Mr. WARREN. The gentleman, of course, cannot tell the committee the President is going to transfer the Forest Service to the Department of the Interior. The gentleman does not know and I do not know. It is unfair for him to say that the President will do it.

Mr. MOTT. I am supposing that instance, of course, but I think it is pretty well settled that if he has the authority he will do it. May I ask the gentleman if the President, after he did make these transfers to the Department of the Interior, would also have the authority to change the name of the Department of the Interior to the department of conservation?

Mr. WARREN. He would not.

Mr. MOTT. May I ask the gentleman if under this bill the President would have the authority to do approximately what the Secretary of the Interior is asking in his own bill now pending?

Mr. WARREN. I have no knowledge of the bill the gentleman speaks of, but the President cannot touch a Cabinet officer under this bill; he cannot abolish the Department of the Interior or any other department; and he cannot change the name of any department of the Cabinet.

Mr. MOTT. I have one more question about a matter I would like to have cleared up, if I may. Section 402 of existing law, to which this bill is amendatory, states that the term "executive agency" includes the executive departments, and section 403 gives the President authority, among other things, to change the name of an executive agency.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield myself 5 additional minutes.

I cannot yield further except to answer the gentleman by saying that if he will look at page 5 of the report he will find clear-cut definitions of what the President would have the right to do.

Mr. MOTT. Will the gentleman answer this question, because I think it is enlightening and I think the gentleman can answer it? If "executive agency" includes departments——

Mr. WARREN. They are included only for the purpose of permitting transfers of functions to and from such departments.

Mr. MOTT. Section 402 states it does in so many words, and section 403 provides that he shall have the authority to change the name of any executive agency, and therefore I ask why he cannot change the name of a department.

Mr. WARREN. The gentleman cannot torture section 402 into meaning what he states.

I cannot yield further.

Mr. MOTT. I am not trying to torture it, but asking the question for information.

Mr. WARREN. Now, in reference to title III, the President recommended the creation of a Welfare Department in his message to Congress on January 12 of this year. Many of the most important transfers and consolidations which should be made are in this general field. These activities do not belong in any of the existing 10 executive departments. The Congress itself has recognized this fact. The new agencies, dealing with public welfare, have been set up as independent agencies because there was no executive department in which to put them, and, as I have previously stated, there are 26 of them. Unless a new Department of Welfare is created there will be no executive department to which these activities may be appropriately transferred and consolidated with similar activities of the Government. President Harding recommended a Department of Welfare, and the Joint Committee on Reorganization in 1924, during Mr. Coolidge's tenure, likewise recommended a Department of Welfare. The important activities of the Government in this field cannot be coordinated and carried on effectively and economically unless they are grouped together in a single executive department. The creation of this Department will not increase the number of independent Government agencies but will have just the opposite effect.

Now, Mr. Chairman, the whole thing boiled down in a nutshell is just this: We have today 133 separate agencies, departments, commissions, authorities, administrations, committees, and the like, many of them with overlapping functions. Do we want to get some efficiency in this machine? We have sat here, responsible ourselves at times, and at other times under the urge of executives, and created independent commissions and boards, world without end, until today they have become a Frankenstein to the body of the Government. They ought to be consolidated; they ought to be regrouped; and I will tell you what you already know, there are many bureaus in this Government that have no earthly excuse for existing today. The Executive ought to have the right to abolish them; the Executive ought to have the right to coordinate their functions——

Mr. SHORT. Mr. Chairman, will the gentleman yield at that point?

Mr. WARREN. I must refuse to yield now, because I have no more time.

And the only way you are going to do this is to give the power to an Executive who has the determination and the will to do it, as the present Executive tells us he will. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes. I desire to go over this bill as carefully as I can, pointing out what it does, and, insofar as there are defects in it, pointing them out with the hope that those defects may be corrected, so that the bill as a whole will be as near to a good bill as it can be made if they are going to do what they propose to do. I shall take the bill up title by title and discuss it.

With reference to the first title of the bill, I suggest that those who have in their possession a copy of the report turn to pages 4 and 5 of the report and follow along through with it. Title I is very largely the same as the bill that was passed in 1932 when Mr. Hoover was President. It is very largely the same as that that was reenacted on March 20, 1933. The exceptions appear here in the bill. Without attempting to discuss the merits of the bill I shall point out what it does insofar as I can. First, the effect of the passage of title I would be this: The President is instructed to investigate the present organization of the Government, all executive and administrative agencies, and to determine what changes are necessary. By the provisions of section 402, at the top of the page, an executive agency is defined. There is in the old bill and the reenactment no definition of administrative agency. The power of the Executive seems to be given under section 403. An attempt is made to except certain agencies. I am frank to say that I do not believe that the attempt is quite as successful as it ought to be, because I do not believe that the language there is sufficient to absolutely except the agencies that it refers to. I shall come to that later on.

An attempt is made to except from the consideration of the Executive certain independent regulatory bodies, and they are recited there. I shall not read them because Members can do that for themselves. I expect there is going to be a question on the part of some Members of the House as to whether or not certain other agencies might or should be included. I shall name two or three of these that I understand there is an interest on the part of some of the membership to exclude from the operations of this particular bill.

There is a suggestion that the Government Printing Office should be excluded. There is a suggestion that the Federal Board of Tax Appeals should be excluded. I shall not discuss those questions at this time. There is a question as to whether or not the Forest Service should be excluded. There is a question as to whether or not the F. D. I. C. should be excluded. There are other items that I have heard mentioned with reference to which some Members feel exemptions should be made.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. GIFFORD. They have stricken out the statement that we did have an emergency. That was the old law. What I want the gentleman to explain at this moment is what will be the effect, if after 60 calendar days have elapsed, we take no action?

Mr. TABER. I shall come to that in a moment.

Mr. GIFFORD. That is in title I.

Mr. TABER. I have not finished with title I.

Mr. GIFFORD. I wish the gentleman would make that clear.

Mr. TABER. The bill provides that the President by an Executive order can transfer the whole or any part of any executive agency from its present status to another status in the Government. He can abolish completely or place under a department Government corporations and their functions. He can change the name of executive departments. He can transfer all of the functions from any one department to another place, except that he is prohibited by section 403 from transferring all the functions of any executive department.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. ANDREWS. I think the gentleman from North Carolina [Mr. WARREN] made a very excellent statement about this bill, and I am in accord with what he proposes to do. I wonder whether there is any political effect in all this. Has the gentleman any idea that the Senate would consider such a bill as this?

Mr. TABER. I am not sufficiently well informed as to the attitude of the Senate on anything that I would be in a position to make a prediction about it.

Mr. ANDREWS. It seems to me that they have nothing else to do but to bring in some such bill as this. Is not this bill purely a political gesture?

Mr. TABER. It is an attempt, as I understand it, on the part of the committee to have these measures considered and out of the way. Frankly, I think that these measures are entitled to a great deal of consideration. I think that this bill should be brought before the House after the committee has had the bill in front of it for at least a couple of weeks and had an opportunity to go into it thoroughly, and it should be brought before the House after the House has had an opportunity to go into it very thoroughly and understandingly. I do not think that a snap judgment should be undertaken on a bill of this character and of this size.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. JENKINS of Ohio. The gentleman makes a broad statement, and so did the gentleman from North Carolina [Mr. WARREN], to the effect that this gives the President very broad latitude. Of course, I appreciate that the object of the bill is to give the President more authority to exercise personal government.

I should like to know this. It is impossible for the average individual in the time we have to consider this to make these comparisons between one section and another section, one subsection and another subsection. I would like to ask this: As I understand it, each and every department of the Government has its jurisdiction laid down by law. When the Department of Commerce was organized and the Department of Labor, their jurisdiction was confined in strict language. Of course, the jurisdiction of the Secretary of State is confined. This does not give the President authority to change those jurisdictions, does it?

Mr. TABER. Oh, yes. It gives the President authority to transfer any agency in any department to another department, and set up and prescribe its functions, with the exception, insofar as the exception is valid, of those agencies that are described in section 402 as it appears on page 5 of the report, and those exceptions appear on page 2, lines 11 to 19, inclusive, of the bill.

Mr. JENKINS of Ohio. Now, let us assume a case. A department in the Government has far-reaching ramifications and has different divisions. Suppose a division chief in the office of the Secretary of State, some man in charge of a division, does not perform as the President thinks he should perform, would the President have the right to jerk that man out of there or jerk out the matter which had been assigned to him for consideration? Could he relieve him of his responsibility and transfer it over into another department where he thought the personnel might be favorable to him? In other words, could he pack any department like he tried to pack the Supreme Court?

Mr. TABER. The President, without this bill, can discharge any officer or employee of the Government in any department because that employee is not, in the opinion of the President, performing his duty satisfactorily. He can do that without any new law at all.

Mr. JENKINS of Ohio. One other question: If that is the case, we are surrendering practically all of our authority as a legislative body. If he can do as he pleases with any of these departments, then, if we pass any regulatory laws of any kind, he can juggle them around and put the administration of that into the hands of those who he thinks will decide as he wishes?

Mr. TABER. As I understand it, without this bill, entirely apart from this bill, the President can now do just exactly what the gentleman has suggested.

Mr. FRED M. VINSON. Will the gentleman yield?

Mr. TABER. Yes.

Mr. FRED M. VINSON. That is under the general power of the Executive?

Mr. TABER. Under the statutes that are already in force with reference to the civil service and executive control of departments. The President is in absolute charge of every department of the Government, without any exception whatever, and the officers and employees of those departments are entirely and solely accountable to the President.

Mr. JENKINS of Ohio. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. But he cannot determine the jurisdiction and power of those various people? In other words, if a matter of decision comes within the purview, under the fundamental law controlling the Secretary of State, surely he cannot take that out of the office of the Secretary of State, because he anticipates an unfavorable decision, and turn it over to the Postmaster General, for instance, can he?

Mr. TABER. No; but he can get rid of the Secretary of State or any subordinate who is not performing his functions in accordance with the ideas of the President, and put in somebody else.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WARREN. I am absolutely shocked and surprised at the gentleman from Ohio [Mr. JENKINS] talking about this delegation of authority and these powers. I just wish to remind the gentleman that on May 3, 1932, and in February 1933 and on March 7, 1933, the gentleman from Ohio [Mr. JENKINS], on all three occasions, voted to give to two Presidents far more sweeping powers than are contained in this bill on this very subject.

Mr. JENKINS of Ohio. Oh, that is just an old-fashioned gag.

Mr. WARREN. Well, here is the record.

Mr. JENKINS of Ohio. Anybody can take a vote and interpret it to mean whatever he pleases. At that time I did not vote to satisfy the gentleman from North Carolina. I voted to satisfy myself.

Mr. TABER. Mr. Chairman, I cannot yield further.

Mr. BEITER. Mr. Chairman, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. BEITER. I was pleased at the reply which the gentleman made to my colleague from New York [Mr. ANDREWS]. The gentleman from New York [Mr. ANDREWS] is a fine and capable man, but he is sort of a pessimist. The gentleman stated that this bill was being considered merely for the purpose of passing time——

Mr. TABER. Oh, unless the gentleman has a question to ask about the bill I cannot yield.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. THURSTON. Did anyone appear before your subcommittee and make any estimate as to the number of employees that would be required to have this department function?

Mr. TABER. This new department?

Mr. THURSTON. Yes.

Mr. TABER. Oh, no.

Mr. THURSTON. May I call the gentleman's attention to the fact that last week I placed in the RECORD tables from the Civil Service Commission showing that there are employed now in Washington 115,000 persons, and out in the field 725,000 persons, a total of 840,000 persons in the Government service, and the annual pay roll is $1,500,000,000. It is proposed to add more to these figures.

Mr. TABER. I want to go on and finish title I and then get into these other items.

I am afraid I shall not be able to yield any further.

Mr. Chairman, under the provisions of this bill—that is, the reenactment of the old law for 2 years—the President would have authority to abolish agencies, move them around and change the name of the executive departments by Executive order. That order, however, would not become effective under the provisions of section 407 which appears upon page 6 of the report until after 60 days had elapsed. The Congress could, in the meantime, pass a law which the President would have a right to veto but the Congress would have the right to pass over his veto the law refusing to accept this Executive order.

The result of the passage of this bill would be to give to the President the power to do these things. Whether or not you ought to give it to him I shall discuss in a moment. Frankly, with the exception of these few agencies and perhaps with one or two exceptions that have not been made, but perhaps should be made, I believe it would be better to permit the President to abolish agencies, to move them around, insofar as he wants to, because it would not be giving him any more control over these agencies than he has now.

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNIFFIN. The gentleman just referred to the limitation of 60 days. If the President should not act wisely under this authority, would it not then become the responsibility of the Congress to vitiate such Executive orders as the President had sent down here?

Mr. TABER. I have just pointed out that that would be the procedure. It is outlined in section 407 and appears on page 6 of the report. It would, of course, be the duty of Congress to do that if the President did something that the Congress did not approve. It would, however, if the President vetoed the bill, require a two-thirds vote to repass it over his veto.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. The gentleman from North Carolina apparently tries to confuse those who might have voted for certain legislation 2, 3, 4, 5, or 10 years ago with this legislation. If we voted at that time for the same things we are called upon to vote for today, what is the use of it? There are material differences; and if this is not the same thing, in what way is it different?

Mr. TABER. We are asked to vote for the same thing today that we voted for on those other occasions with the exception that some 10 or 12 organizations, including the Interstate Commerce Commission and the Federal Trade Commission are excepted from the power of the President under this bill. The length of time during which the power may be exercised is just the same. The veto provision is just the same as that which existed before.

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNIFFIN. My colleague refers to the fact that it would require a two-thirds vote to make effective any act of Congress vitiating any order of the President. Is not that true with respect to all legislation in this body should it be vetoed by the President?

Mr. TABER. That is true; there is no question about that.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. MANSFIELD. There are about 130 governmental agencies. Should this bill become law and go into effect, how many of these agencies will be abolished? Can the gentleman tell us?

Mr. TABER. I have no idea whether the President will abolish any of them. I think at least half of them should be abolished. I do not think there is any question but what the efficiency of the Government would be greater if we had fewer agencies.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LUDLOW. I think it is conceded that one of the primary objectives of consolidation of governmental agencies is to effectuate economy. What is the gentleman's thought as to whether economies would be effected under this bill or vice versa?

Mr. TABER. Under the bill as a whole economy would not be effected. I will get to that when I come to discuss title III, because that is a very dangerous thing, and I want the House to understand thoroughly that that is a scheme to organize propaganda and promote governmental activities and departmental activities without accomplishing any efficiency.

Mr. LUDLOW. What, in the gentleman's opinion, would be the effect of establishing a new department so far as effectuating economy is concerned? I have great respect for his opinion.

Mr. TABER. That would not effectuate economy; that would increase expenditures beyond all reason.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GIFFORD. I thank the gentleman for impressing, as I asked him to, the point about the veto. With the gentleman's indulgence, I would remind the House that while this is about the same bill that we passed in 1932, yet at that time we had a Democratic Congress and a Republican President, and the Democrats easily could have overridden a veto. Today the situation is far different.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COCHRAN. The gentleman just made the statement that he thought about half the Government agencies should be abolished.

Mr. TABER. Yes.

Mr. COCHRAN. The gentleman knows as well as I do that scattered throughout the departments and also in the form of independent agencies we have any number of organizations that deal with public welfare.

Then in keeping with the suggestion that we abolish them, does he not think it would be wise to consolidate them under one head where one can keep track of what the other is doing, abolishing those that should be abol-

ished and transfer their functions to others? Would that not spell economy? Would that not be in keeping with the gentleman's suggestion of a moment ago, that many of them should be abolished?

Mr. TABER. I think if the gentleman will listen to what I have to say on title III he will get an idea of just what the situation is. I am going to skip title II and will go into that when we consider the bill under the 5-minute rule if we cannot work that out.

Title III provides for the creation of the Department of Welfare. It provides in section 303, page 4, that it shall include items which promote the public health, safety and sanitation, the protection of the consumer, cost of education, relief of unemployment and hardship and suffering, relief of the needy and distressed, assistance and benefit to the aged and the relief and vocational rehabilitation of the physically disabled and in general shall coordinate and promote public health, education, and welfare activities.

Mr. Chairman, I have prepared a list of items and the appropriations which go with them which might come within this Department and might not. I will read them:

Civil-service retirement fund	$72,392,000
Canal Zone retirement and disability fund	500,000
Alaska Railroad retirement and disability fund	175,000
Employees' Compensation Commission	5,124,450
Railroad Retirement Board	35,000,000
Veterans' Administration	585,832
Social Security Board	244,100,000

And this probably will be increased to about $500,000,000 in a year or two.

Department of Agriculture:	
Airways weather reporting service	$2,190,179
Enforcement of:	
Food and Drugs Act	1,750,000
Tea Importation Act	40,094
Caustic Poison Act	24,741
Seafood Inspectors' Act	40,000
Meat inspection	5,433,000
Department of Interior:	
Education of Indians	10,068,525
Conservation of health of Indians	4,955,690
Office of Education	2,287,400
Vocational education	9,730,060
Public schools, Alaska	50,000
Care of insane of Alaska	190,000
St. Elizabeths Hospital	1,535,750
Columbia Institution for the Deaf	145,000
Howard University	700,000
Freedmen's Hospital	329,410
Foreign Service retirement and disability fund	188,000
Department of Justice	12,529,775
Resettlement Administration	100,000,000

The amount they advised the committee they hoped to get.

Rural Electrification Administration	$31,520,000
Federal Prison Industries, Inc	500,000
District of Columbia Alley Dwelling Authority	161,000
Department of Commerce:	
Air navigation facilities	3,037,800
Maintenance	5,698,700
Bureau of Marine Inspection and Navigation	2,412,000
Bureau of Lighthouses	11,020,900
Department of Labor	23,628,500

Mr. MANSFIELD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. MANSFIELD. Would not the Life Saving Service come in there?

Mr. TABER. I am going to state I have only gathered together a few. I shall say afterward there are any number that might be put in here.

Treasury Department: Public Health Service	$20,746,980
The regular appropriations, so-called	1,194,568,304
W. P. A	1,400,000,000
Total	2,594,558,302

On top of that you might have the old-age reserve fund of $500,000,000. You might have tubercular cattle. You might have the C. C. C. $350,000,000. That is a total of practically $4,000,000,000 of Government activities that could be placed in this department.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

There are no two activities of this entire set-up the placing of which within one department can possibly save a single penny. They are not correlated. Let someone who thinks they are get up here in his own time and say so. I say they are not. They are not correlated so that they could be taken out of the place where they are now located and save a single penny in administrative expenses.

The result of this consolidation will cost the Government of the United States hundreds and hundreds of millions of dollars for not just administration alone but hundreds and hundreds of millions of dollars in all activities. The only thing that will be concentrated and organized together will be the power of propaganda against the Congress to force the Congress to appropriate and authorize money for the activities of this department.

The saving of money does not mean anything to this Congress. I am afraid it has not meant as much as it ought to mean. The creation of this department will result in a tremendously organized pressure upon the Congress and there is absolutely no escape from that. That will be the main effect and the main result of the creation of this new department.

There is another thing about the creation of this new department that I do not like. I do not believe it is necessary to create this new department because I believe that the things can be taken care of within the scope of the departments we already have. We are creating this department and permitting the Executives to set up the functions of the department instead of setting them up ourselves by statute. I believe the Congress should meet its responsibility and set up those functions instead of letting somebody else do it. I think that is very important if we want to get an efficient set-up.

Mr. LUCKEY of Nebraska. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. Under title III a new department is being set up called the Department of Welfare, with a secretary of welfare. Would that secretary have a Cabinet status?

Mr. TABER. Certainly.

Mr. LUCKEY of Nebraska. One of his duties would be the relief of the unemployment and hardship and suffering, as well as the relief of the needy and distressed. Would that mean there would be a permanent relief set-up under this bill?

Mr. TABER. It certainly would.

Mr. LUCKEY of Nebraska. In other words, we are taking away from the States and the localities what really belongs to the States and the localities and putting it under Federal control?

Mr. TABER. There is no question about that.

Mr. MAVERICK. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. MAVERICK. The gentleman said something about the power of propaganda of this Department.

Mr. TABER. Yes.

Mr. MAVERICK. Would that not be just like any other department? It would not be any more or less, would it?

Mr. TABER. Oh, yes; because all these activities would be concentrated where they could be used for propaganda purposes. The larger and older an outfit gets the more dangerous it is from a propaganda standpoint.

Mr. MAVERICK. It would not be any different in comparison with the Department of Agriculture or the Navy Department?

Mr. TABER. It would not be any worse than the Department of Agriculture has come to be, the way things have developed.

Mr. MAVERICK. Does not the gentleman believe it is advisable to have such activities as relate to relief under a Cabinet officer, where there would be a responsible head, and where the department would come before committees as a responsible part of the Government? Does not the gentleman believe there is some benefit in such a set-up?

Mr. TABER. There is absolutely no benefit in putting anything under a Cabinet officer since we have passed the wedge bill which was passed here the other day, creating six administrative assistants to come between the President and the Cabinet.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, for 10 years I have been on some committee or other which had to do with the question of reorganizing the Government agencies. I happened to be appointed during the last 2 years of the Hoover administration to the select committee whose efforts resulted in the passage of the act which this bill in part proposes to reenact; yet this bill does not give a Democratic President as much power as I voted to give a Republican President.

At the time the distinguished gentleman from Texas, Mr. Buchanan, passed away I happened to be vice chairman of the Special House Committee on Reorganization. The present Speaker [Mr. BANKHEAD] appointed me chairman of this committee. Since that day I am pleased to say I have had the cooperation of every member of the committee, Democrat and Republican. We have worked together, and we have had no serious quarrels. We have worked not only in the mornings but in the afternoons. We have been required to take home and read report after report, reports which came from the President's committee from time to time, and reports which came from the Brookings Institution from time to time.

Speaking of cooperation, may I especially thank the gentleman from New York [Mr. TABER] for his speech today. I think he made an excellent argument why this bill should be enacted into law. He told you he was in favor of abolishing Government agencies. This is what the bill seeks to do. Then he criticizes the Department of Welfare, which this bill seeks to create. The only objection he has to such a department, however, is that he fears some propaganda might come from it which would bring pressure to bear upon Members of Congress to enact legislation the department might desire. The reason the House of Representatives and the Senate of the United States have been unable to enact legislation for the reorganization of the Government of the United States is the propaganda which comes from the employees of the United States.

What is the situation which confronts us today and why is it necessary to pass legislation of this character? You have what is known as congressional establishments, six separate agencies. You have 10 departments in the Government. Of the independent agencies, you have 31 executive and 14 regulatory. You have 5 corporations reporting directly to the President. You have 20 establishments and corporations having a separate budget and staff. You have 13 administrative committees. You have 25 advisory committees established by law or Executive order and reporting to the President. You have nine miscellaneous establishments. Altogether there are 133 separate and distinct organizations in the Executive branch of the Government today. There is the answer to why legislation of this character is necessary. Our desire is to coordinate their activities, to abolish some and consolidate others.

Mr. McCLELLAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Arkansas.

Mr. McCLELLAN. It has been stated by the chairman of the committee which has had this bill under consideration, and it has also been stated by the Speaker and the majority leader that a number of these organizations and departments ought to be abolished. I should like to have some information with regard to which department or organizations ought to be abolished. Can anybody give us the names of some of them?

Mr. COCHRAN. If I had the time to enumerate them, I would tell the gentleman that if I had the power to abolish them I would abolish 75 of them or consolidate their activities. In abolishing Government agencies you do not repeal laws.

Mr. McCLELLAN. The Congress has the power. I should like to know which ones ought to be abolished by the Congress of the United States.

Mr. COCHRAN. How many would the gentleman vote to abolish if such a measure came in here?

Mr. McCLELLAN. I might vote to abolish all of them if the gentleman would point out to me which ones should be abolished. The committee has had the matter under consideration, and this is information I think the Congress should have.

Mr. COCHRAN. We have had investigation after investigation. The gentleman who sits on the right of the gentleman from Arkansas, the gentleman from Michigan [Mr. MAPES] served a long time on a committee which investigated this subject. Other committees have investigated the matter. The hearings are available, if not in separate form, then through the Library. However, the agencies of the Government which should be abolished are the boards and commissions that we set up as independent agencies, when they should be under one head.

Take the Department of Welfare. What can the President do with it? He can take in all the welfare organizations which are spread all over Washington. They have grown up like mushrooms, as the gentleman from North Carolina [Mr. WARREN] has stated. They are undoubtedly duplicating their work in granting relief to the people of this country. The only way you are going to stop this is to put them under one head, so that this head can watch them and see what they are doing. This is the purpose of the pending measure, and the President will have an opportunity to carry it out.

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Ohio.

Mr. KNIFFIN. Does not this bill amount to an instruction to the President to reduce the number of such agencies by consolidating and eliminating overlapping agencies?

Mr. COCHRAN. That is what the language of the bill means.

We gave the present President of the United States this power in 1933, but we all know why he did not take advantage of it. A situation confronted him then which was far more important than the reorganization of the Government of the United States. His job then was to save the Government from destruction. The President is ready and willing now to go ahead with it if we give him this authority, which he is entitled to have.

Three separate and distinct branches of this Government are provided for by our Constitution.

We charge the President with the responsibility of running the executive branch of the Government, and why should we not give him the power to run it in an efficient manner?

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. For a brief question; yes.

Mr. MAVERICK. The question I want to ask is this: If we start discussing what ought to be broken down or abolished, will that not impede the work of the President in doing a good job?

Mr. COCHRAN. There is no doubt about that whatever, and that is the reason I did not mention one agency in reply to the gentleman from Arkansas.

The gentleman from New York [Mr. TABER] spoke of some amendments that are going to be offered. He did not express any opinion as to whether he would favor them or not, but he mentioned the Federal Deposit Insurance Corporation. Does any Member of this House believe he is ever going to live to see the day when that law will be repealed? Place it where you want, but repeal the law never in your time or mine.

Mr. MAVERICK. If the Republicans get back?

Mr. COCHRAN. No; even if the Republicans get back it will not be repealed, because public sentiment would never permit them to repeal it; but there is no danger of Republicans coming back.

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. KNIFFIN. Right in that connection I may say to the distinguished chairman of our committee that in my district the bankers have complained to me about the duplication of examinations and check-ups in the banks.

Mr. COCHRAN. I may say to my colleague from Ohio that at the present time you have four different organizations of the Government examining your national banks: First, the Federal Deposit Insurance Corporation; second, the Federal Reserve System; third, the Comptroller of the Currency; and, fourth, the Reconstruction Finance Corporation whenever it has any dealings with the banks, and, as we all know, the Reconstruction Finance Corporation owns a great deal of the stock of some of the banks in this country today.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COCHRAN. They are not accepting each other's examinations, but as a banker told me the other day, there is hardly a day in the year when there is not some Federal examiner in his bank. Is this duplication? No, it is double duplication?

Now, why tie the hands of the President in an effort to do a good job? As I have said, he is charged with the responsibility, we are demanding that he reduce expenditures, the people of the country are demanding that he reduce expenditures, and there is certainly one other thing that the people of the country want, and certainly the businessmen of the country want, and that is a simplification of procedure in our Government. As it is now a, businessman does not know which way to turn in view of the rules and regulations of your various departments and bureaus scattered all over Washington. He has to hire lawyers every time he has any matter to take up with the Government.

This bill will bring about simplification of procedure, it will bring about increased efficiency, and it is bound to bring about economy. You cannot increase efficiency without ultimately bringing about economy. You are also going to stop duplication, even triplication of effort. Our whole trouble is that nobody wants to give up anything. Just the moment you attempt to take anything away from a Government agency, they are down here on the backs of the Congressmen and Senators, saying, "Do that, and I am liable to lose my job."

The question here today is whether you want to legislate for the taxpayers of the United States or whether you want to listen to the employees of the Government of the United States who desire to continue as they have been doing in the past. Instead of impeding or attempting to impede our progress they should be supporting us.

Here is the opportunity for us to do a real job for our constituents at home who are paying the bills and who expect us to cut down Government expenditures. They expect us to pass this bill today giving the power to the President to reorganize the executive branch of the Government. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. PETTENGILL. Mr. Chairman, will the gentleman from Massachusetts yield for a question?

Mr. GIFFORD. Yes.

Mr. PETTENGILL. Does this bill come as a result of an investigation so far made by the Joint Committee on Government Reorganization?

Mr. GIFFORD. Not the joint committee, but the House committee.

Mr. PETTENGILL. Then I understand that the Senate select committee has not concurred in the bill as yet?

Mr. GIFFORD. They have not.

Mr. PETTENGILL. Have they made any recommendations along the lines of this bill?

Mr. GIFFORD. I will answer the gentleman by saying the best information I have is that the House committee is reporting these bills piecemeal, but the Senate will probably not act this session on any of them.

Mr. PETTENGILL. The investigation is continuing and witnesses are still being heard?

Mr. GIFFORD. Not in the House committee.

Mr. PETTENGILL. I thought Mr. Eastman, of the Interstate Commerce Commission, and others, were before the committee within the past week.

Mr. GIFFORD. Maybe so, I was not in the committee at its last meeting, being occupied in another committee's deliberation.

Mr. PETTENGILL. I just wondered why it seemed appropriate to the committee to bring the bill in at this time, before there is any assurance that it will be concurred in by the Senate Members.

Mr. GIFFORD. The gentleman probably fully understands why, and he is apparently leading me on to say that this is one of the "must" bills and an attempt must be made at this time, in part at least, to satisfy the President. There can be no other construction, seemingly, to me.

I am grateful and exceedingly thankful that we have such a fine committee from the Democratic side of the House who have not yielded to the extraordinary demands of the President; but, as in the Supreme Court bill, they are giving him something. I regret in giving it to him they are not rebuking him, as was done in another body in the Court matter. Here is another enormous grasp for power. The bill has been carefully explained, perhaps. I may be pardoned for making a more generalized statement. I read something this morning that ought to appeal to you for the moment:

> The greatest menace to the legislative branch of our Government, and one threatening its very existence, lies in the delegation of power to the Executive—the abject surrender of many of the express constitutional rights and prerogatives of the legislative. To a certain extent, this may be permissible in a great national emergency, but no effort seems to be made to return them to the Congress. There is today a concentration of power in the hands of the Executive such as our country has never known. Congress seems to have forgotten that these powers are not its own to give away. Congress is the trustee of the people.

Section 1 of this bill says that the act of 1933 is amended. How amended? Not simply by taking out the declaration that there is an emergency. Let me read to you what they did take out:

> Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically government expenditures; and that such reduction may be accomplished in a great measure by proceeding immediately under the provisions of this title.

That is struck out. No need now to drastically cut Government expenditures. It now says "to reduce expenditures to the fullest extent consistent with the efficient operation of the Government." Efficiency to be decided upon by whom? The situation is vastly unlike that of 1932, when a Republican President had a Democratic Congress, which could override his veto. Let this President issue an Executive order and bring it here, and although you may decline to approve it, you will be unable to put it over his veto.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. WARREN. The gentleman speaks of a Democratic Congress in 1932. I call attention to the fact that we had a majority over here of four in that Congress, not enough to override any veto, and that the Senate at that time was nominally Republican, under a Republican President.

Mr. GIFFORD. And I answer the gentleman by saying that I have here a report, which probably none of you ever read. Mr. Hoover was given power in June 1932 to present plans to reorganize the Government, and promptly in December 1932 he filed a report. If you will read it through, most of you would agree that it was a full and careful analysis and recommendations in the main that should have received the approval of that Congress immediately. But that Congress, be it with a Democratic majority of only four or not, had sufficient votes to refuse to even consider it, and the committee to which it was referred did not give it even decent burial. But it is a valuable report and you will probably never have another such efficient President capable

of such service. A Senate committee was set up under Senator BYRD which showed a disposition to abolish and to cut expenditures. This seemingly so frightened your President that he formed a special committee apparently to blanket this Byrd committee. A fund of $100,000 was obtained for the Brownlow committee, of which $10,000 was taken afterward to give to this House committee. Thus three committees were acting on the same matter at the same time. But it was the report of the Brownlow committee that was referred to us by the President himself in a message, wherein he said, "It will be said that I have asked for more power, but it is not so." We will comment on that later.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. KNUTSON. As I understand it, this legislation is asked for under the guise of economy.

Mr. GIFFORD. Oh, no; I do not think they longer claim that.

Mr. KNUTSON. I was going to say that if they did put into effect an economy program, which no Member in his right mind believes for a moment, it will be thrown away in useless projects all over the country.

Mr. GIFFORD. Oh, no; there is no suggestion of economy anywhere. I noticed this morning that our debt on April 30 was more than $34,000,000,000, but it is almost $37,000,000,000 today, and a housing bill calling for a billion more to be presented immediately. There is no suggestion of economy; no apparent regard for the Treasury or the taxpayers!

Mr. WHITTINGTON. The gentleman stated that the recommendations made by President Hoover were never considered. Is it not a fact that they were referred to the Committee on Expenditures, and hearings were conducted, and there appeared before that committee the Director of the Budget, who recommended it be not approved?

Mr. GIFFORD. If there was that little bit of attention, I would give you credit, but it was exceedingly little.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. JENKINS of Ohio. I ask the gentleman this question in all seriousness. Nearly every gentleman who has spoken here has said that the President has almost unlimited power now with reference to these matters.

Mr. GIFFORD. To take care of any particular individual. This gives him power to transfer them, fire them in quantities—not only as individuals.

Mr. JENKINS of Ohio. In that connection I cannot see how anybody, the President included, can send up a message asking us to give him more power to do certain things to cut down expenses and cut down employees, when the history is that he himself has established probably 50 times more commissions than any other President who ever served, and the history is also that every month now right along, one month after another, there are 5,000 more people put on the pay roll.

Mr. GIFFORD. I will answer the gentleman by saying it is too bad that some of us at least must come to the unhappy conclusion—and I speak for many of you Democrats, who, if your whisperings would become audible, would say, "This is not the man to whom we ought to give any more power." Demonstrations of unfitness we have had a plenty. As I say, those whisperings may become audible.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WARREN. I think I ought to remind the gentleman from Massachusetts that on May 3, 1932, February 19, 1933, and March 20, 1933, the gentleman voted to give on this very subject vastly more powers to the President than he is being called upon today.

Mr. GIFFORD. I ought to seek forgiveness for voting for many of those measures. [Applause.] Four billion four hundred and eighty million dollars! Three billion three hundred million dollars! I voted for them; yes. He was the only President I had in that emergency. How often have I told you that? Perhaps I should be forgiven for not knowing in advance how the money was to be squandered. But now we know the great danger of granting this power.

This morning we read a comment on the Court nomination, presumably from the South, "Yes; he gave us a kick in the face, and he used our own boot to do it." Plenty more of these whisperings may soon become audible.

I would ask you to accept this text today. It should be kept in mind. "An inefficient democracy is devoutly to be preferred over a superefficient dictatorship."

Of course, I agree that many of these sprawling departments of government, sprawled even over Alexandria and Baltimore and elsewhere, should be brought into some sort of harmony. I doubt if they wish to bring things into harmony. Rather do I think they wish to create a permanent home for all these special activities they have been setting up. Abolish nothing. Cut expenses? No.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. COCHRAN. The gentleman has been a successful businessman.

Mr. GIFFORD. I fear not.

Mr. COCHRAN. Oh, yes. Let us assume the gentleman is head of a great corporation and he has a board of directors and the board of directors refused to give him the power to run that corporation efficiently; what is going to be the ultimate result?

Mr. GIFFORD. Well, if we let our present President select his "yes" men as he is doing, men who are not really his friends, who do not dare tell him what he ought to do, and what he ought not to do—if I had a board of directors like that the responsibility would certainly be wholly on me, but I think the people whose money I took to form the corporation are entitled to a board of directors who would be judiciously minded, who would be fair, who would advise me for my good when my judgment proved to be in error.

Mr. COCHRAN. The desire to be accomplished by this bill is for a board of directors, the Congress of the United States, to give the Chief Executive the power that will enable him to run the Government efficiently.

Mr. GIFFORD. The power to select "yes" men, which he is demonstrating now every day, and which, to all of you without exception, I think, is proving highly dangerous.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KNUTSON. I am not sure how I am going to vote on this bill in view of the fact that we have a rubber stamp Congress.

Mr. GIFFORD. That is the danger.

Mr. KNUTSON. Perhaps in the interest of efficiency it might be wise to surrender the last vestige of power that this body has retained in its hands.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS. Is it not true that according to the very plan and structure of American government the executive department has always been responsible to the President, whose very function is that of Chief Executive, and in order for efficient government to be carried on it has also always been true, and is part of the very form of our Government, that the President shall control the executive branch of government and that those in it shall be responsible to him?

Mr. GIFFORD. And that Congress should control the purse strings and by that means control the President.

Mr. VOORHIS. I am fully in accord with the gentleman so far as the control of the purse strings is concerned.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Certainly.

Mr. MICHENER. The gentleman just suggested that it has always been the understanding that everybody in this Government is responsible to the Executive.

Mr. VOORHIS. I said everyone in the executive departments. I did not say, nor do I by any means mean, everybody in the Government.

Mr. MICHENER. That was the gentleman's language. I do not care whether it is "department" or "Executive", it is the same thing. That was the real fight we had before we were able to get a Budget Director. We had the same fight, also, in the case of establishing the office of Comptroller General. There are some officers who should not be entirely answerable to the demands of the President at all times.

Mr. GIFFORD. Mr. Chairman, I cannot yield further.

Mr. VOORHIS. But I have been misrepresented rather badly by the gentleman from Michigan.

Mr. MICHENER. I just wanted to straighten out the RECORD.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. GIFFORD. No emergency exists now upon the word of you people on this side of the aisle.

How boastful was the President in the campaign of 1936. He rejoiced that "factories were singing the song of industry; markets were humming; ships and trains running full; the problems of agriculture and industry had been largely solved." Only triumphant hymns were sung; at his every appearance the bands played Happy Days Are Here Again; no suggestion of the bombshells being prepared which were so promptly exploded and which greatly shocked and brought a great fear upon the Nation.

How suddenly the picture changed. He informed the people that it was necessary for him to become the real master of affairs, even if necessary to the rape of the Supreme Court and the entire control of the executive branches of the Government. Like Mussolini, who allowed himself to control seven cabinet positions at one time. These demands for the actual subversion of the Constitution have made the Nation gasp. Party lines have been split asunder; the gaping wounds may never heal. The mask is off completely. Disclosure as to the type of Supreme Court Justices desired has just been made. Let us join in a song of thanksgiving that there could not be five more similar appointments. Only "yes" men in government are to be tolerated. It is now apparent that only those who favored the measure for the packing of the Court can be named. The stinging rebuke to the President ended with this paragraph: "It is a measure which should be emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America." It is plain, however, that only those who favored that measure, so stigmatized, will be eligible.

Contemplated changes in fundamental law should be fully and openly disclosed with the people, and ample time given for the crystallization of opinion as to the merits of such legislation before the people's representatives should act for them. The fearsome cry of emergency emanating so often from the White House should not in these acknowledged prosperous days be persuasive for hasty and ill-considered action.

With these recent happenings in mind, with what great concern must we grant to this arrogant, ambitious President of ours further control of agencies of Government, until recently so carefully set up by the Congress to deal fairly in the conduct of the Nation's business? Is he arrogant and afflicted with a super ego?

Teacher: What thing of importance did not exist 50 years ago?
Pupil: "Me."

The pupil must have been Franklin D. Roosevelt.

It is not sufficient for the proponents of this bill to argue that they are not giving, and do not propose to give, the full measure of authority demanded. If you desire to save the President, it is perfectly evident that the Congress itself must retain its full power to protect all of its prerogatives. We must not make further surrender to the control of what is now known as "Farleyism", where only jobs to the faithful are to be considered to practically the entire abandonment of the civil service and a continued use of corporate devices placed entirely without the control of this body.

Our empty Treasury and the terrific strain upon the Nation's credit is insufficient to deter the present administration in its mad career of spending. The creation of a new department and a new Cabinet officer with its attendant expensive trappings should not be contemplated at the moment. We are unprepared to acknowledge that these vast sums for relief expenditures will continue. Business must be freed from further intimidation because unemployment can only be taken care of from this source. However, it is now fully and amply demonstrated that this intimidation is to be continued, even in far greater measure. Actual destruction of small business is certain under the wage and hour law if enacted. Enormous powers over all branches of industry granted to a board selected by this President would, indeed, bring a great fear again upon all types of industry. There appears to be no limit to the persecution of those upon whom we depend to bring back prosperity. Actual control of the radio not only seems to be contemplated but seems to have been actually accomplished.

Through this means the President himself has exerted a tremendous influence either for good or evil. Certainly the people have been led to believe that he is their only savior. Confidence in their representative form of government has been undermined. Even the rape of the Supreme Court has not yet brought the masses to their senses, and to the realization that their form of government may be in jeopardy. Real friends who will advise and curb the President are not to be tolerated in executive or other positions of influence.

Under these frightening conditions I make the appeal that further power not be granted. Not the slightest claim is advanced that abuses will be abolished or that any actual savings will be made. Rather, it would appear a haven will be created for these more recent so-called emergency activities to be made permanent, and to bleed the taxpayers for years to come to support more bureaus always ambitious to increase rather than decrease their activities.

Mr. WARREN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Chairman, I have talked with the committee chairman [Mr. WARREN] relative to this bill and he convinces me that no amendment is necessary to accomplish my desire. I am going to ask my friends and colleagues to collaborate with me, if the bill becomes law, in suggesting to the President of the United States that the Bureau of Prisons be taken from under the control of the Department of Justice. I had the honor to serve as director of welfare in Ohio and I realized there that that department which finds the criminal, prosecutes him, and later sentences him should not have jurisdiction over the man after he is in the penal institution. In Ohio the welfare department has complete charge of the penal and correctional institutions. Those men become a welfare problem and should be treated in a welfare way. In other words, it is bad psychology for the man in the penal institution to realize that his care and rehabilitation is in the hands of the persons who convicted him and sentenced him.

I would not wish my colleagues to interpret what I am saying to mean that I am in favor of a lax parole system, but I do feel that the parole system, the parole board, and the parole officers should be under a separate jurisdiction than that of the department that sent the men to the penitentiary.

I feel that this is something which does not need an amendment, because the bill provides that the President may make the allocations of separate bureaus to the Department of Welfare. However, I am going to ask the cooperation of my friends in suggesting to the President that he make this transfer of the Bureau of Prisons to the newly created Department of Welfare.

I am sure you all realize that mentality and physical condition should be taken into consideration when we treat prisoners, if we are really planning rehabilitation for the men and women who are incarcerated either in our State or Federal penitentiary. I solicit your cooperation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, section 1 of this bill names a number of independent agencies of the Government with which the President, under the bill, if it should become law, would not be allowed to interfere. Aside from those exceptions, if the President were deliberately asking for as great an amount of governmental power as it is possible to acquire under one measure, in my opinion he could not select a more effective method of acquiring it than through enactment of this bill.

It is somewhat embarrassing to me as a Republican to know that the act of which this bill is amendatory was passed during the Hoover administration, although at the time it was passed the House had attained a slightly Democratic majority. It will be contended by Republicans, I presume, that in the Hoover administration there was less danger in an act of this kind, and more excuse for it than there is under the present administration. Perhaps that is true, but I want to say emphatically that even in the circumstances under which the original bill was offered to the Congress in 1932 I would not have voted for it had I been a Member of the House at that time, because I believe the principle is wrong. I believe the object which it is claimed this bill seeks to obtain should be brought about by the action of the Congress through enactment of mandatory law and not by the President of the United States through the issuance of discretionary Executive orders.

Our governmental departments and our various bureaus and governmental agencies were created by Congress in the exercise of its legislative authority under the Constitution. They were created by specific law for a specific purpose. If for any reason they should be changed or consolidated or abolished now, and I think a number of them should be, the Congress itself and not the President should do that. It should decide how it is to be done and when and to what extent it is to be done. That decision should not be left to the discretion of the head of the executive department.

When the original act, of which this bill is supposed to be an amendment, was passed, it was passed for a very definite purpose, which clearly appears in the language of section 401 of the 1932 act. That language, by the way, has been entirely eliminated from this bill. The language of the 1932 act is as follows:

> The Congress hereby declares that a serious emergency exists by reason of the general economic depression; that it is imperative to reduce drastically Government expenditures; and that such reduction may be accomplished in great measure by proceeding immediately under the provisions of this title.

Mr. WARREN. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from North Carolina.

Mr. WARREN. I will tell the gentleman why we eliminated that. Because under this administration the depression has been ended, therefore we struck out that language.

Mr. MOTT. I am glad to have the gentleman's observation as to the reason why this was stricken out. I am particularly glad to learn that, in the gentleman's opinion, the depression has ended. But I wonder how many of the million people still out of work would concur in that opinion. Certainly no one can seriously contend now as it was contended when the 1932 act was introduced that it is the object of this administration through this bill to bring about economy. Everything that the Congress and everything that the President has done during the past 4 years proves the contrary. You gentlemen on that side do not now seriously contend that the purpose of this bill is to bring about economy; you had every opportunity to use it for that purpose during the first 2 years of this administration, while it was still in full force and effect. You want it now not to bring about economy but to bring about a still greater concentration of governmental authority and power in the Executive. Every act of the present administration indicates that. Every message the President sends to Congress indicates that. No one can read the Brownlow report without being convinced of that. The purpose of this bill is to bring about by Executive order instead of by law a concentration of authority in the hands of the Executive greater than has ever existed at any time in our history.

In transferring a bureau from one department to another, or in reorganizing bureaus, matters of great controversy and of great concern to the people are at issue, and those issues ought to be decided by the Congress. Many of them involve important legislative policy, and the Congress is the only agency of the Government which is permitted or authorized under the Constitution to decide matters of legislation.

Mr. Chairman, I call attention in connection with the authority proposed to be delegated by this bill to the proposed transfer of the Forest Service of the Department of Agriculture to the Department of the Interior. I cannot conceive how any Member of this House from a timber-producing State can possibly vote for a bill which will allow the President, in his own discretion and without consulting Congress, to transfer the Forest Service from the Department of Agriculture to the Department of the Interior. Yet that is what he can do and what, in all probability, he will do if this bill becomes law.

Throughout the 40 years of its existence the Department of Agriculture and the Forest Service have been administering our national forests. Everyone in the forest States, I am sure, is satisfied with that administration and with the results that have been brought about through that administration. No one in any of those States, so far as I know, wants this great agency transferred from the Department which has fostered and nurtured and successfully administered it, to a department which has never had any experience in forestry or in the perpetuation of the national forests for the purpose of maintaining a constant supply of lumber. And yet if you vote for this bill you give the President the power in his own discretion to make this transfer.

There is no one really familiar with the subject who does not believe that if this bill is passed and becomes law the Forest Service will be taken from the jurisdiction of the Department of Agriculture and put under the jurisdiction of the Interior Department, which has never had any experience in forestry, as that term is ordinarily known and used. There is no one in that entire Department who has had experience in the perpetuation of national forests or the uses to which the national forests are devoted.

Mr. KNIFFIN. Will the gentleman yield.

Mr. MOTT. I yield to the gentleman from Ohio.

Mr. KNIFFIN. I should like to ask the gentleman if there is an institution in the country that suggests itself more to conservation than does that of forestry?

Mr. MOTT. Forestry certainly includes conservation, but it is conservation of an entirely different character than the kind of conservation in which the Secretary of the Interior is interested. It is conservation involving an entirely different philosophy and purpose than that which the Secretary of the Interior has practiced. It would take a long time to discuss that subject, which, I may say, is rather technical in character.

Mr. KNIFFIN. May I say there is no provision in this proposal, nor any assurances from any source, that the President will transfer the Forest Service to the Department of the Interior.

Mr. MOTT. I have stated it as my opinion, based upon my experience and familiarity with the subject and with the controversy connected with it, that there is no doubt, if this bill is passed and the power is given to the President, that the Forest Service will be transferred to the jurisdiction of the Interior Department. I think there is no one who is familiar with the situation who does not concur in this opinion.

Now, Mr. Chairman, I have mentioned the Forestry Service transfer as an example of what can and probably will be done by the President if this bill becomes law. The Congress created the Forestry Service by law. It placed it where it now is by law. It is performing its functions solely by virtue of law. My own opinion, and it is shared by millions of

others, is that it should not be turned over to the jurisdiction of another department, and that its functions should not be changed. I think I am right in that. I may, of course, be wrong. But this is the point I am making. If the jurisdiction or the functions or the purpose or the policy of the Forest Service is to be changed, it should be changed by law, by the Congress which created it. There is no reason under the sun why Congress should delegate this power to the President and permit him to decide in his own discretion what he wants to do with the Forestry Service. That is the duty and the responsibility of the Congress.

Mr. Chairman, it seems to me this Congress has already gone far enough in surrendering its own legislative authority and responsibility to the Executive head of this Government, and that the time has come to stop. I wonder sometimes if gentlemen realize just how far we have gone in the direction of turning all of our responsibility over to the President. You recall back in 1933 this Congress, through the Economy Act, surrendered to the President of the United States its entire jurisdiction over veteran legislation, and it was only upon the demand of an outraged people that the Congress recaptured that jurisdiction. Through the Bankhead cotton bill, the Potato Control Act, and the A. A. A. in general, the Congress surrendered to the Executive practically all its legislative authority in the field of agriculture. In the Reciprocal Trade Agreement Act the Congress surrendered to the President its entire effective jurisdiction over the tariff.

The Congress has delegated to the President the power to make laws through the issuance of Executive orders upon practically every important legislative subject. For 5 years whenever the Congress has been confronted with a major problem requiring legislative solution it has shirked its duty and responsibility and has turned the job over to the President by enactment of legislation giving the President blanket discretionary authority to solve the problem himself.

It seems to me it is time for the Congress to consider seriously its delinquency in this regard and to call a halt upon its own actions. It is time for the Congress to resume its constitutional responsibilities as an independent legislative body. It is time for it to assert itself to the end that there may be a return to constitutional, representative government in the United States. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. WARREN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Chairman and members of the Committee, to my mind this is one of the most important measures to come before the Congress of the United States at this session.

The people of the entire Nation owe a debt of gratitude to the chairman of our subcommittee, the able gentleman from North Carolina [Mr. WARREN], and also the distinguished chairman of the whole committee, the gentleman from Missouri [Mr. COCHRAN], for their untiring, assiduous, and determined efforts in bringing this bill to the floor of the House for consideration and determination.

Mr. Chairman, by grouping, coordinating, and consolidating the various agencies of the Governmet, we will, as a result of this proposed legislation, take a decided step in reducing governmental expenditures and place in actual operation economies we have advocated for a long period of time.

The passage of this bill will convey to the President in no uncertain terms that we join with him in his fight to abolish unnecessary and obsolete bureaus and departments in the Government of the United States.

The gentleman who just preceded me, in the course of his remarks, stated that the delegation of power to the Chief Executive was an abridgment of the powers of Congress and should not be given or delegated.

I desire to call the attention of the gentleman from Oregon to the fact that such delegation of power is not without precedent in the annals of our American Government. In the year 1903 authority was granted to the President of the United States in connection with the creation of the Department of Commerce and Labor; again in 1918 by the creation of the Overman Act, a similar delegation was made; and again in 1930 by a delegation of power from the Congress, the Veterans' Administration was created, and in 1932 the Congress granted authority to President Hoover on a much broader and far-reaching scale than that contemplated or desired by the present act.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BEAM. I yield to the gentleman from Oregon.

Mr. MOTT. Is the gentleman stating that I claimed in my remarks that this was in the nature of new or novel legislation?

Mr. BEAM. That it was a new step in the annals of legislative power.

Mr. MOTT. I stated I was sorry to admit the original act was passed in the Hoover administration, and that I would not have voted for that measure even in that administration, because it set a dangerous precedent, at least.

Mr. BEAM. May I say to the gentleman that the Democrats of Congress in conjunction with their Republican colleagues delegated this power to Mr. Hoover, then President of the United States, in compliance with his specific request.

Mr. MOTT. I am sorry they ever did it.

Mr. BEAM. Well, the people of America realized that fact in 1932 and elected a Democratic President.

Mr. Chairman, the testimony before the Committee on Government Reorganization discloses the fact that there are at present in the Government 133 separate departments, commissions, boards, authorities, and other agencies. It is perfectly obvious to all that this multiplication of independent agencies defeats the end of effectual and economical administration of the affairs of Government.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. BEAM. I am sorry I cannot yield.

Every Member of Congress knows and realizes that the pressing need today is to do away with overlapping and duplicating agencies of government. We are all aware of the fact that the functions of regulatory agencies should be segregated from those of an administrative and executive character. We are all desirous of increasing the efficiency of the operations of the Government and we are all vitally concerned in bringing about a reduction in governmental expenditures; consistent with the efficient and effective operation of the Government. Such an opportunity presents itself to the membership of the House by the passage of this bill. This truly is an opportunity to do something constructive for the taxpayers of America.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. BEAM. I decline to yield, Mr. Chairman. This is a timely and appropriate occasion for us to carry out the mandate and request of the President. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, this bill is a link in a chain of many other bills which, if not broken, will lead inevitably to dictatorship in this country. This bill vests an additional and vast discretionary power in the hands of the President of the United States, who already has been given more power than was ever granted any other President in the history of our Republic in peacetime or in war.

The President of the United States today has the power of life and death over the economic destiny of the American people. We have given him the power to issue currency and to regulate the value thereof. He can coin silver up to a ratio of 16 to 1. He can reduce the gold content of the dollar 40 percent. He has more than $2,000,000,000 wherewith he can purchase British pounds, French francs, German marks, or Japanese yen. He can close the stock market at any time for 30 days. He has the power and authority to issue currency up to $3,000,000,000.

He has the power to pay farmers of this country money for not planting their fields. He has the authority to say to Chicago, "I will build a subway here", and yet deny it to Indianapolis. He can construct a dog pound in Memphis or a monkey house in Little Rock, as has already been done, or he can deny them to some other State. He can raise or lower the tariff on practically everything that is produced

in the United States. More money has been turned over in blank-check form, without any earmarks, to Franklin Delano Roosevelt since the 4th of March, 1933, than was appropriated and turned over to 30 Presidents in the first 143 years of our history. When, oh, when, Mr. Chairman, will this Congress cease to abdicate its powers? We might as well abolish Congress so far as representing the taxpayers back home is concerned.

Now, I am opposed to this bill and to the New Deal in general, not because it is so new, most of the methods of the New Deal are old methods employed by every benevolent despotism in the history of the world from the Pharaohs down through the Caesars and Machiavellis to this present hour.

I have just received a letter from the manager of the Neosho Foundry & Plow Works, an industrial concern in Neosho, Mo., which is in my district, in which he violently registers his protest against the pending wage and hour bill which we hope will die in the Rules Committee of this House, and in closing this letter he says to me:

> The present administration has remodeled everything, or attempted to, from the Supreme Court on down to the pigs and outdoor toilets, has wasted billions of dollars, spoiled the spirit of thousands of American workmen by making conditions which encourage the refusal of private employment, developed a national spirit of get something for nothing, and yet in spite of all these, the natural economic laws have affected considerable recovery. Why, in God's name, cannot Congress adjourn and at least let us assimilate some of our overdose before prescribing further.

[Laughter and applause.]

I want to say, Mr. Chairman, that I consider myself fortunate and honored to represent such a common sense, sane, patriotic American citizenry.

I admit we can never go back to the old order. I know that without change there can be no progress, but I want to say that the underlying philosophy of this crazy, cockeyed New Deal was uttered by that brilliant, philosophic mind which has ended by being stuck in molasses, Dr. Tugwell, who said he would "roll up his sleeves and make America over", and the President is imbued with the same philosophy because on January 3, 1934, he said to the Members of Congress, both Houses in joint session, in his annual message, that they would cooperate "to build on the ruins of the past a new structure." [Applause.]

O Mr. President, I will admit that everything is not perfect in the United States, but where are the ruins of the past? In spite of all the vicissitudes of fortune through which we have passed, in spite of recurring panics, droughts, and storms, floods, wars, and depressions, we have lived and grown to be the greatest Nation on the face of God's earth. Nowhere else under the shining sun will you find so many of the common people living in their own homes, riding in automobiles, listening to radios, enjoying frigidaires, and other physical comforts as well as spiritual benefits as are enjoyed by the citizens who live under the Stars and Stripes.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. No; I have not the time.

Here in this democracy under our flag every man can walk the earth his own king, the equal lord of every man to go his own way, work out his own will, weave into the warp and woof of the magic days the dreams that haunt, the duties that inspire and urge him on; and yet these carping critics continually paint what an awful, terrible country we are living in, and sometimes I wish to God, if they are not satisfied with our form of government and the conditions we have in this Nation, they would take the boat to Russia or to Italy or to Germany that seem to possess the kind of government they would have.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I must refuse to yield.

I am not opposing the New Deal, as I say, simply because it is new. I realize changes are necessary. I can illustrate what I mean by saying that many years ago I remember when the first Ford came out. I was a very small boy, but I was driving one of those Fords from Galena, my home town, to Crane, which was 10 miles away, over a narrow, crooked, dangerous highway. Of course, it was a very newfangled machine. It was the kind you had to hold on to the crank to keep it from flying off the handle. You had to clean the spark plugs every 10 miles, and if you got up to 15 miles an hour, you were flying. I was driving along when I met a farmer friend of mine with his wife driving along the road with an old horse and buggy, and when old Dolly saw this newfangled vehicle she could not do anything but shy and commence backing and was threatening to throw the occupants out when I pulled this tin lizzie over to the ditch and she spewed and sputtered and finally stopped. I ran down the road and John had gotten out of the buggy and was holding the old mare by the bridle with her nostrils extended and her sides heaving, and I said, "John, can I help you any?" and he said, "Dewey, for God's sake, if you will just lead my wife by, I will take care of the old mare." [Laughter.]

The old mare was afraid of something new, merely because it was new, not realizing that this newfangled thing which she thought at that time was going to hurt her would in the end turn out to be her best friend, and that on cold, stormy winter's nights she could stand in a nice warm stall, with her nose in the hay, while outside giant trucks would be hauling great loads over great distances. There is not much difference between horses and human beings, except that horses have horse sense. Often they learn more quickly than do we. Today old Dolly is not frightened at the automobile. One nearly has to knock her off the highway in order to get around her.

New ideas frighten some people. They cramp and pinch our minds just as new shoes pinch and cramp our feet. I am not afraid of these novel innovations; but I do know that the present occupant of the White House is a great precedent breaker. He loves to do novel things. With Dr. Tugwell, he wants to "roll up his sleeves and make America over." When I was a student in college and university, we experimented on guinea pigs and not upon 127,000,000 helpless American people. Oh, when will the end of this experimentation be? I am willing to admit changes. We all know that certain economic, social, and political readjustments are imperative and necessary, but I am not going to mistake mere change for progress. While change is essential for progress, it is not synonymous with progress. Change can be for the worse as well as for the better; and while we need the change, let me say that truth in all ages is the same; it never changes. Times and conditions may change, but truth never changes. The principles and truths of Free Masonry have not changed one iota, and are just as true at this hour as when taught by King Solomon or George Washington. The tenets and principles of the holy Roman Catholic Church are just as true today as when they were uttered by St. Peter or by St. Thomas Aquinas. No sensible man in this Chamber, regardless of his politics or religious belief, would want to abolish the Decalogue simply because it was uttered by Moses in the "horse and buggy" days. Those great principles embodied in Holy Writ, in the Constitution of the United States, and the Declaration of Independence, which are the bible and charter of our liberties, are just as true today as they were the day they were written. I am glad that my good friend—and he is my good friend—the very able and distinguished gentleman from North Carolina [Mr. WARREN] stated in his remarks that many existing bureaus have no excuse whatever for their existence. I think we all heartily agree in that opinion; but I pause to remind you that bureaucracy has sprung up like mushrooms all over this country during the past 4 years, until our American democracy has degenerated into the bureaucracy that it now is. Who, in the name of God, is responsible for it?

Your platform—and it was an excellent one—of 1932 said you were going to abolish bureaus, consolidate agencies, and drastically reduce expenditures of government. Yet you have practically doubled our national debt from $20,000,000,000 to $40,000,000,000; and God help the poor taxpayers of this Nation when pay day rolls around and they are called upon to foot the bill. Oh, yes; you may "roll up your sleeves and make American over!" Perhaps you are going to erect "a new structure upon the ruins of the past", following half-

baked panaceas and every wild economic and social theory that is advanced by some of these experimentalists out of Columbia and dear old Harvard. The responsibility for these changes rests directly on the Members of this Congress, the duly chosen representatives of our people, and not upon any other agency. God pity America in the future if we continue to refuse to shoulder the responsibility that is ours, and cowardly, both directly and indirectly, by surreption and every other means, turn over our constitutional prerogatives and surrender not only our rights but also our duties to some individual at the other end of Pennsylvania Avenue. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WARREN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. FRED M. VINSON].

Mr. FRED M. VINSON rose.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield before he begins?

Mr. FRED M. VINSON. Yes.

Mr. PETTENGILL. A question was raised in the cloakroom a few moments ago as to whether this bill or any powers under it could be so exercised as to change the functions of the Comptroller General's Office, whether its powers could be curtailed or abrogated in any way whatever?

Mr. FRED M. VINSON. Under the express language of the bill the General Accounting Office is excluded from the powers stated therein.

Mr. Chairman, all will agree that we have enjoyed our distinguished friend from Missouri [Mr. SHORT]. He is always entertaining. Gee, but how be can spill it. But the truth is that he goes in every direction at the same time.

Do you not remember, just a few minutes ago when he talked about tyranny and despotism, and talked about a down-trodden people? Then when he started out on another burst of eloquence, he talked about the 127,000,000 American citizens who had the radio, who had the automobile, who had a home and food and clothing—127,000,000 happy people. Now I submit that as long as that 127,000,000 Americans are happy and content you need not fear the supposed tyranny and supposed despotism of Mr. Tugwell of molasses fame.

Our friend from Missouri is a paradox. The gentleman is behind schedule. He should have made that speech months ago when Mr. Tugwell was in the Government. Mr. Tugwell is no longer in the Government. Today, many of the friends of the gentleman from Missouri [Mr. SHORT] are taking Mr. Tugwell to their bosoms, when they gave him "down the road" when he was an official of the Government.

Ah, it is a different song they sing. When a man is working in this administration, endeavoring to serve the purposes of the administration, he is a tyrant, a despot, a radical, and a dangerous man, but let him fall out with the administration, and, God bless you, the friends of the gentleman from Missouri [Mr. SHORT] immediately enlarge his stature, give him ability, virtue, and patriotism and take him to their bosoms.

The gentleman from New York [Mr. ANDREWS] rose in his place and asked the gentleman from New York [Mr. TABER] if this bill came here as a political issue. Mr. TABER did not answer him as Mr. ANDREWS wanted or expected. I stand here and say if there is any politics in this bill today, there was politics in the same bill, with added powers, in 1932.

In 1932, as you have been told, more power was given by a Democratic House to a Republican President than is carried in this measure. It so happens that I was one of the Democrats who voted to give Mr. Hoover that power. I hoped he would do something during his administration by which he could be favorably remembered. He came before us and said that money could be saved; that we could have increased efficiency in Government; that if we gave him the powers money would be saved and efficiency promoted; I voted to give him such powers.

Today every single gentleman on the Republican side of the Hall who has spoken today against the measure voted to give Mr. Hoover that power. How can they say today that Mr. Roosevelt should not have that power? How can the Democrats in the House who voted to give Mr. Hoover that power say that the Democratic President should have less power. It is less power because we exclude from the agencies affected certain regulatory activities included in the 1932 act.

The gentleman from New York [Mr. TABER] referred to the question of administrative agencies. He made the statement that in the declaratory part of the act, administrative agencies were referred to, but under the definition of "executive agencies", he was fearful that it would not be included, if I understood him correctly.

Mr. TABER. Yes.

Mr. FRED M. VINSON. I want to say to the gentleman from New York [Mr. TABER], who has been quite helpful in the consideration and preparation of this measure, that it has been considered and held that the term "executive agency" in section 402 of the act includes administrative agencies.

Mr. TABER. Will the gentleman yield for a moment?

Mr. FRED M. VINSON. I yield.

Mr. TABER. I do not think it is necessary to discuss that. I have been into another part of the bill, section 403, and the only power that is given to the President relates to the executive agencies and not administrative agencies, so I shall not offer any amendment on that.

Mr. FRED M. VINSON. But I want to say to the gentleman it has been construed in an opinion handed down by the Attorney General that the term "executive agencies" includes "administrative agencies."

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. COCHRAN. As a result of that opinion the Shipping Board was abolished.

Mr. FRED M. VINSON. That is correct, as I understand it.

Then certain gentlemen are fearful that someone now holding a position in the Government, under this bill could be ousted. The gentleman from New York met that point fairly and squarely. He said that under prevailing law, under statutory language, and, I might add, under the power that is inherent in the Executive, a man may be ousted for inefficiency.

Mr. TABER. Will the gentleman yield further?

Mr. FRED M. VINSON I yield.

Mr. TABER. Is it not true that the Executive may remove anyone in the executive department who does not agree with his program?

Mr. FRED M. VINSON. I do not know that I can go that far. I agree with the statement made by the gentleman from New York [Mr TABER], heretofore that this bill does not add to or take away from the power that he now has under existing law, and I may say under constitutional power, under the inherent power of the Executive to do the job that is entrusted to him under the Constitution by dismissing employees for inefficiency or for just cause.

Mr. COLLINS. Mr. Chairman, will the genteman yield?

Mr. FRED M. VINSON. I yield.

Mr. COLLINS. Under the Humphreys case it is very doubtful if a public officer exercising quasi-legislative powers could be removed by the President.

Mr. FRED M. VINSON. Such employee could only be removed for the causes set forth in the statute.

Mr. COLLINS. I doubt if under the decisions of the Court a public officer in the so-called executive department exercising legislative powers could be removed.

Mr. FRED M. VINSON. In the Humphreys case, removal could only occur under certain stated conditions, which were not alleged or relied upon.

Mr. COLLINS. At any rate that is the effect of these decisions.

Mr. FRED M. VINSON. In the Humphreys case, certain specific causes for dismissal were written into the act under which he was appointed. The Supreme Court said that he

had not come within such language, and, consequently, the President had no power to dismiss him.

[Here the gavel fell.]

Mr. FRED M. VINSON. Mr. Chairman, I yield myself 5 additional minutes.

Mr. McCLELLAN. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. McCLELLAN. Can the gentleman inform me whether under the provisions of this bill the President is granted authority to establish agencies or additional bureaus or departments?

Mr. FRED M. VINSON. I do not understand that such power is given to him.

Mr. McCLELLAN. I want to be clear on that; I am trying to secure information.

Mr. FRED M. VINSON. And I am giving the gentleman the best information I have.

Mr. McCLELLAN. I wish to learn whether he can abolish one department and create two. Does the bill grant such authority?

Mr. FRED M. VINSON. The bill does not give him the authority to create any new agency or department other than the department of public welfare.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. BIERMANN. If there is any doubt as to whether the bill gives the President the authority to abolish jobs, there must be doubt as to whether——

Mr. FRED M. VINSON. No; there is no doubt about that. He cannot create new activities.

Mr. BIERMANN. But the gentleman from Mississippi raised a question as to whether or not the President had the power to abolish jobs.

Mr. FRED M. VINSON. As I understood it, the gentleman from Mississippi asked about the President's power to discharge a man occupying a quasi-legislative position.

Mr. BIERMANN. Do not some of these positions fall within that category?

Mr. FRED M. VINSON. The regulatory agencies are excluded.

Mr. BIERMANN. But there is no question that under this bill the President can cut down the personnel a whole lot, is there?

Mr. FRED M. VINSON. There is not a particle of doubt about that.

Mr. BIERMANN. If there is doubt about that, then there is doubt, too, as to whether we shall save any money under it.

Mr. FRED M. VINSON. There is no doubt about his power to cut down personnel. The President can abolish agencies and functions there, as may not be necessary for the efficient conduct of the Government.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. Yes.

Mr. ROMJUE. Much has been said about the broad power given to President Roosevelt. As a matter of fact, did not those who are now criticizing the grant of power to President Roosevelt contained in this bill vote to give much broader power to President Hoover?

Mr. FRED M. VINSON. There is no question about that. In 1932, when this broader power to which my friend from Missouri refers was granted to Mr. Hoover, on a roll call we found the distinguished leaders of the Republican Party, some of whom have spoken here today, voting to grant broader powers to Mr. Hoover. The gentleman from Missouri [Mr. SHORT] was not here. The gentleman from Oregon [Mr. MOTT] was not here. We were unfortunate in not having their presence; but upon a roll call, among others, we found Messrs. SNELL, MARTIN of Massachusetts, MICHENER, TREADWAY, TABER, GIFFORD, WOODRUFF, and RICH—"Where are you going to get the money?" RICH.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. Certainly.

Mr. SHORT. And look at the gosh awful fix we are in now.

Mr. FRED M. VINSON. I think, however, that they represented the views on your side; and if they failed you, then, of course, it is not our fault. I look to them as distinguished leaders of the Republican Party carrying the banner—rather dismally—but carrying the banner of your party as best they can.

Mr. SHORT. I think they have earned their laurels.

Mr. FRED M. VINSON. I want to say this to my friends, seriously, now: The gentleman from Pennsylvania asks, "Where are you going to get the money?" The gentleman from New York says, "Cut appropriations 10 percent, yea, 15 percent" on each appropriation bill. They are everlastingly talking economy. Here is their opportunity to support a constructive economy measure. Congress has been criticized for spending money. The fact of the matter is, however, that in this present session we are $86,000,000 under the Budget estimates. In the past session we were $82,000,000 under the Budget estimates. In every single session of Congress since the Budget Act was passed, about 1921, except the one which carried the bonus appropriation, Congress, the legislative branch of government, has spent less money than the executive branch asked us to spend.

Here should be the answer of our Republican friends today: The Executive says that he can save money, can promote efficiency—and that is saving money. They, who are so economically minded, who make motions to strike out appropriations, can today support this bill, lay it on the doorstep of the Executive, if they want to treat it that way, and see if the Executive will promote efficiency or economy. I am fearful, however, that their leadership will not do that which a Democratic House did for Mr. Hoover; it may be expecting too much, since they are groping and grasping for a political issue.

Mr. RICH. Will the gentleman yield?

Mr. FRED M. VINSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. I am glad to hear the gentleman say we are going to have economy in our Government if this bill passes. How do you know you are going to have economy? How do you know that the President of the United States will do anything in that direction? He has been in there for 2 years and he has not turned his hand so far as saving money is concerned. Instead he has created more bureaus than has any President in the history of the Nation. He has done just the opposite to what he said he would do.

Mr. FRED M. VINSON. The answer is that he was busy during those 2 years when he possessed these powers getting us out of the depression. We are out. Now he can turn his attention to constructive effort in the reorganization of the executive branches of our Government. The gentleman from Pennsylvania, of all Members, should support this measure and thus save millions of dollars if it be enacted into law. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KNIFFIN].

Mr. KNIFFIN. Mr. Chairman, I shall not take more than a few minutes of the time. I merely wish to say I am glad to vote for the pending measure. I voted for a similar measure when Mr. Hoover was President, and I am, of course, glad to vote for one that gives less power to the incumbent of the Presidency at the present time.

I invite the attention of the members of the committee to the purposes of this proposal. I am persuaded that it amounts to an instruction, that it is a direction to do the following: To reduce expenditures to the fullest extent consistent with efficient government; to increase the efficiency of the operations of the Government; to group, coordinate, and consolidate executive and administrative agencies of the Government; and to reduce the number of such agencies and to eliminate overlapping and to segregate regulatory agencies, and so forth.

Is there a Member of this House who does not believe now, 20 years after the World War, that at least a careful examination should be made into the functions or the lack of such of all of the wartime agencies? Is there anyone anywhere who does not believe that these commissions, boards, bureaus, authorities, and other agencies are too numerous? I am of the belief there is not a Member of the House who could within the next hour sit down and tabulate a list of the 133 boards, bureaus, agencies, commissions, and so forth, that are now attempting to function within the executive branch of our Government.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. KNIFFIN. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. May I call the attention of the House to the War Minerals Relief Board or Commission? Two or three times in the last several years we have passed bills here to dispose of some of these claims. We were assured each time these bills came up that that would be the end of this Commission. I do not know any of the gentlemen on the Commission. I have had no dealings with them; but it occurs to me this Commission is typical of others that have long since outlived their usefulness. Certainly War Minerals Relief Commission would be an excellent Commission to get rid of. The yearly cost of that Commission, compared with the total Government expenditure, of course, is very small. But whatever it costs is too much.

Mr. KNIFFIN. I may say that is one I would get rid of if I were vested with the power to do so. I would get rid of about half of these boards, bureaus, and commissions, and I think it could be done without impairing the efficiency of the Government one bit.

Mr. LEWIS of Colorado. This was created, as I understand, by Secretary Lane just after the World War, and was supposed to last 2 or 3 years at the longest; but it has been going on all these 18 and more years. I venture the guess that one competent lawyer and a stenographer could have done all the necessary work of the Commission in 6 months.

Mr. KNIFFIN. In that connection may I say to the gentleman, and this is in response to at least part of the statement made by the distinguished gentleman from New York [Mr. TABER] when he said this bill would have a tendency to concentrate propaganda, that it will have the very opposite effect. It will have a tendency to do away with propaganda and manipulations of boards, such as the one to which the gentleman from Colorado [Mr. LEWIS] called attention, the Alien Property Custodian set-up, and all the other departments created for war purposes that have broken down the mails of this country in an effort to justify their continued existence at an excessive cost to the taxpayers of this country. I believe the only way we can stop this wild expense, extravagance, and useless waste of Government funds is to authorize somebody to make a careful examination into the set-up with a view to eliminating overlapping and abolishing at least half of these activities that do not contribute anything to the welfare of the Government, but which amount to a consideration which should not be borne by the people. I further believe the people have been waiting patiently and are hopefully expectant that some Congress some time will do something to alleviate this unjust burden which now rests on the taxpayers. [Applause.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, the distinguished chairman of the reorganization committee this afternoon said we needed this bill to take these independent agencies and put them under a department in order to save money. My observation as a member of the Appropriations Committee has been that a bureau under a department is independent to a very large degree. It does not make any difference if the agency is independent from the department or not. It will not be any more subservient as a bureau. Bureaus stand out individually in their respective departments. So that argument does not appeal to me.

In answer to the statement made by the gentleman from Ohio [Mr. MCSWEENEY] when he stated that he hoped in this reorganization program the prisons would be separated from the Department of Justice. May I say that I do not agree with the gentleman. I hope the idea will not prevail. The Superintendent of Prisons is functioning efficiently and satisfactorily. I served on a parole board once. I think the tendency is toward a more strict supervision in regard to parole. Kansas for years never had capital punishment. In the past 2 or 3 years we have gone to capital punishment. Therefore, I think the tendency is the other way and the Department of Justice, that has jurisdiction over the prisons at the present time, is in the best shape to take care of parole matters. The history of a prisoner's case in connection with his parole is more important than his conduct within the walls, and the Department of Justice has all those facts somewhere.

Mr. Chairman, if the President had proposed this in the first 60 days of his administration, some 4 years ago, I believe it would have been logical, and I think I would have voted for it. I thought at that time he was for economy. I voted for his economy program. There are two votes I have made since becoming a Member of the House that I regret. One was my vote for economy under Mr. Roosevelt as President, because I do not believe him to be sincere on that proposition. The other vote was when Mr. Hoover asked us to vote for the first German moratorium. That was a bad precedent. I regret those two votes.

Mr. Chairman, we created another bureau yesterday. There is an urgent bill now pending before the Rules Committee which will create another big, independent bureau. It is not reasonable to believe that the people who have been creating these bureaus day after day and week after week are going to start right in now in this reorganization plan and eliminate all of them. I do not think President Hoover went far enough or did enough. On the other hand, I think the present administration has tried about everything. What we needed was to try a few things and carry them through well. What this country needs is a happy medium between these two Presidents. I believe the thought of many in the present administration is that we must do this now, because no one else worthy is ever going to follow. They take the position, "We want to start everything toward Utopia. We might as well get it started now because nobody else worth while is ever going to be elected President." So they start it.

Mr. Chairman, I do not think we ought to vote for this bill because a wagon cannot unload till it is stopped, and this wagon has never stopped picking up new boards and commissions.

I do not think it is in the interest of economy. I do not think anybody is going to economize who has not economized. If I thought this was real economy I would be for it. This bill provides for hens to hover chickens. No chickens will be permitted to die in the cold world.

Mr. BEVERLY M. VINCENT. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Kentucky.

Mr. BEVERLY M. VINCENT. The gentleman stated that Roosevelt went too far, that he went to an extreme.

Mr. LAMBERTSON. Yes; that is so.

Mr. BEVERLY M. VINCENT. The gentleman stated that he wanted to get a man who would come somewhere in between.

Mr. LAMBERTSON. Yes.

Mr. BEVERLY M. VINCENT. What portion of the Hoover administration would the gentleman accept?

Mr. LAMBERTSON. Well, about all of it, but the trouble was we said he did not do enough things. I think he should have done more toward anticipating the conditions which came about. However, we certainly have gone too far. We have tried everything.

I know the gentleman has a good suggestion from our good colleague from Washington. What is it?

Mr. BEVERLY M. VINCENT. Now that the gentleman has answered me on the Hoover administration, what would the gentleman take from the Roosevelt administration?

Mr. LAMBERTSON. What would I take?

Mr. BEVERLY M. VINCENT. Yes; or what would the gentleman discard?

Mr. LAMBERTSON. I have supported many New Deal measures. I have supported probably half of them. I would take all of them I have supported. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, when I came into the Chamber this afternoon I had no definite intention of discussing this bill, but I would not be true to my own feelings if I did not say a word to compliment the committee on its work in reporting the bill that is before us. [Applause.]

Some of us have studied this question of the reorganization of the executive departments of the Government for a great many years. Everybody recognizes the necessity for reorganization, admits that there is great duplication and waste throughout the departments, and that some of the agencies of the Government have even outlived their usefulness and ought to be abolished. This bill approaches the subject in the only practical way there is to get the job done. As a practical matter, it must be done this way or not at all. Anyone who has given any serious consideration to the question knows that.

The Joint Committee on the Reorganization of the Executive Departments of the Government, created back in the Harding administration, of which the distinguished gentleman from New York, Mr. WADSWORTH, then a Senator, and I were members, tried to do it the other way. After exhaustive hearings and study, that committee reported a bill in which the proposed changes were set out in detail. Everyone who took the time to study the report commended the work of that committee, but we were never able to get the bill recommended by the committee considered in Congress. In fairness to that committee, however, I think it can be said that its report laid the foundation for most reorganization proposals since that time. It might be of interest to some to know that that committee recommended the consolidation of the War and Navy Departments into one department, to be called the department of national defense. It also recommended the establishment of one new department, to be known as the department of education and welfare. The gentleman from Ohio expressed the hope this afternoon that the Bureau of Prisons would be taken from under the control of the Department of Justice. That was one of the recommendations of this joint committee in 1924. It recommended that it be taken out of the Department of Justice and put into the new department of education and welfare.

There will always be differences of opinion in the Congress as to what agencies should be transferred, consolidated, abolished, or interfered with in any way. There will never be a time, I suppose, when there will not be two or more political parties represented in this body, and the Chief Executive is bound to be the head of some party so that any bill of this nature will always lead to more or less partisan debate as it has today. Some day Congress will have to act. It ought not to delay doing its part. This bill is before it today, and it ought to be passed.

If the executive departments are ever to be reorganized some one individual, will have to do it because there are always going to be differences of opinion about what should be done. The Chief Executive by virtue of the office which he occupies is the one individual to do the job and he must have a good deal of strength of character and great determination to do it. He will need to take the bit in his mouth, so to speak, to do it, because members of his own official family, as well as others, will strenuously oppose any proposed reorganization which will seriously disarrange their departments. The President will have to resist strong opposition from many sources in order to accomplish any worth-while results even after the passage of this legislation.

Earlier in the session, after the report of the Brownlow committee, I made a talk opposing the recommendation of that committee to put the independent establishments, including the Interstate Commerce Commission, into some department presided over by a member of the Cabinet.

I expressed the hope then that the reorganization committees of the House and Senate would not follow that recommendation of the Brownlow committee and that I would be able to support the legislation this reorganization committee finally reported. The hope expressed at that time has come true and is realized in this bill. The bill reported by the committee is so much better than I feared it would be that I am pleased to take the floor and support it. [Applause.] I congratulate the committee on the bill as a whole and especially upon that part of it which expressly provides that the 12 independent commissions enumerated in the bill shall be left as they are except on the budgetary matter.

I may say, perhaps parenthetically, that it seems to me the reorganization committee got very little help from the report of the Brownlow committee. I am pleased to see that it has ignored the report of that committee as much as it has.

May I say to my Republican friends and others who have expressed alarm over the power which this bill gives to the Chief Executive that I do not read the bill as they do. As I read it, it gives him no affirmative power as far as increasing the jurisdiction or scope of the work of any existing agency is concerned. It gives him an opportunity to limit the power and work, but not to enlarge them. The President is authorized to transfer, consolidate, or abolish executive agencies, but not to enlarge their functions. In addition to that, of course, every agency is limited by the amount of the appropriation for it. It cannot carry on without money. All appropriation legislation fixes the limitation upon the activities of the departments. This bill is similar to legislation passed during the Hoover administration. I supported it then and I support it now. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the balance of the time to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, whenever our good friend and distinguished colleague, the gentleman from Kentucky [Mr. VINSON] believes there is any possible attack being made upon the Democratic administration, he resorts to one thing. He delights to go into the Well of the House and, even with his gestures, try to impress upon the Members and the gallery the sorry conditions which he alleges prevailed in 1932. He delights in picturing graphically all those awful conditions of 1932. He tried to answer our distinguished friend from Missouri today by challenging some of the votes on the Republican side. I was not a Member of this body in those days, so probably I can be bold enough to step out without the chance of the challenge applying to me, but I am wondering whether we cannot bring a challenge back to him, too.

This bill is primarily a matter of good faith. You will have neither economy in administration nor efficiency in administration, no matter how carefully you draw laws, unless there is a real purpose, unless there is an honest desire, unless there is a conscientious willingness on the part of those who are to administer such laws to effect economies in government. Since the present majority is responsible for this legislation, I am wondering why it has not brought into this bill a part of the program the distinguished gentleman's party and the leaders of his party advocated in 1932. I am thinking of the combining of the Departments of War and Navy into a national defense organization or bureau or department. I throw out the challenge to the distinguished gentleman from Kentucky and to his party that no less a personage than our late lovable, honored, and revered Speaker on that occasion urged that there be a combination of these two activities into one.

Here a golden opportunity presents itself. Instead of the creation of an entirely new department, instead of the creation of a department of welfare, adding on one new department with all the attendant retinue of favored sons of the Democratic group, why have you not come in here with a bill stating that you are going to effect some real, honest-to-God economies? Why not some show of sincerity? Instead of doing some shadow boxing and putting up a sham about

what you are going to do, why have you not brought in a program by which you could save 20 percent in the administration of these two departments, according to our late distinguished Speaker?

Mr. Chairman, as I have said, this whole problem is primarily one of good faith. Efficiency and economy are said to be the goals toward which this reorganization program is directed, but I contend that the sincerity of purpose in trying to reach them can best be determined by an examination of the conduct of the present administration in the entire field of governmental agencies. What have you done thus far? What is the New Deal record? Has it increased or has it decreased the expense of government? You know your record. It rises up today to haunt and shame you. You have piled bureau upon bureau and commission upon commission with a zeal and determination, yea, Mr. Chairman, with a frenzy one might say, which would almost put to shame the ambitions of the builders of the Tower of Babel. And, right in point, there has not been a confusion of tongues, but there has been a babel of letters, a confusion of the alphabet, as these alphabetical agencies, conceived, nurtured and wet-nursed by the New Deal have lustily cried for power and pork. I repeat, it is not legislation primarily we need, it is an evidence of sincerity and good faith that the American taxpayer is anxiously and eagerly anticipating. Hope springs eternal. In spite of the disappointments which it has experienced in the New Deal's promises of economy, it is still hopeful. What it wants is actions, not words. And there is no assurance whatever that the present bill will effect one penny of saving. Personally, I fear the reverse may be the result.

I should like to support a program of reorganization, and would do so were there any reasonable assurances that reorganization would be real and substantial, that it would have the spirit of economy and efficiency about it. But I can only estimate and gage the probable results of this gesture by our experience of the past 4 years in the wild orgy of spending and wasting of public funds indulged in by the New Deal. That, I submit, Mr. Chairman, is the only guide a reasonable man can follow—the experiences of the past to determine a future possibility—and when the present administration evidences a real desire, an honest purpose, a sincere endeavor to economize, I will join with it in supporting a program of reorganization as is now suggested.

There comes to my mind the message of the President when he suggested the reorganization of the executive departments. In that message he declared:

> We can prove to the world that American government is both democratic and effective.

That sentence means much. But, as we contemplate the impotency of government, as we recall the complete collapse of governmental agencies as the recent reign of terror spread throughout the industrial cities, as we remember the refusal of the administration to be assertive and active for the maintenance of law and order and the protection of the lives and property of the workingmen of the country, we are forced to question the effectiveness of which the President spoke. And I fear that the impotency which was so manifested in that crisis will be characteristic of the impotency of economical administration under this reorganization bill.

Mr. FRED M. VINSON. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I have only 5 minutes.

Mr. FRED M. VINSON. I was interested to know whether the gentleman would support such a measure.

Mr. DITTER. I shall not only support it, but I will join with the gentleman from Kentucky in bringing about such a result.

Mr. FRED M. VINSON. I am already on record in favor of it, 10 or 12 years ago in the Committee on Military Affairs, and also in 1932 when the matter was before the House.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, this is a bill for the purpose of permitting a regrouping and coordination of agencies of government, for the purpose of bringing agencies of government under budgetary control, and it creates a department of welfare.

These are the three principal features of the bill. Now, this is what it does not do: It does not authorize the reduction of the salaries of Government workers. It will not permit the elimination of their vacations; it will not authorize furloughs or cause reductions in veterans' allowances. It does not mean that W. P. A. or any other temporary agency will be made a permanent arm of the Government unless at a later date we say so. It will not give to this new department any authority to expand the law with respect to education or health or labor or any other activity unless at a later date Congress imposes such duty upon the department.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield for a brief question?

Mr. MEAD. I am sorry; I have only a few minutes, and I want to finish my statement first.

There has been a great deal of talk today about economy, about the failure of the bill that was passed in the Hoover administration and that passed in the early days of the Roosevelt administration. I am for economy, but we realized anything but economy at that time, and the trouble was not with the law.

It is not, in my judgment, the duty or the function of government to economize or to join in a widespread deflationary movement when depression is at its height. That would be following the example of business and would make bad matters worse. The administration learned that early in its efforts to restore economic order, and therefore it looked for a return to prosperity rather than for a futile and stupid balancing of the Budget at that time. The Government cannot balance its Budget when depression is upon us. It must revive industry and relieve suffering.

Today the Government can, with reason and logic, attempt to balance the Budget. It is in order now, because the period of deflation and depression is over and with this law we can prepare for an efficient and economical administration of the various branches and arms of the Government looking toward such a salutary result.

Mr. Chairman, a great deal has been said here today about dictatorship and bureaucracy, but let me say to you that this bill comes before the House after great and prolonged study by some of the best experts on government in the country. The Congress of the United States on a number of occasions has studied this subject. The President's committee has given it unusual thought, the committee headed by Senator Byrd has delved deeply into the subject, the House committee headed by the late lamented Representative Buchanan, of Texas, went deeply into the question and now our committee has given it prolonged study. In my judgment, this is mature legislation and it is essential to the well-being of the Government. It is following a world trend, it is following the business trend, it is following the trend of the forward-looking State governments of the United States. In my State, during the administration of Governor Smith, we had 183 agencies of government. As a result of a study and an effort to bring about efficiency and cooperation of government, under legislation of this character we reduced the number to 18 departments, and today the State is more efficiently operated than it was prior to that time.

Government all over the world, since the termination of the World War and the coming of this complex machine age, has been struggling for effectiveness and efficiency, but, unfortunately, in other parts of the world they have set up dictatorships, while here in our country we are the real bulwark of democratic governments. We have retained all the privileges and prerogatives inherent in our form of government, and the Congress of the United States is not only a real representative body, but it is the determining element in our country. Look all over the world, if you will, even in England, and you will find that as they drifted toward concentrated and centralized government they took the right of veto away from their King. Unmolested by a written

constitution or by a supreme court, similar to the judicial body we have, they pass their legislation and it becomes part of their constitution. Even the power of the House of Lords has been curtailed and, therefore, the House of Commons in England is really the determining power in that land.

This talk of dictatorship has no place here. We retain every parliamentary function that was ever ours, and we retain it in this bill. We proscribe the authority of the President. It is only about 50 percent of the power that was entrusted to President Hoover. We set up a procedure that will give us order and an orderly grouping of agencies of government. Take your Congressional Directory and follow along with me, and you will find that under the heading of "Treasury Department", that at once recommends itself as a department that has to do with the financial activities of the Nation, they have there a bureau that pertains to alcohol; narcotics; to the public health; it has a National Institute of Health; it has the Coast Guard; it has a Procurement or Construction Division; and, likewise, it has a Federal Board for Hospitalization. Then we have in the Interior Department, a department that pertains to land, public parks, mines, and reclamation. It has the Office of Education, the Federal Board for Vocational Training, an insane asylum, a hospital, and a university. It is high time that we make it possible for a President from whom we can expect efficiency in government to exercise the proper means to bring about that efficiency. The reason that President Hoover failed in his regrouping of Federal departments was that he had no proper place to place them. We give the President a department in which to make a grouping of various agencies possible. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired, and the Clerk will read.

The Clerk read as follows:

Be it enacted, etc.,

TITLE I—REORGANIZATION

SECTION 1. (a) Title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended (U. S. C., 1934 edition, title 5, secs. 124–132), is hereby reenacted and is amended in the following respects:

(1) Section 401, as amended (U. S. C., 1934 edition, title 5, sec. 124), is amended by striking out the first paragraph and the words "Accordingly, the" in the second paragraph and inserting in lieu thereof the word "The";

(2) Section 402, as amended (U. S. C., 1934 edition, title 5, sec. 125), is amended by inserting after the word "establishment," the words "corporation owned or controlled by the United States," and by changing the period at the end of the section to a comma and inserting thereafter the following: "but shall not include, except as to the function of preparing estimates of appropriations, the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, the Securities and Exchange Commission, the Federal Communications Commission, the National Labor Relations Board, the National Bituminous Coal Commission, the United States Maritime Commission, the Engineer Corps of the United States Army, the Coast Guard, the General Accounting Office, and the United States Tariff Commission.";

(3) Section 409, as amended (U. S. C., 1934 edition, title 5, sec. 132), is stricken out.

(b) No Executive order issued by the President under the authority of subsection (a) of this section shall become effective unless transmitted to the Congress within 2 years from the date of the enactment of this act.

Mr. RANKIN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Page 2, line 15, after the word "Board" and after the comma, insert "Rural Electrification Administration" and a comma.

Mr. FRED M. VINSON. Mr. Chairman, I make the point of order that the amendment comes too late.

The CHAIRMAN. The Chair overrules the point of order.

Mr. RANKIN. Mr. Chairman, what I am trying to do here is to except from this reorganization the Rural Electrification Administration. There is no reason why you should except the Labor Relations Board, the Federal Power Commission, and other such agencies, and at the same time not except the one organization in this Government that is doing more for the American farmer than any other instrumentality that we have created since this administration has been in power.

This amendment does not add to or take from the powers of the Rural Electrification Administration, but it guarantees that it shall remain in its present status. We created it as an independent organization to carry on the great work it is now performing and not have it made into a bureau or a subbureau of some department of the Government that might not be in sympathy with the work it is now doing.

I do not hesitate to say that under the leadership of John M. Carmody the Rural Electrification Administration has made greater strides within the last 6 months and has grown more in the hearts of the American farmers than any other organization connected with this Government. I am not willing to see this great organization made into a bureau of some department of the Government that might not be in sympathy with its present program if I can prevent it. I want to see it continue as it is today, in order that it may continue the work it is now doing of making the American farm home more livable, more attractive, more pleasant, and more convenient for the people who till the soil.

Mr. McCLELLAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. McCLELLAN. Does the gentleman apprehend that if it is not exempted the President will interfere with it in some way?

Mr. RANKIN. I do not know what the object of this bill is.

Mr. McCLELLAN. That is what I have been trying to find out.

Mr. RANKIN. I will say to the gentleman from Arkansas that I know how the President feels about rural electrification. I believe I know as much about his sentiments on that proposition as any other man in the House. I know how he feels toward this organization, but we must remember that the President is only one man. He must get advice from some of his subordinates, and there are some of his subordinates whose advice I would not want to take on rural electrification, and there are some subordinates I should regret to see get control of the Rural Electrification Administration.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. No. I cannot yield to the gentleman from Kentucky.

Mr. MAY. But I want to agree with the gentleman from Mississippi.

Mr. RANKIN. Well, that shakes my faith in my position a little, but I will yield. [Laughter.]

Mr. MAY. I want to agree with the gentleman when he said he did not know just what this bill meant.

Mr. RANKIN. O Mr. Chairman, with that innocuous concession——

Mr. MAY. And to call attention to the fact that the gentleman from New York has just said——

Mr. RANKIN. Mr. Chairman, I cannot yield further.

I am fighting for the American farmer, the American farm men and women, the people who live in the rural sections, and I believe the best thing we can do is to adopt this amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WARREN. Mr. Chairman, I rise in opposition to the amendment.

In the first place, Mr. Chairman, this amendment has nothing to do with the American farmer or American farm women or anything of that order. This and other similar amendments is a test on this measure, Mr. Chairman. Rural electrification was set up by the present Executive as a temporary agency, and by act of Congress several months ago was made permanent. It is purely an administrative agency under the executive department, and it does not in any way, shape, or form come within the purview of the exemptions which we have made in that section and that title.

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. WARREN. Yes; I yield.

Mr. RANKIN. The Rural Electrification Administration was created by statute, by act of Congress approved May 20, 1936. It is not merely an administrative creation.

Mr. WARREN. I have just told the gentleman from Mississippi that it was originally set up as an emergency agency and then made permanent by statute. But it is an administrative agency under the executive department, and it does not come within the purview of the exemptions we have put in there. I want to be entirely frank with the Committee, and say to those who desire to see this bill pass, to those who desire it to accomplish what we hope it will accomplish, if we exempt one administrative agency, then, personally, I do not see any reason why every single one in the Government should not be exempted.

Everyone knows that the present Executive considers rural electrification as one of his star propositions during this administration. Certainly he is not going to lay profane hands upon it and destroy it. The gentleman from Mississippi, a strong friend of rural electrification, must know that; but there is no reason on the face of the earth why rural electrification should not be put under some cabinet head and made accountable to it.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. WARREN] has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The amendment was rejected.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order for 3 minutes and donate the other 2 minutes to the clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. WARREN. Reserving the right to object—I shall not object in this one instance, but after that I will object to anyone proceeding out of order.

The CHAIRMAN. Is there objection?

There was no objection.

JUSTICE HUGO L. BLACK

Mr. MARTIN of Colorado. Mr. Chairman, a majority Member of this body is quoted in the public press as saying that the nomination of Senator HUGO L. BLACK to the Supreme Court "is the worst insult that has yet been given this Nation." A minority Member on the floor this afternoon took occasion to reflect on that appointment and on the President for making it.

Mr. Chairman, I would remind those persons and interests who are criticizing in public and cursing in private the nomination of Senator HUGO L. BLACK to the Supreme Court, that his case exactly parallels that of Justice Brandeis. When Justice Brandeis was appointed to the Supreme Court by Woodrow Wilson, he was considered and denounced as tainted with anarchistic philosophies. It was a terrible jolt to Wall Street. Wall Street saw the pillars crumbling. But long since, when it became necessary to remind the country that the Supreme Court, too, is respectable, Justice Brandeis has been put in as exhibit A.

During the past 40 years the names of three men on the Supreme Court have preserved that institution from falling into serious disfavor. These men were Harlan, Holmes, and Brandeis. The corporations, it is true, got the decisions, but the people got the dissenting opinions. The corporations ought to thank their stars for the dissenting opinions. The people ate them for bread. The dissenting opinions appeased the hunger of the people and fostered hope.

When it is necessary to come to the rescue of the Supreme Court, nobody ever mentions Shiras, Peckham, Van Devanter, Butler, Sutherland, McReynolds. It is always Harlan, Holmes, and Brandeis, who seldom got their names on the long end of the 5-to-4 decisions.

It is my wish for Justice BLACK that on the Supreme Court he may fulfill the brilliant promise of his senatorial career as a great lawyer and as a progressive and courageous statesman, whose vision is adjusted to the trends and needs of the times; that he may add his name to the small but illustrious list of men who have written the dissenting opinions; but that he may write the majority opinions. [Applause.]

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 2, line 19, after the word "Commission", insert a comma and the words "the Forestry Service in the Department of Agriculture."

Mr. MOTT. Mr. Chairman, the purpose of this amendment is to include in the list of exempted agencies the Forestry Service of the Department of Agriculture. I mentioned this in connection with my general remarks on the bill a few moments ago, and I wish now to go a little more into detail.

Let me say in the first place that those who are familiar with the subject know that a controversy over the administration of the national forests has been going on for years, long prior to the incoming of this administration, between the Department of the Interior and the Department of Agriculture. Those familiar with the situation know that if this bill is passed without the Forestry Service being exempted that the Forestry Service will be passed over to the Interior Department.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MOTT. My time is too short; I am sorry I cannot yield.

This is a question so controversial and so important to the States—to every State in the Union—that the Congress itself certainly should have an opportunity to decide the question for itself. A bill proposing the transfer of the Forestry Service from the Department of Agriculture to the Department of the Interior is before a committee of the Senate at the present time and I believe a like bill is also before a committee of the House. Such a bill was before the House committee at the last session. So within a reasonable time in the near future this matter will come before the Congress for consideration and disposal. It is a matter which concerns the Congress and which is exclusively in the jurisdiction of the Congress. Why, I ask, should we tell the President to decide it for us?

The national forests of the United States, comprising millions of acres, and constituting the greatest single source of timber supply in the United States, if not in the world, are located in almost every State of the Union. In many of the great timber States the national forests comprise the main source of timber supply. In my own State, for example, and I think also in the State of Washington, the pay roll of the timber industry comprises more than 60 percent of the entire industrial pay roll of those States. It is one of the most important subjects to the timber-producing States that could possibly come before the Congress.

This vast domain for 40 years has been administered by the Department of Agriculture under a conservation philosophy unique in the history of this country, and which was evolved and developed and perfected by the Department of Agriculture. That Department has a trained force of thousands of men, the most expert in their line in the world, who have been responsible for making this timber supply the important thing that it is in every State in the Union. The Department to which these forests will be transferred if this bill becomes law has no experience and it has never exhibited any interest in the forestry philosophy and practices which are responsible for the national forests today.

Whether this transfer is to be made or not should be for this Congress to decide. We have no right to shirk our responsibility, and we ought to retain it by including the Forest Service among the governmental agencies exempted from the operation of the bill.

[Here the gavel fell.]

Mr. MOTT. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. WARREN. Mr. Chairman, I want to be entirely courteous and fair. We have had considerable general debate,

and I shall have to object to extensions under the 5-minute rule, including requests from members of the committee. Mr. Chairman, I object.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from New York [Mr. TABER] spoke a few moments ago in reference to propaganda that might develop as a result of the creation of the Department of Public Welfare. I hold in my hand a sample of the propaganda that started 2 days after the President's message came to the Congress, propaganda by the forestry organization. They called meetings here in Washington. Here are photostatic copies of letters that went out. They are the ones who bore down upon your State organizations to send to you and to me telegrams and letters opposing the President's campaign.

The gentleman from Oregon states that the Forest Service is going to be transferred. How does he know? How does he know whether it is going to be transferred or not? The President did not inform our committee, and surely he did not so advise the gentleman from Washington.

Mr. MOTT. I will answer the gentleman's question directly, how I know.

Mr. COCHRAN. Mr. Chairman, I refuse to yield.

The activities should be consolidated somewhere, no matter where, for 14 separate agencies of the Government today are handling forest lands.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Mr. Chairman, I refuse to yield. Let me show you how the administration of our forests is scattered:

First. The National Forest Service, Department of Agriculture, administers 174,198,902 acres of land, of which about 70 percent is wooded.

Second. The National Park Service, Interior Department, administers 15,491,671 acres, of which 6,637,881 are forested and under the management of a branch of forestry.

Third. The Office of Indian Affairs, Interior Department, has a Division of Forestry and Grazing. Under this division there are 13,927,316 acres of wooded land.

Fourth. The Civilian Conservation Corps, an independent agency, administers camps for forest and other conservation work, with the cooperation of the Forest Service, the Park Service, the Indian Office, and the United States Army.

Fifth. The Quartermaster Corps, United States Army, administers areas of forest land on military reservations (examples are Fort Meade and Fort Belvoir, near Washington).

Sixth. The Resettlement Administration, Agriculture, through the purchase of submarginal lands, has come into the administration of both wooded and submarginal agricultural areas.

Seventh. The Biological Survey, Department of Agriculture, administers a total of 11,492,165 acres, of which less than 1 percent is in forest land.

Eighth. The Soil Conservation Service, Department of Agriculture, has a section on Woodland Management, under the Division of Conservation Operations.

Ninth. The National Arboretum, here in Washington, under the Bureau of Plant Industry, Department of Agriculture, is concerned with research on plants and forest matters.

Tenth. The Tennessee Valley Authority has a forestry division with 130 employees, with a current budget of $521,000.

Eleventh. The Grazing Division, Interior Department, and, twelfth, the Public Land Office, administer approximately 110,000,000 acres of public lands, much of which is similar to the lands contained in the national forests and parks, which also are used for grazing.

Thirteenth. The Extension Service, Agriculture, in cooperation with the States, carries on educational work relating to the promotion of farm forests and wood lots.

Fourteenth. The R. F. C. has authority to make loans for the protection and development of private forests.

In addition many other bureaus and divisions carry on activities affecting public and private forests. Some of these are: Bureau of Entomology and Plant Quarantine, Bureau of Plant Industry, Bureau of Public Roads, Engineer Corps, Federal Power Commission, Bureau of Reclamation, Works Progress Administration, and others.

Forestry activities at present are spread over 14 separate agencies of the Government, listed above. In addition, a large number of other agencies are administering activities more or less closely related to forestry. In many the duplication and overlapping is more or less unavoidable and should not be the occasion for any concern, but in other cases there is wasteful duplication and overlapping, leading to internal strife and conflict. There are many instances of national forest lands divided into two parts by an imaginary line; on one side is a national forest, on the other a national park, each with an entirely separate force, with separate equipment, and to some extent with conflicting policies and plans. Millions of acres of land are administered for grazing by the Forestry Service, while other millions of acres are administered by the Grazing Division of Interior. Now Resettlement Administration is acquiring large bodies of grazing lands and the Office of Indian Affairs also administers some grazing lands.

All of this goes to show the need for a careful consideration of the administrative organization of the Government, and the vesting of adequate authority and responsibility in the President to consolidate identical or similar activities where this can be done without other unfavorable results. If the forestry activities, including grazing and other parts of forest administration, were exempted, it is easy to see how any real reorganization would be defeated.

Every head of an agency of the Government thinks that his activity is the most important function of the Government, and that it should be left alone where it is. This is readily understood. They all think that reorganization is a fine thing, provided they are given a special exemption, though most of them can tell you of two or three activities which ought to be transferred to them. If the numerous requests for exemption are granted, no power at all will be granted to the President and no reorganization can be made. In the 1933 act no exemption whatever was made. We have gone quite a ways here in trimming the authority granted to the President. If we open the door, all of the independent agencies will want to come in for an excepted position. Those who are most insistent are the ones which most fear some reorganization, and are probably the very ones which should be reorganized.

Mr. Chairman, this amendment should be defeated. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. MOTT].

The question was taken; and on a division (demanded by Mr. MOTT) there were—ayes 34, noes 130.

So the amendment was rejected.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Page 2, line 18, after the comma following the word "office", insert "the Civil Service Commission."

Mr. RAMSPECK. Mr. Chairman, I am not offering this amendment for the same reason the other amendments were offered, which was to exempt certain bureaus from the right of the President to reorganize.

Mr. Chairman, the President's message dealt with four different subject matters, as I recall it. One of them specifically treated was the Civil Service Commission, for which he outlined a very definite program of reorganization, and this committee has now pending before it a definite bill, under the leadership of the gentleman from New York [Mr. MEAD]. If I am wrong, I ask to be corrected now. Therefore, it seems to me it is absolutely foolish for this committee to vote general authority to the President to abolish the Civil Service Commission or to reorganize it, or to

abolish its functions, when the very committee that brings in this bill is planning within a few days to bring in another bill which will deal solely with the subject matter I am now discussing, to wit, the Civil Service Commission. Therefore, I think it ought to be taken out of this bill; otherwise we are going to be in the position of considering a separate bill for the Civil Service Commission within a few days and leaving in the hands of the President under this authority the right to change that bill right after we have acted on it.

Mr. Chairman, I cannot see any reason why the Civil Service Commission should be included in this general authority, when the committee which brought in this bill is planning to bring in a separate bill creating a civil service administrator and abolishing the Civil Service Commission. In that bill we will deal definitely with the question of the Commission and the rights of the employees of this great Government of ours which are controlled by that body.

Mr. Chairman, I hope the committee will accept the amendment because it is in line with the exemptions in this language involving the General Accounting Office which it is expected will be dealt with by a separate bill.

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Civil Service Commission is an executive agency and, as such, is purely an arm of the Executive. The subcommittee of which I am chairman has in preparation a bill that deals with this particular subject. We have in mind in that bill the establishment of a board, which will consider the policy of this particular agency. There will be also a civil-service administrator, and, as I see it, from the character of the bill, there will be no consolidation or grouping of the civil service with any other department of the Government. We have a separate proposal that I hope will be placed before the House within a few days dealing with this general subject. If it is the desire of the House at that time to exempt the Civil Service Commission and set it up as an entity of its own, why, of course, that will be acceptable to the committee if it is the will of the majority of the membership. In view of the fact that we, both in our committee and now in the Committee of the Whole, have established a precedent excluding these purely executive agencies from inclusion in this bill, and for the further reason we will have a bill dealing with the Civil Service Commission before us in a few days, I trust the House will maintain a consistent position and in doing so vote down this and similar amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 2, after line 21, insert the following:

"(4) Section 407, as amended (U. S. C., 1934 edition, title 5, sec. 130), is amended by changing the period at the end of the section to a colon and adding the following: '*Provided, however*, That if any committee of either the Senate or House having jurisdiction of legislation relating to any of the executive agencies proposed to be regrouped, consolidated, transferred, or abolished, or relating to any of the functions of any such agency, shall report a concurrent resolution within said period of 60 days, relating to said Executive order, or any part thereof, then further proceedings under said Executive order as to the matter covered by said concurrent resolution shall be stayed unless and until said concurrent resolution is finally rejected by the Congress.'"

Mr. BLAND. Mr. Chairman, the purpose of this amendment is to give effect to section 407 of the bill. Without this amendment the section is meaningless. Section 407 does not appear in the text of the bill but appears in the report. It provides that when the Executive shall have regrouped or consolidated or transferred or abolished agencies and shall have decided upon what he is going to do, he shall submit that Executive order to the Congress while in session. It is provided further that the Executive order shall not become effective until after the expiration of 60 calendar days after such transmission unless Congress shall by law provide for an earlier effective date.

If an amendment such as I propose is not accepted, the submission of the order to Congress is a meaningless gesture. Congress can do nothing except accelerate the action of the Executive. What I am suggesting is that Congress shall have power to do that which evidently section 407 intends. If any committee having jurisdiction of the subject shall decide that matter should not go into effect, and should report a concurrent resolution, then that portion of the order will be stayed until the matter is heard. If you gentlemen have ever attempted to get a hearing on a bill, you will know that it is necessary to get the approval of the Committee on Rules. Unless the majority of the Committee on Rules within that period of 60 days shall give you the right to have your resolution heard, you are absolutely powerless. The 60 days pass and the Executive order goes into effect. This will be a lever over the Rules Committee to grant a rule on that resolution when it is reported to Congress to bring the matter to a hearing. My amendment gives the Congress the right to exercise the power that evidently was intended by section 407.

In other words, it simply carries out and makes effective the power supposed to be given by this bill. Without my amendment this portion of the bill is an idle gesture. The President might just as well put the order into effect while Congress is in recess, because you have no power to do anything. If you report a resolution, you cannot do anything so long as a majority of the Committee on Rules refuses to give you a rule within the 60 days.

[Here the gavel fell.]

Mr. FRED M. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know that the Committee on Rules of the House of Representatives needs to have a club held over its head to cause it to report out a rule for the consideration of reorganization legislation which will maintain the integrity and the dignity of the House of Representatives. If I heard correctly the statement of my friend, the gentleman from Virginia [Mr. BLAND] he stated this provision would be a lever to force consideration by the Committee on Rules and to force it to report legislation coming from a committee of the House or the Senate having jurisdiction of matters relating to reorganization.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield to the gentleman from Virginia.

Mr. BLAND. The reason is that there is a 60-day limitation.

Mr. FRED M. VINSON. I understand; but if there is one committee in the House which fights to maintain the responsibility of the House, it seems to me it is the Committee on Rules.

I submit that the language involved herein, section 407, which we are reenacting, is the identical language contained in the resolution passed in 1933 with respect to the power given in the Reorganization Act at that time.

I submit that any legislation looking toward reorganization considered by the select committee of either House or Senate is privileged and no rule is required. It could be reported any time and taken up in House or Senate as privileged matter without a rule.

Therefore, Mr. Chairman, I ask that this amendment be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

Mr. CALDWELL. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. All time for debate on the pending amendment has expired. The Chair will dispose of this amendment first.

The question is on the motion of the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. CALDWELL) there were—ayes 63, noes 104.

So the amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. BOILEAU: Page 2, after line 25, insert the following new section:

"SEC. 2. (a) There is hereby established at the seat of government an executive department to be known as the Department of National Defense, at the head of which shall be a Secretary of National Defense, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive the same compensation as other heads of executive departments.

"(b) There shall be in the Department of National Defense three Assistant Secretaries, to be appointed by the President by and with the advice and consent of the Senate. Such Assistant Secretaries shall receive compensation at the rate of $10,000 per annum. They shall be known, respectively, as the Assistant Secretary for the land forces, the Assistant Secretary for the naval forces, and the Assistant Secretary for the air forces. Each Assistant Secretary shall perform such duties as may be prescribed by the Secretary or required by law, and, so far as practicable in the administration of the Department of National Defense, each such Secretary shall, under the general direction of the Secretary of National Defense, have charge of the administration of that branch of the national defense indicated by his title.

"(c) Section 158 of the Revised Statutes is amended to include the Department of National Defense, and the provisions of title IV of the Revised Statutes, as now or hereafter amended, shall be applicable to the Department.

"TRANSFER OF WAR AND NAVY DEPARTMENTS AND COORDINATION OF ACTIVITIES

"SEC. 3. (a) The Department of War and the Department of the Navy, and all that pertains thereto, are transferred to the Department of National Defense, and the Department of War and the Department of the Navy shall cease to exist as separate executive departments.

"(b) The offices of Secretary of War, Secretary of the Navy, Assistant Secretaries of War, and Assistant Secretaries of the Navy are abolished, and the functions, powers, and duties vested in and imposed upon such officers are hereby vested in and imposed upon the Secretary of National Defense.

"SEC. 4. The Secretary of National Defense is authorized, for the purpose of perfecting the organization and coordinating the activities of the Department of National Defense, for the purpose of eliminating duplications, obsolete activities, aggressive warfare agencies, and unnecessary expense, and for the purpose of carrying out the provisions of the declaration of policy set forth in section 1 of this act—

"(a) To consolidate, eliminate, or redistribute the functions of offices, bureaus, agencies, branches, and organizations, to create new ones, and fix the powers, duties, and functions of their executive heads;

"(b) To take such other action, consistent with the provisions of this act, as he may deem necessary; and

"(c) To recommend to Congress from time to time such legislation as he deems necessary to perfect such organization and coordination.

"MISCELLANEOUS

"SEC. 5. (a) The Secretary of National Defense shall cause a seal of office to be made for the Department, of such device as the President shall approve, and judicial notice shall be taken thereof.

"(b) The administration of the Department of National Defense shall be governed by the laws in force with respect to the Department of War and the Department of the Navy at the time of their transfer under this act, insofar as such laws are not inconsistent with the provisions of this act and are not inapplicable.

"(c) All orders, rules, regulations, and permits or other privileges made, issued, or granted by or in respect of the Department of War or the Department of the Navy, and in effect at the time of the transfer of such Departments under this act, shall continue in effect to the same extent as if such transfer had not occurred until modified, superseded, or repealed.

"(d) All unexpended appropriations in respect of the Department of War or the Department of the Navy shall be available for expenditure by the Department of National Defense and shall be treated as if the Department had been originally named in the laws making the appropriations.

"TIME OF TAKING EFFECT

"SEC. 6. This act shall take effect upon its enactment, except that sections 3 to 5, inclusive, shall take effect when the Secretary of National Defense and the Assistant Secretaries of National Defense have taken office."

Mr. BOILEAU. Mr. Chairman——

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

Mr. BEAM. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BOILEAU. Mr. Chairman, I make the point of order that the point of order comes too late.

The CHAIRMAN. The point of order comes too late. The Clerk had finished the reading of the amendment, the gentleman from Wisconsin has started his statement, and no one else was on his feet seeking recognition.

Mr. BOILEAU. Mr. Chairman, may I have the attention of the gentleman from Kentucky [Mr. FRED M. VINSON]? He was here a moment ago. I hope he will be here to help us on this amendment. I do not see him now. I know he must be temporarily absent, because this concerns a matter in which a few moments ago he expressed a genuine interest, stating that for the last 12 years he has been advocating the consolidation of the Army and Navy into one department, the Department of National Defense. This is exactly what this amendment does. I am pleased that my distinguished friend, the gentleman from Pennsylvania, is here on the floor. I am sure he will do all he can to bring about the adoption of this amendment, because it is in accord with his hopes.

I see the gentleman from Kentucky is here now. May I call his attention to the fact that I have an amendment here to carry out the purpose expressed a short time ago by the gentleman of consolidating the Army and Navy into one department, the Department of National Defense.

May I say to the Members of the House, and particularly the minority Members, that this amendment is a part of a bill I have introduced for the past 2 years, known as H. R. 1488. There are some other provisions in the bill which I know may be objectionable to many of you, but the part of the bill I have here now as an amendment is practically identical with the language of a bill introduced by the late lamented Speaker Byrns. This amendment has been drawn up by the drafting service of the House, and is well prepared. I take no pride of authorship in this much of the bill.

Mr. FRED M. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. FRED M. VINSON. I want to know what changes there are between this bill and the other bill the gentleman mentioned.

Mr. BOILEAU. I think I can say with absolute certainty, and I am not trying to deceive the House, that the only change is in the name, in calling it the Department of National Defense. I think we have accepted that bill 100 percent in so much of the bill as I am offering here now as an amendment. If the statement I am making is in error, I may say that I believe the bills are substantially the same.

Mr. FRED M. VINSON. It is a very serious matter as to exactly what the bill does.

Mr. BOILEAU. I will tell the gentleman what it does. It provides for a Department of National Defense. It consolidates the work of the War Department and the Navy Department, and consolidates the appropriations. It provides for the creation of an Assistant Secretary for the Navy, an Assistant Secretary for the land forces, and an Assistant Secretary for the Air Corps. In that respect it might be somewhat different from the original Byrns bill, but I do not think so.

This bill is one that I am sure will appeal to the gentleman from Kentucky [Mr. VINSON]. I know he wants it, because it is exactly what he has been advocating for 12 years.

Mr. FRED M. VINSON. The trouble is the gentleman from Kentucky cannot know whether it is what he has been advocating or not, because the gentleman from Wisconsin is not certain about what is in it.

Mr. BOILEAU. I can tell the gentleman what is in the amendment, and I have explained just what it does, but as compared with the Byrns bill I do not want to make any misstatement in comparing the amendment with that bill.

The amendment which I proposed consolidates the Army and the Navy into a department of national defense. It abolishes the present War and Navy Departments and creates the one department and also creates an assistant secretary for the land forces, an assistant secretary for the naval forces, and an assistant secretary for the air forces, all of whom shall be coordinated under the Secretary of National Defense, who shall supplant the two men who are now in the Cabinet, and he shall be a Cabinet officer with the same pay and rank and everything else.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MOTT. To what committee was the gentleman's bill referred when it was introduced?

Mr. BOILEAU. It was referred to the Committee on Expenditures in Government Departments because it was introduced in this session just prior to the creation of this special committee; otherwise, it would have been referred to the special committee. However, this is a subject matter that no Member can claim ignorance about, because it is something that we all know about. If there is a single Member of this House who has not given thought to consolidating the Army and the Navy into one department he has been derelict in his duty.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may proceed for 3 additional minutes.

Mr. WARREN. I must object to that, Mr. Chairman.

Mr. BEAM. Mr. Chairman, I am sure my good friend the gentleman from Wisconsin is utterly misinformed as to the philosophy of this bill.

Mr. BOILEAU. Of my bill? Will the gentleman yield on that?

Mr. BEAM. The bill which the gentleman from Wisconsin proposes as an amendment was defeated in the House 2 years ago and there has been no request by the President of the United States or any of the respective departments to consolidate these two branches of the Government at this particular time.

These are two distinct Cabinet officers and the intendment of the reorganization bill is not to consolidate these two major departments. Ample time should be taken and sufficient testimony heard by the respective committees of the House, on a matter so far reaching as the gentleman proposes in his amendment.

I may say there are four pages of printed matter in the amendment and before an intelligent vote could be taken by the House sufficient opportunity should be afforded for a complete and detailed study of the effect such a contemplated consolidation of the Army and Navy, would have on the country.

I hope, in view of all the facts, that the committee will overwhelmingly reject the amendment.

Mr. DITTER. Mr. Chairman, I move to strike out the last word of the amendment.

The CHAIRMAN. The gentleman will have to submit his amendment in writing at the desk.

The question is on the amendment offered by the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Is it necessary in offering a pro-forma amendment to have the amendment in writing? I want to know this as a guide for the rest of the session. Is it necessary in Committee of the Whole House on the state of the Union to submit a pro-forma amendment in writing?

The CHAIRMAN. It is necessary when the Chair so rules, and the Chair so rules now.

Mr. BOILEAU. The Chair is going to have occasion to so rule later on.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 51, noes 122.

So the amendment was rejected.

The Clerk read as follows:

TITLE II—BUDGETARY CONTROL

SECTION 201. Section 2 of the Budget and Accounting Act, 1921 (U. S. C., 1934 ed., title 31, sec. 2), is amended by inserting after the word "including", the words "any independent regulatory commission or board and."

Mr. WARREN. Mr. Chairman, I ask unanimous consent that title III, which comes next in the bill, be considered as read and open to amendment to any part of it, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection?

Mr. BOILEAU. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, will the gentleman reserve his objection?

Mr. BOILEAU. Certainly.

Mr. TABER. Mr. Chairman, the object of this request on the part of the gentleman from North Carolina is so that we may have one vote on a motion to strike out the whole title, and that anyone may have an opportunity to offer any amendment he may see fit. Otherwise, if I wanted to strike out that whole title, I would have to offer an amendment to each section. With that explanation would the gentleman be willing to withdraw his objection?

Mr. BOILEAU. Mr. Chairman, I withdraw my objection.

Mr. TABER. Would the gentleman from North Carolina also incorporate in that request that it may be possible to offer an amendment to strike out the title?

Mr. WARREN. Certainly.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Title III is as follows:

TITLE III—THE DEPARTMENT OF WELFARE

SECTION 301. There shall be at the seat of government an executive department to be known as the Department of Welfare, and a Secretary of Welfare, who shall be the head thereof, and shall be appointed by the President, by and with the advice and consent of the Senate, and have a tenure of office like that of the heads of the other executive departments. Section 158 of the Revised Statutes, as amended (U. S. C., 1934 edition, title 5, sec. 1), is amended to include such Department and the provisions of title IV of the Revised Statutes, including all acts amendatory and supplementary thereto, shall be applicable to such Department.

SEC. 302. There shall be in the Department of Welfare an Under Secretary of Welfare and two Assistant Secretaries of Welfare who shall be appointed by the President, by and with the advice and consent of the Senate, and a Solicitor, who shall be appointed by the Secretary of Welfare, and all of whom shall exercise such functions as may be prescribed by the Secretary of Welfare or required by law.

SEC. 303. The Secretary of Welfare shall promote the public health, safety, and sanitation; the protection of the consumer; the cause of education; the relief of unemployment and of the hardship and suffering caused thereby; the relief of the needy and distressed; the assistance and benefits of the aged and the relief and vocational rehabilitation of the physically disabled; and in general shall coordinate and promote public health, education, and welfare activities.

SEC. 304. The Secretary of Welfare shall cause a seal of office to be made for his Department, of such device as the President shall approve, and judicial notice shall be taken of such seal.

SEC. 305. The Secretary of Welfare shall annually, at the close of each fiscal year, make a report in writing to the Congress, giving an account of all money received and expended by him and his Department and describing the work done by the Department. He shall also from time to time make such special investigations and reports as he may be required to make by the President, or by the Congress, or as he himself may deem necessary.

Mr. TABER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 3, line 6, to page 4, line 22, inclusive, strike out all of title III.

Mr. TABER. Mr. Chairman, personally I am in favor of title I of this bill. I believe that is the only way that you can get rid of some of these agencies. I hope something will be done, but I do not know. This idea, however, of creating a new department is a move in extravagance and consolidated propaganda, and the creation of new activities making them permanent is something that I cannot go along with. I call the attention of the House to four or five words from line 5 to line 7 on page 4. This creates as a permanent Federal activity the relief of unemployment, the relief of the needy and distress, the very thing that the President of the United States told us last fall he hoped the Federal Government would get out of as soon as it could. This is a proposition to create a new department which can have transferred to it activities costing the Government anywhere from two and a half to four billion dollars, and making a permanent charge upon the Government, and authorizing money to be appropriated therefor for permanent relief activities. I hope this House will vote down and throw out this section.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MAY. As a matter of fact, title III of this bill is merely a wastebasket into which to throw all of the other emergencies and continue Federal relief.

Mr. TABER. And under that to create a propaganda organization the like of which this country has never seen, and which would be irresistible.

Mrs. ROGERS of Massachusetts. And would it not also mean that the Government would take over the education of the children of the country?

Mr. TABER. Of course. If this bill is passed with this section in it, it would be absolutely impossible to forbid the Federal Government from getting its fingers on every icta of education.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. McCORMACK. I am very much interested in that and I would like to have the gentleman's views as to how that is so.

Mr. TABER. It would be authorized to take over all education and welfare activity. These education department fellows are always reaching out for more and more power.

Mr. FRED M. VINSON. Is not this true, that with reference to the cause of education the language in this act neither adds to nor takes away from any law now on the statute books?

Mr. TABER. That is correct as far as the actual transfer goes, but it creates this tremendous propaganda organization that will reach out in all directions and be uncontrollable.

Mr. PALMISANO. Is it not true that under this section the Capper-Reed Act that has been kicking around here for 30 years could be reenacted.

Mr. TABER. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes; with pleasure.

Mr. KNIFFIN. Does not the gentleman believe that one propaganda agency would be less offensive than 25 that now exist?

Mr. COCHRAN. I was just going to speak on that subject. There are at the present time 25 welfare agencies scattered all over your Government. The purpose of this recommendation from the President's Committee is to bring them together.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a moment. You have these agencies administered for the welfare of the people of the country. A number of them have come up during the depression. One does not know what the other is doing, and there would be absolutely no way for the President of the United States to find out.

A list of the welfare activities of the Government will demonstrate the extent, the permanence, and the absurd distribution of the existing welfare services of the Government. They have been listed in detail in a recent report of the Senate Select Committee to Investigate the Executive Agencies of the Government. The list follows:

In the field of labor:

The Bureau of Labor Statistics, the Women's Bureau, the Division of Labor Standards, the Conciliation Service, the Employment Service, the Unemployment Insurance Unit of the Social Security Board, the Immigration and Naturalization Service.

In the field of education:

The Office of Education, and Howard University, and the Columbia Institute for the Deaf; the Division of Vocational Education of the Office of Education (which division might also be placed in the field of labor).

In the field of public health:

The United States Public Health Service; Freedmen's Hospital, and the Government Hospital for the Insane.

In the field of relief:

The Social Security Board's work in the field of old-age assistance, old-age security insurance, and relief for the blind.

What remains of the Federal Emergency Relief Administration.

What remains of the Works Progress Administration after the emergency is over, especially its research and fact-finding agencies.

The overhead organization of the Civilian Conservation Corps.

The National Youth Administration, or what remains of it.

In the field of child welfare:

The Children's Bureau including its work under the Social Security Act.

All the agencies enumerated above have interrelated activities and objectives. Most of them have intimate relationships with the States, including very generally the administration of grants-in-aid for welfare activities.

This list is not a list of activities which should be transferred to the new department. It was drawn up for the Senate committee as a statement of Agencies Concerned with Public Welfare. It obviously includes a number of activities which no President would think of transferring to a welfare department, and no Congress would permit. It does show, however, that there are more than 25 welfare activities at the present time, without counting emergency welfare and relief services scattered through 6 of the 10 departments, including such absurd allocations as Health to the Treasury, and Education to the Interior. It shows that the great majority of these welfare activities are permanent and are regularly spending over $130,000,000 annually, excluding emergency welfare expenditures; it shows that there is no logical place for them in the Government at the present time; and that the permanent welfare activities, therefore, cannot be represented properly in the Cabinet or brought together in any coordinated fashion. It is these glaring facts which justify and compel the creation of a new department to bring order out of this disorder and coordination and efficiency out of this chaos.

The recent establishment of the Social Security Board with its extensive, permanent responsibilities is the final step which makes it impossible to continue as we are now. Irrespective of the emergency agencies, therefore, a new department with Cabinet representation is now in order to deal with the central problem of public welfare.

PROTECTION OF THE CONSUMER

There are in the Federal Government three agencies which have been organized for the consumers' protection. They are: The Consumers' Project in the Department of Labor; the Consumers' Council in the Bituminous Coal Commission; the Consumers' Council in the Agricultural Adjustment Administration, Department of Agriculture.

If the Government is to successfully carry on this work, it must be consolidated under a single head and be placed in a department which does not have a primary responsibility to other economic groups whose interests are distinct from, or conflict with, the interests of the consumers. The heads of each of these agencies, I am informed, are in agreement that their activities should be combined to avoid duplication of effort and permit the coordination of consumers' services. The proposed Department of Welfare will deal with that portion of the general public whose welfare as consumers stands in greatest need of protection by the Federal Government. Consideration of consumers' interests will also be of considerable importance in the administration of many of the major activities of this Department. It is therefore made the duty of the Secretary of Welfare to protect and promote the interests of all consumers.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. McCORMACK. The gentleman from New York made reference to the use of the cause of education. My understanding is that this does not change existing laws.

Mr. COCHRAN. There is not a line in this bill that can, under any consideration, change the law. Not one. It does not add to nor take away from, as the gentleman from Kentucky [Mr. VINSON] just said.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MAY. The gentleman made the statement that the object of this bill was to bring all of these agencies together. Is it proposed to abolish any of them?

Mr. COCHRAN. Why certainly it is proposed to abolish certain activities and to put activities under one head. That one head will administer the law. The law itself is not repealed. This deals with administration.

Mr. MAY. Another member of your committee, the gentleman from New York, made the statement that it was to coordinate them. I think you will never accomplish economy until you abolish some of them.

Mr. COCHRAN. You will abolish some and you will consolidate others. Where there is duplication of effort you will bring them together. That is what the President desires this authority for.

Here is an opportunity to get all the welfare agencies under one head that should be under one control so that the President will know what is going on. What is the situation now? He has to take the word of the head of each of the independent agencies. They are duplicating their work and probably duplicating relief. What is the objection to bringing them together and placing them under one head? If that does not spell efficiency, what does it mean?

Mr. KNIFFIN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. KNIFFIN. Referring to the inquiry made by the gentleman from Kentucky, paragraph (d), section 401, says "to reduce the number of such agencies by abolishing."

Mr. COCHRAN. I thank the gentleman from Ohio for his contribution.

Mr. Chairman, this amendment should be defeated. [Applause.]

I have a little historical statement that I am placing in the RECORD, as my time prevents me from reading it.

The origin of such departments as Agriculture, Labor, and Commerce is instructive in considering the creation at this time of a new department, the Department of Welfare.

The Department of Agriculture was set up in 1862 (12 Stat. 387) and was administered for 26 years by a Commissioner of Agriculture, who did not have a seat in the Cabinet. In 1889 the powers of the Department were enlarged and the Commissioner became a Secretary and a member of the Cabinet (25 Stat. 659).

The Department of Labor was first established in 1884 as the Bureau of Labor under the Interior Department. It then became an independent department, but without Cabinet rank. In 1903 it again became a bureau of the newly established Department of Commerce and Labor (32 Stat. 827). In 1913, when Commerce and Labor were divided, Labor became an independent department with Cabinet status (37 Stat. 736).

The Department of Commerce first appeared as the Department of Commerce and Labor (32 Stat. 827) in 1903. It originally consisted of the following services, the majority of which previously existed in other Government departments or as independent agencies: Bureau of Lighthouses, Steamboat Inspection Service, Bureau of Navigation, Bureau of Statistics, Bureau of the Census, Bureau of the Fisheries, Bureau of Manufactures, Bureau of Corporations.

In 1913—Thirty-seventh Statutes, page 736—it became the Department of Commerce, certain functions going to the newly set up Department of Labor.

This history is recalled here merely to show that the statesmen who have gone before us have from time to time gathered together the new and permanent activities of the Government which could not be placed in already existing departments and have set up new departments of government for their administration. On the basis of this history it may be said that the Congress should establish a new department whenever (1) the Government has entered upon extensive activities which are (2) permanent in character and where (3) there is no logical place to put these activities within the normal structure of the Government in such a way that they may be represented in the Cabinet.

Any other course of action will produce confusion and inefficiency in the long run and will stand in the way of orderly control and coordination of the activities both by the Congress and by the Executive.

On the basis of these standards the establishment of a department of welfare is long overdue. In fact, the creation of such a department has been repeatedly suggested. It was recommended by President Harding in 1922, by the Joint Committee on Reorganization in 1924, and by many others from time to time.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 41 and noes 100.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 4, line 5, after the semicolon, strike out all down to and including the word "distressed", in line 7.

Mr. TABER. Mr. Chairman, the object of this amendment is to strike out the words which make the problem of relief a permanent Federal problem. I hope this House will come to realize the absolute necessity of not doing that sort of thing. It means a tremendous cost. It means that relief will be administered in the wasteful, extravagant, and impossible way it has been administered during the past 4 years. I hope that if we are going to have relief in the future it will be a temporary proposition. The President of the United States himself, last fall, stated he did not believe we ought to make this a permanent activity. I hope you will follow the President along that line.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAY. Under this act, on page 4, in lines 5 and 6, it provides that the relief of unemployment and of the hardship and suffering caused thereby shall be maintained by this secretary of welfare.

Mr. TABER. Yes.

Mr. MAY. That is creating a new department of government, and this will become the basic law by which it is created; and when this question is raised by Congress hereafter that they are engaging in an activity that they should not be engaged in, they will cite the basic law and say that Congress gave them the power.

Mr. TABER. Absolutely. If you do not strike this out, you have got this thing on your hands, uncontrolled, forever.

[Here the gavel fell.]

Mr. VOORHIS. Mr. Chairman, I rise in opposition to the amendment. The question of whether you can stop doing anything about the problem of unemployment depends upon how many unemployed there are. It is almost tragically obvious to say we hope we will not have to have a permanent program of relief and of finding work for the unemployed. Of course, we hope that. Of course, the President hopes that, more perhaps than anybody else in this Nation, except the unemployed themselves. I want to say I believe that one of the most unjust criticisms that has been made of this administration has been to blame the administration for the fact that relief of unemployment has been necessary. It is like blaming the doctor for having spent some money to keep a sick patient alive. The blame belongs on the causes of unemployment. Of course, everybody hopes it will not be necessary to carry this on forever, and anyone who thinks realizes that we have to attack unemployment more fundamentally than we have yet done; but as long as there are millions of unemployed in this country, the mere striking out of a few words in an act like this will not do any good toward removing the problem. You have to have those words in there, and you have to have this Public Welfare Department's work done, and you will have to have a decent public-works program, because we have not solved the problem of unemployment.

I hope the amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 25, noes 100.

So the amendment was rejected.

Mr. KERR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KERR: On page 3, line 22, after the word "Senate", insert "one of whom shall be a licensed, practicing physician."

Mr. KERR. Mr. Chairman, section 303 of the bill prescribes among the duties of those who administer the Department of Public Welfare the promotion of the public health, safety, and sanitation.

Section 302 reads:

There shall be in the Department of Welfare an Under Secretary of Welfare and two Assistant Secretaries of Welfare, who shall be appointed by the President, by and with the advice and consent of the Senate.

The purpose of my amendment is to add, after the word "Senate", "one of whom shall be a licensed practicing physician." Public health being so interwoven with public welfare by the express terms of the bill, I cannot see any possible objection to this requirement.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. MAVERICK. We have a Public Health Department at the present time, and there are dozens of registered doctors there now.

Mr. KERR. But section 303 of the act provides that there shall be a secretary of welfare and two assistant secretaries of welfare, but does not provide that any of them shall be a physician, yet the duties of these officers under this welfare act are to preserve the sanitation and promote the health of the country. A practicing physician can certainly do this better than anyone else, and this great profession deserves this recognition.

Mr. WARREN. Mr. Chairman, I rise in opposition to the amendment offered by my colleague.

Mr. Chairman, my office tells me that for the last 48 hours the phone has been ringing busily from doctors in my State phoning to ask me to support such an amendment because by chance some doctor or some medical association up here has phoned them asking them to do it.

If the amendment offered by my colleague should be adopted, why not carry it to its logical conclusion and have a sanitary engineer or a preacher for under secretary of welfare, have some social worker in charge of the needy and distressed, have a nurse for one thing, and a teacher for another, and why not an Indian to head the Bureau of Indian Affairs?

I think that the President in selecting the one who shall serve in his administration in these positions should have a wide field from which to choose, and to appoint whomsoever he desires, subject to their being confirmed by the Senate.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. WILCOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: On page 4, line 10, between the word "promote" and the word "public", insert the word "existing."

Mr. WILCOX. Mr. Chairman, I offer this amendment for the purpose of making clear the intent of the act in the creation of this new department. I am assured by the members of the committee who reported the bill, and it has been repeatedly stated on the floor during the course of the debate that it is not the intention of this bill in the creation of a new department to give to that department any new duties or powers or functions. The evident intent of this entire legislation is to combine existing agencies for the purpose of economy and efficiency. It was certainly not the intent of the committee, nor do I believe it is the desire or purpose of the Congress, to create a new department of the Government with new functions and new duties. Particularly is that true of the Democrats in the House because we are pledged to a program of abolishing bureaus and not to the creation of new ones. If the purpose of this bill be to coordinate existing activities only, then it seems to me the amendment is germane at this point and that it should be adopted. If not, I wish those in charge of the bill would indicate an appropriate place in the bill where it should be inserted. If my amendment is defeated, I hope they will offer an amendment which will make it perfectly clear that it is the desire and the intent of Congress that the new department now being created shall not have any additional duties or functions unless they sincerely believe that the bill in its present form leaves no doubt on that subject. I offer it at this point for the reason that the clause now reads as follows, describing the duties of the new Department of Welfare:

The Secretary of Welfare shall * * * coordinate and promote public health, education, and welfare activities.

My amendment will make that clause read:

And in general shall coordinate and promote existing public health, education, and welfare activities.

I am in full sympathy and accord with the plan for consolidating existing bureaus and commissions and abolishing many that duplicate the efforts of others, and I commend the committee for bringing in a bill which purports to accomplish that laudable purpose. I have no objection to the creation of this new department, provided it is distinctly understood that in doing so we are merely providing a means whereby existing agencies may be grouped under one head; but I do not want to see any new department of Government created if it means any enlargement or extension of Federal activities or if it means any further enlargement of the Federal establishment. The Federal Government is too big already. It needs to be cut down, and not enlarged.

Now, I know from conversations with the gentleman from North Carolina [Mr. WARREN] and the gentleman from Kentucky [Mr. VINSON] that they have the same views that I have on this subject; and if my amendment is not accepted, I will take that action to mean an assurance upon their part that this bill does not create any additional power for the new department here provided for.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SECTION 401. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

SEC. 402. This act may be cited as the "Reorganization Act of 1937."

Mr. WARREN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill, H. R. 8202, to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes, had directed him to report the same back to the House, with the recommendation that the bill do pass.

Mr. WARREN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BOILEAU. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOILEAU. I am not.

The SPEAKER. Does any other Member of the minority desire to offer a motion?

Mr. LAMBERTSON. Mr. Speaker, I will offer it. I am opposed to the bill.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. LAMBERTSON moves to recommit the bill to the Select Committee on Government Organization.

Mr. WARREN. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. The amendment has not been read.

The SPEAKER. The Chair understands the reading of the motion has been concluded. It was a simple motion to recommit.

Mr. ANDREWS. Mr. Speaker, I make the point of order that the motion to recommit was offered by the gentleman from Kansas.

The SPEAKER. The gentleman from Kansas offered the motion to recommit.

Mr. BOILEAU. Mr. Speaker, he is offering the same motion I submitted. He is offering that same motion.

The SPEAKER. The gentleman from Wisconsin [Mr. BOILEAU] has submitted a parliamentary inquiry to the Chair. The Chair, upon all motions to recommit, under the rules and precedents, is required to qualify the Member offering the motion. The rule is that a minority member of the committee has the power to offer the motion.

The Chair asked the gentleman from Wisconsin if he were opposed to the bill, and understood the gentleman to say he was not. Then the Chair submitted the inquiry as to whether any member of the minority was opposed to the bill and if he desired to submit a motion to recommit. The gentleman from Kansas said he was opposed to the bill, and the Chair recognized him to offer the motion to recommit.

Mr. BOILEAU. Mr. Speaker, I understood that the gentleman from Kansas, believing I probably could not get recognition for the purpose of offering the motion to recommit, intended to offer my motion to recommit. I would like to ascertain from the gentleman from Kansas whether or not that was his intention.

The SPEAKER. The gentleman does not state a parliamentary inquiry. The Chair cannot pass on the intention of the gentleman from Kansas.

Mr. BOILEAU. Mr. Speaker, I was under the impression that what the gentleman offered was my motion, because no written motion had been sent to the desk. I thought the gentleman was offering my motion; and if there is a mistake on the part of the gentleman from Kansas, the Speaker, or myself, it should be clarified.

The SPEAKER. The Chair knows of no mistake on the part of the Speaker.

Mr. BOILEAU. I apologize to the Speaker, but I want to ascertain what the intention of the gentleman from Kansas was.

The SPEAKER. The gentleman from North Carolina has moved the previous question on the motion to recommit.

Mr. BOILEAU. The gentleman from Kansas has offered no motion to recommit in writing.

The SPEAKER. The Chair asked the gentleman from Kansas if he was opposed to the bill and if he desired to offer a motion to recommit. The gentleman from Kansas stated he was opposed to the bill and did desire to offer a motion to recommit, which motion was reported by the Clerk.

Mr. BOILEAU. May I suggest, Mr. Speaker, I believe the stenographic report will show that the gentleman from Kansas stated "I offer the motion to recommit"?

The SPEAKER. The gentleman from Kansas has offered a motion to recommit. The question is on ordering the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Kansas [Mr. LAMBERTSON].

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER and Mr. WARREN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 76, not voting 71, as follows:

[Roll No. 143]

YEAS—283

Aleshire	Driver	Kirwan	Rankin
Allen, Pa.	Duncan	Kitchens	Rayburn
Amlie	Dunn	Kloeb	Reece, Tenn.
Anderson, Mo.	Eberharter	Kniffin	Reilly
Andrews	Eckert	Kocialkowski	Richards
Arends	Edmiston	Kopplemann	Rigney
Arnold	Eicher	Lanzetta	Robertson
Ashbrook	Elliott	Larrabee	Robinson, Utah
Atkinson	Engel	Lea	Rogers, Okla.
Bacon	Englebright	Leavy	Romjue
Barden	Farley	Lesinski	Ryan
Barry	Ferguson	Lewis, Colo.	Sabath
Beam	Fitzgerald	Long	Sacks
Beiter	Flannagan	Lucas	Sadowski
Bell	Flannery	Luecke, Mich.	Sanders
Bernard	Fleger	McAndrews	Sauthoff
Biermann	Fletcher	McCormack	Schaefer, Ill.
Bigelow	Forand	McFarlane	Schneider, Wis.
Bland	Ford, Calif.	McGehee	Schuetz
Bloom	Frey, Pa.	McGranery	Schulte
Boehne	Fries, Ill.	McGrath	Scott
Boileau	Fuller	McReynolds	Scrugham
Boland, Pa.	Garrett	McSweeney	Secrest
Boren	Gearhart	Magnuson	Seger
Boykin	Gehrmann	Mahon, S. C.	Shanley
Boylan, N. Y.	Gildea	Mahon, Tex.	Shannon
Bradley	Gingery	Maloney	Sheppard
Brooks	Goldsborough	Mapes	Smith, Conn.
Brown	Green	Martin, Colo.	Smith, Va.
Buck	Greenwood	Massingale	Smith, Wash.
Buckler, Minn.	Greever	Maverick	Snyder, Pa.
Burch	Gregory	Mead	South
Burdick	Griffith	Merritt	Sparkman
Byrne	Haines	Miller	Spence
Caldwell	Halleck	Mills	Stack
Cartwright	Hamilton	Mitchell, Ill.	Starnes
Case, S. Dak.	Hancock, N. C.	Mitchell, Tenn.	Steagall
Casey, Mass.	Harlan	Moser, Pa.	Stefan
Celler	Harrington	Mosier, Ohio	Sumners, Tex.
Champion	Havenner	Mouton	Sutphin
Chandler	Healey	Murdock, Ariz.	Sweeney
Citron	Hendricks	Murdock, Utah	Swope
Claypool	Hennings	Nelson	Teigan
Cochran	Hildebrandt	Nichols	Terry
Coffee, Wash.	Hill, Okla.	Norton	Thom
Colden	Hill, Wash.	O'Brien, Ill.	Thomas, Tex.
Cole, N. Y.	Honeyman	O'Brien, Mich.	Thomason, Tex.
Collins	Hook	O'Connell, Mont.	Thompson, Ill.
Colmer	Hope	O'Connell, R. I.	Tolan
Cooley	Houston	O'Connor, Mont.	Transue
Cooper	Hunter	O'Connor, N. Y.	Turner
Costello	Imhoff	O'Day	Vincent, B. M.
Cox	Isac	O'Leary	Vinson, Fred M.
Cravens	Jacobsen	O'Malley	Voorhis
Creal	Jarman	O'Neill, N. J.	Wallgren
Crosser	Jenckes, Ind.	O'Toole	Walter
Crowe	Johnson, Luther A.	Oliver	Warren
Curley	Johnson, Lyndon	Pace	Wearin
Daly	Johnson, Minn.	Parsons	Weaver
Deen	Johnson, Okla.	Patman	Welch
Delaney	Johnson, W. Va.	Patrick	Wene
Dempsey	Jones	Patterson	West
DeMuth	Kee	Patton	Wheichel
DeRouen	Keller	Pearson	Whittington
Dies	Kelly, Ill.	Pettengill	Wilcox
Dingell	Kelly, N. Y.	Pierce	Williams
Dixon	Kennedy, Md.	Poage	Wolverton
Dockweiler	Kennedy, N. Y.	Polk	Wood
Dorsey	Kenney	Rabaut	Woodrum
Doughton	Keogh	Ramsay	Zimmerman
Drew, Pa.	Kerr	Randolph	

NAYS—76

Allen, Ill.	Cole, Md.	Gifford	Hull
Andresen, Minn.	Crawford	Gray, Pa.	Jarrett
Bates	Ditter	Griswold	Jenkins, Ohio
Carlson	Dondero	Guyer	Kinzer
Chapman	Dowell	Gwynne	Knutson
Church	Doxey	Hancock, N. Y.	Lambertson
Clark, N. C.	Evans	Hart	Lanham
Clason	Ford, Miss.	Higgins	Luce
Coffee, Nebr.	Gasque	Holmes	Luckey, Nebr.

Ludlow	Millard	Rich	Thomas, N. J.
McClellan	Mott	Robsion, Ky.	Thurston
McKeough	Owen	Rogers, Mass.	Tinkham
McLaughlin	Palmisano	Rutherford	Tobey
McLean	Peterson, Ga.	Short	Towey
McMillan	Powers	Snell	Treadway
Martin, Mass.	Ramspeck	Taber	Umstead
Mason	Reed, Ill.	Tarver	Wolcott
May	Reed, N. Y.	Taylor, S. C.	Wolfenden
Michener	Rees, Kans.	Taylor, Tenn.	Woodruff

NOT VOTING—71

Allen, Del.	Dirksen	Hobbs	Phillips
Allen, La.	Disney	Hoffman	Plumley
Binderup	Douglas	Jenks, N. H.	Quinn
Boyer	Drewry, Va.	Kleberg	Shafer, Mich.
Brewster	Eaton	Kramer	Simpson
Buckley, N. Y.	Ellenbogen	Kvale	Sirovich
Bulwinkle	Faddis	Lambeth	Smith, Maine
Cannon, Mo.	Fernandez	Lamneck	Smith, W. Va.
Cannon, Wis.	Fish	Lemke	Somers, N. Y.
Carter	Fitzpatrick	Lewis, Md.	Sullivan
Clark, Idaho	Fulmer	Lord	Taylor, Colo.
Cluett	Gambrill	McGroarty	Vinson, Ga.
Crosby	Gavagan	Maas	Wadsworth
Crowther	Gilchrist	Mansfield	White, Idaho
Culkin	Gray, Ind.	Meeks	White, Ohio
Cullen	Harter	O'Neal, Ky.	Wigglesworth
Cummings	Hartley	Peterson, Fla.	Withrow
Dickstein	Hill, Ala.	Pfeifer	

Mr. McMILLAN and Mr. McKEOUGH changed their votes from "yea" to "nay."

Mr. PETERSON of Florida. Mr. Speaker, I arrived here when the Clerk was calling the names beginning with "R."

The SPEAKER. The gentleman does not qualify.

Mr. PETERSON of Florida. If permitted to vote, Mr. Speaker, I would vote "yea."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Withrow (for) with Mr. Fish (against).
Mr. Boyer (for) with Mr. Kleberg (against).
Mr. Mansfield (for) with Mr. Wigglesworth (against).
Mr. Kramer (for) with Mr. Eaton (against).
Mr. Meeks (for) with Mr. Smith of Maine (against).
Mr. Cullen (for) with Mr. Douglas (against).
Mr. Vinson of Georgia (for) with Mr. Cluett (against).

Additional general pairs:

Mr. Faddis with Mr. White of Ohio.
Mr. Quinn with Mr. Plumley.
Mr. Harter with Mr. Jenks of New Hampshire.
Mr. Bulwinkle with Mr. Wadsworth.
Mr. Disney with Mr. Carter.
Mr. White of Idaho with Mr. Hartley.
Mr. Drewry of Virginia with Mr. Culkin.
Mr. Fernandez with Mr. Gilchrist.
Mr. Pfeifer with Mr. Lord.
Mr. Taylor of Colorado with Mr. Simpson.
Mr. Fitzpatrick with Mr. Maas.
Mr. O'Neal of Kentucky with Mr. Hoffman.
Mr. Gavagan with Mr. Dirksen.
Mr. Hobbs with Mr. Brewster.
Mr. Fulmer with Mr. Crowther.
Mr. Lambeth with Mr. Shafer of Michigan.
Mr. Sullivan with Mr. Lemke.
Mr. Crosby with Mr. Kvale.
Mr. Binderup with Mr. Ellenbogen.
Mr. Phillips with Mr. Lamneck.
Mr. Gray of Indiana with Mr. Dickstein.
Mr. Somers of New York with Mr. Smith of West Virginia.
Mr. Buckley of New York with Mr. Allen of Louisiana.
Mr. Sirovich with Mr. Cannon of Wisconsin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WILLIAM H. WILSON

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McGRANERY. Mr. Speaker, it is with a feeling of deep regret that I rise to announce to the House the death of William H. Wilson, a Member of the House in the Seventy-fourth Congress, and my predecessor in office. I had known Mr. Wilson for many years, and had known him to love him, as had all the other Members of the Pennsylvania delegation.

HOUSING BILL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tomorrow night to file a report on the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein an address delivered by the gentleman from Pennsylvania [Mr. BOLAND] on the bill under discussion today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tomorrow night to file a privileged report on the bill H. R. 8234.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REFERENDUM ON WAR

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that our colleague the gentleman from Missouri [Mr. SHANNON] may now address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SHANNON. I am glad for this brief allotment of time to give my reasons for signing discharge petition no. 11, for the discharge of the Committee on the Judiciary from further consideration of House Joint Resolution 199, introduced by the gentleman from Indiana [Mr. LUDLOW].

House Joint Resolution 199 proposes an amendment to the Constitution of the United States to provide for a referendum on war. The purpose of the discharge petition is to bring the resolution before the House for full debate and a vote. No one signing the discharge petition is bound in any way to vote for the resolution. He merely aids in making it possible for the resolution to receive a hearing.

The proposal for a referendum on war questions is not without precedent. During the World War a conscription act was sought to be passed in Australia through a referendum. The leader in behalf of the conscription act was Mr. W. M. Hughes, the wartime Prime Minister. Mr. Hughes went to London in 1916, where he received great adulation from Lord Northcliffe and others. Under the spell of this excessive praise Mr. Hughes pledged to the British Government to pass a conscription act in Australia.

Upon his return to Australia, however, Mr. Hughes met with strenuous opposition, led by Archbishop Mannix and Premier Ryan. The act providing for the conscription of the youth of Australia was decisively rejected by the people by referendum vote. Australia remained loyal to the Empire, but its loyalty did not extend to sanctioning the conscription of her boys to fight in the wars of Europe. For this act on her part, no one has yet heard of Australia being expelled from the British Empire.

Let me interject here, that if conscription could be abolished from wartime vocabularies of the world, so that there would be no way for the war lords to force the youth of the land to go out and battle for their interests, I do not believe a single country could raise an army the size of an ordinary city police force to participate in foreign wars.

The Ludlow resolution, if adopted, would prevent the sending of American boys to wars in foreign countries without first submitting the question to the people in a national referendum. There is much support back of the resolution,

particularly on the part of American parents, and the proposal is entitled to a hearing, regardless of the private views of Members thereon.

The House of Representatives should stand for a free expression of the voice of the people, and should be an open forum for the discussion of all questions as vital as is the one involved in this resolution. Had I failed to sign discharge petition no. 11, I would feel that I had been unfaithful to the trust imposed in me as a Representative of the people of my congressional district. [Applause.]

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein a brief letter I have received today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. HOOK asked and was given permission to extend his own remarks in the RECORD.)

Mr. MAPES. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made this afternoon and include therein certain excerpts from the report of the Joint Committee on the Reorganization of the Executive Departments, of which I was a member in 1924.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

Mr. KELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Page 2, after line 17, insert:

"SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 which shall be available to defray the necessary expenses of the Commission for the performance of their duties herein prescribed. Disbursement of the sum herein authorized shall be made on vouchers approved by the chairman of the Commission."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COLLINS asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. WEARIN. Mr. Speaker I ask unanimous consent that on Tuesday next, after the disposition of business on the Speaker's desk, the completion of the legislative program for the day, and following any special orders heretofore made, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF REMARKS

Mr. MURDOCK of Arizona, Mr. HIGGINS, Mr. O'CONNOR of New York, Mr. SHANLEY, Mr. SABATH, and Mr. BLAND asked and were given permission to extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent that after the reading of the Journal and the disposition of business on the calendar, and following the special orders heretofore entered, I may address the House for 20 minutes on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROTECTION OF CERTAIN ENLISTED MEN OF THE ARMY

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2871) for the protection of certain enlisted men of the Army, and pass the same.

The Clerk read the title of the bill.

Mr. ROBSION of Kentucky. Mr. Speaker, reserving the right to object, I want to ask a question or two. Do I understand that this embraces a large number of these men who volunteered and served throughout the World War?

Mr. MAY. They are the very men that the bill provides for.

Mr. ROBSION of Kentucky. If this bill is permitted to go through, will they continue the policy of enlisting aliens in the United States Army?

Mr. MAY. They cannot, under existing statutes, and I have assured the House that I would bring in a bill to stop it hereafter if that is necessary.

Mr. ROBSION of Kentucky. This is to pay wages to those persons who have heretofore enlisted and served and who are now out?

Mr. MAY. That is all there is to it.

Mr. STARNES. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I was of the impression that this bill repealed a certain provision of law that was attached to the War Department Act. I find, upon investigation, that it does not, and I therefore withdraw my reservation of objection.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That, notwithstanding the language contained in the second proviso on page 6 of the act of July 1, 1937 (Public, No. 176, 75th Cong., 1st sess.), or any other act, during the 3-year period following the enactment of this act, enlisted personnel of the Army who have legally declared their intention to become citizens, or who do so during their current enlistment, or who have been discharged from the Army since July 1, 1937, and who also agree to complete expeditiously their naturalization and become citizens of the United States may be reenlisted and receive the pay to which, except for the aforesaid proviso, they would otherwise be legally entitled: *Provided*, That Filipinos who were serving in the Army on July 1, 1937, may be reenlisted without regard to their citizenship status, and receive the pay to which otherwise legally entitled.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

LABOR STANDARDS BILL

Mr. DUNN. Mr. Speaker, I ask unanimous consent to address the House for 20 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN. Mr. Speaker, I would like for the Rules Committee to report out a rule for the consideration of the labor-standards bill so we can vote on it next week.

MORTGAGES OF THE HOME OWNERS' LOAN CORPORATION

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to speak for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, recently there has been a good deal of agitation that the Congress reduce the

rate of interest on mortgages issued by the Home Owners' Loan Corporation, and also to extend the period of time within which principal payments can be made.

In that connection recently I had occasion to address a letter to the Home Owners' Loan Corporation with respect to a foreclosure. I ask unanimous consent to insert that letter in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

AUGUST 11, 1937.

File: Loan—Elias and Eva Aussenberg, 784 Melbourne Street, Pittsburgh, Pa.
Inquiry: Herman M. Sanovich, Secretary, Home Owners Association, Pittsburgh, Pa.

Mr. JOHN W. CHILDRESS,
Assistant to Chairman of H. O. L. C.,
Washington, D. C.

MY DEAR MR. CHILDRESS: Receipt is acknowledged of your letter of August 7, 1937, in answer to mine of June 18, with respect to the above-mentioned file.

After giving careful and considerate attention to the facts of this case and the reasons for the action of the Corporation, as outlined in your letter, I must confess that I have come to the conclusion that the Corporation acted rather harshly. The delinquency on a loan the size of this one was certainly not large and the borrowers had kept current almost to date their interest payments.

In my experience as a lawyer, I know of no mortgagee who commenced foreclosure proceedings on so slight a delinquency; neither do I know of any reputable business firm which demands absolute strict compliance with the letter of the terms of credit. The simple fact is that mortgages, banks, trust companies, and business concerns realize that in the operation of their financial transactions, it is better to act with leniency than with harshness.

The Home Owners' Loan Corporation should take into consideration in cases of this sort that the borrowers in the first place made a heavy investment and had perhaps for many years concentrated all their energies and ambition toward owning, without encumbrance, the home in which they live. In this new era, when the administration is preaching the gospel of the brotherhood of man and endeavoring to spread the thought that it is the duty of government to help those in distress, it ill behooves the Home Owners' Loan Corporation to ruthlessly snatch the homes of respectable citizens because of small delinquencies. The ownership of homes by citizens is fundamental if we are to progress socially and our civilization is to rest on a firm foundation. This was the spirit in which the act creating the Home Owners' Loan Corporation was passed, and is the spirit again reiterated by the passage recently of the Farm Tenancy Act. Of course, Members of Congress very well appreciate the fact that at times the administration of the laws as enacted is not in keeping with the well-intentioned purposes of the members of the legislative branch.

Heretofore I have been adverse to moderating the terms and conditions of the contracts entered into by borrowers from the Home Owners' Loan Corporation, such as the reduction of interest rates and the length of the period within which to meet the obligation, but now, in view of the circumstances of the case about which I am writing in this letter, as well as some other cases that have recently come to my attention, I entertain grave doubts as to the correctness of the position I previously maintained in this respect.

Sincerely yours,

HERMAN P. EBERHARTER,
Member of Congress.

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOBBS, indefinitely, on account of illness in family.

To Mr. ALLEN of Louisiana, for 10 days, on account of illness.

To Mr. CARTER, for 1 week, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7092. An act to provide for the transfer of Scotland County to the middle judicial district of North Carolina; and

H. R. 7642. An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.) the House, under the order previously adopted, adjourned until Monday, August 16, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

There will be a hearing of this committee on Monday, August 16, 1937, at 10 a. m., which you are respectfully invited to attend to consider H. J. Res. 482, H. J. Res. 435, H. J. Res. 436, and H. J. Res. 430.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

798. A letter from the Secretary of War, transmitting the draft of a bill to provide for the exploitation of oil, gas, and other minerals on the lands comprising the Barksdale Field Military Reservation, La.; to the Committee on Military Affairs.

799. A letter from the Secretary of the Navy, transmitting the draft of a bill authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes; to the Committee on Naval Affairs.

800. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of H. W. Adelberger, Jr., against the United States; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 308. Resolution to suspend the rules of the House during the remainder of the first session of the Seventy-fifth Congress; without amendment (Rept. No. 1519). Referred to the House Calendar.

Mr. KERR: Committee on Elections No. 3. House Resolution 309. Resolution relative to the election of Alphonse Roy as a Representative in Congress from the State of New Hampshire (Rept. No. 1521). Referred to the House Calendar.

Mr. JONES: Committee on Agriculture. S. 1052. An act to provide for the further development of cooperative agricultural extension work; without amendment (Rept. No. 1522). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. S. 2583. An act to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park, in east Tennessee; without amendment (Rept. No. 1523). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 2849. An act to prohibit certain agreements fixing fees or com-

pensation in receivership, bankruptcy, or reorganization proceedings; with amendment (Rept. No. 1524). Referred to the House Calendar.

Mr. IZAC: Committee on Foreign Affairs. House Joint Resolution 484. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942, commemorating the landing of Cabrillo, and for other reasons; without amendment (Rept. No. 1525). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records of the Civil Service Commission in custody of The National Archives (Rept. No. 1526). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Labor Department (Rept. No. 1527). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Civil Service Commission (Rept. 1528). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Federal Emergency Administration of Public Works (Rept. No. 1529). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Interior Department (Rept. No. 1530). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Navy Department (Rept. No. 1531). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the War Department (Rept. No. 1532). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Federal Communications Commission (Rept. No. 1533). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Veterans' Administration (Rept. No. 1534). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Federal Trade Commission (Rept. No. 1535). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Treasury Department (Rept. No. 1536). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the State Department (Rept. No. 1537). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Commerce Department (Rept. No. 1538). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. Report on the disposition of records in the Agriculture Department (Rept. No. 1539). Ordered to be printed.

Mr. HARTER: Committee on Military Affairs. S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes; with amendment (Rept. No. 1540). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 1608. A bill to provide for the common defense by acquiring certain commodities essential to the manufacture of supplies for the armed forces in time of an emergency, and for other purposes; with amendment (Rept. No. 1541). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIMOND: Committee on the Territories. House Concurrent Resolution 24. Concurrent resolution requesting the President to prepare and submit to Congress a plan for development of resources and commerce of Alaska; with amendment (Rept. No. 1542). Referred to the House Calendar.

Mr. HEALEY: Committee on the Judiciary. H. R. 6178. A bill to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal; without amendment (Rept. No. 1543). Referred to the House Calendar.

Mr. O'CONNOR of Montana: Committee on Indian Affairs. S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws; without amendment (Rept. No. 1544). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes; with amendment (Rept. No. 1545). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 8234. A bill to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes; without amendment (Rept. No. 1546). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERNARD: A bill (H. R. 8230) to amend the Communications Act of 1934 to safeguard the freedom of speech; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 8231) authorizing the State of Minnesota to acquire certain lands for highway purposes by purchase, gift, or condemnation, over and across certain lands owned in whole or in part by Indians or Indian tribes or held in trust by the United States Government for Indians, and providing for possession thereof; to the Committee on Indian Affairs.

By Mr. KOCIALKOWSKI: A bill (H. R. 8232) to amend the Liquor Tax Administration Act, approved June 26, 1936; to the Committee on Ways and Means.

By Mr. O'BRIEN of Michigan: A bill (H. R. 8233) to provide for the appointment of an additional district judge for the eastern district of Michigan; to the Committee on the Judiciary.

By Mr. DOUGHTON: A bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes; to the Committee on Ways and Means.

By Mr. MEAD: A bill (H. R. 8235) to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes; to the Committee on the Post Office and Post Roads.

By Mr. WILCOX: A bill (H. R. 8236) authorizing the Secretary of the Treasury to exchange sites for Coast Guard purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VOORHIS: A bill (H. R. 8237) to provide for the general welfare by establishing a cooperative home board and a system of cooperative home associations; to charter and purchase capital stock of and make grants to cooperative home associations; to insure the security of installment payments made by members to cooperative home associations; and for other purposes benefiting the living conditions of aged persons; to the Committee on Banking and Currency.

By Mr. COSTELLO: A bill (H. R. 8238) to prohibit officers or employees of the Federal Government from establishing any corporation or similar organization for the performance of any function of the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. COFFEE of Washington: A bill (H. R. 8239) to provide for a permanent Bureau of Fine Arts; to the Committee on Education.

By Mr. STACK: Resolution (H. Res. 310) to appoint a special committee to investigate and inquire into the proceedings which resulted in the quashing of the indictments of certain persons connected with the Philadelphia Co. for Guaranteeing Mortgages; to the Committee on Rules.

Also, resolution (H. Res. 311) for the consideration of House Resolution 310; to the Committee on Accounts.

By Mrs. NORTON: Resolution (H. Res. 312) for the consideration of S. 2475; to the Committee on Rules.

By Mr. McFARLANE: Resolution (H. Res. 313) to investigate the Federal Communications Commission; to the Committee on Rules.

By Mr. KENNEY: Resolution (H. Res. 314) to provide for a recess of Congress to permit Members to attend the Grand Convention of the Order of Ahepa during the week of August 15, 1937; to the Committee on Ways and Means.

By Mr. KELLER: Joint resolution (H. J. Res. 487) to authorize the painting of "The Signing of the Constitution" for placement in the Capitol Building; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELANEY: A bill (H. R. 8240) granting a pension to Sophie Feiner; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 8241) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Fred J. Christoff; to the Committee on Claims.

By Mr. MAVERICK: A bill (H. R. 8242) for the relief of Clarence Moten; to the Committee on Claims.

By Mr. O'BRIEN of Michigan: A bill (H. R. 8243) for the relief of Krikor Haroutunian; to the Committee on Claims.

By Mr. SECREST: A bill (H. R. 8244) for the relief of August Ammann; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3241. By Mr. FITZPATRICK: Petition of the Window Cleaners' Protective Union, urging the passage of the Schwellenbach-Allen resolution with reference to the Works Progress Administration workers; to the Committee on Labor.

3242. By Mr. ANDREWS: Resolution adopted by the Buffalo Building Trades Council, favoring the enactment of the Wagner-Steagall housing bill; to the Committee on Banking and Currency.

3243. By Mr. WELCH: Resolution passed by the Native Sons of the Golden West, relative to the Japanese question; to the Committee on Immigration and Naturalization.

3244. By Mr. BEITER: Petition of the Buffalo Building Trades Council, Buffalo, N. Y., urging enactment of Wagner-Steagall housing bill, and that Congress remain in session until this much-needed legislation is assured of passage; to the Committee on Banking and Currency.

3245. By Mr. HART: Petition of Rev. Reginald B. Naugle, Resurrection Lutheran Church, Philadelphia, Pa., urging investigation of settlement of strike at the Apex Hosiery Co., Philadelphia, Pa.; to the Committee on Labor.

3246. By Mr. KEOGH: Petition of the New York Women's Trade Union League, New York City, urging favorable consideration of the wage and hour bill and the Wagner-Steagall housing bill; to the Committee on Banking and Currency.

3247. Also, telegram from William Ward, president, New York Typographical Union, No. 6, New York City, concerning the wage and hour bill and the housing bill; to the Committee on Banking and Currency.

3248. Also, petition of the Eastern Broker Division of the Commercial Telegraphers' Union, New York, concerning the wage and hour bill and the housing bill; to the Committee on Banking and Currency.

3249. Also, petition of the Window Cleaners' Protective Union, Local No. 2, New York City, concerning the Schwellenbach-Allen joint resolution; to the Committee on Labor.

3250. Also, petition of the American Radio Telegraphists Association, New York, concerning the Schwellenbach-Allen joint resolution; to the Committee on Labor.

3251. By Mr. PFEIFER: Petition of the Eastern Broker Division of the Commercial Telegraphers' Union, New York City, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

3252. Also, petition of the New York Women's Trade Union League, New York City, urging consideration of the wage and hour bill and the Wagner-Steagall housing bill; to the Committee on Labor.

3253. Also, petition of the United Neighborhood Houses of New York, Inc., New York City, urging the passage of the Wagner-Steagall housing bill; to the Committee on Labor.

3254. Also, telegram from the New York Typographical Union, No. 6, William Ward, president, concerning the wage and hour bill and the housing bill; to the Committee on Labor.

3255. Also, petition of the Interstate Airways Committee, Washington, D. C., concerning the McCarran-Lea air transport bill; to the Committee on Interstate and Foreign Commerce.

3256. By Mr. LUTHER A. JOHNSON: Petition of Walter P. Taylor, fourth vice president, National Federation of Federal Employees, College Station, Tex., favoring House bill 1595, the 5-day-week bill; to the Committee on the Civil Service.

3257. By Mr. ANDREWS: Resolution adopted by the Junior Chamber of Commerce of the Tonawandas, favoring enactment of House bill 7681, providing for wildlife restoration; to the Committee on Interstate and Foreign Commerce.

3258. By Mr. PFEIFER: Petition of the American Radio Telegraphists Association, New York City, endorsing the Schwellenbach-Allen joint resolution; to the Committee on Labor.

3259. Also, petition of the Window Cleaners Protective Union, Local No. 2, New York City, urging the passage of the Schwellenbach-Allen joint resolutions; to the Committee on Labor.

3260. By Mr. HART: Petition of the Health Products Corporation of Newark, N. J., recommending certain amendments to House bill 300; to the Committee on Interstate and Foreign Commerce.

3261. By Mr. KRAMER: Resolution of the Board of Supervisors of the County of Los Angeles, pertaining to the increase of rentals for homes, etc.; to the Committee on Interstate and Foreign Commerce.

3262. Also, resolution of the Southeast Motor Car Dealers Association, Huntington Park, Calif., endorsing House Joint Resolution No. 389; to the Committee on Interstate and Foreign Commerce.

3263. Also, resolution of the Motor Car Dealers Association of Orange County, Calif., pertaining to the endorsement of House Joint Resolution No. 389; to the Committee on Interstate and Foreign Commerce.

SENATE

SATURDAY, AUGUST 14, 1937

(Legislative day of Monday, Aug. 9, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 13, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed without amendment the bill (S. 2871) for the protection of certain enlisted men of the Army.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 406) to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne.

The message further announced that the House had passed a bill (H. R. 8202) to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and

H. R. 7092. An act to provide for the transfer of Scotland County to the middle judicial district of North Carolina.

CALL OF THE ROLL

Mr. LEWIS. Inasmuch as the calendar is to be called later, I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Holt	O'Mahoney
Andrews	Chavez	Hughes	Overton
Ashurst	Clark	Johnson, Calif.	Pepper
Austin	Connally	Johnson, Colo.	Pittman
Barkley	Copeland	King	Pope
Berry	Dieterich	La Follette	Reynolds
Bilbo	Donahey	Lee	Schwartz
Black	Ellender	Lewis	Schwellenbach
Bone	Frazier	Lodge	Sheppard
Borah	George	Logan	Smathers
Bridges	Gerry	Lonergan	Smith
Brown, Mich.	Gillette	Lundeen	Steiwer
Brown, N. H.	Glass	McAdoo	Thomas, Okla.
Bulkley	Green	McCarran	Truman
Bulow	Hale	McGill	Van Nuys
Burke	Harrison	McKellar	White
Byrd	Hatch	Maloney	
Byrnes	Herring	Murray	
Capper	Hitchcock	Nye	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

The Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from West Virginia [Mr. NEELY], the junior Senator from Maryland [Mr. RADCLIFFE], the Senator from Utah [Mr. THOMAS], the senior Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the performance of official duty as a member of the committee appointed to attend the dedication of the battle monuments in France.

I also announce that the Senator from Delaware [Mr. TOWNSEND] is necessarily absent.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Latta, one of his secretaries.

SIGNING OF AN ENROLLED BILL DURING RECESS

The VICE PRESIDENT announced that, under authority of the order of the Senate of yesterday, he signed during recess of the Senate the enrolled bill (H. R. 7642) to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes, which bill had been signed previously by the Speaker of the House of Representatives.

SUPPLEMENTAL ESTIMATE, TREASURY DEPARTMENT (S. DOC. NO. 98)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department (expenses, National Cancer Institute, Public Health Service), fiscal year 1938, amounting to $400,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 97)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia, fiscal year 1938 (site for armory, militia, District of Columbia, $210,000; and judgments, gasoline tax, road and street improvements, District of Columbia, $4,206.19), amounting in all to $214,206.19; together with draft of a proposed provision pertaining to the appropriation "Health department, District of Columbia, 1938" (hygiene and sanitation, public schools, salaries), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

NATIONAL PARK TRUST FUND BOARD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, reporting, pursuant to law, relative to the activities of the National Park Trust Fund Board and the administration of the National Park trust fund, which was referred to the Committee on Public Lands and Surveys.

ORDINANCES, ETC., OF COUNCIL OF ST. CROIX, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of ordinances and a resolution adopted by the Municipal Council of St. Croix, and approved by the Governor of the Virgin Islands, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

OVERTIME SERVICES OF CUSTOMS OFFICERS, ETC.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 6 of the act approved May 27, 1936 (49 U. S. Stat. L. 1380), which, with the accompanying papers, was referred to the Committee on Commerce.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the convention of the American Radio Telegraphists Association, at New York City, N. Y., favoring the enactment of legislation establishing minimum wages and maximum hours of work, which was ordered to lie on the table.

He also laid before the Senate the petition of Sam Alper, of Brooklyn, N. Y., praying for the enactment of the so-called Schwellenbach resolution, being the joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, which was ordered to lie on the table.

Mr. LODGE presented a petition of sundry citizens of Roxbury and Jamaica Plains, Mass., praying for the enactment of legislation to abolish the Federal Reserve system as at present constituted, and also praying that Congress exercise its constitutional right to coin money and regulate the value

thereof, which was referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Commitee on Commerce, to which was referred the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, reported it with an amendment.

Mrs. CARAWAY, from the Committee on Commerce, to which was referred the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, reported it with an amendment and submitted a report (No. 1199) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 2882) to authorize the construction of bridges in Caddo Parish, La., reported it without amendment and submitted a report (No. 1202) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (S. 2909) to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes, reported it with an amendment and submitted a report (No. 1200) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 2633) to incorporate the American Chemical Society, reported it without amendment and submitted a report (No. 1201) thereon.

EXECUTIVE REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEIWER (for Mr. McNARY):

A bill (S. 2965) granting a pension to Martha J. Poole (with accompanying papers); to the Committee on Pensions.

By Mr. LOGAN (for Mr. BAILEY):

A bill (S. 2966) authorizing the Comptroller General to settle and adjust the claim of H. W. Adelberger, Jr.; and

A bill (S. 2967) authorizing the Comptroller General to settle and adjust the claim of Tiffany Construction Co.; to the Committee on Claims.

By Mr. BILBO:

A bill (S. 2968) to amend the Social Security Act with respect to grants to States for old-age assistance; to the Committee on Finance.

By Mr. BYRNES:

A bill (S. 2969) to provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes; to the Select Committee on Government Organization.

By Mr. NYE:

A joint resolution (S. J. Res. 208) relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on Public Lands and Surveys.

HOUSE BILL REFERRED

The bill (H. R. 8202) to provide for the reorganization of agencies of the Government, to establish the Department of Welfare, and for other purposes, was read twice by its title and referred to the Select Committee on Government Organization.

CONNECTICUT AND THE FIRST TEN AMENDMENTS TO THE FEDERAL CONSTITUTION (S. DOC. NO. 96)

Mr. LONERGAN. Mr. President, on August 5 there was printed in the CONGRESSIONAL RECORD an excellent short article by Thomas H. LeDuc, of Yale University, entitled "Connecticut and the First Ten Amendments to the Federal Constitution." I ask unanimous consent to have it printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

TENNESSEE VALLEY AUTHORITY—ADDRESS BY SENATOR M'KELLAR

[Mr. POPE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator McKELLAR on the 13th instant relative to the Tennessee Valley Authority, which appears in the Appendix.]

THE LOST COLONY—ARTICLE BY BEN DIXON MAC NEILL

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article on The Lost Colony, written by Ben Dixon Mac Neill and published in the Carolina Co-operator of the issue of August 1937, which appears in the Appendix.]

WILLIAM E. JONES—WITHDRAWAL OF MOTION FOR RECONSIDERATION

Mr. KING. Mr. President, a few days ago Senate bill 667, for the relief of William E. Jones and others, introduced by the Senator from Massachusetts [Mr. WALSH], was passed. At the time I moved to reconsider the action of the Senate in passing the bill. Since that time I have looked into the measure, and I withdraw my motion to reconsider.

The VICE PRESIDENT. Without objection, the motion to reconsider is withdrawn.

REGULATION OF AIR TRANSPORTATION

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill No. 2, having to do with the regulation of air transportation.

Mr. McCARRAN. Mr. President, in presenting this matter to the Senate of the United States I do so in the light of history in the making of which I have had the privilege of participating, and I take pride in having made as much of it myself as was possible within the period of time I have served in the Senate of the United States.

In the Seventy-third Congress, second session, I introduced on March 20, the calendar day being March 26, 1934, a bill to provide for the control and regulation of transportation and commerce by air. At that time and in that bill it was provided that a special commission should be appointed to control and regulate commerce by air. That bill was submitted to a vote of this body, at the time when what is known as the Black-McKellar bill, which is now a part of the law, was pending. At that time the President of the United States saw fit to declare to Congress that he was not in favor of a special commission to assume control of commerce by air, but rather did he favor the whole matter of public-service transportation being submitted to the Interstate Commerce Commission, that Commission to have control and regulatory authority over the whole subject.

Those who were here at that time will recall that, notwithstanding the President's views on the subject, being wedded to my views, I submitted the matter to a vote of the Senate, and the Senate voted down my bill, though I received a very respectable vote in its favor. But, believing that the President of the United States would go along with his own theory, as he has, I waited until two messages from the President of the United States came before the Senate, each one of which recommended a coordination of all transportation agencies in the United States, including those engaging in commerce by rail, commerce by bus, and commerce by air. So, in keeping with the views of the President, I later redrafted the bill.

I may say in passing that, pursuant to the terms of the Black-McKellar bill, a Federal aviation investigating commission was created. That Commission, appointed by the President, sat for several months in the city of Washington and made a very careful investigation of the entire subject.

In furtherance of the bill now pending, the Aviation Commission, sitting as an independent agency, made its final report in writing and printed form, which report has been and is now before the Senate, recommending in no uncertain terms the very spirit if not the letter of the bill which I introduced initially, recommending an independent commission

to regulate and control commerce by air. But that report submitted by a special commission appointed by the President of the United States did not appear to receive the approval of the President. He rather believed, and he rather believes now, according to two messages sent to this body, that all commerce and transportation within and without the United States should be controlled by the Interstate Commerce Commission.

While believing that the Executive had some cogent reasons for his views, I did not abandon my views, and I have not yet abandoned them, but rather have I set them aside in order to be in accord with the President of the United States on a matter as to which he undoubtedly has the facilities for study that enable him to reach the best conclusions possible.

With that idea in mind, I introduced in the Senate S. 3027 on May 13, calendar day of June 10, 1935, providing for an amendment to the Interstate Commerce Act and containing the usual regulatory provisions. Then followed the introduction of other measures. The able Senator from North Carolina [Mr. BAILEY], in my behalf and at my request, because of my unfortunate absence from the Senate, submitted an amendment intended to be proposed by me, which was a complete rewriting of Senate bill 3027. Hearings were held on that bill on July 29, 30, and 31, 1935, before a subcommittee of the Interstate Commerce Committee of the Senate.

Then Senate bill 3420 was introduced on July 29, calendar day of August 15, 1935, and reported without amendment to the Senate by the able Senator from Missouri [Mr. TRUMAN] on the same day. The committee substituted that bill for Senate bill 3027 and it became Calendar No. 1381 of the Seventy-fourth Congress, first session. The full committee reported the bill favorably and recommended its passage during the Seventy-fourth Congress.

Senate bill No. 2, which is the bill involved in the motion now pending before the Senate, was introduced January 6, 1937, Seventy-fifth Congress, first session, and was referred to the Committee on Interstate Commerce. It was made up of two chapters. Chapter 1 contained the usual regulatory provision, while chapter 2 transferred matters affecting safety in connection with scheduled air lines from the Department of Commerce to the Interstate Commerce Commission. A similar bill was introduced in the House by Representative ELLENBOGEN, and is known as H. R. 4600, but the House bill eliminated all provisions with reference to air mail.

Senate bill 738, introduced January 14, 1937, and referred to the Committee on Commerce of the Senate, is an exact duplicate of chapter 2 of Senate bill 2 with reference to safety.

An amendment to Senate bill 2 was submitted February 24, calendar day of March 2, 1937. That amendment covers foreign service.

An amendment to Senate bill 2 in the nature of a substitute striking out all after the enacting clause, including chapter 2, was submitted February 24, calendar day of March 3, 1937. This amendment is identical with House bill 5234, introduced March 2, 1937, by Representative LEA.

Senate bill 1760, introduced February 24, calendar day of March 3, 1937, corresponds in part to Senate bill 738. This bill is identical with House bill 4652, introduced by Representative CROSSER February 11, 1937.

Mr. President, this briefly recites the history of the proposed legislation so far as its introduction is concerned. I only make mention of these incidental things in order that I may bring to the attention of the Senate something that is going to be dwelt upon by a very eminent Member of this body by way of throwing a cloud over this entire piece of proposed legislation before the bill is finally considered.

In other words, the entire legislation has been initiated by a thought which came to the author of the bill when, as a member of the Black committee, I served on that Special Committee to Investigate Ocean Mail and Air Mail Subsidies in the United States. I came to the conclusion—a conclusion that was inevitable so far as my view was concerned—that America had the greatest opportunity in the world to take a place in the vanguard of progress in commerce by air if it saw fit to do so; that while in the ages of the past Britannia ruled the waves, in the ages of the future the United States could rule the air. That thought came to me during the hearings before the Black committee, of which I was a member. It seemed to me inevitable; it seemed to me as though it was an opportunity which we should grasp and with which we should go forward.

Mr. President, I have burdened Senators to listen to the history of the legislation from the time of its inception until the present moment in order that they might know how deeply and earnestly the author of the bill has delved into this subject in the desire to embrace the opportunity to do something for this country by way of promoting transportation and commerce by air.

What does that mean? Does it mean simply the transfer of the control from one department of the Government to another? Not at all. If that were so, then, perchance, we might all rest easy. We might all say, "This is a contentious bill, and therefore we will not fight to have it brought up in these rather troublesome hours. Rather we will let it go over until January." But, as stated by the leader of the majority yesterday, I have for days perplexed him, annoyed him, if you please, in my efforts to get the bill before the Senate. In that respect there is a kindred bill, known as Senate bill 1760, which must be considered in conjunction with this bill and immediately following it.

Why do I go into this subject so much at length? Mr. President, this bill has a manifold attitude. This bill means the development of interstate air commerce within the United States. This bill has within it the development of air commerce without the United States, and to the territorial and insular possessions of the United States. This bill has within it the encompassment of international commerce. What would we get out of all that?

First of all, there is today in the hands of the people of this country a new method of commerce between States, a faster method, a more expeditious method, a method which, whatever we may say about it, is in the future, and cannot be blotted out—the speedy method of transportation of commerce by air from one State to another. Secondly, we have the opportunity to tie closer to us and bring in closer contact our insular possessions and outlying territories.

Today, lying north of us is one of the most valuable assets this country ever acquired—the great Territory of Alaska—far remote, with another national line between us and Alaska, with Russia ever looking with envious eyes to her lost possession, with her citizens able to fly from Moscow over the North Pole, across the old possession that Russia held three-quarters of a century ago, down the North American coast, and alight in California with one plane without a single stop, and yet have gasoline to spare after alighting.

Mr. President, these are things that you and I must pause to think about, and as we think we must make sure that we are able to reach our outlying possessions promptly and speedily and efficiently. Those things are involved in this bill—commerce between continental America and her Territories, and out into her far-flung island possessions.

But that is not all. Let us go into the bill itself. Let us deal with it as it is, at home. What does it mean to us at home? If we had no possessions outside the line between the Atlantic and the Pacific, between the Mexican line and the Canadian line, what would it mean to us?

Let me deal with the bill from a statistical standpoint. It means the transportation of millions of human beings from one State to another. Those of us who have flown, those of us who have covered this country by air, those of us who have seen the air lines in operation, know something of what all that means.

I am going to now deal with something that is not written in Senate bill 2, but that properly belongs to Senate bill 1760, but is nevertheless wedded to Senate bill 2.

The number of persons killed on air lines in the past 5½ years is as follows:

Seventy-seven pilots. Let me dwell on that for a moment. Who goes down to death first in a crash? The unfortunate boy who has given his life to a vocation to which he believes there is a future; the unfortunate one who holds the controls of an airplane. He is the first to die. All others may be saved, but few others are saved. Seventy-seven pilots in the past 5½ years have gone down to their death; 125 passengers, 9 crews, all including stewardesses. The total is 211.

The number of persons killed on domestic and foreign airlines from July 1, 1936, to date, is 19 pilots; 6 of the crew, every one of them a stewardess; 52 passengers; a total of 77.

The number of persons killed during the winter just past, between December 15, 1936, and March 25, 1937, is 50, 11 of whom were pilots.

Since December 15, 1936, less than 8 months, 9 major airline crashes have occurred, resulting in the death of 66 persons, 15 of whom were pilots.

The Air Line Pilots' Association brings these data to my attention.

Mr. President, in dealing with this subject I am dealing with something that is parenthetical to the matter before the Senate, but I deal with it in order that the Senate may be aroused to the condition that is precedent.

Mr. President, I am now going back to deal with the bill that is primarily before the Senate, which is Senate bill 2. It has been before the Senate for many months.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. COPELAND. I ask the pardon of the Senator. My attention was diverted. Has the Senator been discussing the other bill at all this morning?

Mr. McCARRAN. I have been discussing the other bill incidentally. It is not before the Senate, but I consider its provisions coextensive with those of this bill, though I have been discussing it only incidentally. I am now about to go back to a full discussion of Senate bill 2.

Mr. COPELAND. I am glad to hear about Senate bill 2 because I am sympathetic to it, but I should have to die on my feet to prevent the passage of the other bill this year.

Mr. McCARRAN. I should not want the Senator to die on his feet until he is elected mayor of New York.

Mr. BARKLEY. The Senator from Nevada would not want the Senator from New York to die on his feet then, would he? [Laughter.]

Mr. McCARRAN. The Senator from New York is not going to die on his feet then because he is then going to be in a place where he can command attention and become President of the United States some day in the future.

Mr. COPELAND. Mr. President, I can plainly see that this is no time to discuss the bill. [Laughter.]

Mr. McCARRAN. Mr. President, if Senators will take the copies of the committee prints that have been placed on their desks and follow me as we go through a cursory review of the bill, I shall be gratified. I especially draw the attention of the able Senator from Tennessee [Mr. McKELLAR] to what I am about to say because I know the heart of the able Senator from Tennessee, and I know that in his heart he is in favor of progress, and I know that in his heart he is in favor of this bill; but I know that he has been misled by those who either have not read the bill, have refused to read the bill, or have refused to give the Senator proper information concerning the bill.

First of all, let it be remembered that this bill is an amendment to the Interstate Commerce Act. The reason for that is that the President of the United States in two messages has said that he wanted all transportation facilities coordinated; and in keeping with that expression during the last session of Congress we did bring in measures dealing with bus and truck transportation. I draw the attention of the Senate to paragraphs one paralleling another.

The first section deals with policies. In other words—

It is hereby declared to be the policy of Congress (1) to regulate transportation by air carriers in such manner as to recognize and preserve the inherent advantages of, and foster sound economic conditions in, such transportation and among such carriers in the public interest—

And so on. If Senators will look across the page, they will find that substantially the same language is used with reference to bus and truck transportation. In addition to that, I draw attention to the fact that the real purpose and object of the Interstate Commerce Commission when it was instituted by law was so to regulate the railroads of the country so that the railroads of the country might prosper, might continue. In that regard, I wish to say now that had a bill of this kind been enacted 50 years before the Interstate Commerce Commission was instituted, the railroads of the country would not have gone through the period of depression and bankruptcy and insolvency and receivership which they did go through. Since the time when the Interstate Commerce Commission was instituted, the railroads of the country have operated with a fair degree of progress and success.

But, Mr. President, if we permit our air lines in this country to continue under the present policy, which is no policy at all, within the short span of life of the very oldest of us we will find the air lines going through the very same unfortunate experience through which our railroads went. It is to save our air lines, it is to build our Nation internally and externally, that the bill is proposed. It is to declare to the world that we have a policy with reference to air transportation, and the President of the United States has gone along in two messages sent to the Senate, which Senators will find on record, and in which he is shown to be in entire accord with this policy.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. Will the Senator point out anything in the message of the President referring to air mail being put in the hands of the Interstate Commerce Commission?

Mr. McCARRAN. I may say to the Senator that the messages of the President of the United States deal with transportation and the coordination of it.

Mr. McKELLAR. He has never expressed himself on this bill——

Mr. McCARRAN. Just a moment. I reserve the right to answer the Senator's question, and I am going to answer it, and I am not going to be interrupted in the midst of an answer.

Mr. McKELLAR. I did not mean to interrupt the Senator.

Mr. McCARRAN. The message of the President of the United States was devoted to coordination of methods of transportation. The railroads are required by law to carry the mails. They must afford facilities for carrying the mails. Under the pending bill the air lines of the United States must accord facilities for carrying the mail. It would be written into the law. They could not avoid it. Whenever the Post Office Department tendered the mail to a line that was licensed to conduct transportation over a given territory, they would have to take the mail.

No; the President of the United States did not deal with the mails, because the President of the United States knew that there was some intelligence left in the Congress of the United States after all; that the mail was uppermost with the people of the United States, and that whenever we brought into existence a recognition of control of any transportation facilities we would see to it that the mail was carried by that facility.

So the bill has seen to it that the mail will be carried by this facility. It does not require the Post Office Department to tender mail to every line, but every line to which mail is tendered must carry the mail.

I shall now follow the Senator's question a little further, because naturally it brings up the thought of the rate at which the facility shall carry the mail. It shall carry the mail at a rate which will be prescribed by a quasi-judicial body which has for half a century determined the rate at

which the railroads should carry the mail, namely, the Interstate Commerce Commission.

How many commissions are we to have to control the transportation facilities of this Nation? How many commissions are we going to say shall control our transportation facilities? Shall the Post Office Department control one of the greatest transportation facilities of future efforts, and the Interstate Commerce Commission control merely the railroads?

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. McCARRAN. I yield.

Mr. CLARK. I am in sympathy with the purpose of the bill, so far as the matter of putting inspection and regulation of safety devices in an experienced quarter is concerned, because the present system of regulation of safety in the air has certainly been very unfortunate and very disastrous.

In connection with what the Senator has just been saying, does he not believe that when we put air transportation, or truck transportation, or bus transportation, or river transportation under the Interstate Commerce Commission in its present form, and until the act now pending in Congress for enlarging the membership of the Commission and dividing it into sections shall be enacted, that when we put any of these activities under the Interstate Commerce Commission we are putting them into the hands of an essentially unfriendly agency? I say that without any reflection whatever on the present membership of the Interstate Commerce Commission, or any prior membership, but that Commission was created as a commission to regulate railroads. Their study and their whole experience have been in connection with the railroad situation. As I have said, it is without any reflection on the Commission or its membership that I say that it is essentially a railroad-minded commission, because all of their experience, all of their precedents, have had to do with railroads; and, without any reflection on anybody, I think anyone who will study the decisions and attitude of the Interstate Commerce Commission, particularly with regard to river transportation and other inland waterway transportation, must come to the conclusion that in the consideration of any question of joint rates, or any question of unfair competition on the part of the railroads against the inland waterway carriers, the inland waterway carriers have gotten the worst of it, and I am very anxious that that should not happen to this growing industry of air transportation.

Mr. McCARRAN. In reply to the observation of the Senator from Missouri, it seems to me that, in keeping with the messages of the President, there should be and must be a coordination of control over all methods of transportation. I cannot go along with the Senator—I wish I could, but I cannot—in the view that the waterways have received the worst of the deal. I do not know enough about that to talk on the subject, but I know the Senator from Missouri understands that particular phase of the subject. I do say, however, that it seems to me we must rely on some one agency, and that agency should not be a political agency, and under present conditions we are holding this entire transportation facility under the control of a political agency.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. McCARRAN. I yield.

Mr. CLARK. I can say to the Senator from Nevada that I agree fully with him. As I said a moment ago, the observation which I made with regard to the Interstate Commerce Commission involves no real criticism of the Interstate Commerce Commission.

I can say to the Senator, to illustrate what I am talking about, that a couple of years ago I started to oppose the confirmation of a member of the Interstate Commerce Commission, one who had been renominated to the Commission. He came to my office and showed me that under the precedents of the Commission, and, indeed, under the construction which had been put for many years by the Commission on the original Interstate Commerce Commission Act, he was perfectly consistent. While I am not opposing the pending bill, it seems to me that when we put these multifarious activities of transportation under one central authority, as I agree with the Senator from Nevada they should be, precaution should be taken that there are divisions in the Commission which are particularly familiar with the problems and the necessity of each of these various activities.

I agree entirely with the Senator from Nevada that there should be one authority to regulate transportation, and I agree further that that should not be a political authority but at least a semijudicial board from which impartial decisions could be obtained. But it should be so constituted that there would be no predilection, no attitude of mind, with regard to one transportation activity, so that it would get advantage over another transportation activity.

Mr. COPELAND. Mr. President——

Mr. McCARRAN. Let me reply to the Senator from Missouri before I yield to the Senator from New York.

Mr. COPELAND. I desired to make reply, too, but I will wait.

Mr. McCARRAN. I want to see the air transportation regulated in terms of the bill; and, if I may, I draw the attention of the Senator from Missouri to section 318, page 117, of the committee print that is before us.

> The Commission is directed to establish a Bureau of Air Transport and appoint a Director thereof.

In other words, the very thing the Senator suggests, if I catch the Senator's thought, I have tried to provide, namely, that in the Interstate Commerce Commission there shall be established a new bureau to handle air transportation. It may be called by any name desired; some of us do not like the term "bureau", but it seems to me that for comprehension of the thing it is all right to use that term. It is to be a new bureau, which undoubtedly the Interstate Commerce Commission will create, and that bureau will have control, as will be seen if the bill is read. It will be found that the bureau will have control of this particular facility.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CLARK. What I had in mind was the provision of the bill now pending in the Senate, similar to a provision of the bill introduced by the Senator from Montana [Mr. WHEELER], which was reported favorably by the Interstate Commerce Committee of the Senate in the last Congress, which provides for the increase of the membership of the Commission itself, with the provision that one division of the Commission, that is, one set of Commissioners, shall be assigned to the handling of railroad matters; another set of Commissioners shall be assigned to a division having to do with truck and bus transportation; another division to river transportation; and another to air transportation, with the provision that in connection with matters of conflict or interrelation between various divisions two or more divisions of the Commission may sit and determine them, or all divisions of the Commission may sit en banc, as we say in the case of courts.

Mr. President, it seems to me that that is a very much preferable provision to the establishment of a mere bureau which still has to come before a "railroad-minded" commission, if I may use that term, for final determination.

I am not opposing this provision; I am not opposing this bill; but I say that it seems to me that the problems presented in this bill illustrate the necessity for the passage of the other measure to which I have referred.

Mr. McCARRAN. Mr. President, I will say that I will support such a bill, but I believe it is entirely correct to say that it will go along with and will be in entire harmony with the bill now before us.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. COPELAND. I am in fullest accord with what the Senator from Missouri has said regarding steamship regulation. The Senator is right when he says that the Interstate Commerce Commission is "railroad minded." Its first chairman, whom I knew, was Mr. Cooley, and Professor Adams, of the University of Michigan, was its first, and, I may say, almost its perennial secretary. I have followed its operations through many years since its organization. It is "railroad minded." The reason why the Senator from Missouri [Mr. CLARK] and I have always opposed the transfer to it of the regulation of rates for intercoastal transportation, for example, is that the Commission would be sure to think in terms of railroads. That is to say, suppose there were a contest between the intercoastal lines through the Canal and the railroads on through rates from coast to coast; the railroads would complain that the rates on steamships are so low that they destroy the possibility of any transportation of freight by rail, and, of course, the steamship lines would say, "If we raise our rates we will not get any business." The railroads would say, "We cannot afford to lower our rates." As I view it, if the regulation of intercoastal water transportation were transferred to the Commission, the result would be a higher intercoastal rate by vessel, so high, indeed, that it would be impossible for the intercoastal lines to attract any business.

The reason why the shipping lines between the two coasts prosper is because they can carry heavy freight, bulky freight, slow-moving freight, when there is no occasion for hurry. They can carry steel beams and bulky materials when speed is not essential, and by reason of the lower rate they gain business. It is very important for us to make sure that the intercoastal steamship lines are maintained, because we are seeking to build up the American merchant marine, not only for times of peace, but for times of war. Some of the finest vessels we have are engaged in intercoastal traffic. So anything which would mean a competitive rate which would be destructive of steamship lines would be fatal. That is the way I feel about the ships.

When we come to the matter of air transportation I do not have the same feeling, for the reason that airplanes can in no sense be considered as competitors of freight trains, or of vessels upon the water. The package freight they will carry will be very small. The passenger carriage will be very small as compared with railroad traffic. So I do not think that that is the important thing. I do not believe that the question of competition of rates would ever enter into the quesion.

Therefore, so far as I am concerned, I am glad to endorse Senate bill 2, because there is need in the field of aviation for some governing body to prevent cutthroat competition, and to assist the airlines to prevent undue competition in a given field that is provided for by the certificate of convenience and necessity.

Mr. President, as Senators study Senate bill 2 I think it will become more and more clear to them that it is a wise bill, that it seeks to promote aviation, that it will put the industry upon a level which it has not heretofore reached. It will result in having the financial structure supervised. It will do many things which are important if we are to have a substantial aviation service in America. That is the reason why I am quite willing to endorse Senate bill 2.

Mr. President, I ask to have inserted in the RECORD at this point a paragraph from the report made by the committee of which I have the honor to be chairman on the subject, Safety in Air, in which we make the recommendation that matters having to do with Federal regulation shall be transferred to the Interstate Commerce Commission.

The PRESIDENT pro tempore. Without objection, it is so ordered. The matter referred to is as follows:

INTERSTATE COMMERCE COMMISSION

Because of the lack of proper legislation, the domestic air-transport industry has not had the benefit of properly coordinated Federal regulation. With the air-mail law undergoing fundamental revision every second or third year, and with the suggestion of a periodic reawarding of air-mail contracts by a completely new process of competitive bidding, periodically raising its head, no operator can plan either confidently or intelligently. There is need for an official body which can keep in close touch with the air-transportation situation, watch developments, study the larger problems, foresee dangers which are impending, promote the cause of coordination, and advise both the President and the Congress in regard to air-transportation policies. We agree with that portion of the report (Rept. No. 1329, 74th Cong., 1st sess.) of the Truman committee to the Senate, wherein was said concerning air carriers:

"The ultimate objective of the entire program is a system of coordinated transportation for the Nation * * * with earnings which will support adequate credit, and the ability to expand as need develops and to take advantage of all improvements in the art. All parts of such a system of transportation should be in the hands of reliable and responsible operators * * * free from unjust discrimination."

Should it seem wise to turn over to the Interstate Commerce Commission certain functions, there should be left to the Department of Commerce the responsibility for safety. With the safety division of the Interstate Commerce Commission there might be placed the responsibility for a decision as to the cause of an airline accident when an appeal is requested from the decision of the Department of Commerce. Such matters in the case of nonscheduled and private flying should remain in the Department of Commerce.

Mr. COPELAND. So, Mr. President, along with the Senator from Nevada and the Senator from Missouri, who have made a long study of this question, and who have spoken words of wisdom in regard to it, I think it is a first-class proposal.

Once more let me say, so far as the other bill is concerned, that I have an entirely different attitude toward it.

Mr. McKELLAR. Mr. President, will the Senator yield to permit me to ask a question of the Senator from New York?

Mr. McCARRAN. I yield.

Mr. McKELLAR. The Senator from New York says that he does not think that air mail is in competition with the carrying of mail by the railroads.

Mr. COPELAND. Mr. President, I did not speak of air mail.

Mr. McKELLAR. Well, airplanes, then, coming in competition with other forms of transportation.

Mr. COPELAND. I was talking about the passengers and light-package freight. When it comes to mail, then we have a different proposal.

Mr. McKELLAR. I may say to the Senator that in the Appropriations Committee, of which he is a member and of which I am a member, and of which the Senator from Nevada is a member, it was found that the air mail costs about $14,000,000 at present, and that accounts in a large measure for the appropriations to the railroads for carrying mail remaining stationary; because all of that mail, or nearly all of it, is taken out of the hands of the railroads and put into airplanes.

Mr. McCARRAN. Mr. President, in keeping with the observations of the able Senator from New York, as a matter of history I think it might be well that I read some statistics.

In 1926 the air facilities of this country carried 5,782 passengers. In 1936 the air facilities of this country carried 1,146,138 passengers.

In 1926 the air facilities of this country carried 3,555 pounds of express. In 1936 the air facilities of this country carried 8,340,408 pounds of express.

In 1926 the air facilities of this country carried 377,206 pounds of mail. I draw the attention of the Senate to this in particular, and I am going to read it again that it may impress itself on Senators. In 1926 the air facilities of this country carried 377,206 pounds of mail. In 1936, 10 years later, the air facilities of this country carried 8,340,408 pounds of mail.

A mature industry has grown up in our midst in the brief period of 10 years, and what we need now is mature laws properly to regulate our newest and swiftest mode of travel.

I make those observations in keeping with the observation of the Senator from New York to show the growth of this form of transportation, thus to emphasize the fact that it is here to stay, and, being here to stay, it should now receive the benefit that came too late to our railroads and their method of transportation.

Mr. POPE. Mr. President——

Mr. McCARRAN. I yield to the Senator from Idaho.

Mr. POPE. Mr. President, may I ask the Senator if he is going to deal with the question raised by the Senator from Missouri and the Senator from New York, that, inasmuch as the Interstate Commerce Commission is railroad-minded, so to speak, because of their training and dealing with railroad regulations, therefore in actual experience they have favored the railroads in the making of joint rates, particularly as to water transportation. I am wondering if the Senator is going to deal with that question, and also the question which raises very serious doubt in the minds of some of us, namely, that if that be true, then they might do the same thing with reference to air transportation.

In my section of the country, as the Senator knows, we have to rely not only upon railroad transportation largely, but, in my State, upon transportation by one railroad. We have had the problem for many years of long-and-short-haul rates, by reason of competition between the railroads and water transportation to the coast, to which low rates may be fixed, and higher rates charged us in the interior. That question raises a very serious problem in our State.

Does the Senator think that the fact, if it be a fact, that the Interstate Commerce Commission as constituted have favored railroad transportation as against other forms of transportation, as asserted by the Senator from New York [Mr. COPELAND], would raise a doubt as to the advisability of putting this form of transportation under the jurisdiction of the Interstate Commerce Commission?

I have a very high regard for the Interstate Commerce Commission. I feel that they have acted ably and fairly in all matters of transportation rates and regulations with which I am familiar, but the suggestion which has been made does raise some doubt in my mind as to the extension of the jurisdiction of the Commission over air transportation.

Mr. McCARRAN. Mr. President, I am glad to have the Senator's observation, because it gives me an opportunity for a very brief discussion. I will not go at length into it.

I am not ready, first of all, to say that I would go along with the thought that the Interstate Commerce Commission has become entirely railroad-minded and discriminating as against other methods or facilities of transportation. I may say that, by reason of new facilities of transportation coming into existence, those who would seek to criticize might find a ground for criticism which might in the future not have foundation. As I have said to the Senator from Missouri, I would be one of the first to go along with a proposal for the enlargement of the Interstate Commerce Commission so that the Commission might in the future be divided into sections to deal with separate subjects. But we have got to take one step at a time, and this is one of the steps. We have under the bill placed this facility of transportation in interstate commerce where we believe it belongs. The time may come when some of us, realizing the extent and expanse of this form of transportation, will say, "Certainly the Interstate Commerce Commission should be expanded in membership in order that they may properly handle this subject." But suppose we were to abandon this bill and then say we will enlarge the Interstate Commerce Commission, immediately the question would be raised, Why? Then we would have to say because it is proposed to bring air transportation under the Interstate Commerce Commission.

Now this bill is before us. We are going to bring air commerce into the Interstate Commerce Commission, if we can, in order that all facilities of transportation may be coordinated. We are going to say that, at least temporarily, a bureau shall be set up in the Commission under which this great method of transportation may be developed; and, after all is said and done, however much we may extend or expand or increase the membership of the Interstate Commerce Commission, eventually the Commission will have to come down to a small nucleus; they will have to say, "A smaller body should handle this matter, subject to our regulation after they handle it." In other words, they will have to submit it to a small committee, as is the procedure of the great committees of the Senate. We have said, "This committee is too large to handle it; let us entrust it to a subcommittee of three or five or seven."

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I gladly yield to the Senator from Missouri.

Mr. TRUMAN. It is a question either of regulation for air transportation or a question of no regulation at all. Transportation heretofore has been handled by the Interstate Commerce Commission. Under measures enacted in the last session by Congress, they regulate pipe lines and waterways. It is proposed now to give them charge of the regulation of air transportation. The only way they can become air-minded is to give them experience in the handling of such transportation.

Mr. McCARRAN. I thank the Senator from Missouri for his observation.

Mr. JOHNSON of California. Mr. President——

Mr. McCARRAN. I yield to the Senator from California.

Mr. JOHNSON of California. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Holt	O'Mahoney
Andrews	Chavez	Hughes	Overton
Ashurst	Clark	Johnson, Calif.	Pepper
Austin	Connally	Johnson, Colo.	Pittman
Barkley	Copeland	King	Pope
Berry	Dieterich	La Follette	Reynolds
Bilbo	Donahey	Lee	Schwartz
Black	Ellender	Lewis	Schwellenbach
Bone	Frazier	Lodge	Sheppard
Borah	George	Logan	Smathers
Bridges	Gerry	Lonergan	Smith
Brown, Mich.	Gillette	Lundeen	Steiwer
Brown, N. H.	Glass	McAdoo	Thomas, Okla.
Bulkley	Green	McCarran	Truman
Bulow	Hale	McGill	Van Nuys
Burke	Harrison	McKellar	White
Byrd	Hatch	Maloney	
Byrnes	Herring	Murray	
Capper	Hitchcock	Nye	

The PRESIDENT pro tempore. Seventy-three Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, I am not going to deal with that phase of the bill which has entirely to do with definitions. I am going to deal with that phase of the bill which is more material to the general situation. I, therefore, ask Senators who are interested in the bill to turn to page 68 of the committee print dealing with section 304 (a), which is designed to promote the development of efficient interstate, overseas, and foreign air transportation. To speak merely in general terms, the bill proposes to transfer the control and regulatory and economic features of air transportation to the Interstate Commerce Commission. Let me refer to the situation that now exists.

Today four distinct and separate branches of the Government are involved in interstate commerce by air. First of all we have the Department of Agriculture which has charge of weather reports. Weather reports are all-essential to the life of air transportation.

Secondly, we have the Commerce Department, which deals now with certain phases of air transportation, namely, ground facilities, ground protection, ground guides, and those things which belong to the development of safety in the air, part of which should be under the Department of Commerce and part of which should not be, but nevertheless we have the Department of Commerce involved in the matter.

Thirdly, we have the Post Office Department involved. Today the Post Office Department in no blushing terms demands entire and absolute control over the air facilities of the country.

That brings me to one feature of the subject which to my mind no one who has followed the matter from its inception to the present time can deny—that one man in the Post Office Department, today walking the Halls of Congress, today constituting a lobby here contrary to Executive order, is controlling and dominating the air life of the country. His name was "Crouley" in Ireland, but it is Crowley in

Texas. That man holds the life of air transportation in his hands, and he nowise blushingly demands that he control it. We are trying to take it out of his hands and turn it over to a nonpolitical body.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield for a question only.

Mr. McKELLAR. Speaking of Mr. Crowley——

Mr. McCARRAN. I yield only for a question.

Mr. McKELLAR. I am going to ask a question. Are not Mr. Keyser, of the Interstate Commerce Commission, and Mr. Inwood, of the Interstate Commission, on the floor of the Senate, and have they not been on the floor of the Senate with the Senator trying to get the bill brought before the Senate this morning, aiding the Senator? I just want to know if those two gentlemen have not been on the floor of the Senate this morning.

Mr. McCARRAN. The Interstate Commerce Committee, under the guidance of its able chairman, the Senator from Montana [Mr. WHEELER], has had the services of Mr. Keyser and Mr. Inwood in the work of the committee. I have asked Mr. Keyser to sit with me because he is familiar with the provisions of the bill. Mr. Inwood is sitting by the side of the Senator from Missouri [Mr. CLARK]. Mr. Inwood is likewise familiar with the provisions of the bill. Yesterday, when we had the sugar bill before the Senate, an expert from the Department of State sat beside the Senator from Michigan [Mr. BROWN]. Did we hesitate about that or complain about it?

Yes; I have by my side Mr. Keyser, who aided in the drafting of the bill. We called for assistance to aid the Interstate Commerce Committee in the drafting of the bill. Why does not the Senator from Tennessee complain of the Senator from Missouri [Mr. CLARK] sitting here, because he sat as chairman of the subcommittee which studies the bill and knows more about the bill than any man on the floor of the Senate? He is sitting here, and yet the Senator from Tennessee does not complain about that.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I do not yield.

Mr. McKELLAR. Does not the Senator want his question answered?

Mr. McCARRAN. I am going to answer the Senator's question first, and then I shall yield for him to ask another question.

Yes; Mr. Keyser is sitting here, just as the Senator from Tennessee has had departmental clerks sitting with him during the consideration of other measures. I have the men sitting here who have worked with the Interstate Commerce Committee and who know what the committee has gone through. We have to have those with us who have studied the matters involved, so that we may have the benefit of their suggestions as we proceed. In a subject so important as this, into which no personalities should enter, where a great national problem is involved, where something is involved that means the development of America so it may take its place among the nations of the earth, then we do call for the best assistance we can find. The Senator from Tennessee has done that exact thing from time to time.

I yield now to the Senator from Tennessee.

Mr. McKELLAR. The Senator from Nevada spoke of the Senator from Missouri [Mr. CLARK] being on the floor. The rules of the Senate permit the Senator from Missouri to be on the floor.

Mr. McCARRAN. Do the rules deny the right of Mr. Keyser to be on the floor?

Mr. McKELLAR. Yes; the rules do.

Mr. McCARRAN. Then Mr. Keyser will have to leave the floor; but I want to warn the Senator from Tennessee that the next man who appears on the floor of the Senate to assist a committee in presenting a bill to the Senate will likewise be required to leave the floor, because I shall object.

Mr. McKELLAR. I have no objection; but the Senator was criticizing a man who he said was roaming the corridors working against the bill. I was simply calling attention to the fact that it is a violation of the rules to have two employees of the Interstate Commerce Commission right here on the floor of the Senate. That is contrary to the rules of the Senate.

Mr. McCARRAN. Does the Senator want them taken off the floor?

Mr. McKELLAR. I have made no suggestion of that kind.

Mr. McCARRAN. If the Senator wants them to leave the Chamber, I shall have them excluded.

Mr. McKELLAR. I merely wanted to show that the Senator was talking about somebody roaming around the corridors while at the same time he had two Interstate Commerce Commission employees right here on the floor taking part in the consideration of the bill.

Mr. McCARRAN. Neither Mr. Keyser, who sits by my side, has discussed the bill, nor Mr. Inwood, who sits beside the Senator from Missouri [Mr. CLARK], has ever approached the Senator. I make that statement without even discussing the matter with them. Can the Senator say the same about Crowley?

Mr. McKELLAR. Does the Senator ask me a question? Mr. Crowley, who has been before the committee——

Mr. McCARRAN. I call him "Crowley."

Mr. McKELLAR. The Senator may call him anything he likes, but his name is Crowley—C-r-o-w-l-e-y—and he is Solicitor of the Post Office Department. He is one of the most accomplished and one of the best men of whom I know in the Government service. He had a perfect right to appear before the committee; he appeared before the committee time and again; he has testified before the committee; but he has not been on the Senate floor at my request or at the request of anybody else.

Mr. McCARRAN. No; but he has been out in the halls, calling Senators out and conversing with them.

Mr. McKELLAR. The Senator makes that statement. I do not know whether or not it is correct.

Mr. McCARRAN. I shall make a good many more statements before I conclude.

Mr. CONNALLY. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. CONNALLY. The debate has degenerated to a point where Senators are making undue implications, not warranted by the rules, as to what has been stated by other Senators. Personal debate of this character is not within the dignity or proper scope of legislative practice of the Senate.

Mr. McCARRAN. Mr. President, I call the Senator from Texas to order. There has been no personal matter between the Senator from Tennessee and myself. I have a right to refer to those who have interfered in this legislation.

Mr. CONNALLY. Mr. President, let me say under my point of order that I was seeking to direct the attention of the Senate, not to the language used by the Senator from Nevada but to that used by the Senator from Tennessee a moment ago, in which he said that the Senator from Nevada had made a statement and he did not know whether it was true or not.

Mr. McKELLAR. Oh, no, Mr. President; oh, no, Mr. President! The Senator from Texas wholly misunderstood my statement. I am a devoted friend of the Senator from Nevada, and, of course, he would not make a misstatement. I almost feel that I should resent the suggestion that the Senator from Nevada would make a misstatement.

Mr. CONNALLY. The Senator from Texas did not assume that the Senator from Nevada made a misstatement. If the Senator from Texas misunderstood the Senator from Tennessee—and he hopes he did——

Mr. McKELLAR. He certainly did.

Mr. CONNALLY. If the Senator from Tennessee says the Senator from Texas misunderstood him, the Senator from Texas did misunderstand him.

Mr. McKELLAR. I thank the Senator.

Mr. CONNALLY. Peace and harmony now being restored, the purpose of the Senator from Texas has been accomplished, and he will not insist upon the point of order unless the rules are again seemingly transgressed.

Mr. McCARRAN. I thank the Senator from Texas for withdrawing it.

Mr. President, I take it that Mr. Keyser may remain here with me. I hope he may remain without any criticism.

To return to a discussion of the bill, I have tried to draw to the attention of the Senate the aims and objects of the bill. I shall now draw to the attention of the Senate the objections that will be raised by the able Senator from Tennessee.

My friend from Tennessee will raise some objections. I have heard them before. I have made note of them. I seek to bring them to the attention of the Senate so as to save the time of the able Senator from Tennessee, who undoubtedly will follow me.

Mr. President, the Senator from Tennessee, the able chairman of the Post Offices and Post Roads Committee, undoubtedly will say to the Senate of the United States, as he has said before the committee, that this bill would transfer to the Interstate Commerce Commission all normal functions of the Postmaster General with reference to air-mail transportation. In other words, I take it that the zeal of the able Senator from Tennessee is such that he wants to protect the rights of the Postmaster General in handling the mail. He does not want to protect those rights any more than does the author of the bill. He does not want to protect the rights of the Postmaster General any more than does the committee.

If Senators will kindly turn to section 305 (g) of the committee print on their desks they will see that no postal function of any kind is taken from the Postmaster General. Section 305 (g) provides that certificate holders must—and this I draw to the attention of the Senate—(a) provide facilities for transporting the mail; (b) transport mail when authorized by certificate, and required by the Postmaster General, under the Postmaster General's rules and regulations.

Again, under section 311, subdivisions (g), (h), and (i), the Postmaster General is given all necessary authority for, first, administering air-mail transportation, and, second, making foreign air-mail postal arrangements.

That draws my attention to another phase of the bill, and that is that not only would the Interstate Commerce Commission regulate interstate commerce, but it would also regulate commerce from this country to foreign countries; and how necessary that is. Senators will remember that at the outset I said that not only should we regulate commerce between the States, but we should regulate commerce between this country and foreign countries as well, in order that while other countries in the past have controlled the waves, in the future this country may control the air. Today we have lines flying the American flag from this country through to South America on one coast and back up on the other coast. We have lines under the control of this country flying the American flag flying from this country to the Orient and back. We have today the development of a great line flying from the west coast clear through to Australia, to New Zealand, and thence to Australia, all under the American flag; and we have today—as Senators will know if they have read the current news of the press—the first completed flight from the east coast through, by way of Ireland, to London, and thence to Europe.

So America, by private enterprise, if you please, and by private enterprise only, has acquired rights of flight from this country to South America, thus bringing South America closer to this country for travel, thus bringing South America and the South American coast closer to this country for commerce, and rights of flight extending from the west coast clear through to New Zealand and Australia, thus bringing the antipodes closer to this country for commerce and for travel. So by private enterprise we have today flights extending from the east coast by way of Newfoundland through to Europe, flights that will be carried on for passenger and mail and general service in the not-far-distant future.

All of these lines today are seeking to come under the regulatory features of this bill. Not a single transport line today—and I say this without fear of contradiction—either flying upon the continent or flying from the continent abroad, is opposing any provision of this bill. Every one of them has been advised of the bill, and advised of it from its very initial features, and has given us its views, that we might adopt them so far as we could, and thus bring them under the regulatory features of the bill.

Mr. President, when I returned to Washington in the latter part of last year, I immediately began correspondence with every transport line in America, stating to them that I proposed to bring forward again my bill for the regulation of air transport in this country, and asking them for their constructive criticisms. I have carbon copies of those letters, sent out to every transport company in the country, not only the local transport companies, those that deal entirely with interstate commerce, but also those that deal with commerce to foreign countries. In every instance I have received the careful study, the constructive criticism, the constructive observations, the constructive views of those lines; and their views, so far as it was possible, have been written into this bill.

So today what have we?

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REYNOLDS. I desire to suggest to the able Senator from Nevada that the primary interest of the American people in this particular subject relates not to the transportation of the mail from one part of the United States to the other, or from the United States to various sections of the world, insofar as mail is concerned, but the primary interest is that of the increase of commerce; and we must all necessarily agree that the advent of the Pan-American Airways to the 22 countries to the south of us, serving 100,000,000 people, has done more to create friendly relations between the 135,000,000 people of America and the 100,000,000 people residing to the south of us than all of the Diplomatic Corps we have had there for years. It has planted the American flag conspicuously in 22 countries, and unquestionably has done more to increase the commerce between the United States of America and the Republics to the south of us than any other factor we have ever known.

Mr. McCARRAN. I thank the Senator from North Carolina for his apt and interesting observations. It is in the spirit of his observations and the thought that prompts them that the entire bill has been brought forward. In other words, not only should we develop transportation by air within our own midst, interstate, but that we should develop transportation by air between this country and foreign countries, thus to bring foreign countries closer to us from the commercial standpoint, thus to bring business from foreign countries to our country, and to take business from our country to foreign countries.

Mr. REYNOLDS. And that, I wish to add, is the very reason why the control of all air transportation should be vested with the Interstate Commerce Commission.

Mr. McCARRAN. I again thank the Senator from North Carolina for his observation.

Mr. President, I shall proceed now to aid my able friend the Senator from Tennessee so that he shall not be detained too long, by referring to another expression he will make. He will say that the bill would take the right to control schedules away from the Postmaster General. If Senators will turn to section 305, subdivision (g), they will find that the Postmaster General is specifically empowered to prescribe schedules for transporting mail, and is given the power to make all rules and regulations for the transportation of mail. The observation that will be made by the Senator will have no foundation in the lines of the bill, because it was with a studied effort that we proposed that the transportation of the mail by air should not be interfered with, that the right to control the transportation of the mail by air should always be in the Postmaster General.

I ask Senators now to turn to section 311. The Senator from Tennessee will undoubtedly state to the Senate that the bill would not properly protect the Government against excessive rates and expenditures for air-mail transportation, and that it would not limit the Interstate Commerce Commission with reference to the number of miles of air

mail to be established, or the frequency of the trips, and that it would increase air-mail transportation costs. I want the Senate to dwell on this for a moment, because this is one of the big points my able friend the Senator from Tennessee will make following my discussion of the bill.

The Senator will say that it would increase the air-mail transportation costs by $5,617,669.02 over present domestic and $2,800,000 for present foreign air-mail costs. I will ask Senators to turn to section 311, found on page 94 of the committee print of the bill. First of all, I say that this bill would add nothing to the cost of any mail service, foreign or domestic, now conducted at fair and reasonable rates. Section 311 provides that rates for air-mail transportation shall be fixed by the Interstate Commerce Commission after notice of hearing, and must be fair and reasonable.

The Interstate Commerce Commission fix the rates for carrying the mail on every railroad in the United States. They fix the rates and the method of carrying the mail. They prescribe the rates for mail carried by pouch, they prescribe space rates, and they prescribe car rates. Those who are familiar with mail rates know that to be true, and no one knows it better than does the able Senator from Tennessee. So, the Interstate Commerce Commission, in keeping with that, would fix fair and reasonable rates.

What have we today? We have what the Senator from Tennessee would call competitive bidding. Let me draw attention to one example. The last competitive bid that was submitted to the Post Office Department was by the Pennsylvania Central Airlines, which agreed to carry the mail for eight one-thousandths of a cent per mile. Let me repeat that. The Pennsylvania Central Airlines just a few weeks ago bid to carry mail over its route for eight one-thousandths of a cent per mile. Do not lose the decimal.

Mr. TRUMAN. Mr. President, will the Senator yield for a correction?

Mr. McCARRAN. I yield.

Mr. TRUMAN. That is eight ten-thousandths of a mill, eight one-hundred-thousandths of a cent.

Mr. McCARRAN. I thank the Senator for the correction. I go back to the decimal, eight one-hundred-thousandths of a cent per mile.

Mr. REYNOLDS. Mr. President, I am curious to know how any transportation company, air line or otherwise, could possibly carry the mail for the rate suggested by the Senator according to the bid mentioned.

Mr. McKELLAR. Mr. President, will the Senator from Nevada yield to me? I should like to answer the question of the Senator from North Carolina.

Mr. McCARRAN. I prefer to answer questions asked me.

Mr. McKELLAR. I will answer it a little later.

Mr. REYNOLDS. I shall be very happy, indeed, to hear the Senator.

Mr. McKELLAR. I can answer it.

Mr. REYNOLDS. I should like to hear the answer of the Senator from Nevada, who is sponsoring the bill.

Mr. McCARRAN. I am going to answer the question by speaking in generalities. First, it cannot be done; secondly, it is a cutthroat bid, and we are now dealing with cutthroat competition, one line trying to destroy another. If Senators will read the hearings on the bill, they will find that the Pennsylvania Central Air Lines have come into existence by freezing out another line, under the direction and observation and permission of Mr. Crowley. I am going back to that. Secondly, that this cutthroat competition is destructive of the entire situation, and if the Pennsylvania Lines or any other lines could carry the mail for such a ridiculous rate, it would simply mean that some other agency must pay the price. It would simply mean that their equipment and their line must either have support from some other source or it must deteriorate, so that the lives of passengers traveling on that line would not be safe. That is my general answer to the Senator's question.

Mr. REYNOLDS. Mr. President, if such cutthroat competition is permitted today, I should like to ask where provision may be found for the protection of the pioneers of the skies, who have invested millions for the purpose of contributing to the progress of aviation, which has brought us so close to every other section of the world, and which has increased our commerce with all of the nations of the world as a result of rapid transportation.

Mr. McCARRAN. Mr. President, I can only say that if such a practice as that which is illustrated by the bid made by the Pennsylvania Central Air Lines should be permitted it would mean the destruction of our whole structure of transportation by air; it would simply mean someone who has not some backing could be, through competition, bid out of existence by a false and fictitious bid. That is all it means. If we continue such policies, it is just as certain as day follows night that this great industry and this great facility will be destroyed. I drew this example to the attention of the Senate only to arouse the Senate to a situation which confronts us. The answer is in the bill—that the Interstate Commerce Commission, knowing what it was about, would fix reasonable and proper rates for carrying the mail.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield for a question only.

Mr. McKELLAR. Will not the Senator yield to permit me to answer the question of the Senator from North Carolina?

Mr. McCARRAN. I prefer that the Senator answer in his own time. If he answers in his own time, I will help him to answer; but I yield for a question only, because I do not want to be held on the floor all day.

Mr. McKELLAR. Very well.

Mr. McCARRAN. Now I shall proceed to reply to what the Senator from Tennessee will say to the Senate. I repeat, the Senator from Tennessee will say to the Senate that the bill would not properly protect the Government against excessive rates and expenditures for air-mail transportation; that it would not limit the Interstate Commerce Commission with reference to the number of miles of air mail to be established, or the frequency of trips; that it would increase the air-mail transportation costs by $5,617,000 for present domestic and by $2,800,000 for foreign air-mail carriage. I have drawn the attention of the Senate to the bill and to the specific provisions of the bill.

I again draw the attention of the Senate to section 305 of the bill before the Senators, subdivisions (a), (d), (e), (f), (g), and (m). Under those provisions the Interstate Commerce Commission would not establish any routes, air mail or otherwise, but would merely grant authority to conduct air transportation. The Postmaster General would have the sole power to determine whether any airlines with authority should carry the mail. The Postmaster General still would have power to initiate new air-mail service. The Postmaster General would determine on what trips the mail should be carried, and would fix the schedules of mail trips. In other words, by the specific provisions of the bill the Postmaster General would fix the details with reference to carrying the mail.

The Senator from Tennessee undoubtedly will say that the bill would perpetuate present foreign and domestic air-mail contracts, give present contractors perpetual franchises free from competition, empower the Interstate Commerce Commission to establish transport service to whatever points in the world it may desire, and force the Postmaster General to put mail on every one of these lines.

Mr. President, I draw the attention of the Senate to section 311 (a) and (b). Under those provisions any qualified person may secure a certificate of convenience and necessity between any points, including points covered by "grandfather clause" certificates to the present operators.

Section 305, subparagraphs (f), (g), and (m), provides that any certificate may authorize the holder to transmit mails. Every certificate holder so authorized must carry mail whenever required by the Postmaster General under the Postmaster General's rules and regulations. The Postmaster General, and not the Interstate Commerce Commission, controls the mail service.

Section 305 (l) provides that certificates may be issued for a limited time. The Interstate Commerce Commission may suspend any certificate for cause.

Under section 305 the Interstate Commerce Commission may not establish a route, but may only approve an application.

Again, section 305 gives the Postmaster General complete control over initiating extensions of the air-mail map and determining what carriers, planes, and trips shall actually carry the mail.

Undoubtedly the Senator from Tennessee will say during the course of his argument that the bill would permit consolidation. I wish the Senator from Tennessee were here. I am sorry I cannot have his attention. Undoubtedly he will overlook this statement in the RECORD, because he will be so busy in preparing to overcome the specific provisions of the bill. In order that we may possibly have the presence of the able Senator from Tennessee, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). The clerk will call the roll.

The legislative clerk called the name of Mr. ADAMS.

Mr. COPELAND. Mr. President, will the Senator from Nevada withhold his request? No Senator has as yet answered to his name. Would the Senator from Nevada be willing to permit his bill to be laid aside temporarily?

Mr. McKELLAR. The bill has not as yet been taken up for consideration.

Mr. COPELAND. I mean the discussion of the bill. Would the Senator from Nevada be willing to forego discussion of the bill temporarily so that bills on the calendar may be considered?

Mr. REYNOLDS. Mr. President, I hope the Senator from Nevada will accede to the request of the Senator from New York temporarily to forego the discussion of the bill.

Mr. BARKLEY. Mr. President, it was my plan that the Senate should continue the present discussion until 2 or 3 o'clock, and then, if we could obtain the consent of the Senators particularly interested in the bill, as well as of the Senate, by unanimous consent temporarily to defer the present discussion, and have the Senate proceed to the consideration of unobjected-to bills on the calendar. I do not believe that should be done at the present moment, however.

Mr. COPELAND. Mr. President, is there any way by which the calendar can be taken up at this time, and the discussion of the bill temporarily deferred, leaving things in the same parliamentary status in which they now are?

Mr. BARKLEY. That can only be done by unanimous consent.

Mr. McCARRAN. I am willing to have the discussion of the bill go over until Monday if it may be understood that I shall have the floor on Monday.

Mr. McKELLAR. When would the Senator from Nevada want to bring up the bill again?

Mr. McCARRAN. On Monday morning.

Mr. McKELLAR. I cannot be here all day Monday.

Mr. McCARRAN. The Senator does not need to be here.

Mr. McKELLAR. Whether I need to be here or not, I am going to be here when the Senator discusses the bill.

Mr. COPELAND. I beg the Senator to let the discussion of the bill be deferred temporarily, so that the calendar may be taken up.

Mr. McKELLAR. If the discussion of the bill can be resumed on Tuesday, I should be willing to accede to that.

Mr. BARKLEY. It cannot be done on Tuesday, because the Senate will then have before it the consideration of the nomination of the Senator from Alabama [Mr. BLACK].

Mr. McCARRAN. I am willing to put my motion aside, provided it is understood that we shall continue to have the same status and the same position on the floor on Monday morning.

Mr. BARKLEY. Of course, if the motion is temporarily laid aside for the purpose of calling the calendar, the motion will resume its present status when the Senate meets again; that is, if it is laid aside by unanimous consent.

Mr. COPELAND. Mr. President, I hope that may be done.

Mr. BARKLEY. Mr. President, I ask unanimous consent that at the hour of 2 o'clock the pending motion be temporarily laid aside for the purpose of permitting the Senate to proceed to the consideration of unobjected bills on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. McKELLAR. Mr. President, reserving the right to object, I wish to say that this is a very important measure, and I feel that without considerable discussion the Senate cannot receive a proper exposition of what these two bills really mean; and I should not like to have the discussion deferred aside until I myself have had something to say about the matter.

Mr. CONNALLY. Mr. President, will the Senator from Tennessee yield for a question?

Mr. McKELLAR. I have not the floor.

Mr. CONNALLY. Will the Senator from Kentucky yield to me?

Mr. BARKLEY. The Senator from Nevada has the floor.

Mr. McCARRAN. I will yield to the Senator from Texas to let him ask a question of the Senator from Tennessee.

Mr. CONNALLY. I wish to make a suggestion for the consideration of the Senator from Tennessee, who is opposed to having the bill taken up for consideration. In view of that opposition on his part, it occurs to me that the longer it is postponed, whether by reason of taking up the calendar or anything else, the better the purpose of the Senator from Tennessee would be served.

Mr. McKELLAR. Mr. President, I have been here long enough to know better than that. When other Senators have no business before this body, they are not interested in taking up this bill or anything else. However, I take it that the Members of the Senate are not going to let this bill be debated in their absence ad infinitum, in view of the important matters that are to come before the Senate.

Mr. President, the bill under discussion is very controversial; it is very important. The President of the United States has strongly recommended the passage of a reorganization bill, which I understand is to be reported on Monday. The President is not in favor of the bill now under discussion. He is not in favor of the passage of the bill at this session of the Congress. For that reason——

Mr. McCARRAN. Mr. President——

Mr. McKELLAR. Mr. President, the Senator from Nevada, as I understand, does not have the floor.

Mr. McCARRAN. I have the floor, and I refuse to yield further.

Mr. BARKLEY. The Senator from Nevada had the floor, and yielded to me.

Mr. McKELLAR. The Senator demanded a quorum call, and he cannot do that and also retain the floor.

Mr. COPELAND. Mr. President, will the Senator yield to me for one moment?

Mr. McCARRAN. I yield.

Mr. COPELAND. I beg the Senator from Tennessee to consider that if he is seeking an audience to hear his argument—and I want to hear it—he will not get it on Saturday. The Senator realizes that a large number of our colleagues are away.

Mr. McKELLAR. And more of them will be away when remaining business in which they are interested shall have been passed by the Senate. Next week I shall be confronted with having to talk for a week, perhaps, to kill this bill, and I do not want to do that. I would rather talk against it now.

Mr. JOHNSON of California. The Senator would not do that now.

Mr. McKELLAR. Mr. President, so important do I consider this bill, and so necessary is it that it shall not become law at this session of Congress, that I am going to oppose it to the limit of my physical ability, and I do not care who knows it. I am very strongly opposed to this bill.

Mr. JOHNSON of California. I desire to ask the Senator a question. That is the reason why I rose.

Mr. McKELLAR. I am delighted to answer.

Mr. JOHNSON of California. I heard the Senator say that the reorganization bill recommended by the President was to be reported.

Mr. McKELLAR. I am informed that it is to be here next Tuesday.

Mr. BARKLEY. The committee is to meet Monday to consider the bill.

Mr. JOHNSON of California. That is a different thing.

Mr. McKELLAR. I am told that it is likely that the bill will be reported.

Mr. BYRNES. Mr. President, the Senator from Tennessee misunderstood me.

Mr. McCARRAN. Mr. President, I have the floor through all this.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Tennessee misunderstood me if he is now under the impression that I stated that the reorganization bill was to be considered next week.

Mr. McKELLAR. I understood it was to be reported next week.

Mr. BYRNES. I stated that I hoped the bill would be reported to the Senate next week; but there is an understanding that it will not be considered at this session.

Mr. McKELLAR. Then I misunderstood the Senator.

Mr. BARKLEY. Mr. President, will the Senator from Nevada yield to me to propound a unanimous-consent request?

Mr. McKELLAR. Mr. President, for the present I shall object.

Mr. BARKLEY. If the Senator does not agree to that, I withdraw the request.

Mr. McCARRAN. Mr. President, I ask for a quorum call. I suggested the absence of a quorum, and I again suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Holt	O'Mahoney
Andrews	Chavez	Hughes	Overton
Ashurst	Clark	Johnson, Calif.	Pepper
Austin	Connally	Johnson, Colo.	Pittman
Barkley	Copeland	King	Pope
Berry	Dieterich	La Follette	Reynolds
Bilbo	Donahey	Lee	Schwartz
Black	Ellender	Lewis	Schwellenbach
Bone	Frazier	Lodge	Sheppard
Borah	George	Logan	Shipstead
Bridges	Gerry	Lonergan	Smathers
Brown, Mich.	Gillette	Lundeen	Smith
Brown, N. H.	Glass	McAdoo	Steiwer
Bulkley	Green	McCarran	Thomas, Okla.
Bulow	Hale	McGill	Truman
Burke	Harrison	McKellar	Van Nuys
Byrd	Hatch	Maloney	White
Byrnes	Herring	Murray	
Capper	Hitchcock	Nye	

Mr. LEWIS. I reannounce the absence of certain Senators as stated by me on the previous roll call, and ask that the announcement may remain in the RECORD for any further calls during the day.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Seventy-four Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, in keeping with the suggestion of the Senator from New York and the Senator from Kentucky, the leader of the majority, I again express my accord that if it be the desire of the Senate by unanimous consent that the pending matter go over in its present status until Monday, I am entirely content.

I wish to say that if I yield the floor, and the Senator from Tennessee takes the floor, I shall not then be in accord with the view I now express.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Kentucky.

Mr. BARKLEY. If the Senator from Nevada yields the floor, and the Senator from Tennessee takes the floor, and later, by unanimous consent, the pending motion is laid aside temporarily for the call of the calendar, it would resume its present status on Monday, and the Senator from Tennessee would still have the floor.

Mr. McKELLAR. I understand.

Mr. BARKLEY. I did not know whether the Senator objected to that procedure.

Mr. McCARRAN. Mr. President, in order that the Senate, with more Members present, may have the views of the author of the bill, and in the hope that I may have the opportunity of explaining the bill in greater particularity——

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. McCARRAN. I yield.

Mr. BARKLEY. If the Senator should consent to the temporary laying aside of the pending motion while he has the floor himself, would he agree that it go over until 2 o'clock Monday and resume then its present status?

Mr. McCARRAN. Yes.

Mr. McKELLAR. I have no objection to that.

Mr. BARKLEY. I ask unanimous consent, if the Senator from Nevada will yield for that purpose, that the pending motion be temporarily laid aside, in order that the Senate may proceed to the call of the calendar for the consideration of unobjected bills, and that at 2 o'clock on Monday next the pending motion resume its status.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

CONSIDERATION OF UNOBJECTED BILLS ON THE CALENDAR

Mr. BARKLEY. Mr. President, under the agreement just entered into, the Senate should proceed now with the call of the calendar for the consideration of unobjected bills.

The PRESIDING OFFICER. The clerk will proceed with the call of the calendar.

The bill (S. 1436) providing for the employment of skilled shorthand reporting in the executive branch of the Government, was announced as first in order.

Mr. BARKLEY. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 419) to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public education, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 847) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia, and for other purposes", was announced as next in order.

Mr. GERRY. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2106) for the allowances of certain claims not heretofore paid, for indemnity for spoliations by the French, prior to July 31, 1801, was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1760) to promote the safety of scheduled air transportation was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BENEFITS ON ACCOUNT OF DISABILITY OR DEATH IN THE ARMED FORCES

The bill (S. 2113) to provide benefits on account of disability or death due to service in the armed forces of the United States in the event of war, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to provide a system for the relief of persons who may become disabled, and for the dependents of those who may die as a result of disability suffered in the military or naval service of the United States in any future war in which the United States is engaged, the laws providing monetary and other benefits on account of death or disability incurred or aggravated in service during the World War shall be applicable to veterans and dependents of veterans of such future war in the same manner and to at least the same extent as the laws providing

such benefits on account of World War service are being applied at the beginning of such future war.

CAPE HATTERAS NATIONAL SEASHORE, N. C.

Mr. REYNOLDS. Mr. President, in view of the fact that I have an appointment at one of the departments at 1:30 o'clock, I was wondering if the Senate would agree to permit me to call up out of order Calendar No. 1247, being House bill 7022? I have an appointment with a delegation from my State, and I do not want to disappoint them; so I should like to be permitted to call the bill to the attention of the Senate at this time. There is no controversy about it at all.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7022) to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when title to all the lands, except those within the limits of established villages, within boundaries to be designated by the Secretary of the Interior within the area of approximately 100 square miles on the islands of Chicamacomico, Ocracoke, Bodie, Roanoke, and Collington, and the waters and the lands beneath the waters adjacent thereto shall have been vested in the United States, said area shall be, and is hereby, established, dedicated, and set apart as a national seashore for the benefit and enjoyment of the people and shall be known as the Cape Hatteras National Seashore: *Provided*, That the United States shall not purchase by appropriation of public moneys any lands within the aforesaid area, but such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized to accept donations of land, interests in land, buildings, structures, and other property, within the boundaries of said national seashore as determined and fixed hereunder and donations of funds for the purchase and maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States under any donated funds by purchase, when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national seashore as may be necessary for the completion thereof.

SEC. 3. The administration, protection, and development of the aforesaid national seashore shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", as amended: *Provided*, That except as hereinafter provided, nothing herein shall be construed to divest the jurisdiction of other agencies of the Government now exercised over Federal-owned lands within the area of the said Cape Hatteras National Seashore: *Provided further*, That the provisions of the act of June 10, 1920, known as the "Federal Water Power Act", shall not apply to this national seashore: *And provided further*, That the legal residents of villages referred to in section 1 of this act shall have the right to earn a livelihood by fishing within the boundaries to be designated by the Secretary of the Interior, subject to such rules and regulations as the said Secretary may deem necessary in order to protect the area for recreational use as provided for in this act.

SEC. 4. Except for certain portions of the area, deemed to be especially adaptable for recreational uses, particularly swimming, boating, sailing, fishing, and other recreational activities of similar nature, which shall be developed for such uses as needed, the said area shall be permanently reserved as a primitive wilderness and no development of the project or plan for the convenience of visitors shall be undertaken which would be incompatible with the preservation of the unique flora and fauna or the physiographic conditions now prevailing in this area: *Provided*, That the Secretary of the Interior may, in his discretion, accept for administration, protection, and development by the National Park Service a minimum of 10,000 acres within the area described in section 1 of this act, including the existing Cape Hatteras State Park, and, in addition, any other portions of the area described in section 1 hereof if the State of North Carolina shall agree that if all the lands described in section 1 of this act shall not have been conveyed to the United States within 10 years from the passage of this act, the establishment of the aforesaid national seashore may, in the discretion of the said Secretary, be abandoned, and that, in the event of such abandonment, the said State will accept a reconveyance of title to all lands conveyed by it to the United States for said national seashore. The lands donated to the United States for the purposes of this act by parties other than said State shall revert in the event of the aforesaid abandonment to the donors, or their heirs, or other persons entitled thereto by law.

In the event of said abandonment, the Secretary of the Interior shall execute any suitable quitclaim deeds, or other writings entitled to record in the proper counties of North Carolina stating the fact of abandonment, whereupon title shall revert to those entitled thereto by law and no further conveyance or proof of reversion of title shall be required.

SEC. 5. Notwithstanding any other provisions of this act, lands and waters now or hereafter included in any migratory bird refuge under the jurisdiction of the Secretary of Agriculture, within the boundaries of the national seashore as designated by the Secretary of the Interior under section 1 hereof, shall continue as such refuge under the jurisdiction of the Secretary of Agriculture for the protection of migratory birds, but such lands and waters shall be a part of the aforesaid national seashore and shall be administered by the National Park Service for recreational uses not inconsistent with the purposes of such refuge under such rules and regulations as the Secretaries of the Interior and Agriculture may jointly approve. The proviso to section 1 of this act shall not limit the power of the Secretary of Agriculture to acquire lands for any migratory bird refuge by purchase with any funds made available therefor by applicable law.

Mr. REYNOLDS. I thank the Senate.

BILLS PASSED OVER

The bill (S. 2226) to regulate interstate commerce in the products of child labor, and for other purposes, was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6215) to repeal provisions of the income tax requiring lists of compensation paid to officers and employees of corporations was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDING OFFICER. The bill will be passed over.

JUVENILE COURT, DISTRICT OF COLUMBIA

Mr. COPELAND. Mr. President, I was out of the Chamber when Calendar 543, being the bill (H. R. 4276) relating to a juvenile court for the District of Columbia, was called. What became of it?

The PRESIDING OFFICER. It went over on objection—on objection of the Senator from Rhode Island [Mr. GERRY].

Mr. COPELAND. Let me explain about it, if the Senator from Rhode Island [Mr. GERRY] will give his attention. This bill was very much desired by our late leader, Senator Robinson. He spoke to me about it repeatedly. I explained on the floor of the Senate several times that certain amendments were desired. I have gone over the amendments with the Senator from Rhode Island and I feel satisfied if his amendments are accepted and the bill passed, in the conference we should be able to work out the kind of bill we desire. We have had the bill before the District Committee for 2 or 3 years. I am sure we are in a position now to realize our desires if the bill can be passed.

I ask unanimous consent to return to Calendar No. 543.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the Senate proceeded to consider the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia, and for other purposes", which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the Committee on the District of Columbia was, on page 2, after line 8, to strike out the following:

"The principle is hereby recognized that children under the jurisdiction of the court are subject to the discipline and entitled to the protection of the State, which may intervene to safeguard them from neglect or injury and to enforce the legal obligations due to them and from them.

The amendment was agreed to.

The next amendment was, on page 4, line 21, after the word "age", to insert "subject to appropriate statutes of limitation", so as to make the paragraph read:

"(b) Concerning any person under 21 years of age charged with having violated any law, or violated any ordinance or regulation of the District of Columbia, prior to having become 18 years of age, subject to appropriate statutes of limitation.

The amendment was agreed to.

The next amendment was, on page 5, line 20, after the words "contributing to", to insert the word "or", and after the words "encouraging or", to strike out "tending to cause" and insert "causing", so as to make the paragraph read:

"2. Adults: The court shall have original and exclusive jurisdiction to determine cases of adults charged with wilfully

contributing to, or encouraging, or causing by any act or omission any condition which would bring within the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 6, line 21, after the word "verified", to strike out "alleging" and insert "by the officer making the investigation, or some other person having personal knowledge of the case, and shall allege", so as to make the paragraph read:

The petition shall be verified by the officer making the investigation, or some other person having personal knowledge of the case, and shall allege briefly the facts which bring said child within the provisions of this act, and stating the name, age, and residence (1) of the child; (2) of his parents; (3) of his legal guardian, if there be one; (4) of the person or persons having custody or control of the child; and (5) of the nearest known relative, if no parent or guardian can be found. If any of the facts herein required are not known by the petitioner the petition shall so state.

The amendment was agreed to.

The next amendment was, on page 7, line 21, after the word "presence", to strike out "in the opinion of the judge", so as to make the paragraph read:

SEC. 8. Summons; notice; custody of the child: After a petition shall have been filed, unless the parties hereinafter named shall voluntarily appear, the court shall issue a summons reciting briefly the substance of the petition, and requiring the person or persons who have the custody or control of the child to appear personally and bring the child before the court at a time and place stated. If the person so summoned shall be other than the parent or guardian of the child, then the parent or guardian, or both, shall also be notified of the pendency of the case and of the time and place appointed, by personal service before the hearing, except as hereinafter provided: *Provided,* That if the child is married, then the other spouse shall also be so notified. Summons may be issued requiring the appearance of any other person whose presence is necessary.

The amendment was agreed to.

The next amendment was, on page 9, in section 10, line 5, after the word "same", to strike out "or in any case when it shall be made to appear to the judge that the service will be ineffectual", so as to make the section read:

SEC. 10. Failure to obey summons; warrant: If any person summoned as herein provided shall, without reasonable cause, fail to appear, he may be proceeded against for contempt of court. In case the summons cannot be served, or the parties served fail to obey the same, or the welfare of the child requires that he shall be brought forthwith into the custody of the court, a warrant may be issued against the parent or guardian or against the child himself.

The amendment was agreed to.

The next amendment was, on page 12, line 17, after the word "disposition", to insert "of the child as may be provided by law and", and in line 19, after the words "interests of the", to strike out "child, except as herein otherwise provided" and insert "child: *Provided,* That nothing herein shall be construed as authorizing the removal of the child from the custody of his parents until his welfare and the safety and protection of the public cannot be adequately safeguarded without such removal", so as to make the paragraph read:

(3) Make such further disposition of the child as may be provided by law and as the court may deem to be best for the best interests of the child: *Provided,* That nothing herein shall be construed as authorizing the removal of the child from the custody of his parents unless his welfare and the safety and protection of the public cannot be adequately safeguarded without such removal.

The amendment was agreed to.

The next amendment was, on page 19, line 22, after the word "court", to strike out "may designate a social worker of the court" and insert "shall with the approval of the Commissioners of the District of Columbia, but without reference to the provisions of section 21 hereof, designate an officer of the court skilled as a social worker", so as to make the section read:

SEC. 25. Appointment of commissioner. The judge of the juvenile court shall with the approval of the Commissioners of the District of Columbia, but without reference to the provisions of section 21 hereof, designate an officer of the court skilled as a social worker as commissioner in the first instance to hear any case coming within the provisions of this act and either to dispose thereof or to direct the filing of a petition therein. Whenever a commissioner is appointed in cases of girls, a woman commissioner shall be appointed to hear such cases.

The amendment was agreed to.

The next amendment was, on page 21, line 9, after the word "inspection", to insert "by defendants, their parents or guardians, or their duly authorized attorneys, but otherwise", so as to make the section read:

SEC. 29. Records; forms. The court shall maintain records of all cases brought before it. Such records shall be open to inspection by defendants, their parents or guardians, or their duly authorized attorneys, but otherwise only by order of the District Court of the United States for the District of Columbia. The court shall devise and cause to be printed such forms for records and such other papers as may be required.

The amendment was agreed to.

The next amendment was, on page 22, after line 18, to strike out section 34, as follows:

SEC. 34. Appeal: Any party aggrieved by any final order or judgment of the juvenile court may apply to the Court of Appeals of the District of Columbia for the allowance of a special appeal, and the said court of appeals may allow such special appeal whenever it is made to appear to said court, upon petition, that it will be in the interest of justice to allow an appeal. The time for, and manner of, taking such special appeal shall be the same as provided by law or rule of court for special appeals in equity cases from the District Court of the United States for the District of Columbia to said court of appeals: *Provided,* That the special appeal or application for the allowance of such special appeal shall not suspend the order of the juvenile court, nor shall it discharge the child from the custody of that court or of the person, institution, or agency to whose care such child shall have been committed, unless the court of appeals shall so order. If the court of appeals does not dismiss the proceedings and discharge the child, it shall affirm or modify the order of the juvenile court and remand the child to the jurisdiction of the juvenile court for supervision and care, and thereafter the child shall be and remain under the jurisdiction of the juvenile court in the same manner as if such court had made said order without an appeal having been taken.

And insert the following:

SEC. 34. Appeal: Any interested party aggrieved by any final order or judgment of the juvenile court may apply to the United States Court of Appeals for the District of Columbia or to one of the justices thereof for the allowance of an appeal, and the said court or justice may allow such appeal whenever in the opinion of said court or justice the order or judgment ought to be reviewed upon any matter of law. The application for said appeal shall be in writing, shall be verified, and shall state fully the grounds on which the same is asked, and shall include the petition and a narrative statement of the evidence authenticated by the judge of the juvenile court and the assignment or assignments of error relied on. If an appeal is allowed, the same shall be placed upon the privileged docket and shall be heard by the court as soon thereafter as is convenient to the court and as counsel may be heard. Any party desiring the benefit of the provisions of this section shall give notice in open court of his intention to apply for an appeal: *Provided,* That the appeal or application for the allowance of such appeal shall not suspend the order of the juvenile court, nor shall it discharge the child from the custody of that court or of the person, institution, or agency to whose care such child shall have been committed, unless the court of appeals shall so order. If the United States Court of Appeals for the District of Columbia does not dismiss the proceedings and discharge the child, it shall affirm or modify the order of the juvenile court and remand the child to the jurisdiction of the juvenile court for supervision and care, and thereafter the child shall be and remain under the jurisdiction of the juvenile court in the same manner as if such court had made said order without an appeal having been taken.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. GERRY. Mr. President, I desire to offer several amendments, which I send to the desk.

The PRESIDING OFFICER. The first amendment of the Senator from Rhode Island will be stated.

The CHIEF CLERK. On page 5, section 6, paragraph 1 (c), line 4, it is proposed to strike out the words "if he shall so demand" and insert "unless he shall voluntarily waive such right and request a trial by the court", so as to make the paragraph read:

(c) To determine the paternity of any child alleged to have been born out of wedlock and to provide for his support in accordance with the provisions of an act providing for the support and maintenance of children born out of wedlock, approved June 18, 1912 (D. C. Code, title 18, secs. 281–287); in which cases the respondent shall be entitled to jury trial unless he shall voluntarily waive such right and request a trial by the court.

The amendment was agreed to.

The next amendment of Mr. GERRY was, on page 5, section 6, paragraph 2, line 19, after the word "jurisdiction", to strike out "to determine cases of adults charged with willfully con-

tributing to, or encouraging, or causing by any act or omission any condition which would bring a child within the provisions of this act" and insert "of any act which shall bring a child within the provisions of this act", so as to make the paragraph read:

2. Adults: The court shall have original and exclusive jurisdiction of any act which shall bring a child within the provisions of this act.

The PRESIDING OFFICER. An amendment to that paragraph has just been agreed to. It will be necessary to reconsider the vote by which that amendment was agreed to. Without objection, the vote is reconsidered. The question is on agreeing to the amendment of the Senator from Rhode Island to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment of Mr. GERRY was, on page 12, section 14, line 2, after the words "without a jury", to strike out "unless a jury be demanded by the child, his parents, or guardian" and insert "only where the child or its parent or guardian has expressly waived a jury trial", so as to make the sentence read:

The court shall herein determine all cases of children without a jury only where the child or its parents or guardian has expressly waived jury trial.

The amendment was agreed to.

The next amendment of Mr. GERRY was, on page 16, section 18, to strike out lines 24 and 25, and on page 17, to strike out lines 1, 2, and 3, as follows:

If an adult is charged with an offense for which he is entitled to a trial by jury, and if he shall so demand, a jury shall be selected in accordance with the provisions of law regulating the selection of juries in the District Court of the United States for the District of Columbia.

And insert the following:

If an adult is charged with an offense for which he is entitled to a trial by jury, he shall be so tried unless he shall have expressly waive his right to such trial.

So as to make the section read:

SEC. 18. Procedure in adult cases: All provisions of this act relative to procedure in cases of children so far as practicable shall be construed as applying also to cases against adults arising under section 6 of this act with the consent of the defendant or when not inconsistent with other provisions of law relating to the conduct of adult cases. Proceedings may be instituted upon complaint of an interested party or upon the court's own motion, and a reasonable opportunity to appear shall be afforded the respondent. The court may issue a summons, a warrant of arrest, or other process in order to secure or to compel the attendance of any necessary person. Any person who by act or omission willfully causes, encourages, or contributes to any condition which would bring a child within the provisions of this act, or who by such act or omission tends to cause such a condition, shall be guilty of a misdemeanor and punished by a fine not exceeding $200 or imprisoned not exceeding 12 months, or by both fine and imprisonment. Upon the trial of such cases the court shall have power to impose such sentence as the law provides, or may suspend sentence and place on probation, and by order impose upon such adult such duty as shall be deemed to be for the best interests of the child or other persons concerned. If an adult is charged with an offense for which he is entitled to a trial by jury, he shall be so tried, unless he shall expressly waive his right to such trial.

The amendment was agreed to.

The next amendment of Mr. GERRY was, on pages 19 and 20, to strike out section 25, as follows:

SEC. 25. Appointment of commissioner: The judge of the juvenile court shall, with the approval of the Commissioners of the District of Columbia, but without reference to the provisions of section 21 hereof, designate an officer of the court skilled as a social worker as commissioner in the first instance to hear any case coming within the provisions of this act, and either to dispose thereof or to direct the filing of a petition therein. Whenever a commissioner is appointed in cases of girls, a woman commissioner shall be appointed to hear such cases.

The amendment was agreed to.

The next amendment of Mr. GERRY was, on page 6, section 7, to strike out lines 8 to 22, inclusive, as follows:

After a petition shall have been filed, unless the parties hereinafter named shall voluntarily appear, the court shall issue a summons reciting briefly the substance of the petition, and requiring the person or persons who have the custody or control of the child to appear personally and bring the child before the court at a time and place stated. If the person so summoned shall be other than the parent or guardian of the child then the parent or guardian or both shall also be notified of the pendency of the case and of the time and place appointed, by personal service before the hearing, except as hereinafter provided: *Provided*, That if the child is married then the other spouse shall also be so notified. Summons may be issued requiring the appearance of any other person whose presence is necessary.

And insert in lieu thereof the following:

Whenever any person shall give to the assistant corporation counsel regularly assigned to the court information in his possession that a child is within the provisions of this act, it shall be the duty of a duly designated officer of the court to make preliminary investigation to determine whether the interests of the public or of the child require that further action be taken and report his finding, together with a statement of the facts, to the corporation counsel. Whenever practicable such inquiry shall include a preliminary investigation of the home and environmental situation of the child, his previous history, and the circumstances which were the subject of the information. If the corporation counsel shall determine that such formal jurisdiction should be acquired, he shall authorize a petition to be filed. The proceedings shall be entitled "In the matter of ———, a child under 18 years of age."

The amendment was agreed to.

Mr. GERRY. Mr. President, was the amendment on page 5, section 6, paragraph 2, line 19, adopted?

The PRESIDING OFFICER. It was agreed to. Are there any further amendments? If not, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. COPELAND. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KING, Mr. COPELAND, Mr. TYDINGS, and Mr. AUSTIN conferees on the part of the Senate.

AGREEMENTS OF MEMBERS OF CONGRESS UNDER AGRICULTURAL PROGRAM

The Senate proceeded to consider the bill (S. 2229) to permit Members of Congress to enter into agreements under agricultural programs.

Mr. GEORGE. Mr. President, an amendment to the bill has been submitted by the Senator from Michigan [Mr. VANDENBERG]. I understand from the proponents of the measure in the House that they have no objection to it. The amendment merely proposes to make the contracts made by Members of the Congress with the Secretary of Agriculture public records so they may be open to public inspection.

Mr. AUSTIN. Mr. President, may I inquire of the Senator from Georgia if that is the same matter about which I talked with him?

Mr. GEORGE. It is the same matter. I ask that the amendment of the Senator from Michigan may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, at the end of line 9, after the word "farmers", it is proposed to insert "*Provided*, That such exemptions shall be made a matter of public record", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act relating to contracts and agreements under the Agricultural Adjustment Act", approved January 25, 1934, as amended, is amended by inserting before the period at the end thereof a comma and the following: "and shall not apply to contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers: *Provided*, That such exemptions shall be made a matter of public record."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL SAFETY STANDARDS COMMISSION

The Senate proceeded to consider the bill (S. 18) to establish a National Safety Standards Commission, to reduce the

danger of accidents at highway grade crossings and drawbridges, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. LONERGAN. Mr. President, in lieu of the committee amendment on page 2, line 19, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 2, after line 18, to insert a new paragraph in lieu of the committee amendment to section 2 (a), so as to make the entire section read:

SEC. 2 (a). It shall be the duty of the Commission to make investigations, studies, and examinations of devices, appliances, systems, and methods now in use or hereafter proposed for the protection of the public and promotion of safety on railroads, drawbridges, and highways in those cases where the duty or authority to make such investigations, studies, and examinations is not vested in any other Federal agency or department; to collect and consolidate information resulting from such investigations, studies, and examinations by other Federal agencies and departments; to coordinate the work of other Federal agencies and departments in promoting safety on railroads, drawbridges, and highways; to recommend safety standards for devices, appliances, systems, and methods used on railroads, drawbridges, and highways for the protection of the public and the promotion of safety in cases (1) where such safety standards established by other Federal agencies or departments are in conflict, and (2) where because of the intersection of a drawbridge with a railroad or highway or the intersection of a railroad and a highway, two or more Federal agencies or departments exercise such jurisdiction within the area contingent to such intersection; and to make available to the States and their political subdivisions the results of its investigations, studies, and examinations; and to establish such safety standards in cases where other Federal agencies or departments are not authorized to establish such safety standards: *Provided*, That nothing in this section, with the exception of the authority of the Commission to recommend such safety standards in cases where other Federal safety standards are in conflict and in connection with intersections, shall be considered as a repeal or modification of the provisions of any other act, but shall be construed as supplemental thereto.

(b) The Commission is authorized and directed to cooperate to the fullest practicable extent with the various departments and agencies of the Federal Government and with State and local authorities in reducing the danger of accidents at highway grade crossings and drawbridges through the installation of safety and protective devices, the adoption of uniform safety standards, or otherwise.

(c) The Commission is further authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers and employees, and to make such expenditures, as may be necessary to carry out the provisions of this act.

(d) The Commission is further authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

(e) The Commission may publish from time to time such information with respect to the matters covered by this act as it deems desirable and shall make a report to Congress in January of each year of its activities under this act.

(f) The Secretary of Agriculture, the Interstate Commerce Commission, and the Secretary of War may detail to the Commission from time to time such personnel as the Commission may request to aid it in carrying out its functions under this act.

The amendment was agreed to.

The PRESIDING OFFICER. The amendments reported by the committee, other than that superseded by the amendment of the Senator from Connecticut, will be stated.

The first amendment of the Committee on Interstate Commerce was, in section 1, page 1, line 6, after the word "designated", to strike out "annually"; in line 8, after the word "designated", to strike out "annually"; and on page 2, line 1, after the word "designated", to strike out "annually", so as to make the section read:

Be it enacted, etc., That there is hereby established a National Safety Standards Commission (hereinafter referred to as the Commission) to be composed of a representative of the Bureau of Public Roads of the Department of Agriculture to be designated by the Secretary of Agriculture, a representative of the Department of War to be designated by the Secretary of War, and a representative of the Interstate Commerce Commission to be designated by the Chairman thereof. The three members of the Commission so designated shall receive no additional compensation for their services as such members, but shall be entitled to receive their necessary travel and subsistence expenses while engaged in the work of the Commission.

The amendment was agreed to.

The next amendment was to strike out section 4 in the following words:

SEC. 4. After the date of enactment of this act no part of the appropriations heretofore or hereafter made for the purpose of carrying out the provisions of the Federal Aid Act or the Federal Highway Act, or any acts amendatory thereof or supplementary thereto, shall be made available to any State for expenditure on any highway until the proper State authority shows to the satisfaction of the Secretary of Agriculture that the safety or protective devices, if any, to be installed or in operation at the highway grade crossings or on the drawbridges on that portion of the highway with respect to which such expenditures are to be made will comply in all respects with the safety standards generally recognized at that time as being adequate, or if safety standards have been established by the Commission with respect to safety or protective devices for use at such grade crossings or on such drawbridges, then with the standards so established.

And in lieu thereof to insert a new section 4, so as to make sections 3 and 4 read:

SEC. 3. After the date of enactment of this act the plans and specifications for the construction of any drawbridge authorized by Congress to be constructed and maintained across or over any of the navigable waters of the United States shall not be approved by the Secretary of War and the Chief of Engineers until they are satisfied that the safety or protective devices, if any, to be installed on such drawbridge will comply in all respects with the safety standards generally recognized at that time as being adequate, or if safety standards have been established by the Commission with respect to safety or protective devices for use on such bridges, then with the standards so established.

SEC. 4. The act entitled "An act to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes", approved June 16, 1936, is amended by adding, before the period at the end of section 8 thereof, a comma and the following: "but, if safety standards for such devices have been established by the National Safety Standards Commission, then such devises shall comply with the standards established by said Commission."

The amendment was agreed to.

Mr. LONERGAN. Mr. President, I ask that another amendment heretofore submitted by me be stated.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. LONERGAN] proposes an amendment to section 5, which will be stated.

The CHIEF CLERK. It is proposed to strike out section 5 in the following words:

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mr. AUSTIN. Mr. President, I should like to inquire of the Senator from Connecticut if these are the same amendments which he and I recently considered.

Mr. LONERGAN. They are; yes, sir.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 2410) to amend the Judicial Code, as amended, was announced as next in order.

Mr. WHITE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 144) proposing an amendment to the Constitution of the United States prohibiting child labor was announced as next in order.

Mr. BARKLEY. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PREVENTION OF AND PUNISHMENT FOR LYNCHING

The bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching was announced as next in order.

The PRESIDING OFFICER. This bill, having been made a special order, will be passed over.

BILL PASSED OVER

The bill (S. 2482) to provide for the assignment of officers of the Navy for duty under the Department of Commerce and appointment to positions therein was announced as next in order.

Mr. LA FOLLETTE. May we have an explanation of the bill?

Mr. BARKLEY. The Senator from Massachusetts [Mr. WALSH], who introduced and reported the bill, is not present. I suggest that it go over.

Mr. LA FOLLETTE. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

INTERSTATE TRANSPORTATION OF CERTAIN PERSONS DURING LABOR CONTROVERSIES

The Senate proceeded to consider the bill (S. 2403) to prohibit the transportation of certain persons in interstate or foreign commerce during labor controversies, and for other purposes, which was read, as follows:

Be it enacted, etc., That the act entitled "An act making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies", approved June 24, 1936, is amended to read as follows:

"That (a) it shall be unlawful to transport or cause to be transported in interstate or foreign commerce any person who is employed or is to be employed for the purpose of obstructing or interfering by force or threats with (1) peaceful picketing by employees during any labor controversy affecting wages, hours, or conditions of labor; or (2) the exercise by employees of any of the rights of self-organization, collective bargaining, or other concerted activities for mutual aid or protection.

"(b) Any person who willfully violates or aids or abets any person in violating any provision of this act, and any person who is knowingly transported in or travels in interstate or foreign commerce for any of the purposes enumerated in this act shall be deemed guilty of a felony, and shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 2 years, or both."

Mr. BARKLEY. Mr. President, may we have an explanation of the bill?

Mr. BYRNES. Mr. President, the bill simply seeks to amend the existing law in two or three particulars at the suggestion of the Assistants to the Attorney General, who believe that the amendments will merely clarify the intent of the Congress as expressed in the so-called Byrnes Act.

Mr. BARKLEY. I have no objection to it.

Mr. AUSTIN. Mr. President, the Senator's statement hardly explains the changes.

Mr. BYRNES. Mr. President, it is still my contention that the individual who is hired by a strike-breaking agency, and is transported in interstate commerce for the purpose of using acts of violence to interfere with one engaged in peaceful picketing, is amenable to the original act, and that that act sufficiently expresses the intention of the Congress; but the contention of attorneys representing a defendant in a particular case was that the original act applied only to the employer, and did not apply to an individual employed by one of these agencies and transported for the purpose stated. The purpose of the act certainly was to cover the individual transported in interstate commerce, as well as the man who employs that individual.

Mr. AUSTIN. Mr. President, I will ask the Senator from South Carolina if the original law as it now stands, and this amendment as it is proposed to be, have for their objective the maintenance of peace in strikes?

Mr. BYRNES. Mr. President, the measures have no other purpose. It was my contention in advocating the original measure that whenever there is a difficulty, those who are interested in the maintenance of law and order may look to the peace officers and to the Governor of the State; that if the peace officers of a community are unable to enforce the law, the Governor may call out the National Guard; but that whenever an agency such as the Bergoff agency is employed to send an army into any State of the Union for the purpose of using violence to interfere with men who are engaged in peaceful picketing, the only result of such action is to bring about bloodshed, and to disturb peace, and to arouse the passions of people.

The purpose of the original act was to deal with that situation. The object of this amendatory bill is simply to make certain that the language of the original act applies to the man who goes into the State as well as to the head of the agency who sends him.

Mr. AUSTIN. I will ask the Senator if the effect of the amendatory bill is to create a crime or a misdemeanor by defining such acts of violence as crimes.

Mr. BYRNES. The pending bill, of course, makes it unlawful to transport anyone for that specific purpose. It is incumbent upon the prosecution in each case to prove that the transportation was for the purpose of interfering with one engaged in a lawful act, and not of interfering with one engaged in an unlawful act.

Mr. AUSTIN. That is, interfering by force or threats.

Mr. BYRNES. The Senator is correct.

Mr. AUSTIN. With that understanding, I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REFUND OF AMOUNTS COLLECTED AS TAX UNDER CERTAIN ACTS

The Senate proceeded to consider the bill (S. 2601) to provide for refund of amounts collected as tax under the Bankhead Cotton Act of 1934; the Kerr Tobacco Act, as amended; and the Potato Act of 1935; which had been reported from the Committee on Claims, with amendments.

Mr. LOGAN. Mr. President, I desire to make a brief explanation of this bill.

It will be recalled that the Bankhead Cotton Act of 1934, the Kerr Tobacco Act, and the Potato Act of 1935 were repealed by the Congress after the Supreme Court held the Agricultural Adjustment Act unconstitutional. Processing taxes had been collected. There was no provision for refunding them. Most of the amounts involved are small. The Claims Committee has considered this matter. Several bills on the subject have been introduced; but when the Claims Committee took up this particular bill, introduced by the Senator from Georgia [Mr. RUSSELL], we added a very harmless-looking amendment; but it tore up things considerably, and it changed the point of view of the Department from a favorable to an unfavorable position. The amendment is found on page 3 of the bill.

The original bill read in this way:

For the purposes of this act satisfaction of tax liability by surrender or submission of tax-exemption certificates, tax-payment warrants, or tax-exemption stamps shall not be considered as payment of tax.

We struck out "not to be considered as payment of tax" and inserted "be considered as payment of tax to the extent of the actual amount paid for such certificate by the claimant."

Originally the bill as it was introduced by the Senator from Georgia would have called for the payment of claims aggregating about $4,000,000, as I recall. I will give the exact figures, so that we may have them before us. The refunds under the Bankhead Cotton Act would have been $1,562,097; under the Kerr Tobacco Act, $4,446,255; and under the Potato Act, $43,900. The effect of the amendment which was added would have been to increase the payments to about $60,000,000. So when the amendment was added the Department of Agriculture, which had previously expressed a favorable opinion of the original bill, the Attorney General, and all the others then said that that would not do at all; and my purpose now in explaining the situation is that I mean to ask that the first committee amendment be rejected and let the original bill stand with a slight amendment further on.

I will explain what the second amendment is, because while the Treasury Department objects to that, I think it ought to be in the bill for this reason:

A great many of the claims have already been filed. The proof has been submitted. The claimants employed attorneys to prepare the claims. They are small. The claimants in most cases are poor. If they have to submit claims anew, they will have to pay another fee, and the claims are not worth it. So the second amendment simply provides that the Department shall consider the claims that have already been

submitted. Additional proof may be called for if it is so desired.

The second amendment is on page 4 of the bill and inserts the words:

Provided, however, That claims filed prior to the passage of this act may be considered without the filing of another claim.

The objection to that amendment by the Department is that it would prefer to send out blanks and have claims filed on a regular form; but I do not believe that a person having a small claim should be compelled to incur the additional expense of submitting another claim when the first is sufficient.

So, Mr. President, I hope the bill may be passed after rejecting the first amendment. The bill is fair and equitable, and I take it that no one objects to it. I am advised by the Attorney General that he has hundreds of suits now pending in the Federal courts; and I was advised yesterday, I believe, that 1,200 more suits are to be filed, and that the cost eventually will amount to twice the amount of the original claims. So I ask that the bill be considered at this time, and that the first amendment be rejected altogether.

Mr. AUSTIN. Mr. President, on the question of whether we ought to proceed with this bill, I should like to ask the Senator from Kentucky a question.

Mr. LOGAN. I shall be very glad to answer the question if I can.

Mr. AUSTIN. Is this a bill which has been pretty generally studied in the Senate?

Mr. LOGAN. It has been pretty thoroughly considered by the Committee on Claims, and it has been talked of a long time. The Committee on Claims, knowing the importance of the matter, last year, I believe, perhaps at the beginning of this session, appointed a subcommittee to draft a bill to do what is sought in the measure before us, because the committee knew that eventually there would be thousands of these little claims coming in under special acts. I prepared and introduced a bill myself, as the chairman of the committee, but the junior Senator from Georgia [Mr. RUSSELL] apparently had conferred with the legal department and introduced a bill which I thought was better than the one I had introduced; consequently the committee reported the Russell bill.

Mr. AUSTIN. Will the Senator give us the interpretation of the words "for whose account there was paid", in line 2, at the top of page 2?

Mr. LOGAN. That would involve a rather complicated explanation, which I perhaps could not make. I do not know that there was such a thing as someone else paying the tax, and there was considerable tax evasion connected with it. Perhaps the senior Senator from Georgia can explain that better than I can.

Mr. GEORGE. Mr. President, I can illustrate very briefly. In the case of cotton, when the producer, the farmer, gathered more cotton than he was entitled to gin under his allotment he was compelled to pay a tax of approximately $20 a bale, or 4 cents a pound, before he was allowed to gin and market the cotton. Frequently the farmer who was ginning his cotton and carrying it to the market from the gin was not able to advance the tax, and the warehouseman, in many instances, advanced it; the ginner in other instances settled for it; but it was done always on the account of the farmer and for the benefit of the farmer. Then, upon final sale of the cotton, the farmer, or the producer of the cotton, of course, accounted for the tax actually paid either by the ginner or by the warehouseman or by factors, as we have them in the South.

Mr. AUSTIN. I should like to ask further about this matter either of the Senator from Kentucky or the Senator from Georgia. Why is this right limited to those who paid the processing tax on these particular basic commodities instead of being general in its application to all basic commodities?

Mr. GEORGE. Under the 1936 Revenue Act general provision was made for the refunding of floor-stock taxes paid by the merchants and the manufacturers who had stocks on hand, and by the packing houses and manufacturers for the processing taxes which they paid. The Senator will recall that such taxes were designated as the so-called "unjust enrichment" taxes, and in the 1936 Revenue Act provision was made for refunding these taxes under certain conditions, principally under the condition that the tax had not been passed on to someone else.

The same general provision is carried in the pending bill, but this bill relates entirely to taxes paid by the farmer, by the producers of tobacco, potatoes, and cotton, they being the only commodities which were under a control act; that is, the production of which was regulated and controlled by act of Congress.

The validity of these several acts was never determined by the courts. Cases were pending, however; but, following the decision of the Supreme Court in the A. A. A. case, the departments themselves recognized that perhaps the acts would be upset, and upon recommendation of the departments the acts were repealed.

The individual farmer who, for instance, had an allotment of 10 bales of cotton, but may have made 12, had to pay $20 per bale for the excess over 10, or $40, in order to be allowed to gin and market his two bales. He has never been compensated for that tax. The same condition applies to tobacco and to potatoes.

Nor can he receive a refund under the provisions of the Revenue Act of 1936 relating to the unjust-enrichment tax and for the refunding of taxes to manufacturers and merchants who had processed articles made of products on which the processing tax was impossed. It is therefore necessary to pass the pending bill.

I may say to the Senator from Vermont that if the individual farmer or producer, in the case of tobacco or cotton or potatoes, is able to prosecute a suit, in all probability he can recover a greater amount than he can receive by way of refund under the pending bill. In fact, I dare say that he can recover a much greater amount. But there are many small producers who perhaps in 1 year had only one bale of cotton or a limited number of pounds of tobacco or potatoes, on which they were required to pay the excess tax, and they cannot afford to employ an attorney, go into court and bring a suit, test the question, and abide the result of the litigation.

The bill is in the interest of all producers in that it gives at least a fair degree of compensation to those who did pay out moneys under an illegal tax act in order to market their products. At the same time, it would mean a very great saving to the Government, because if all these cases were actually prosecuted to judgment and final recovery, the amount would far exceed the amount the claimants can receive by way of refund under the pending bill.

The Senator will realize also that if some of the large producers, as a result of their suits now pending, some long since brought, shall finally recover—and they will—and establish judgments against the United States, naturally the Congress will at some time feel disposed to grant the same measure of relief to the small producers throughout the country of the articles to which the control legislation applies, who were not able to prosecute their cases; so, in the long run, the total charges against the Treasury would far exceed the actual amount of refunds which may be allowed under the pending bill.

Mr. AUSTIN. Mr. President, will the Senator yield for a further question? Or perhaps the Senator from Kentucky would like to comment at this time.

Mr. LOGAN. If the Senator will allow me, I may say that, in the first place, this bill is for the refund of money that was actually paid into the Treasury; it is not for the purpose of taking any money out of the Treasury.

This is the situation as described recently by the Attorney General:

There have been filed 83 suits in 10 district courts attacking the constitutionality of the Kerr-Smith Tobacco Act. They involve an approximate total of $131,394.53. The two cases which have actually been tried are test cases, controlling those which are pending decision. The Circuit Court of Appeals for the Third Circuit in Taylor against Robertson, on June 14, 1937, held the act unconstitutional and directed refund of taxes paid. The Circuit

Court of Appeals for the Sixth Circuit in Smith against Glenn, on June 28, 1937, similarly held the act unconstitutional. These decisions control every suit which has been brought except one in the Middle District of Pennsylvania.

I am informally advised that a total of $4,446,255.41 has been collected under the Kerr-Smith Act, and that some 32,473 claims for refund, totaling $1,931,497.49, have been filed.

Then he describes the matter a little more in detail.

I may say to the Senator from Vermont that these acts have been held unconstitutional. Thirty-two thousand claims have already been filed. They are small. The Committee on Claims reached the conclusion that the cost and the expense of collecting the claims, dragging out through the years, as some of them have, would be a continual nuisance, and that these taxes, which the Government had no right to collect, should be refunded in a perfectly orderly way, that the bill should be so drawn as to confine the refunds exclusively to the amount of money collected under these illegal acts.

Mr. AUSTIN. There is one further question I should like to ask.

Mr. LOGAN. Very well.

Mr. AUSTIN. To whom shall the Government pay, under the pending bill if it shall be enacted, those sums which have been paid for the benefit of others?

Mr. LOGAN. Oh, that is an insignificant amount. The sums were paid to the collector of internal revenue. The tax records show who paid the tax. Whoever has a claim must file his claim, showing exactly why he is entitled to the refund, and the Department then passes on the claim, and determines whether he is entitled to collect the amount or whether he really paid it or not. That provision is in the bill because there was some shenanigan down in Kentucky concerning the tobacco tax, I know, and there were some who perhaps might be able to collect the tax although they never did pay it. That is the reason why it is required that an individual claim be filed, so that it shall be certain that the man who paid in the money will collect back the money.

Mr. AUSTIN. Mr. President, I ask the Senator if, then, it would not be more in accord with his understanding of what is desired if the words "or for whose account there was paid" were stricken out?

Mr. LOGAN. The only reason I would suggest that they be not stricken out is this: If the Senator will examine the report, he will find that the question has been most carefully considered by the Treasury Department, the Department of Agriculture, and the Department of Justice. They have attempted to make every phrase some cloak of protection to those who are entitled to have the money refunded; and I am just a little afraid that if now we were to strike out something, we might do exactly what we did when on another occasion we added something. In one case we added a little phrase, and it made a difference of over $55,000,000. So if that language should be stricken out, it might bring about some controversy; and I see no harm in letting it remain.

Mr. GEORGE. Mr. President, I think those words undoubtedly should remain in the bill. Under the Bankhead Cotton Act—I am using it for purposes of illustration, but what I shall say probably will hold good in connection with some of the other control acts; certainly it is true with respect to the Bankhead Cotton Act—in many cases farmers had certificates which entitled them to gin so many pounds of cotton, or so many bales, if it is desired to express it in bales. Perhaps they did not make the cotton that year, and perhaps they sold their certificates to others, and, as was actually the case in many instances, they did not get the amounts that the purchasers would have been compelled to pay as a tax to the Government. The farmer who did not make his allotment was permitted to realize on the gin certificates that he held—that is, certificates which entitled him to gin and sell his cotton—but he sold at a discount. Perhaps he sold for 2 cents a pound as against 4 cents which the purchaser must have paid if he had come to the Government and paid the tax directly to the Government. Therefore, the claimant is limited to the actual amount of money paid into the Treasury, and the money must be paid to the person who paid it, or for whose account it was paid.

I think that, perhaps, is another reason for inserting that particular language in this bill. I am quite sure the language has a place in the bill, and it would be a mistake to take it out of the bill.

Mr. AUSTIN. Mr. President, I am wholly unfamiliar with the bill. That is why I asked this question before deciding whether or not to object.

I have another question that I should like to ask. Is it not true that out of these processing taxes the Government pays benefits and rentals?

Mr. GEORGE. Yes; but, Mr. President, the Senator is confusing the processing taxes with taxes imposed under the Crop Control Act. That is what I am trying to make clear. The Bankhead Cotton Act was a wholly different act from the A. A. A. The processing taxes were imposed under the A. A. A. The Bankhead Cotton Act was an act to control production—a supplemental act, entirely disconnected from the other act. So was the Potato Act, known as the Warren Potato Act, and so was the Kerr-Smith Tobacco Act. Under those acts taxes were imposed on producers who desired to prepare for the market and to sell cotton, tobacco, and potatoes in excess of the amounts allotted to them under the Agricultural Adjustment Act, or under the Control Act itself, there being an allotment provided in each of those acts. Those taxes had nothing directly to do with the processing taxes. Provision for their imposition was supplementary to the act under which the processing taxes were imposed.

Provision has been made for the refund of all processing taxes paid under the Revenue Act of 1936. It is rather a cumbersome and onerous provision, under which there cannot be very much recovery from the Government, I may say; but the processing tax is not the tax here involved.

In the case of cotton, all cotton produced and marketed in excess of the cotton allotted to the producer is subject to a tax of 4 cents per pound, or $20 per bale; but the allotment could be marketed without the payment of any sum of money. However, on any excess production the tax of 4 cents a pound must be paid to the Government. When there was an underproduction on the part of any producer—and during the first year of the Bankhead Cotton Act there was underproduction in a large area of the Southwest, but an overproduction in a large part of the Southeast—the Department permitted the sale of the certificates issued to a bona-fide producer, and not used by him because his crops failed, to anyone who had an excess production. Otherwise the producer of the excess cotton would have gone to the Treasury and paid the tax direct to the Treasury. So this tax is not the processing tax but is purely a refund of the taxes imposed under the Control Act.

Mr. AUSTIN. Mr. President, I desire to ask a further question. Did the Government apply the funds so collected by way of taxes to the control of the production of cotton?

Mr. GEORGE. The funds went into the Treasury, and presumably they were, of course, used in connection with the general farm program.

Mr. AUSTIN. In that event, is it not true that this bill really calls upon the Government for the payment of additional money?

Mr. LOGAN. Oh, no, Mr. President.

Mr. GEORGE. No.

Mr. AUSTIN. Let us get it clear. Mr. President, I think the bill had better go over. It is an important bill.

The PRESIDING OFFICER. The bill will be passed over.

SOUTHEASTERN UNIVERSITY OF DISTRICT OF COLUMBIA Y. M. C. A.

Mr. REYNOLDS. Mr. President, for the reason I gave a moment ago with regard to an important appointment, I want to ask Senators to accommodate me by permitting me to ask unanimous consent that House bill 3406, which has been reported from the Committee on the District of Columbia, be now considered by the Senate. It is Calendar No. 1215.

Mr. LOGAN. Mr. President, I shall not object to that.

Mr. REYNOLDS. I thank the Senator.

Mr. LOGAN. But I think it is manifestly unfair to all of us who are trying to get to certain bills, and who have been waiting and watching, that first one and then another Senator should call up bills for consideration out of order. I shall not object this time, but I shall object the next time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (H. R. 3406) for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

INCREASED RANK FOR CERTAIN RETIRED BRIGADIER GENERALS

Mr. REYNOLDS. Mr. President, I have the consent of the Senator from Kentucky [Mr. LOGAN] for the consideration of another bill, and then I shall be out of the way. I do this only because I have an important engagement relative to governmental matters.

I ask unanimous consent for the immediate consideration of Senate bill 2765, to grant recognition to distinguished military service, being Calendar No. 1236.

Mr. O'MAHONEY. Mr. President, does the Senator have the consent of all the Members of this body?

Mr. REYNOLDS. I hope I do.

Mr. AUSTIN. Mr. President, I object.

Mr. REYNOLDS. Mr. President, I hope my distinguished friend from the State of Vermont will withdraw his objection to that bill. I am sure the general for whose benefit the bill was favorably reported to the Senate impressed my friend from Vermont. Yesterday we had action by the full Committee on Military Affairs, but unfortunately at that time the Senator from Vermont was not present.

Mr. AUSTIN. Mr. President, that is not the reason for my objection to the bill.

The PRESIDING OFFICER. Objection is heard.

REIMBURSEMENT FOR LOSSES IN EARTHQUAKE AT MANAGUA, NICARAGUA

The Senate proceeded to consider the bill (H. R. 4689) to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212), which had been reported from the Committee on Claims with an amendment, on page 1, line 8, after the word "reimburse", to insert "after claimants shall have filed itemized statements showing actual damages sustained by proper appraisal, and", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $3,144.35, as may be required by the Secretary of the Navy to reimburse, after claimants shall have filed itemized statements showing actual damages sustained by proper appraisal, and under such regulations as he has or may prescribe pursuant to the provisions of the act approved January 21, 1936 (49 Stat. 2212), Private Law No. 373, Seventy-fourth Congress, the persons hereafter named, in sums not exceeding the amounts set forth, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: Mrs. Alice V. Baske, widow of the late Lt. Comdr. Hugo F. A. Baske, Medical Corps, United States Navy, $2,573; Radio Electrician Mack C. Veltman, United States Navy, $42.75; Harry Marion Mayfield, chief pharmacist's mate, United States Navy, $850; Capt. Charles L. Pike, United States Marine Corps, $528.60; in all, $3,144.35: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I should like to have an explanation of the bill. How much money is involved?

Mr. CAPPER. Three thousand one hundred and forty-four dollars and thirty-five cents.

Mr. McKELLAR. What is the claim for?

Mr. CAPPER. For reimbursement for property damage suffered in an earthquake which occurred at Managua, Nicaragua. The Navy Department recommends the measure.

Mr. LOGAN. Mr. President, the bill is perfectly regular. The Senator from Kansas favorably reported the bill from the Committee on Claims. It is for loss and damage to personal property. Some of the loss has already been paid for, and some has not been paid for. This bill is in the nature of an amendment for payment of an additional sum in the amount of slightly over $3,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RESOLUTION AND BILLS PASSED OVER

The resolution (S. Res. 140) authorizing an investigation of the delivery or nondelivery of mail to establishments where industrial strife is in progress, which had been reported adversely by the Committee on Post Offices and Post Roads, was announced as next in order.

Mr. KING. Let the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2707) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was announced as next in order.

Mr. KING. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 988) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927, as amended, was announced as next in order.

Mr. McKELLAR. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CLASSIFICATION AND PAY OF LIGHTHOUSE KEEPERS

The Senate proceeded to consider the bill (S. 2578) to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers, which was read, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 2 of the act approved July 3, 1930 (46 Stat. 1003), the Secretary of Commerce is authorized, in his discretion, to continue the existing system governing the classification and pay of the positions of lighthouse keepers, pending the enactment by the Congress of legislation establishing and prescribing a system of classification and pay applicable to these positions.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. COPELAND. Mr. President, this bill is proposed so as to satisfy the General Accounting Office. There was some conflict regarding the classification of lighthouse keepers, and the Department asked for the passage of a bill such as this in order that they might be justified in their procedure.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONTRIBUTIONS BY LOCAL COMMUNITIES IN FLOOD-CONTROL WORKS

The Senate proceeded to consider the bill (S. 2638) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, which was read, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, is hereby amended by adding to the first paragraph of section 5 a proviso reading as follows: "*Provided further*, That the Secretary of War is authorized to receive from States, political subdivisions thereof, or other responsible local agencies such funds as may be contributed by them to be expended in connection with funds appropriated by the United States for any authorized flood-control work whenever such work and expenditure may be considered by the Secretary of War, on recommendation of the Chief of Engineers, as advantageous

in the public interest, and the plans for any reservoir project may, in the discretion of the Secretary of War, on recommendation of the Chief of Engineers, be modified to provide additional storage capacity for domestic water supply or other conservation storage, on condition that the cost of such increased storage capacity is contributed by local agencies and that local agencies agree to utilize such additional storage capacity in a manner consistent with Federal uses and purposes: *And provided further*, That when contributions made by States, political subdivisions thereof, or other responsible local agencies are in excess of the actual cost of the work contemplated and properly chargeable to such contributions, such excess contributions may, with the approval of the Secretary of War, be returned to the proper representatives of the contributing interests."

Mr. McKELLAR. Mr. President has not that bill already passed the Senate?

Mr. COPELAND. Such a bill did pass with reference to Oklahoma City, as will be recalled. The Senator from Tennessee will remember that in the Appropriations Committee we considered it. Under this bill the Army engineers may accept contributions from the local communities to build a higher dam than would be needed for flood-control purposes if it is desired to use the water for potable purposes.

Mr. LA FOLLETTE. Does the bill have any relation to power that may be developed?

Mr. COPELAND. Not at all. I may say to the Senator that in the act under which this reservoir would be built a penstock is installed in every dam. This bill merely has to do with the height of the dam, as was done in the case of Oklahoma City.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTIONS AND BILLS PASSED OVER

The joint resolution (H. J. Res. 413) to permit the transportation of passengers by Canadian passenger vessels between ports or places in the United States on Lake Ontario and the St. Lawrence River was announced as next in order.

Mr. WHITE. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 2024) to amend the civil-service law to permit certain employees of the legislative branch of the Government to qualify for positions under the competitive classified civil service was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 589) prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators was announced as next in order.

Mr. KING. Mr. President, that is a very important bill, and we may not have time to consider it under the unanimous-consent agreement under which we are now operating, so I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 177) consenting to an interstate compact relating to flood control in the Connecticut River Valley was announced as next in order.

Mr. LA FOLLETTE. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

WASHINGTON AIRPORT

The Senate proceeded to consider the bill (S. 2846) to promote air commerce by providing for the enlargement of Washington Airport in the public interest, which had been reported from the Committee on Commerce without amendment.

Mr. KING. I understand that the Senator from New York desires to suggest an amendment to the bill.

Mr. COPELAND. On page 4, line 20, after the word "Airport", the words "if agreed upon by the Park and Planning Commission" should be inserted.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. Is this the bill concerning the present Washington Airport concerning which some controversy arose, which has now been adjusted, with a county of Virginia?

Mr. COPELAND. That is correct.

Mr. CLARK. Mr. President, I should like to have the Senator from New York explain what this bill proposes to do in the way of establishing an airport here. I do not think there is anybody who has had any experience in flying, whether as pilot or passenger, who does not regard the Washington Airport as the most dangerous spot in the United States from a flying standpoint. If we are going to keep up this airport at its present location, and simply enlarge it without removing the dangers that have existed there heretofore, I do not think the Senate should approve the bill. On the other hand, if there is any way by which the very great dangers that have existed there heretofore may be obviated, I think the chairman should explain it at this time.

Mr. COPELAND. I think I can make it clear. The object of this bill is to accomplish exactly the laudable purpose the Senator from Missouri has in mind. The Washington Airport is unsafe. It is unsafe for two reasons. The first one is that a military road crosses the airport, bisects it, and only this morning there was a very narrow escape there. A low-flying plane passed over an automobile, and I was told there was hardly a foot between the plane and the automobile. The arrangement as proposed by the bill closes the military road, and at their own expense those operating the airport are to provide a substitute road to the south of the airport, so that there will be a military road but one not crossing the airport.

Mr. CLARK. May I ask the Senator how large a field that would make? The present field is about as large as a pocket handkerchief in comparison with the landing fields in comparable cities all over the United States.

Mr. COPELAND. I did not complete the answer to the previous question of the Senator. This bill also provides that there shall be leased from the Agricultural Department sufficient land between the railroad and the present airport practically to double the area of the airport. That will make it possible to install a paved take-off about where the take-off now is, but a thoroughly good one. Then, at right angles to it, there will be sufficient land to provide for a double take-off; so that, according to the direction of the wind, there may be a safe place from which planes may take off.

There is one other question which was raised by the Senator from Utah relating to the lagoon. The lagoon, in my opinion, ought to be closed for two reasons. In the first place, in order to give space; and, in the next place, because it is a mosquito-breeding place. The Senator from Utah has suggested that there be included in the bill a provision that the Park and Planning Commission shall pass upon the closing up of the lagoon. If this airport is developed as contemplated by this bill, for 95 percent of the time it will be as good and as safe an airport as there is in the United States.

The only justification, as I see it, for the bill we passed yesterday is that under it an airport will be provided out in the country which will be safe all the time. But, of course, the traffic out of the Washington Airport is largely local; that is, traffic between Washington and New York, Washington and Richmond, and Washington and Pittsburgh. An airport in the country would not cause the disappearance of the local service at the other airport because of the distance necessary to travel to the latter and the time required to reach it.

Mr. McKELLAR. Mr. President——

Mr. COPELAND. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is it expected to make this a permanent airport or airfield?

Mr. COPELAND. With the present state of the art, I should assume that it would be permanent.

Mr. McKELLAR. May I interrupt the Senator to say that I agree with what the Senator from Missouri [Mr. CLARK] said a few moments ago. I think this is the poorest airport in the entire country. I do not know of another that is in worse condition, that is smaller, or where there are so many obstacles.

Just the other night a very bad accident occurred at Daytona, I believe, or near Daytona, Fla. I am informed that the cause of that accident was the action of a public-utility company in erecting telephone posts or poles where there had not been any before and the airplane flew into one of them; there was a crash, and several lives were lost. At the Washington Airport almost every day buildings or telephone posts or telegraph posts or other obstructions are being raised in and around the field, which makes it a constant source of danger.

Mr. CLARK. Mr. President, as a matter of fact, if the Senator will permit me, every time an airplane comes in or takes off from the Washington Airport there is a constant menace exactly along the line of that which caused the disaster at Daytona Beach the other day.

Mr. McKELLAR. In my opinion, the Senator is correct, and I hope it will not be made a permanent landing field.

Mr. COPELAND. Mr. President, I am familiar with the accident at Daytona Beach. I received a report from the Air Commerce Bureau the morning of the accident. The difficulty there was not that there was a wire but that there was a newly installed——

Mr. McKELLAR. Oh, no. It was a post or a pole—a telephone or telegraph pole—that had been erected during the night. For some reason the public utility company went there at nighttime, between, as I understand, 2 o'clock a. m. and 4 o'clock a. m. and erected that pole. Those operating the airfield were not informed about it; the accident took place and several lives were lost.

Mr. COPELAND. Mr. President, if the Senator will permit me, that is exactly what happened. By reason of a break-down it was necessary for the power company to provide emergency facilities.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. COPELAND. Yes.

Mr. O'MAHONEY. Is this measure similar to a measure which has already passed the House?

Mr. COPELAND. It is.

Mr. O'MAHONEY. The bill which has passed the House is now before the Senator's committee?

Mr. COPELAND. The Senate bill is before the Senate; but if it should be considered I had hoped to strike out all after the enacting clause of the House bill and insert the Senate bill, so that it might be in conference.

Mr. O'MAHONEY. Did the Senator intend to substitute the House bill for the Senate bill? The House bill is not on the calendar; and if it is not——

Mr. COPELAND. It is on the calendar, the report having been made this morning, but it is not printed on the calendar.

Mr. O'MAHONEY. So that the Senator's plan is to pass the bill which has already been passed by the House?

Mr. COPELAND. To pass the House bill, but with the amendment which I hope may be adopted by the Senate. That is correct.

Mr. O'MAHONEY. Because, of course, if that were not done it would be impossible to secure the enactment of the bill at the present session.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LA FOLLETTE. I have not had an opportunity to study the situation as carefully as I should like to have done, but my understanding is that, unless this bill passes, during all the time that will be necessary to develop the Camp Springs Airport the very hazardous condition described by the Senator from Missouri and the Senator from Tennessee will continue at the Washington Airport. Every person who comes into Washington or goes out by air will be subjected to terrific hazard. Therefore, it seems to me, this bill is of great importance and should be enacted at the present session of Congress, for if a disaster should occur it would seem that Congress would be compelled to share the responsibility for the reason that it had not remedied a situation which had been brought to its attention.

In the second place, my understanding is that even when the Camp Springs Airport is built, the airport contemplated under the bill in charge of the Senator from New York will be a safe port and one which can be used except during foggy weather or when the river is exceedingly high because of heavy rains. Is not that correct?

Mr. COPELAND. The Senator is absolutely correct.

Mr. BARKLEY. Mr. President, the highway that runs through the present airport is one about which there has been great controversy for a long time. Everyone has recognized the lack of safety there, not only for aviation but for automobile traffic. The bill would eliminate that highway completely from the airport and locate it at a place entirely away from danger both to automobile travelers and aviators.

Mr. COPELAND. That is correct.

Mr. KING. Mr. President, will the Senator explain the difference between the House bill and the Senate bill?

Mr. COPELAND. The House bill has no reference at all to the lagoon. It provides that the rental of the land from the Secretary of Agriculture shall be by mutual agreement. The Senate bill provides for nominal payment for those lands. If I should happen to be a conferee, I have no doubt we shall be able to secure some adjustment to bring about a closer reconciliation of the two bills with respect to that matter.

Mr. KING. Frankness compels me to say, while I am not objecting to the consideration of the bill, that it contains provisions to which I do not assent. It calls for approximately 56 acres of land belonging to the Government to be rented for a dollar a year. That land is worth, perhaps, $10,000 an acre. This would mean a very large subsidy to the airport.

Mr. COPELAND. It is a pretty high price to pay for land on which to grow corn.

Mr. KING. It is a very high price, but many things the Government does cost the taxpayers of the United States a great deal.

Another provision which does not meet my approval is with respect to the lagoon. The Park and Planning Commission do not believe the lagoon should be moved by this organization or by any other organization.

Mr. President, the Camp Springs Airport to which Senators have referred is 7½ miles from the Capitol, very near to the city. It would make one of the finest airports in the United States; at least that is the design of the committee which made the selection of the site. I am sure that is the design of the Government officials who will have to do with the construction of the airport.

I appreciate there have been many demands that the Washington-Hoover Airport be continued. Even with the acquisition, without cost, of the 56 acres of land belonging to the Government, I do not think the present Washington Airport would be a suitable airport. It would have then less than 200 acres, whereas a modern airport ought to have at least 1,500 to 2,500 acres and runways at least 5,000 feet in length. In Paris and in London and in the large cities of Europe, as well as in the larger cities of the United States, the airports which were constructed at considerable expense have been found to be inadequate to meet modern demands of the large planes carrying 30 or 40 passengers. The result is that at enormous expense those air fields are being enlarged.

I hope the Camp Springs airport will be constructed. I have not objected to the consideration of the bill, though I have said that provisions are in it which do not meet with my approval. I am not ready to concede that we should give the Washington-Hoover Airport a subsidy of perhaps $500,000 or $600,000 because leasing for $1 a year this additional acreage amounts to that. However, the matter is for the Senate to determine.

Mr. McKELLAR. Mr. President, in the interest of safety we are obliged to pass the bill, I have no doubt. I have long felt that the airport across the river was virtually a death-trap and ought to be gotten rid of as soon as possible. I hope the airport at Camp Springs will soon be built and that it will be built along such lines as to provide for safety

in landing at Washington. I do not see how we can do anything else than pass the bill.

Mr. AUSTIN. I think the Senate is entitled to have called to its attention in this connection that the Airport Commission studied the Washington-Hoover Airport with respect to all the possibilities for enlargement and improvement that might be made. There was no controversy as to the claim that the Washington-Hoover Airport could never be made a safe airport. The Commission had a duty under the law to recommend to the Senate an airport with the objective of having for our National Capital a safe airport—nothing more.

There is brought into our study of the matter a fact which cannot be overlooked, but to which we could not give any validity in our report, and that is the peculiar conditions of congested traffic in the air between New York City, Newark, and Washington. Therefore I have no doubt that every person on that Commission of nine was persuaded that we should have the Washington Airport made as safe as possible for the purpose of meeting about 95 percent of the weather conditions. We believe it can be made safe by the adoption of the provisions contained in the bill. We appear to be approaching the ideal which we would have been glad to report to the Senate had we been authorized to do any such thing. Therefore, I hope the Senate will pass the bill.

The PRESIDING OFFICER. The amendment of the Senator from Utah [Mr. KING] will be stated.

The CHIEF CLERK. On page 4, line 20, after the word "Airport", it is proposed to insert "if agreed upon by the Park and Planning Commission", so as to make the bill read:

Be it enacted, etc., That (a) the Secretary of War is authorized and directed to convey by quitclaim deed to the National Airport Corporation, a corporation organized under the laws of the State of Delaware, the lands forming that part of Military Road, Fort Myer Military Reservation, Arlington County, Va., described as follows: Beginning at a point on the easterly line of the Arlington Reservation N. 16° W. 75.29 feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation N. 16°00′ W. 71.73 feet; thence N. 85°35′ E. 263.25 feet; thence by a curve to the right of 608.7 feet radius 336.42 feet; thence S. 62°45′ E. 1,253.11 feet; thence by a curve to the left of 406.7 feet radius 454.27 feet; thence N. 53°15′ E. 32.09 feet to a point; thence S. 31°27′ E. 8.96 feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge; thence with the westerly line of said right-of-way S. 20°55′ W. 110.91 feet; thence S. 66°15′ W. 45.85 feet; thence by a curve to the right of 476.7 feet radius 424.3 feet; thence N. 62°45′ W. 1,253.11 feet; thence by a curve to the left of 538.7 feet radius 297.73 feet; thence S. 85°35′ W. 247.63 feet to the point of beginning. The above-described parcel of land comprises a strip of land 70 feet in width, the center line of said 70-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains 3.7165 acres of land more or less.

(b) The Secretary of War is further authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of such Military Road lying east of the Washington and Southern Freight Branch of the Pennsylvania Railroad and which is not included in the conveyance provided for in paragraph (a) of this section.

(c) The Secretary of War shall not make such conveyance or lease until he shall have received from such corporation to be paid to the board of commissioners, Arlington County, Va., such sum as may be necessary, but not to exceed $25,000, for the construction of a substitute road.

SEC. 2. The Secretary of Agriculture is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of the lands (originally known as the Arlington Plantation and now commonly known as the Arlington Experimental Farm) lying east of the Washington and Southern Freight Branch of the Pennsylvania Railroad, containing 53 acres more or less.

SEC. 3. The Secretary of War is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, the portion of the bed of the Potomac River adjoining the Washington Airport, if agreed upon by the Park and Planning Commission, commonly known as the lagoon area of the Boundary Channel, better described as the area lying south and east of the following-described arc: Beginning at a point which is the center of the west face of the south abutment of the Mount Vernon Memorial Highway Bridge over Boundary Channel at its mouth, thence upstream in a straight line south 54°35′ W. (true meridian) a distance of 200 feet, thence in a series of curves to the right (upstream) the chords of which bear south 70°55′ W. 150 feet, north 81°35′ W. 200 feet, north 62°30′ W. 300 feet, north 51°35′ W. 400 feet, and north 38°10′ W. 250 feet to intersect the approximate high-water shore line on the west bank of the said Boundary Channel. Such lease shall contain express conditions that the corporation, if deemed necessary by the Secretary of War, will widen and deepen the Boundary Channel and will construct a retaining wall along the above-described arc, or cause such work to be done, under the supervision of the Secretary of War and in accordance with such terms and conditions as he may prescribe: *Provided*, That nothing herein contained shall prevent the expenditures, upon lands belonging to the United States, of funds heretofore appropriated by Congress.

The amendment was agreed to.

Mr. COPELAND. I now ask that the House bill (H. R. 7985) of similar import be substituted for the Senate bill and considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 7985) to promote air commerce by providing for the enlargement of the Washington Airport.

Mr. COPELAND. I move to amend the House bill by striking out all after the enacting clause and inserting the text of the Senate bill as amended.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2846 will be indefinitely postponed.

Mr. COPELAND. I move that the Senate insist upon its amendment to the House bill, ask a conference with the House thereon, and that the Chair appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. CLARK, Mr. DONAHEY, Mr. JOHNSON of California, and Mr. WHITE conferees on the part of the Senate.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 178) consenting to an interstate compact relating to flood control in the Merrimack River Valley was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

ONE HUNDREDTH ANNIVERSARY OF ESTABLISHMENT OF CHICAGO

Mr. LEWIS. Mr. President, may I interrupt the normal proceedings of the Senate for just a moment? The great city of Chicago is celebrating its one hundredth birthday. At 2 o'clock today the celebration begins with some form of military and other display, and tomorrow those who are supposed to be our native-born citizens will take part in certain celebrations. We sought here to have something in the form of coins struck off in commemoration of the event. That was denied because it is not assumed wise to do so in connection with such celebration.

A bill has been reported by the Committee on Banking and Currency authorizing the striking off of certain medals. That is all to be done at the expense of the city of Chicago.

Would it be too much of an imposition for me to request permission to allow the Senate to return to that bill at once, since it was unanimously reported by the committee, and there is no objection, so far as I know, in order that I might send a telegram to reach Chicago at 2 o'clock informing them of the passage of the bill?

Mr. KING. Mr. President, will we have to appoint a committee?

Mr. LEWIS. No; no committee, and not a penny of expense is involved to the Federal Government. It will take nothing out of the Treasury in any way.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the bill (S. 2918) to authorize the striking of an appropriate medal in commemoration of

the one hundredth anniversary of the establishment of Chicago, Ill., as a city was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in commemoration of the one hundredth anniversary of the establishment of Chicago, Ill., as a city, and the granting of a charter for such establishment, there shall be struck at a mint of the United States to be designated by the Director of the Mint 100,000 commemorative medals of a special appropriate single design, size, weight, and composition to be fixed by the Director of the Mint with the approval of the Secretary of the Treasury.

SEC. 2. Such commemorative medals shall be delivered to the duly authorized officers of Chicago's Charter Jubilee Committee upon payment to the Director of the Mint of an amount to be fixed by the Director of the Mint not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. Whoever shall falsely make, forge, or counterfeit or cause or procure to be falsely made, forged, or counterfeited or shall aid in falsely making, forging, or counterfeiting any medal issued under the provisions of this act, or whoever shall sell or bring into the United States or any place subject to the jurisdiction thereof from any foreign place, or have in his possession any such false, forged, or counterfeited medal, shall be fined not more than $1,000 or imprisoned not more than 2 years, or both.

Mr. LEWIS. Mr. President, I thank the Senate for its gracious granting of my request for the passage of the bill, which will enable me now, before 2 o'clock, to telegraph my friends in Chicago that the bill has passed the Senate.

AMENDMENT OF PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

The bill (H. R. 6762) to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended, was announced as next in order.

Mr. KING. Let the bill go over.

Mr. JOHNSON of California. Mr. President, just a moment. Who made the objection, please?

Mr. KING. I indicated an objection. The bill is a very formidable one, and I supposed its consideration would take some time.

Mr. JOHNSON of California. It is a formidable bill because it presents a lot of amendments to existing law, none of which is of particular consequence to the marketing of perishable fruits and vegetables. I may say to the Senator that the bill has passed the House. It has the approval of the Agricultural Department. It has been favorably reported by the Committee on Agriculture and Forestry, and comes here without any objection at all. I ask the Senator to withhold his objection.

Mr. KING. Will the Senator state just what changes the bill makes in existing law, whether it increases the expenses of the Government or imposes any additional burdens upon the consumer?

Mr. JOHNSON of California. No, sir; it is self-supporting and self-sustaining. It requires no appropriation.

Mr. SCHWELLENBACH. Mr. President, I will say that the bill makes 13 minor changes in the 1930 act, simply strengthening the act and making it possible to prevent fraud by dealers who take these perishable products and sell them on the market. The report itself sets out, as briefly as I could state them, the 13 minor changes. A hearing was held on the bill last year before a subcommittee of the Committee on Agriculture and Forestry; but the committee did not report out the bill, because it was so late in the session.

Mr. KING. Was the committee unanimous?

Mr. SCHWELLENBACH. The committee was unanimous in reporting the bill.

Mr. KING. Very well; I will withdraw my objection.

Mr. SMITH. Mr. President, I ask to have the bill passed over temporarily. The committee recommended an amendment to it.

Mr. JOHNSON of California. Mr. President, am I to understand that the Senator from South Carolina asks that the bill be passed over?

Mr. SMITH. Just temporarily; yes.

Mr. JOHNSON of California. Here is a report from the committee of the House which shows the amendments. No amendments were recommended by the Senate committee.

Mr. SMITH. I was under the impression that the Senate committee had reported an amendment; but I am informed that that is not the case.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF PACKERS AND STOCKYARDS ACT, 1921

The bill (S. 1351) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation from the chairman of the commitee as to the changes this bill makes in existing law.

Mr. SMITH. Mr. President, all the Departments were agreed that authority to bring criminal proceedings for the enforcement of the original act should be transferred to the Federal Trade Commission rather than being left where it now is.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. LA FOLLETTE. I observe that the last report from the Department of Agriculture indicates that in view of the possibility of reorganization legislation this bill should not be passed, or that the Department should not take a position concerning it.

Mr. SMITH. At the meeting of the commitee the information given it was to the effect that this feature of the Packers and Stockyards Act could be administered by the Federal Trade Commission better than by the Agricultural Department. Had I been prepared, I should have been able to place before the Senate the letter from the Department. Perhaps it is in the report; but, at any rate, that is the information of the committee.

Mr. LA FOLLETTE. I note that the letter under date of March 15, 1937, signed by the Secretary of Commerce, reads in part as follows:

A similar bill (S. 4455) was introduced in the Seventy-fourth Congress and submitted to the Department by you for consideration. At that time the Department stated that it had no objection to the enactment of the bill. However, in regard to the present bill (S. 1351), as you know, the President recently submitted certain recommendations to the Congress concerning reorganization of the executive departments which may ultimately involve a rearrangement of the administration of various laws, in view of which it is not believed that it would be appropriate for this Department to express any opinion concerning the desirability of the provisions of S. 1351.

In view of that statement, Mr. President, I ask that the Senator permit the bill to go over until I can confer with some of the Senators who are serving on the Select Committee on Governmental Organization.

Mr. SMITH. I desire to state that a subcommittee was appointed to investigate this very matter, and the report of the committee includes the statement from the Department which the Senator has before him. The Department says:

The bill, if enacted, would give the Commission, instead of the Secretary of Agriculture, authority to investigate the practices of packers engaged in the handling of livestock for slaughter, meats, meat-food products, dairy products, poultry, poultry products, or eggs in commerce, including the purchase of livestock at public markets. The Commission would have authority to issue orders requiring packers to cease and desist from unlawful practices and in all other ways would have the authority now vested in the Secretary to deal with packers' activities, including the filing of annual and special reports. The bill, however, specifically provides that the Commission shall not have authority over persons licensed under title V of the act dealing with handlers of live poultry in commerce.

Mr. LA FOLLETTE. If it would be agreeable to the Senator, I should appreciate it if the bill might go over; and I will confer with some of my colleagues on the reorganization committee before the call of the calendar.

Mr. SMITH. I merely wish to call attention to the fact that, as I stated, the Federal Trade Commission, the Secretary of Agriculture, and all parties interested agreed that the bill should pass.

Mr. LA FOLLETTE. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 2904) for the relief of officers and soldiers of the volunteer services of the United States mustered into service for the War with Spain, and who were held in service in the Philippine Islands after ratification of the treaty of peace April 11, 1899, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 610) to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, Southern Division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of this bill. From a hasty examination of the report I note that the bill was adversely reported upon by the former Attorney General, and there are other reports on it. I think the bill had better go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2817) providing for the purchase by the United States of air-navigation facilities established with the approval of the Secretary of Commerce by air-mail contractors on their contract routes, was announced as next in order.

Mr. COPELAND. I ask that this bill be passed over without prejudice.

The PRESIDING OFFICER. The bill will be passed over.

SAFETY AT SEA

The bill (S. 2580) to amend existing laws so as to promote safety at sea by requiring the proper design, construction, maintenance, inspection, and operation of ships; to give effect to the Convention for Promoting Safety of Life at Sea, 1929; and for other purposes, was announced as next in order.

Mr. BROWN of Michigan. Mr. President, I have an amendment to this bill.

Mr. McKELLAR. This seems to be a very important bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. COPELAND. Mr. President, this is an important bill.

Mr. McKELLAR. I do not believe it would be possible to consider the bill today.

Mr. COPELAND. Just a minute. I hope the Senator will not commit himself.

This bill is the outgrowth of 2 years of hearings in connection with the loss of the *Morro Castle* and the *Mohawk*, with great loss of life. We have before us the report made by a technical committee presided over by Admiral George H. Rock, one of the greatest naval architects in the world.

Mr. McKELLAR. Is the bill recommended by the Department?

Mr. COPELAND. It is recommended by the Department; and I may say that the new rules have been accepted by the Maritime Commission, and the new sister ship of the *Queen Mary*, of Great Britain, is being built according to the rules which are laid down in this book.

Mr. McKELLAR. If the bill provides for safety at sea, I shall withdraw my objection.

Mr. COPELAND. I thank the Senator.

Mr. CLARK. Mr. President, I am in sympathy with the purposes of the bill; but it is such a very lengthy and complicated bill that it seems to me it ought not to be passed in this manner, without debate, during the consideration of bills on the calendar.

Mr. COPELAND. I beg my colleague on the Commerce Committee not to object to the consideration of the bill. The Senator knows the long hearings we have had. We have had days and days of hearings. The Senator from Michigan [Mr. BROWN] is going to offer an amendment which satisfies those operating ships on the Great Lakes. That was the last remaining objection of any sort.

Mr. CLARK. I suggest that the bill go over for the present.

Mr. COPELAND. I beg the Senator not to make the request.

Mr. WHITE. Mr. President, I desire to say a brief word about the situation.

The Senator has in mind the fact that in 1929 a conference on safety of life at sea was held at London which painstakingly worked out rules to promote safety for vessels engaged in international voyages. Following the disasters to which the Senator from New York has referred, the Committee on Commerce, by special resolution of the Senate, was asked to study the question of safety of life at sea, and to make recommendations to this body, and to bring in proposed legislation.

Under the general authority the Commerce Committee appointed the finest body of experts to be found in the United States. This proposed legislation in large part is based on the recommendation of those experts; and in all the United States there could be found no body of men better qualified than that group to advise us on technical matters.

Mr. CLARK. Mr. President, I have no objection to the present consideration of the bill. I know that the Senator from New York has worked on it for a very long time, and has had very comprehensive hearings, and has given very complete study to the subject.

Mr. COPELAND. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with amendments.

The first amendment of the Committee on Commerce was, under the heading "Title VI.—Rules and inspections—Part 1—Rules", in section 601, page 5, line 18, before the word "shall", to insert "as modified by this act"; on page 6, line 13, after the word "sources", to insert "including a representative for the Great Lakes"; in line 23, after the name "Congress" and the period, to strike out "If, 60 days after receiving" and insert "If, after the expiration of 60 calendar days following the receipt of"; at the end of line 25, after the word "action" and the comma, to insert "the"; and on page 7, line 2, after the word "law" and the period, to strike out "They shall be sufficiently inclusive" and insert "Existing rules and regulations such as those promulgated under Public Law No. 934, Seventieth Congress, approved March 2, 1929 (Load Line Act); Public Law No. 354, Seventy-fourth Congress, approved August 27, 1935, as amended (Coastwise Loadline Act); Public Law No. 343, Seventy-fourth Congress, approved August 26, 1935 (Dangerous Cargo Act); Public Law No. 765, Seventy-fourth Congress, approved June 23, 1936 (Inflammable or Combustible Liquid Cargo Act) shall remain in effect. Future changes or revisions in such rules and regulations, together with such rules and regulations as are required by titles VII, VIII, IX, and X of this act shall be submitted to the Congress and shall be promulgated and take effect in the same manner as is provided for the changes in the rules and regulations contained in Senate Report No. 184, Seventy-fifth Congress. The rules and regulations shall be, in every case, sufficiently inclusive", so as to read:

SECTION 601. (a) The Board of Supervising Inspectors, established by Revised Statutes 4405, as amended, is hereby abolished, and all authority, powers, and duties of such Board shall be transferred to the Bureau of Marine Inspection and Navigation.

(b) Upon the approval of this act the rules and regulations set forth in Senate Report No. 184 (75th Cong., 1st sess.), pages 83 to 586, inclusive, as modified by this act, shall be promulgated by the Bureau of Marine Inspection and Navigation, after approval by the Secretary of Commerce. Thereafter these rules and regulations shall be kept up to date by the Bureau, and they shall be completely reviewed and revised, in accordance with the requirements of this act, at least once every 5 years. When a special situation arises, as contemplated by the third paragraph, page 83, of said Senate Report No. 184 (75th Cong., 1st sess.), and the Bureau finds that a relaxation of the rules and regulations seems

necessary, the Bureau will consider the case and will relax the rules only when no other course is reasonable. In each case where a relaxation of the rules and regulations is permitted, the Bureau, through the Secretary of Commerce, shall report the facts and reasons to the Congress. For the purpose of revising the rules, the Bureau shall convene, whenever necessary, a committee composed of technical representatives from the United States Maritime Commission, the Navy Department, the Coast Guard, and such other Government agencies as may be helpful, together with naval architects and marine engineers from other than Government sources, including a representative for the Great Lakes, to advise and assist the Bureau in the preparation of adequate rules. The necessary expenses of this technical committee are hereby authorized to be appropriated and shall be covered as an item in the Bureau's request for funds for the year concerned. Changes or revisions in such rules and regulations shall not seek to lower the safety standards set up in the original rules and regulations and, when approved by the Secretary of Commerce, shall be submitted to the Congress. If, after the expiration of 60 calendar days following the receipt of the revised rules and regulations, the Congress has taken no action, the rules and regulations shall be promulgated by the Bureau, and shall have the effect of law. Existing rules and regulations such as those promulgated under Public Law No. 934, Seventieth Congress, approved March 2, 1929 (Load Line Act); Public Law No. 354, Seventy-fourth Congress, approved August 27, 1935, as amended (Coastwise Loadline Act); Public Law No. 343, Seventy-fourth Congress, approved August 26, 1935 (Dangerous Cargo Act); Public Law No. 765, Seventy-fourth Congress, approved June 23, 1936 (Inflammable or Combustible Liquid Cargo Act) shall remain in effect. Future changes or revisions in such rules and regulations, together with such rules and regulations as are required by titles VII, VIII, IX, and X of this act shall be submitted to the Congress and shall be promulgated and take effect in the same manner as is provided for the changes in the rules and regulations contained in Senate Report No. 184, Seventy-fifth Congress. The rules and regulations shall be, in every case, sufficiently inclusive to insure that, from the point of view of safety, each vessel is fit for the service for which it is intended.

The amendment was agreed to.

The next amendment was, under the subhead "Part 2—Inspections", in section 603, page 10, line 9, after the word "vessels", to strike out "in groups 2, 3, and 5", so as to read:

SEC. 603. For passenger vessels the inspections required by section 602 shall be carried out, in general, as follows:

(a) The inspection before the vessel is first put in service shall include a complete inspection of the hull, machinery, and equipment, including the outside of the ship's bottom and the inside and outside of the boilers (when installed). This inspection shall be such as to insure that the arrangements, material, and scantlings of the hull, boilers, and their appurtenances, as well as main and auxiliary machinery, steering gear, life-saving appliances, and other equipments fully comply with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it. This inspection shall be such also as to insure that the workmanship of all parts of the ship, its machinery and its equipment, are in all respects satisfactory.

(b) The periodical inspection shall include an inspection of the whole of the hull, boilers, machinery, and equipment, including the outside of the vessel's bottom. The inspection shall be such as to insure that the vessel, as regards the hull, boilers, their appurtenances, main and auxiliary machinery, steering gear, life-saving appliances, and other equipments, is in satisfactory condition and fit for the service for which it is intended, and that it complies with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it: *Provided*, That the inspection of "the outside of the vessel's bottom" shall not be required annually as regards to vessels which remain at all times in fresh water.

The amendment was agreed to.

The next amendment was, in section 702, page 17, line 1, before the word "seat", to insert "toilet", so as to read:

(f) Toilets shall be provided for each group of the crew and, except in the smaller vessels where the space is limited and the crew small, these shall be in rooms separate from those containing bathing and washing facilities. There shall be a toilet seat for each 10 persons, or fraction thereof, and, in addition, a urinal for each 10 male persons, or fraction thereof, in the group to be accommodated. All toilet rooms shall be properly drained and so constructed and arranged that they can be kept in a clean, workable, and sanitary condition

The amendment was agreed to.

The next amendment was, in section 711, page 21, line 2, after the word "this", to strike out "part" and insert "title", so as to read:

SEC. 711. The tonnage of all of the spaces named in this title shall be deducted from the gross tonnage in arriving at the net or register tonnage of a vessel in addition to any other deductions allowed by law.

The amendment was agreed to.

The next amendment was, in section 712, page 21, line 8, after the word "section", to strike out "772" and insert "702", so as to read:

SEC. 712. When the Bureau finds, after appropriate notice and opportunity for hearing, that it is practicable and necessary, in any particular case, they shall require that the minimum requirements, provided for in section 702, be raised.

The amendment was agreed to.

The next amendment was, under the heading "Title IX—Operation of ships—Station bills on passenger vessels in groups 1 and 2", in section 902, page 25, line 22, after the word "lifesaving", to strike out "equipment" and insert "equipments", so as to read:

(e) Abandon ship: The station bill shall show the station and duty of each member of the crew in case it becomes necessary to abandon ship, to the end that all lifeboats, life rafts, and other lifesaving equipments are properly manned, so that they can be placed in the water with the least possible delay; that the passengers may be embarked promptly and safely; that the passengers are warned to be dressed and to wear their life preservers properly; and that men are stationed to guide the passengers to their embarkation stations.

The amendment was agreed to.

The next amendment was, under the subhead "Drills", in section 912, page 29, line 4, after the word "that", to insert "the members of", so as to read:

(b) Collision or stranding: The Bureau's inspectors shall conduct a collision drill and shall assure themselves that the members of the crew who perform the various duties are the ones assigned to those duties by the station bills. The Bureau's inspectors shall see that all power-operated watertight doors close promptly when the bridge control is used; that all other watertight doors are closed and attended; that all side lights, ports, and other openings in the sides are properly closed and attended; that the valves on all lines which pass through the ship's sides below the bulkhead deck, such as sanitary and scupper lines, are properly attended, and that they can be closed; that all valves which will prevent water from a damaged compartment finding its way into an intact compartment are properly attended and that they can be closed; that the emergency light and power system is attended and in operation; that all available bilge pumps, particularly the submersible bilge pumps, are manned and that the crew is properly instructed in the operation of the necessary valves, from above the bulkhead deck, to make possible the pumping out of the various compartments; and that the members of the crew, assigned to guide passengers, are at their stations and fully instructed in their duties.

The amendment was agreed to.

The next amendment was, in section 1008, page 33, line 16, after the word "vessel", to insert a comma and "to which this title applies," so as to read:

SEC. 1008. It shall be the duty of the owner to have the inspections made as a prerequisite to the issuance of a "Safety Certificate" or a "Safety Radiotelegraphy Certificate", as the case may be, and no vessel to which this title applies shall be in service unless there is on board and in force a proper certificate or certificates required by this title.

The amendment was agreed to.

The next amendment was, under the heading "Title XI—Organization of the Bureau of Marine Inspection and Navigation—Part 1—Duties", in section 1101, page 34, line 17, after the word "machinery", to insert "steering machinery," so as to read:

SECTION 1101. (a) The Bureau shall enforce the requirements of this act, and all laws or parts of laws not repealed by this act which have heretofore been required to be enforced by the Bureau. Among its other duties the Bureau shall:

(1) Issue rules, as prescribed in this act, for the design, construction, inspection, and operation of all merchant vessels of the United States, such as to insure the maximum safety of the ship and of the passengers and crew.

(2) Decide upon, in accordance with the requirements of this act, in the case of all merchant vessels already built, which in the future may be built, or which may be entered for United States registry from any other source, for operation under the United States flag, all questions concerning structural strength, loading, watertight subdivision, stability under all conditions, fire-resisting qualities, fire-detecting equipment, fire-fighting equipment, lifesaving equipment, equipment for communications other than radio, electrical equipment, navigational equipment, bilge and fire pumps, propelling machinery, steering machinery, ground tackle, and all other features which may be necessary to insure that the vessels are fully and properly constructed and equipped and safe for operation in their trades.

The amendment was agreed to.

The next amendment was, under the subhead "Part 2—Organization", in section 1102, page 38, line 24, after the word "the" where it occurs the second time to strike out "Bureau in the District of Columbia" and insert "Bureau, in addition to the field forces engaged in the inspection of ships", so as to read:

(d) There shall be under the Assistant Director in charge of the Matériel Division of the Bureau, in addition to the field forces engaged in the inspection of ships, a technical section consisting of a technical staff, the members of which shall have the necessary background of education and experience to permit them to render correct judgment on all matters, of whatever nature, having to do with the design and construction of ships. The senior members of the technical staff shall be selected for their special expertness in naval architecture, marine engineering, and electrical engineering, without regard to civil-service laws or the Classification Act of 1923, as amended. These senior members shall consist of a senior naval architect at a salary not to exceed $7,000 per annum, a senior engineer at a salary not to exceed $7,000 per annum, and an electrical engineer at a salary not to exceed $6,000 per annum, the junior members of the staff to be selected in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended. The services of this permanent staff may be augmented by the part-time employment of technical experts in special fields as may be found necessary to keep up with the advance in the art of shipbuilding. The duties of the technical section shall be to advise the Director upon all matters of design connected with merchant vessels to be built and merchant vessels to be reconditioned or repaired, so that all the requirements of this act are properly met so far as design is concerned, and to control the admeasurement of merchant vessels and the maximum loaded drafts for them.

The amendment was agreed to.

The next amendment was, under the subhead, "Part 5—Assignment of Shipping Commissioners", in section 1109, page 45, line 16, after the word "at", to strike out "each port of ocean and Gulf navigation and such ports of the Great Lakes" and insert "such ports", so as to read:

SEC. 1109. (a) Section 4501 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 4501. The Director of the Bureau of Marine Inspection and Navigation shall assign an officer of the Bureau of Marine Inspection and Navigation to perform the duties of a shipping commissioner at such ports as, in his judgment, may require the same; while the officer is so assigned he shall have the authority and duties of a shipping commissioner under this title."

The amendment was agreed to.

Mr. BROWN of Michigan. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 4, line 24, after the word "practicable", to change the period to a colon and insert the following:

Provided, That said requirements and the rules and regulations to be promulgated under this act, so far as the same relate to construction and design of vessels, shall not be applicable to existing passenger vessels upon the Great Lakes, but such requirements as to such matters shall conform to the applicable provisions of law as effective immediately prior to the enactment of this act: *And further provided*, That said Bureau may exempt from all other provisions and requirements of said rules and regulations, existing vessels navigating the Great Lakes and the rivers of the United States to such extent as the same may be done with due regard to safety of passengers and crews of such vessels.

The amendment was agreed to.

The bill (S. 2580) was ordered to be engrossed for a third reading, read the time time, and passed, as follows:

Be it enacted, etc.,

TITLE I—PURPOSE

SECTION 1. The purpose of this act is to insure that all merchant vessels documented under the laws of the United States are so designed, constructed, equipped, maintained, operated, and inspected as to insure the maximum of safety to life and property in the services for which they are used.

TITLE II—BUREAU OF MARINE INSPECTION AND NAVIGATION

DUTIES

SECTION 201. The Bureau of Marine Inspection and Navigation shall be responsible, under the Secretary of Commerce, for the general supervision of all matters relating to merchant ships and merchant seamen and shall execute the provisions of this act and all other acts relating to merchant shipping and merchant seamen except where specifically provided to the contrary in those acts.

TITLE III—DEFINITIONS (GENERAL)

SECTION 301. As used in this act—

(a) "Ship" or "vessel" includes every description of watercraft or other artificial contrivance, except aircraft, used, or capable of being used, as a means of transportation on water, whether or not it is actually afloat.

(b) A ship or vessel shall be considered a "passenger ship" if it carries or is licensed or certificated to carry more than 12 passengers.

(c) A "passenger" is any person carried on board a ship or vessel except (1) the officers and crew actually employed to man and operate the ship; (2) persons employed to carry on the business of the ship; and (3) persons on board a ship when they are carried, either because of the obligation laid upon the master to carry shipwrecked, distressed, or other persons in like or similar situations or by reason of any circumstance over which neither the master, the owner, nor the charterer (if any) has control.

(d) A "cargo ship" or "cargo vessel" means any ship or vessel not a passenger ship or vessel.

(e) A "new ship" or "new vessel" is one which is laid down or the plans of which are approved after 90 days following the approval of this act.

(f) The word "approved", when used alone, means approved by the Bureau of Marine Inspection and Navigation.

(g) The word "Bureau", when used alone, means the Bureau of Marine Inspection and Navigation.

(h) The word "inspector", when used alone, means a duly authorized inspector of the Bureau of Marine Inspection and Navigation.

TITLE IV—GROUPING

SECTION 401. (a) All vessels documented under the laws of the United States shall be grouped in accordance with the service for which they are intended, as follows:

(1) Group 1. Ocean-going vessels navigating more than 20 miles offshore.

(2) Group 2. Great Lakes vessels. Ocean-going vessels navigating less than 20 miles offshore.

(3) Group 3. Ocean-going or Great Lakes vessels navigating partially protected waters.

(4) Group 4. Vessels navigating bays, sounds, and protected waters.

(5) Group 5. Vessels navigating rivers, harbors, and small lakes.

SEC. 402. The Bureau may divide each of the groups set forth in section 401 of this act into subgroups in accordance with the type of ship, such as "passenger vessel", "passenger vessel carrying unberthed passengers", "passenger ferry", "passenger vessel used for amusement or recreation (whether mobile or immobile)", "yacht", "cargo vessel", "tanker", "dredge", "fisherman", "wrecking vessel", "towing vessel", "cargo barge", "tank barge", "sailing vessel", and such others as may be required based on the trade in which the vessel may be engaged.

TITLE V—APPLICATION

SECTION 501. The requirements of this act shall apply, unless otherwise specified, to any new passenger vessel, documented under the laws of the United States, falling in groups 1, 2, or 3, which is of 100 gross tons or over, and to any new passenger vessel, documented under the laws of the United States, falling in groups 4 or 5, which is of 50 gross tons or over. The requirements of this act shall be applied to all vessels in all groups to as great an extent as is practicable; provided said requirements and the rules and regulations to be promulgated under this act, so far as the same relate to construction and design of vessels, shall not be applicable to existing passenger vessels upon the Great Lakes, but such requirements as to such matters shall conform to the applicable provisions of law as effective immediately prior to the enactment of this act; and further provided said Bureau may exempt from all other provisions and requirements of said rules and regulations, existing vessels navigating the Great Lakes and the rivers of the United States to such extent as the same may be done with due regard to safety of passengers and crews of such vessels.

SEC. 502. The provisions of this act shall not apply to—

(a) A ship of war.

(b) A vessel of the United States belonging to and operated by the Government, except a ship of the United States Maritime Commission, the Inland Coastwise Waterways Service, or the Panama Railroad.

TITLE VI—RULES AND INSPECTIONS

PART 1—RULES

SECTION 601. (a) The Board of Supervising Inspectors, established by Revised Statutes 4405, as amended, is hereby abolished, and all authority, powers, and duties of such Board shall be transferred to the Bureau of Marine Inspection and Navigation.

(b) Upon the approval of this act the rules and regulations set forth in Senate Report No. 184 (75th Cong., 1st sess.), pages 83 to 586, inclusive, as modified by this act, shall be promulgated by the Bureau of Marine Inspection and Navigation, after approval by the Secretary of Commerce. Thereafter these rules and regulations shall be kept up to date by the Bureau, and they shall be completely reviewed and revised, in accordance with the requirements of this act, at least once every 5 years. When a special situation arises, as contemplated by the third paragraph, page 83, of said Senate Report No. 184 (75th Cong., 1st sess.), and the Bureau finds that a relaxation of the rules and regulations seems necessary, the Bureau will consider the case and will relax the rules only when no other course is reasonable. In each

case where a relaxation of the rules and regulations is permitted, the Bureau, through the Secretary of Commerce, shall report the facts and reasons to the Congress. For the purpose of revising the rules the Bureau shall convene, whenever necessary, a committee composed of technical representatives from the United States Maritime Commission, the Navy Department, the Coast Guard, and such other Government agencies as may be helpful, together with naval architects and marine engineers from other than Government sources, including a representative for the Great Lakes, to advise and assist the Bureau in the preparation of adequate rules. The necessary expenses of this technical committee are hereby authorized to be appropriated and shall be covered as an item in the Bureau's request for funds for the year concerned. Changes or revisions in such rules and regulations shall not seek to lower the safety standards set up in the original rules and regulations and, when approved by the Secretary of Commerce, shall be submitted to the Congress. If, after the expiration of 60 calendar days following the receipt of the revised rules and regulations, the Congress has taken no action, the rules and regulations shall be promulgated by the Bureau, and shall have the effect of law. Existing rules and regulations such as those promulgated under Public Law No. 934, Seventieth Congress, approved March 2, 1929 (Load Line Act); Public Law No. 354, Seventy-fourth Congress, approved August 27, 1935, as amended (Coastwise Load Line Act); Public Law No. 343, Seventy-fourth Congress, approved August 26, 1935 (Dangerous Cargo Act); Public Law No. 765, Seventy-fourth Congress, approved June 23, 1936 (Inflammable or Combustible Liquid Cargo Act) shall remain in effect. Future changes or revisions in such rules and regulations, together with such rules and regulations as are required by titles VII, VIII, IX, and X of this act shall be submitted to the Congress and shall be promulgated and take effect in the same manner as is provided for the changes in the rules and regulations contained in Senate Report No. 184, Seventy-fifth Congress. The rules and regulations shall be, in every case, sufficiently inclusive to insure that, from the point of view of safety, each vessel is fit for the service for which it is intended: *Provided*, That each year, at the beginning of the session, the Bureau, through the Secretary of Commerce, shall report to the Congress whether or not any new legislation is required to insure the safety of life at sea. If such legislation is deemed necessary, the Bureau shall submit definite recommendations for it to the Congress through the Secretary of Commerce.

(c) In each case where it is provided, in this act or in the Bureau's rules and regulations promulgated in pursuance of the requirements of this act, that plans, plans and specifications, or stress calculations, be submitted to the Bureau for approval, the Bureau shall act upon them with as little delay as possible. When the Bureau approves the proposed design it shall endorse the plans and specifications to that effect, returning one set to the owner or his accredited representative, sending another to the Bureau's inspector having the responsibility of inspecting the work, and retaining one set for the Bureau's records. After the approval of the plans or the plans and specifications, no change in design or material shall be made without first obtaining the Bureau's written approval of the changes. Before any such plans, or plans and specifications, are disapproved, appropriate notice and opportunity for hearing shall be granted by the Bureau to all interested parties.

PART 2—INSPECTIONS

SEC. 602. Every new or existing vessel, documented under the laws of the United States, shall be subject to inspection by the Bureau, to determine her material condition, as follows:

(1) An inspection shall be made before the vessel is first placed in service.

(2) A periodical inspection shall be made at least once every year.

(3) Additional inspections shall be made whenever necessary.

SEC. 603. For passenger vessels the inspections required by section 602 shall be carried out, in general, as follows:

(a) The inspection before the vessel is first put in service shall include a complete inspection of the hull, machinery, and equipment, including the outside of the ship's bottom and the inside and outside of the boilers (when installed). This inspection shall be such as to insure that the arrangements, material, and scantlings of the hull, boilers, and their appurtenances, as well as main and auxiliary machinery, steering gear, lifesaving appliances, and other equipments fully comply with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it. This inspection shall be such also as to insure that the workmanship of all parts of the ship, its machinery and its equipment, are in all respects satisfactory.

(b) The periodical inspection shall include an inspection of the whole of the hull, boilers, machinery, and equipment, including the outside of the vessel's bottom. The inspection shall be such as to insure that the vessel, as regards the hull, boilers, their appurtenances, main and auxiliary machinery, steering gear, lifesaving appliances, and other equipments, is in satisfactory condition and fit for the service for which it is intended, and that it complies with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it: *Provided*, That the inspection of "the outside of the vessel's bottom" shall not be required annually as regards to vessels which remain at all times in fresh water.

(c) An inspection, either general or partial, according to the circumstances, shall be made every time an accident occurs or a defect is discovered which affects the safety of the vessel or the efficiency or completeness of its lifesaving appliances, machinery, or other equipment, and likewise when any important repairs or renewals are made. The inspection shall be such as to insure that the necessary repairs or renewals have been effectivly made, that the material and workmanship of such repairs or renewals are in all respects satisfactory, and that the vessel complies in all respects with the provisions of this act and of the detailed rules and regulations promulgated in accordance with it.

(d) In the case of a new vessel the vessel shall be inspected during the progress of construction to insure that all pertinent requirements of this act are fulfilled.

(e) An inspection shall be made, before sailing, of each passenger vessel in groups 1 and 2, which is undertaking a voyage of more than 1 week's duration without calling at a port of the United States, to determine that the lifesaving and fire-fighting equipment is in satisfactory condition and that the watertight integrity and stability of the vessel are being properly maintained. In the case of passenger ships in groups 1 and 2 making shorter voyages, and passenger ships falling in other groups, a similar inspection shall be made at least once each month during the period the vessel is in service.

(f) An inspection of vessels in group 1 shall be made to insure that vessels do not leave port with a dangerous list or so down by the head or stern as to make them unmanageable in a heavy sea or in narrow waters.

(g) After the inspection of a vessel, as provided in paragraphs (a), (b), (c), and (d) of this section, has been completed, no change shall be made in the structural arrangements, machinery, equipment, or other parts covered by the inspections without the written approval of the Bureau.

(h) On request of the owner, vessels out of service in a lay-up condition shall be exempt from the periodic inspections otherwise required.

(i) Vessels built abroad, which may be entered for documentation under the laws of the United States, shall be subjected to the inspection required by paragraph (a) of this section upon their first arrival in a port of the United States.

SEC. 604. For cargo vessels the inspections required by section 602 shall be carried out, in general, as follows:

(a) The inspection before the vessel is first put in service shall include a complete inspection of the hull, machinery, and equipment, including the outside of the ship's bottom and the inside and outside of the boilers (when installed). This inspection shall be such as to insure that the arrangements, material, and scantlings of the hull, boilers, and their appurtenances, as well as main and auxiliary machinery, steering gear, lifesaving appliances, and other equipments fully comply with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it. This inspection shall be such also as to insure that the workmanship of all parts of the ship, its machinery and its equipment, are in all respects satisfactory.

(b) The periodical inspection shall include an inspection of the hull, boilers, machinery, and equipment. The inspection shall be such as to insure that the ship, as regards the hull, boilers, their appurtenances, main and auxiliary machinery, steering gear, lifesaving appliances, and other equipments, is in satisfactory condition and fit for the service for which it is intended, and that it complies with the requirements of this act and of the detailed rules and regulations promulgated in accordance with it: *Provided*, That the inspection of the outside of the ship's bottom shall not be required annually on vessels which remain in fresh water a major part of the time.

(c) An inspection, either general or partial, according to the circumstances, shall be made every time an accident occurs or a defect is discovered which affects the safety of the vessel or the efficiency or completeness of its livesaving appliances, machinery, or other equipment, and likewise when any other important repairs or renewals are made. The inspection shall be such as to insure that the necessary repairs or renewals have been effectively made and that the material and workmanship of such repairs or renewals are in all respects satisfactory.

(d) In the case of a new vessel the vessel shall be inspected during the progress of construction to insure that all pertinent requirements of this act are fulfilled.

(e) After the inspection of a vessel, as provided in paragraphs (a), (b), (c), and (d) of this section, has been completed, no change affecting the safety of the vessel shall be made in the structural arrangements, machinery, equipment, or other parts covered by the inspections without the written approval of the Bureau.

(f) On request of the owner, vessels out of service in a lay-up condition shall be exempt from the periodic inspections otherwise required.

(g) Vessels built abroad, which may be entered for documentation under the laws of the United States, shall be subjected to the inspection required by paragraph (a) above upon their first arrival in a port of the United States.

TITLE VII—ACCOMMODATIONS FOR OFFICERS AND CREW

SECTION 701. The Bureau shall give constant attention to the construction, arrangement, sanitation, and ventilation of the quarters and facilities provided on ships of all groups for the accommodation of the officers and crew.

CREW SPACES

SEC. 702. In new vessels of group 1, and ocean-going vessels in group 2 which are over 750 gross tons, the requirements for crew accommodations shall provide for at least the following:

(a) Accommodations for the crew shall not be located forward of the forward collision bulkhead nor on a deck which is below the deepest load line for its entire length.

(b) Sleeping accommodations for the crew shall be divided into staterooms, no one of which shall berth more than four persons, except that on the larger passenger ships, where the stewards and waiters are numerous, rooms may be arranged to accommodate not more than 10 stewards or waiters (or both). So far as is practicable, the rooms for watch standers shall be so arranged that all those in a room belong to the same watch and are called at the same time.

(c) Each stateroom shall be of a size that there is at least 20 square feet of deck area and a volume of at least 150 cubic feet for each person accommodated. Each person shall have a separate berth and not more than two berths, a lower and an upper, shall be placed between two decks. The berths shall be of metal framework and shall be so arranged that they provide ample room for easy occupancy. The berths shall not be obstructed by pipes, ventilating ducts, or other installations which interfere with their proper use. Each stateroom shall be provided with a metal locker for each person accommodated. Each locker shall be not less than 12 inches by 21 inches by 5 feet high and so placed as to be readily accessible. The interior of the locker shall be so arranged as to facilitate the proper stowage of clothes.

(d) Messrooms shall be provided for all members of the crew which shall be placed as near the galley as is practicable. The messrooms shall be properly equipped with tables and a seat for each person, and shall be of sufficient size to permit easy access to each seat. In vessels of over 5,000 gross tons, separate messrooms shall be provided for the deck, engine, and steward groups. On the larger passenger ships, where the stewards and waiters are numerous, arrangements may be made for those in the steward's department to eat in one of the passenger dining rooms before or after the times set apart for the service of meals to passengers.

(e) Bathrooms shall be provided for the deck, engine, and steward groups of the crew; in each of these there shall be installed 1 shower for each 10 persons or fraction thereof, in the group to be accommodated, and 1 wash basin for each 4 persons or fraction thereof. The showers and basins shall be supplied with hot and cold fresh water. On small vessels where this is found impracticable one bathroom may be approved. On vessels where the engine group contains 10 or more persons a separate bathroom shall be provided for them. On vessels where the steward group contains six or more persons, a separate bathroom shall be provided for them. All bathrooms shall be properly drained and so constructed and arranged that they can be kept in a clean, workable, and sanitary condition.

(f) Toilets shall be provided for each group of the crew and, except in the smaller vessels where the space is limited and the crew small, these shall be in rooms separate from those containing bathing and washing facilities. There shall be a toilet seat for each 10 persons, or fraction thereof, and, in addition, a urinal for each 10 male persons, or fraction thereof, in the group to be accommodated. All toilet rooms shall be properly drained and so constructed and arranged that they can be kept in a clean, workable, and sanitary condition.

(g) On vessels where the crew comprises 12 or more persons, a hospital space shall be provided. Except on vessels making a voyage of 24 hours or less from port to port, this space shall be used for the care of the sick and for no other purpose except where an emergency or an unusual occasion, such as a trial trip, makes it necessary. The space shall be completely enclosed so that contagious diseases can be isolated. It shall contain 1 berth for each 12 persons in the crew (but no more than 6 berths will be required in any case) and it shall be so constructed and arranged that it can be kept in a clean and sanitary condition.

(h) Except for such crew spaces as are located in deckhouses where, under all ordinary weather conditions, the windows or ports can be kept open, all crew spaces shall be supplied with air by forced ventilation. Each sleeping room and messroom shall be supplied with air equal to 10 times the volume of the room each hour and shall be so ventilated both at sea and in port so long as the spaces are occupied. Each bathroom, toilet, and hospital space shall be supplied each hour with air equal to 15 times the volume of the space, and shall also be fitted with exhaust ventilation to remove a volume of air 25 percent in excess of that supplied so that it is possible to have these spaces properly ventilated when all doors, ports, and other openings are closed.

(i) All crew spaces shall be adequately heated in cold weather, and care shall be taken to insure that both heat and ventilation are supplied in the various spaces so that it will not be necessary to curtail the ventilation in order to have warmth.

(j) All crew spaces shall be adequately lighted and special provisions shall be made for properly screened reading lights.

SEC. 703. The Bureau shall cause to be cut in a beam or other part of the permanent structure a legend indicating the purpose for which each space enumerated in section 702 is to be used and the number of persons it may accommodate. A sign conveying the same information shall be placed over the door of each space.

SEC. 704. So far as is practicable and reasonable the requirements for new vessels, outlined in section 702 of this act, shall be applied to existing vessels of similar type and, in principle, to the vessels of less than 750 gross tons in group 1 and ocean-going vessels in group 2, and to vessels in other groups, to the end that habitable and sanitary accommodations may be provided in each case.

SEC. 705. So far as is practicable the Bureau shall require an inspection of all crew spaces in vessels of group 1 and ocean-going vessels in group 2 at least once each month. The inspectors shall give particular attention (1) to the cleanliness and sanitation of these spaces, (2) to insuring that no space is occupied by a greater number of persons than it is authorized to accommodate, and (3) to insuring that none of the spaces enumerated in section 702 of this act are used for other purposes than the accommodation of the crew. No person shall be carried in the employ of a ship unless the accommodations are sufficient to care for him or her in accordance with this act.

OFFICERS' QUARTERS

SEC. 706. In new vessels of group 1 and ocean-going vessels in group 2, which are over 1,000 gross tons, each licensed officer shall be provided with a separate stateroom suitably equipped, and so far as is practicable licensed officers' quarters shall be located on or above the weather deck.

SEC. 707. (a) On each new vessel, in group 1 and ocean-going vessels in group 2, a messroom shall be provided for the licensed officers which shall be of sufficient size to seat all the officers at one time and to permit easy access to each seat. If a new cargo vessel is fitted to carry passengers, provision shall be made for seating them in the officers' messroom in addition to the officers, or a separate dining room may be provided for them.

(b) In passenger ships, where all licensed officers are required to have meals in the main dining room, a separate messroom shall be provided to accommodate those officers whose duty interferes with their appearing in the main dining room at the regular time.

SEC. 708. Bathroom and toilet facilities shall be provided for all officers who do not occupy rooms to which these facilities are attached.

SEC. 709. The ventilation requirements for officers' quarters shall be at least equal to the requirements for crew spaces, as set forth in section 702 (h) of this act.

SEC. 710. So far as is practicable and reasonable the requirements for new vessels, outlined in sections 706, 707, 708, and 709 of this act, shall be applied to existing vessels of similar type and, in principle, to vessels of less than 1,000 gross tons in group 1 and ocean-going vessels in group 2, and to vessels in other groups, to the end that habitable and sanitary accommodations may be provided in each case.

SEC. 711. The tonnage of all of the spaces named in this title shall be deducted from the gross tonnage in arriving at the net or register tonnage of a vessel in addition to any other deductions allowed by law.

SEC. 712. When the Bureau finds, after appropriate notice and opportunity for hearing, that it is practicable and necessary, in any particular case, they shall require that the minimum requirements provided for in section 702 be raised.

TITLE VIII—GRAIN CARGOES

SECTION 801. (a) As used in this section, a "grain or seed cargo" means a cargo consisting of the seeds of cereal grasses such as maize, wheat, rye, barley, oats, and rice, together with such seeds as flaxseed, cottonseed, nuts, and nut kernels, when loaded in a vessel in bulk.

(b) The Bureau's rules and regulations covering the loading of grain or seed cargoes shall set forth all necessary precautions to be taken and the methods which shall be followed for the safe stowage of such cargoes. Before permitting a vessel to load a grain or seed cargo for an ocean voyage the Bureau's inspector shall make an inspection to insure that the vessel is properly prepared to receive the cargo and after the vessel is loaded the inspector shall assure himself that the cargo is properly trimmed and stowed, that proper feeders are provided, and that the vessel has the freeboard required by the load-line acts.

(c) Where a grain or seed cargo is loaded on board any vessel, bound on an ocean voyage, in a port of the United States all necessary precautions shall be taken to prevent the grain or seed cargo from shifting and the vessel shall not be cleared until the Bureau's inspector has found the stowage of the cargo satisfactory.

(d) Where all such necessary precautions have not been taken, in the case of any vessel of the United States, whether the vessel was loaded in a United States port or not, the master of the vessel, and any agent of the owner who was charged with the loading of the vessel or the sending of it to sea, shall each be liable to a fine not exceeding $1,000, and the owner of the vessel shall also be liable to the same fine, unless he shows that he took all reasonable means to enforce the observance of this section and was not privy to the violation.

(e) If, after 90 days after the approval of this act, any foreign vessel loaded with a grain or seed cargo arrives in or attempts to leave a port of the United States, having the grain or seed cargo loaded in such a manner that the master of the vessel, if the vessel were documented under the laws of the United States, would be liable to a penalty under paragraph (d), the master of that foreign vessel shall be liable to a fine not exceeding $1,000.

TITLE IX—OPERATION OF SHIPS

PART 1—DUTIES OF OWNERS

SECTION 901. (a) It shall be the responsibility of the owner of each vessel to have the crew fully instructed to meet the emergencies that may come to pass, and he shall give particular attention to the drills necessary for proper training in the duties necessary to meet emergencies due to fire, collision, and stranding.

(b) It shall be the responsibility of the owner of each passenger vessel in group 1 to see that the passengers are properly instructed as to the procedure in case of an emergency. To this end a drill shall be held, as soon after departure from port as possible, for the benefit and instruction of the passengers. This instruction

shall include the proper method of wearing life preservers, the nearest route by which passengers may reach the embarkation deck, the boat to which they are assigned for abandon ship, and such other information as is necessary. The time of holding such drills and their duration shall be entered in the official log. Failure to comply with the requirements of this paragraph shall subject the owner to a civil penalty of $10,000, which may be remitted or mitigated by the Secretary of Commerce in accordance with such proceedings as the Secretary shall by regulations prescribe.

STATION BILLS ON PASSENGER VESSELS IN GROUPS 1 AND 2

SEC. 902. (a) On passenger vessels in groups 1 and 2 station bills that are clearly legible shall be prepared and posted in several parts of the vessel, and, in particular, in all spaces occupied by the crew. These station bills shall show the normal station and duty of each member of the crew, his special duties in all emergency conditions, and his duties when it is necessary to abandon ship.

(b) Signals: The station bill shall show in detail the various signals to be used, first, to arouse the crew and to designate the type of emergency; and, second, to arouse the passengers, if any. In addition, the station bills shall show the signals to be used at abandon ship for manning, swinging out, and lowering the boats, and other lifesaving equipment.

(c) Fire: The station bill shall show the station and duty of each member of the crew in case of fire, to the end that all fire pumps are properly manned with the minimum loss of time; that the fire hoses are properly manned; that the available chemical, foam, or gas-extinguishing equipment is properly manned; that the fire-screen doors are closed properly; that escapes are clear for the use of passengers and crew; that the ventilation blowers (except those for the machinery spaces) are shut down; that the emergency light and power system is manned and ready for use; that the breathing apparatus is provided and ready for use; and that, where passengers are carried, men are stationed to guide the passengers to the open decks or other places of safety.

(d) Collision or stranding: The station bill shall show the station and duty of each member of the crew in case of a collision or stranding, to the end that all watertight doors are manned and properly closed; that all airports (side scuttles), ports, and other openings in the sides are properly closed; that the valves on all lines, which pass through the ship's side, such as sanitary and scupper lines, are properly closed; that all valves which will prevent water from a damaged compartment finding its way into an intact compartment are closed; that all available bilge pumps are manned and properly used; that the emergency light and power system is manned and ready for use; and, where passengers are carried, that men are stationed to guide the passengers to the open decks or other places of safety.

(e) Abandon ship: The station bill shall show the station and duty of each member of the crew in case it becomes necessary to abandon ship, to the end that all lifeboats, life rafts, and other lifesaving equipments are properly manned, so that they can be placed in the water with the least possible delay; that the passengers may be embarked promptly and safely; that the passengers are warned to be dressed and to wear their life preservers properly; and that men are stationed to guide the passengers to their embarkation stations.

DRILLS ON PASSENGER VESSELS IN GROUPS 1 AND 2

SEC. 903. In order that the crew may become expert in all the duties covered by the station bills as set forth in section 902, each member, when he comes on board, shall be furnished with a card or paper on which shall be set forth all of his duties as provided in the station bills. On each passenger ship, except one on which the same crew is employed over a long period, each member of the crew shall be shown his various stations and instructed in his duties at each station prior to the vessel's sailing and as soon as practicable after the arrival of the crew on board.

SEC. 904. (a) It shall be the duty of the owner, through his representative the master, to hold, while at sea, weekly drills of the crew in all their emergency duties. Sufficient drills shall be held so that each member of the crew may become familiar with the duties required of him in each emergency condition set forth in section 902. More frequent drills shall be held if necessary for the proper training of the crew. These drills shall be recorded in the official log.

(b) The owner, through his representative the master, shall give special attention to the training of the members of the crew in the use of the breathing apparatus carried, so that the required number of men may remain at their stations in the machinery spaces, and that the men detailed to fight a fire can approach the scene of the fire with a minimum of danger from smoke or gas.

PART 2—DUTIES OF INSPECTORS AS TO PASSENGER VESSELS IN GROUPS 1 AND 2

SEC. 911. In conducting the inspections of passenger ships of groups 1 and 2, as required by section 603 (e) and (f) of this act, the Bureau's inspectors shall assure themselves, first, that the crew is properly stationed and instructed as required by this title; second, that the station bills are in proper form and posted and lighted in such a manner that they can be read without difficulty; and, third, that each member of the crew has been furnished with full information as to his duties in an emergency as set forth in section 903.

DRILLS

SEC. 912. (a) Fire: The Bureau's inspectors shall conduct a fire drill and shall assure themselves that the members of the crew who perform the various duties are the ones assigned to those duties by the station bills. The Bureau's inspectors shall see that the full fire-pump capacity is utilized; that the proper number of fire hoses is in use; that the proper chemical, foam, or gas extinguishing equipment is manned and ready for use; that all fire-screen doors are closed and are properly attended; that the escapes from all spaces are clear; that the proper ventilation blowers are shut down; that the emergency light and power system is attended and tested; that the breathing apparatus is in proper working condition, and that the proper members of the crew are instructed in its use, and that the members of the crew, assigned to guide the passengers, are at their stations and fully instructed in their duties.

(b) Collision or stranding: The Bureau's inspectors shall conduct a collision drill and shall assure themselves that the members of the crew who perform the various duties are the ones assigned to those duties by the station bills. The Bureau's inspectors shall see that all power-operated watertight doors close promptly when the bridge control is used; that all other watertight doors are closed and attended; that all side lights, ports, and other openings in the sides are properly closed and attended; that the valves on all lines which pass through the ship's sides below the bulkhead deck, such as sanitary and scupper lines, are properly attended and that they can be closed; that all valves which will prevent water from a damaged compartment finding its way into an intact compartment are properly attended and that they can be closed; that the emergency light and power system is attended and in operation; that all available bilge pumps, particularly the submersible bilge pumps, are manned and that the crew is properly instructed in the operation of the necessary valves, from above the bulkhead deck, to make possible the pumping out of the various compartments; and that the members of the crew, assigned to guide passengers, are at their stations and fully instructed in their duties.

(c) Abandon ship: The Bureau's inspectors shall conduct an abandon-ship drill and shall assure themselves that all the lifeboats, life rafts, and similar apparatus are properly equipped; that all lifeboats, life rafts, and similar apparatus can be placed in the water when all the ship's power is shut off; that a sufficient number of lifeboats are lowered to demonstrate the skill of the crew and the satisfactoriness of the handling gear; that the lifeboats lowered are handled and manned by the members of the crews assigned to them, that all other lifeboats are attended by the members of the crew assigned to them; that it is possible and practicable to embark the passengers in the lifeboats at the embarkation stations, and that the members of the crew assigned to guide and assist the passengers are fully instructed in their duties.

COMPLIANCE

SEC. 913. The Bureau's inspectors shall not permit any passenger vessel in groups 1 and 2 to depart from any United States port if it fails to comply in any respect with the requirements of this title. A reinspection may be held, but not sooner than 24 hours after the last one on which the vessel failed to comply.

TITLE X—SAFETY CERTIFICATES

SECTION 1001. All vessels of the United States complying with the requirements of this act as well as any law or convention requiring radio equipment, shall be issued a safety certificate. Such certificate shall show in detail the requirements necessary for each particular vessel and that such requirements have been met.

SEC. 1002. (a) Safety certificate: The Bureau, after the proper inspections have been made, shall issue a safety certificate to each passenger vessel in group 1, and ocean-going passenger vessels in group 2. These safety certificates shall follow the form prescribed in the Convention for Promoting Safety of Life at Sea, in force, and, for vessels engaged in international voyages, the certificates shall bear the heading prescribed by the Convention. The certificates shall include the following information:

(1) The kind of voyage for which the certificate is granted.

(2) The name, distinguishing number or letters, port of registry or enrollment, and gross tonnage.

(3) That the vessel has been properly inspected in accordance with the requirements of this act.

(4) That the inspection showed that the vessel complied with the requirements of this act so far as the hull, main and auxiliary machinery, and all boilers are concerned, and especially the details of the watertight subdivision arrangements, the stability conditions, the protection against fire, and other details having to do with the safety of the ship as a whole.

(5) The subdivision load line (or lines) assigned and the exact conditions under which it is to apply.

(6) That the lifeboats, life rafts, and other lifesaving appliances comply with the requirements of this act and shall give the maximum number of persons this equipment permits having on board.

(7) That the radio installation is satisfactory and in accordance with law. The information shall be at least as complete as that required by the Convention for Promoting Safety of Life at Sea, in force.

(8) That in all other respects the vessel complies with the requirements of this act.

(b) The safety certificate shall be dated and shall be signed by the Chief of the Bureau, or, in his absence, by his next assistant.

(c) A similar safety certificate shall be issued, under the same conditions, to any other passenger vessel which engages in an international voyage as defined by the Convention for Promoting Safety of Life at Sea, in force.

SEC. 1003. Safety radiotelegraphy certificate: A safety radiotelegraphy certificate shall be issued by the Bureau to each cargo vessel of the United States of 1,600 gross tons and over, which is

subject to and complies with the requirements of the radio provisions of the Convention for Promoting Safety of Life at Sea, in force, and any act requiring the vessel to be equipped with radio apparatus.

SEC. 1004. Exemption certificate: The Bureau may issue an exemption certificate to any ship to which an exemption is granted in accordance with any of the provisions of this act, of the Convention for Promoting Safety of Life at Sea, in force, or any act requiring the vessel to be equipped with radio apparatus. No exemption from any of the requirements of the Federal Communications Commission respecting radio equipment shall be issued without first receiving from the Commission the necessary authority.

SEC. 1005. All entries in the certificates, required by sections 1002, 1003, and 1004 of this act, regarding radio equipments and installations shall be as prescribed and determined by the Federal Communications Commissions in accordance with law, treaty, or convention.

SEC. 1006. None of the certificates covered by this title shall be issued for a period of more than 12 months. The certificates may be extended under the necessities and conditions set forth in the Convention for Promoting Safety of Life at Sea, in force.

SEC. 1007. Nothing in this act shall be construed as lessening in any degree the control of the Federal Communications Commission over any matters connected with the radio equipment and its operation on shipboard; and its decision, or determination, in regard to the radio requirements and installations, or exemptions, shall be final, subject only to review in accordance with law.

SEC. 1008. It shall be the duty of the owner to have the inspections made as a prerequisite to the issuance of a "Safety Certificate" or a "Safety Radiotelegraphy Certificate", as the case may be, and no vessel, to which this title applies, shall be in service unless there is on board and in force a proper certificate or certificates required by this title.

TITLE XI—ORGANIZATION OF THE BUREAU OF MARINE INSPECTION AND NAVIGATION

PART 1—DUTIES

SECTION 1101. (a) The Bureau shall enforce the requirements of this act, and all laws or parts of laws not repealed by this act which have heretofore been required to be enforced by the Bureau. Among its other duties the Bureau shall:

(1) Issue rules, as prescribed in this act, for the design, construction, inspection, and operation of all merchant vessels of the United States, such as to insure the maximum safety of the ship and of the passengers and crew.

(2) Decide upon, in accordance with the requirements of this act, in the case of all merchant vessels already built, which in the future may be built, or which may be entered for United States registry from any other source, for operation under the United States flag, all questions concerning structural strength, loading, watertight subdivision, stability under all conditions, fire-resisting qualities, fire-detecting equipment, fire-fighting equipment, life-saving equipment, equipment for communications other than radio, electrical equipment, navigational equipment, bilge and fire pumps, propelling machinery, steering machinery, ground tackle, and all other features which may be necessary to insure that the vessels are fully and properly constructed and equipped and safe for operation in their trades.

(3) Inspect each vessel, as set forth in title VI, part 2, of this act, together with all its machinery and appurtenances at the time of her building, or, in the case of a vessel built abroad, at the time of her entry for United States registry, to insure that it complies with all the technical requirements for design, material, and workmanship, and to inspect each existing vessel as frequently as necessary, but at least once each year, to ascertain and insure that she is maintained in proper condition to warrant continuance in her trade.

(4) Determine upon and fix the gross tonnage and the net register tonnage of each vessel, and perform all necessary duties in connection with the admeasurement and readmeasurement of all vessels.

(5) Assign subdivision load lines for all new passenger vessels and for all existing passenger vessels in groups 1 and 2, and loaded drafts for all other vessels of the United States.

(6) Study the reports of all disasters and accidents to determine the failure of material involved, to promulgate to all in the service the results of these investigations, and to keep complete records of all data that can be obtained bearing on such disasters and accidents.

(7) Enforce all laws relating to the efficiency and discipline of licensed officers and seamen and the employment and discharge of seamen, the licensing of officers, the certification of seamen, and the issuance of continuous-discharge books or certificates of service.

(8) Prepare, compile, and publish statistical and other data concerning the merchant marine, licensed officers, and seamen, including navigation laws and list of merchant vessels.

(b) To carry out the duties set forth in this section the Bureau shall be reorganized in accordance with part 2 of this title.

PART 2—ORGANIZATION

SEC. 1102. (a) There shall be in the regular establishment of the Bureau of Marine Inspection and Navigation in the Department of Commerce not to exceed 600 officers distributed in grades proportioned as follows: 1 director, 3 assistant directors, 10 supervising inspectors, 8 assistant supervising inspectors, 20 traveling inspectors, 66 inspectors of hulls, 163 assistant inspectors of hulls, 66 inspectors engineering, 163 assistant inspectors engineering, 20 shipping commissioners, 30 deputy shipping commissioners, and 50 assistant deputy shipping commissioners: *Provided*, That the numbers herein prescribed in the grades of inspectors of hulls, assistant inspectors of hulls, inspectors engineering, assistant inspectors engineering, deputy shipping commissioners, and assistant deputy shipping commissioners shall be the limiting numbers in those respective grades, and only so many shall be appointed to the respective grades as the exigencies of the service shall require.

(b) All provisions of law applicable to, and the rights, privileges, and duties of, the Director (or Chief of Bureau), supervising inspectors, principal traveling inspectors, local inspectors of hulls, assistant inspectors of hulls, local inspectors of boilers, assistant inspectors of boilers, shipping commissioners, and deputy shipping commissioners, respectively, in the Bureau of Marine Inspection and Navigation, shall be applicable in like manner to and shall be the rights, privileges, and duties of the Director, supervising inspectors, traveling inspectors, inspectors of hulls, assistant inspectors of hulls, inspectors engineering, assistant inspectors engineering, shipping commissioners, and deputy shipping commissioners, respectively, appointed under this section.

(c) The Director shall direct all the activities of the Bureau and shall be responsible for the conservation and expenditure of funds appropriated for or allotted to the Bureau and shall certify the accounts of the Bureau to the General Accounting Office. There shall be in the Bureau a Matériel Division, a Personnel Division, and an Administrative Division. At the head of each division there shall be an Assistant Director, who shall perform such duties as may be prescribed by the Director or required by law. In the absence of the Director the duties of that officer shall be performed by an Assistant Director in the order of seniority, or if all have the same seniority then according to the following order of precedence: First, the head of the Matériel Division; second, the head of the Personnel Division; third, the head of the Administrative Division. Three of the supervising inspectors, of wide experience, appointed under this section shall serve in the Bureau as aides to the heads of the three Divisions and the other supervising inspectors shall be in the field service of the Bureau. The assistant supervising inspectors appointed under this section shall perform such of the duties of supervising inspectors and under such circumstances and conditions as the Director, subject to the approval of the Secretary of Commerce, shall prescribe by regulations. The deputy shipping commissioners and assistant deputy shipping commissioners appointed under this section shall perform such of the duties of shipping commissioners and under such circumstances and conditions as the Director, subject to the approval of the Secretary of Commerce, shall prescribe by regulation. Any officer appointed under this section may, when so ordered by the Director of the Bureau, be temporarily assigned to the performance of duties prescribed for any other officer so appointed without additional compensation. When any officer appointed under this section is performing the duties prescribed for another officer, all laws applicable to such other officer shall apply to the officer performing such duties.

(d) There shall be under the Assistant Director in charge of the Matériel Division of the Bureau, in addition to the field forces engaged in the inspection of ships, a technical section consisting of a technical staff, the members of which shall have the necessary background of education and experience to permit them to render correct judgment on all matters, of whatever nature, having to do with the design and construction of ships. The senior members of the technical staff shall be selected for their special expertness in naval architecture, marine engineering, and electrical engineering, without regard to civil-service laws or the Classification Act of 1923, as amended. These senior members shall consist of a senior naval architect at a salary not to exceed $7,000 per annum, a senior engineer at a salary not to exceed $7,000 per annum, and an electrical engineer at a salary not to exceed $6,000 per annum, the junior members of the staff to be selected in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended. The services of this permanent staff may be augmented by the part-time employment of technical experts in special fields as may be found necessary to keep up with the advance in the art of shipbuilding. The duties of the technical section shall be to advise the Director upon all matters of design connected with merchant vessels to be built and merchant vessels to be reconditioned or repaired, so that all the requirements of this act are properly met so far as design is concerned, and to control the admeasurement of merchant vessels and the maximum loaded drafts for them.

(e) No person interested, either directly or indirectly, in any patented article required to be used on any vessel by this act or by any existing law, or who is a member of any association of owners, masters, engineers, pilots, or seamen of vessels, or who is directly or indirectly pecuniarily interested in any vessel, shall be eligible for appointment to any position established under this section.

SEC. 1103. In addition to the officers appointed, and the technical section prescribed under the preceding section, there shall be in the Bureau of Marine Inspection and Navigation, under each Assistant Director, such other sections as are required by good administration and such other officers and employees as are or may be authorized by law.

PART 3—APPOINTMENT

SEC. 1104. (a) Any present incumbent of a position in the Bureau of Marine Inspection and Navigation, or a position corresponding to senior naval architect, senior engineer, or electrical

engineer, who is qualified under the provisions of this act, shall be appointed to a corresponding grade under section 1102 without examination.

SEC. 1105. (a) No person shall be eligible for appointment as an assistant deputy shipping commissioner who has not served at least 3 years afloat as a licensed officer of ocean-going vessels.

(b) No person shall be appointed under this act as an assistant inspector of hulls who is not by experience and technical education well versed in all the details of vessel building or vessel operation. After the passage of this act, all men appointed to this position shall have gained their experience in building and repairing vessels in yards where vessels are built until at least 50 percent of the assistant inspectors of hulls have had this background. Thereafter the ratio of one-half licensed officers who, in addition to their knowledge and experience gained afloat, have the necessary knowledge and experience to compete in the examinations, and one-half those who have gained their experience in yards where vessels are built, shall be maintained as nearly as practicable.

(c) No person shall be appointed under this act as an assistant inspector of engineering, who is not by experience and technical education well versed in all the details of building machinery for vessels or operating machinery in vessels. After the passage of this act all of the men appointed to this position shall have gained their experience in building and repairing machinery for vessels, until at least 50 percent of the assistant inspectors of engineering have had this background; and at least one-quarter of those thus appointed shall be well qualified in the installation, repair, and operation of all electrical wiring and appliances used aboard modern ships. Thereafter, the ratio of one-half licensed engineers who, in addition to their knowledge and experience gained afloat, have the necessary knowledge and experience to compete in the examinations, and one-half those who have gained their experience in shops where machinery for vessels is built or repaired shall be maintained, as nearly as practicable.

SEC. 1106. The Director of the Bureau of Marine Inspection and Navigation shall cause each officer in the employ of the Bureau to be physically examined at least once each calendar year by a board of officers of the United States Public Health Service, and a record shall be kept of the physical condition thus found. Any officer of the Bureau of Marine Inspection and Navigation found physically disqualified for further duty by reason of disease or injury due to vicious habits, intemperance, or willful misconduct on his part, shall, upon approval of the Secretary of Commerce, be dismissed from the service.

DISCIPLINE

SEC. 1107. (a) Whenever allegations are made against the conduct of an officer of the Bureau of Marine Inspection and Navigation appointed under section 1102, or against his manner of performing duty, the Secretary of Commerce shall cause an investigation to be made of the allegations, and, if the circumstances warrant, the Secretary of Commerce shall cause written charges to be preferred against the accused officer; and these charges shall be heard by a board of three officers of the Bureau of Marine Inspection and Navigation, senior in grade to the accused, at which hearing the officer shall be accorded all of the rights of an accused person. The board shall be sworn to perform its duties fully and impartially, the oath to be administered in the presence of the accused, to the president of the board by the junior member, and to the other two members by the president of the board. Testimony taken before such a board shall be under oath administered to the witness by the president of the board. Allegations of the following offenses shall be heard before such a board: Disobedience of or refusal to obey a lawful order; failure in the performance of duty or neglect of duty; unauthorized absence from duty. For an offense found proved, the board shall recommend the following penalties: Disobedience of or refusal to obey a lawful order—dismissal, or one of the lesser degrees of punishment herein prescribed; failure in performance of duty or neglect of duty—demotion to the next lower grade and pay, or suspension from duty for a period not to exceed 6 months, or official reprimand; unauthorized absence from duty—suspension from duty for a period not to exceed 6 months, or official reprimand.

(b) When the recommendations of a board constituted under this section are approved by the Secretary of Commerce, the penalty imposed shall be carried into effect: *Provided*, That the Secretary of Commerce, upon reviewing a case, is authorized to mitigate or remit any of the penalties herein prescribed whenever, in his judgment, the facts and circumstances warrant. Any action taken pursuant to this section shall not be a bar to trial of the accused person by any competent court of law or equity in a cause growing out of the same facts.

PART 4—INSPECTION

SEC. 1108. In addition to any inspections now required by law, the Director of the Bureau of Marine Inspection and Navigation shall cause an inspection of every office in the field service of the Bureau, including that part of the activities of a collector of customs devoted solely to performing duties for the Bureau of Marine Inspection and Navigation, to be made by one or more traveling inspectors at least once each calendar year, and more frequently if he deems it advisable, and reports thereon shall be made to him. At such inspections, all of the records, equipment, methods of procedure, and acts of personnel shall be open to inspection. A copy of the report of the inspection shall be furnished to the officer in charge of the office inspected, who shall be permitted to comment upon the report. No inspection in the office of a collector of customs shall be made by an officer of the Bureau of Marine Inspection and Navigation without previous written notice to the collector, or without the presence throughout the inspection of a representative of the collector. Nothing contained in this section shall be construed to abridge or limit the right of the Secretary of Commerce to cause investigations to be made of the conduct of officers or offices of the Bureau of Marine Inspection and Navigation by persons outside of that Bureau.

PART 5—ASSIGNMENT OF SHIPPING COMMISSIONERS

SEC. 1109. (a) Section 4501 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 4501. The Director of the Bureau of Marine Inspection and Navigation shall assign an officer of the Bureau of Marine Inspection and Navigation to perform the duties of a shipping commissioner at such ports as, in his judgment, may require the same; while the officer is so assigned he shall have the authority and duties of a shipping commissioner under this title."

(b) Section 4502 of the Revised Statutes, as amended, is hereby repealed.

(c) The first sentence of section 4506 of the Revised Statutes is amended to read as follows: "The Secretary of Commerce shall provide each shipping commissioner with an official seal of such design as may be fixed by the Secretary."

TITLE XII—MISCELLANEOUS

LAWS REPEALED

SECTION 1201. All acts or parts of acts insofar as they are inconsistent or in conflict with the provisions of this act are hereby repealed.

EFFECTIVE DATE OF ACT

SEC. 1202. This act shall take effect after the expiration of 90 days from the date of its enactment.

SEPARABILITY CLAUSE

SEC. 1203. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby

SEC. 1204. This act may be cited as the "Safety at Sea Act of 1937."

Mr. COPELAND. Mr. President, I will ask the Senate to bear with me while I say that I think the passage of the bill just acted on has been one of the most progressive steps we have taken for a long, long time. I believe it makes for safety at sea, and in the committee we are satisfied that if the rules provided for had been in existence the *Mohawk* disaster certainly would not have happened. I cannot say as much in regard to the *Morro Castle* disaster, perhaps; but at least the lives needlessly lost in the *Mohawk* disaster would not have been lost.

EMIGRATION OF FILIPINOS TO HAWAII

The bill (H. R. 7561) to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. KING. Mr. President, the chairman of the committee is not present. This bill has been before a committee of which I am a member.

The PRESIDING OFFICER. The bill has been passed over.

Mr. KING. Mr. President, will not the Senator withhold his objection a moment?

Mr. McKELLAR. Certainly.

Mr. KING. The bill is intended merely to prevent Filipinos from coming into the Hawaiian Islands. When we passed the Philippine independence bill an exception was made so that Filipinos would be permitted to enter the Hawaiian Islands. The Hawaiian people do not want any more immigration of Filipinos, and this bill is merely to amend the act in order to prevent Filipinos from entering the Hawaiian Islands.

Mr. McKELLAR. I withdraw the objection.

Mr. LA FOLLETTE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2791) to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which

orders under such act are applicable was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 7836) to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF AIR MAIL SERVICE

The bill (H. R. 6628) to permit the further extension of the Air Mail Service was announced as next in order.

Mr. HOLT. Let the bill go over.

Mr. McKELLAR. Mr. President, I give notice that at the earliest moment when I can get the attention of the Chair I am going to move to take this bill up for consideration. The mileage permitted by the law in the extension of air routes has been used up except 100 miles, and it is necessary, if any extension of the Air Mail Service is to be afforded, to increase that by the 3,000 miles provided in this bill. I cannot imagine how anyone familiar with the air legislation could possibly object. If the Senator from West Virginia could offer a single objection to it, I am wondering what it would be. Would he be good enough to state?

Mr. HOLT. I would rather have the bill go over.

Mr. McKELLAR. I give notice that at the very first opportunity when I can get the attention of the Chair I shall move to take the bill up.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (S. 2206) to provide for the transfer of enlisted men of the Coast Guard to the Fleet Naval Reserve was announced as next in order.

Mr. BARKLEY. Let this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

LICENSING OF ELECTRICIANS

The Senate proceeded to consider the bill (S. 992) to make electricians licensed officers after an examination, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and to insert the following:

That any person serving as an electrician on board a vessel of the United States shall, after examination as to his professional qualifications by the Bureau of Marine Inspection and Navigation, be issued a certificate of competency as an electrician. Any person who has served 3 years as an electrician on board a vessel of the United States and who holds such a certificate of competency shall be eligible for a license as third assistant engineer, subject to the same examination as other members of the engineer department, and when granted such a license it shall be superscribed "qualified electrician." Subsequent licenses of a higher grade granted to any such person shall be similarly superscribed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FURNISHING OF CONFIDENTIAL INFORMATION

Mr. COPELAND. Mr. President, I am under obligations to leave the Chamber, and there is one other bill which I should like very much to have considered. It is Order of Business No. 1213, being Senate bill 2940, to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce. It is a department bill, and the Department of Commerce is anxious to have it passed. It merely serves to make confidential reports which are sent in to the Department from industrial concerns in order to make up the statistical work of the Bureau.

Mr. LA FOLLETTE. Let the bill go over.

Mr. CLARK. Mr. President, I am going to have to object to this bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. CLARK. In the Munitions Committee investigation we discovered that there were matters of very vital importance to the people of the United States contained in these reports, and that the Department, without any authority of law, as I saw it at the time, and as other members of the committee saw it, refused to furnish the facts to the committee unless the committee would agree not to make them public. They are trying to obviate that difficulty by getting authority of law by which they can officially refuse to furnish necessary information to Senate committees and House committees, and I do not think the bill ought to be passed.

Mr. COPELAND. Mr. President, so far as I am concerned, I have no interest in the matter beyond the desire of the Department. In collecting material as to the volume of sales, and all that sort of thing, if the information were made confidential, the Department would be able to get more of it, in their opinion. So far as I am personally concerned, I do not care anything about it.

Mr. BARKLEY. I suggest that we not delay by discussing a bill after it has gone over.

RECORDS OF STATE LIQUOR-DISPENSING SYSTEMS

The bill (H. R. 7949) to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits was considered, ordered to a third reading, read the third time, and passed.

ROSE M'GIRR

The bill (H. R. 3426) for the relief of Rose McGirr was considered, ordered to a third reading, read the third time, and passed.

ROBERT COATES

The Senate proceeded to consider the bill (H. R. 854) for the relief of Robert Coates, which was read, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Robert Coates, of Glass, Gloucester County, Va., and the United States Employees' Compensation Commission is authorized to receive and consider his claim, under the remaining provisions of said act, for tuberculosis alleged to have been contracted as a result of his employment on ships of the Reserve Fleet Division of the United States Shipping Board Merchant Fleet Corporation during the months of October, November, and December 1921; October and November 1923; and October 1924: *Provided*, That claim hereunder shall be filed within 6 months from the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act.

Mr. KING. Mr. President, let the bill go over.

Mr. SCHWARTZ. Mr. President, I hope the Senator from Utah will withhold his objection for a moment while I make a short statement about the bill.

Mr. KING. I assent to the request of the Senator.

Mr. SCHWARTZ. Mr. President, the boy who is the claimant in this case was employed on several ships under the control of the Merchant Fleet Corporation in 1921, 1923, and 1924, and worked in the holds of vessels, and during that period he contracted tuberculosis, a fact which the records of the Government hospital disclose. As the bills for his relief were originally introduced, in previous Congresses, they foreclosed the question as to whether or not the Compensation Commission should pay, and directed it to pay him compensation. That was the occasion of the original objection.

The bill has been changed so that in its present form it merely waives the statute of limitations, and provides that the claimant may present his claim for consideration within 6 months, and that no benefits shall accrue prior to the approval of the act. He has been and is now suffering from tuberculosis.

At this session of the Congress we have passed half a dozen or more bills identical with this one; and if this man is not given an opportunity shortly to present his claim, he will never present it, because he will be under the ground.

Mr. KING. Mr. President, I withdraw the objection, but I should like to make the observation that we are waiving the statute of limitations, and the Government is placed at a great disadvantage. Ten or fifteen or twenty years after an alleged injury to an employee the Government has no evidence, is denied the opportunity of getting witnesses, and

it places the advantage entirely in the hands of the claimant.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 3058) for the relief of former employees of the Federal Subsistence Homesteads Corporation was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

WAYNE M. COTNER

The bill (H. R. 1375) for the relief of Wayne M. Cotner was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1355) for the relief of Lawrence E. Thomas was announced as next in order.

Mr. KING. I would like to have an explanation of this bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

ROWESVILLE OIL CO.

The bill (H. R. 1767) for the relief of Rowesville Oil Co. was considered, ordered to a third reading, read the third time, and passed.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. WHITE. Let the bill go over.

Mr. CLARK. Mr. President, this is a very important matter, which has been before the Congress for many years. It has been filibustered time after time by the steamship interests of the country, and after having in the last Congress obtained what they claimed to desire, an impartial committee to pass on the matter, and after the impartial committee had reported, they are now coming back with a number of absolutely extraneous and irrelevant objections. I had occasion to go down town shortly after the meeting of the Senate today, and one of those interested met me on the street and informed me that this bill could not be considered at this session because they would have objection made to it.

I desire to give notice that at the first opportunity, when I can get the attention of the Chair and the cooperation of the majority leader, I am going to move to take up this bill, because I think it is now a matter of importance as to whether a steamship lobby can control the action of the United States Senate and the United States Congress. The bill passed the House of Representatives by unanimous vote a few days ago, and there is absolutely nothing in the bill except what is in conformity with the recommendations of the impartial committee which the steamship owners sought, and with whose decision they claimed to be willing to abide.

EMPLOYMENT BY W. P. A.

The joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry was announced as next in order.

Mr. AUSTIN. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. SCHWELLENBACH. Mr. President, I ask the Senator who made the objection to withhold it so that I may have an opportunity to explain the provisions of the joint resolution.

Mr. AUSTIN. I withhold my objection.

Mr. SCHWELLENBACH. Mr. President, this joint resolution refers to the Works Progress Administration, and provides two things. In the first place, it provides that those who are now on the rolls of the Works Progress Administration and who are not able to find employment in private industry in positions which they are by qualification and age and training competent to hold, shall not be dropped from the rolls of W. P. A. In the second place, it provides that those who secure temporary private employment shall not be dropped from the rolls, but shall be furloughed from the rolls, with the right to return.

When we provided in the appropriation act $1,500,000,000, it was on the very definite understanding upon the part of the Congress, resulting from the testimony of Mr. Hopkins given before the Appropriations Committees of the House and Senate, that there would be a reduction in the rolls of W. P. A. down to 1,730,000 persons. He testified as follows, as found on page 213 of the House committee hearings on the Emergency Relief Appropriation Act of 1937:

> Thus, for the appropriation of $1,500,000,000 to meet the employment situation during the coming year, it will be necessary for private industry to absorb the difference between $2,255,000 persons and 1,730,000 persons, or a total of 525,000 persons now employed on the Works Progress Administration program.

It was possible, in my opinion, to secure the appropriation of one and a half billion dollars without the objection of many of us who did not feel that the amount was sufficient to take care of the problem which the Government has assumed to attempt to solve, only upon the representation and the statement that the number was to be cut only to 1,730,000, and that the reduction would be gradually made over the year, to permit private industry to take care of the slack represented by those dropped by the Works Progress Administration.

I do not think there is any Member of this body who thought there would be such a curtailment and reduction as has gone on in the Works Progress Administration since the enactment of that appropriation bill. Instead of a reduction down to 1,730,000 by July 17 of this year a reduction had been made down to 1,657,000 and by July 31 of this year to 1,573,000. The Works Progress Administration quota for August is 1,580,000, for September 1,474,000, and for October 1,463,000. The reduction proposed by the W. P. A. is greater in number by some 300,000 than was contemplated when this appropriation was presented to the committees and was passed upon by Congress.

The reason given for these increased reductions is the fact that what is known as the Woodrum amendment was adopted, which provided that the $1,500,000,000 should necessarily carry the W. P. A. over the entire year. The W. P. A. officials have construed that to mean that the money must be divided, not evenly between the 12 months but so divided during the 12 months that they will be sure to have sufficient money with which to operate during the whole 12 months' period.

Mr. President, I shall be perfectly frank with the Members of this body with respect to the purpose of the joint resolution. The purpose of the first part of the joint resolution is to negative the provisions of the Woodrum amendment, in that it will stop the Works Progress Administration from continuing its policy of cutting the Works Progress rolls. I am perfectly frank with the body in stating that if this joint resolution is enacted, and if its provisions are carried out conscientiously by the Works Progress Administration, it may result in the necessity for a deficiency appropriation next year. I do not believe, however, that the Members of this body would ever have agreed to a billion and a half dollars as the amount of the appropriation had they known that it was going to result in a reduction, not of 585,000 persons but a total reduction of some 850,000 persons during the course of a period of just 4 months.

The second part of the joint resolution, as I have argued with Members of this body privately many times, in my opinion, would result in a reduction of expenditures. There has been a great deal of complaint because persons will not take private employment. The reason why persons will not take private employment is because of difficulties that are placed in their way in getting back on the W. P. A. rolls. The purpose of the second part of the joint resolution is to make it possible for them to take temporary private employment while being only furloughed from W. P. A. rolls; and I believe

it will result in a very great decrease in the necessary expenditures of the W. P. A.

Mr. President, I appreciate the fact that objection has been made to the joint resolution, and that it cannot be passed on this calendar day, but I desire to serve notice now——

Mr. KING. Regular order!

The PRESIDING OFFICER. The regular order is called for.

Mr. SCHWELLENBACH. Mr. President, I understood that I had the floor.

The PRESIDING OFFICER. The Senator has the floor under the 5-minute rule.

Mr. SCHWELLENBACH. I desire to serve notice now, Mr. President, that immediately after the conclusion of the pending business, being the motion to proceed to the consideration of Senate bill no. 2, which has been temporarily laid aside, I shall attempt to secure recognition and ask that this joint resolution be made the order of business.

Mr. AUSTIN. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 161) authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons was announced as next in order.

Mr. AUSTIN. I ask that the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

WILLIAM R. KELLOGG

The Senate proceeded to consider the bill (S. 371) for the relief of William R. Kellogg, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$10,800, being the amount of" and insert "$1,000, in full settlement of all claims against the United States for", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William R. Kellogg, of Jamestown, N. Dak., out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full settlement of all claims against the United States for damages caused to him by the failure of post-office officials of the United States Government to furnish to said William R. Kellogg a lease to lots 8 and 9, block 33, city of Jamestown, N. Dak., in accordance with the inducements and oral agreements whereby said William R. Kellogg was induced to erect a building and purchase fixtures for the use of the United States as a post-office building for the city of Jamestown, N. Dak. Said building being erected and fixtures being purchased in good faith upon the promise of officials of the Post Office Department that a 10-year interminable lease would be entered into by the United States, and not until after the building was fully erected and the fixtures bought was the said William R. Kellogg advised that such a lease would not be furnished to him: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING subsequently said: Mr. President, I notice that the Post Office Department has reported adversely on Senate bill 371, being Calendar No. 1194. I ask that the vote by which the bill was passed be reconsidered, and that an explanation thereof be made.

Mr. WHITE. Mr. President, did the Senator from Utah ask that the vote by which the bill was passed be reconsidered?

Mr. KING. I ask that the vote by which the bill was passed be reconsidered, and that the bill go over, unless an explanation of it be made, in view of the adverse recommendation of the Post Office Department.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah that the Senate bill 371 by which the bill was passed be reconsidered? The Chair hears none, and it is so ordered.

Mr. WHITE. Mr. President, the facts in this case are substantially as follows: I have forgotten the name of the town in which this post office was located; but somewhere in North Dakota a citizen had an oral understanding with the Post Office Department that if he would build a suitable building, the Post Office Department would take a 10-year lease for the use and occupation of the building. The building was built in accordance with the oral understanding. There was written into the lease, however, a provision giving to the Government the right to terminate the lease at any time; and after a short occupation the Government gave notice and terminated the lease.

The claim as it was originally filed called for reimbursement for the expense involved in erecting the building in reliance on the promise to lease. The committee felt that the claimant was not entitled to that amount because of the terms of the contract. There was, however, a further term in the contract calling for 90 days' notice of termination. The Post Office Department failed to give 90 days' notice, and the Post Office Department itself indicated a willingness that there should be paid an amount between $600 and $700. That was the recommendation of the Post Office Department. The Department objected to payment of the full amount but approved the payment of from $600 to $700 in compromise of the whole matter. The committee hit on the figure of $1,000, which was only about $300 more than the Post Office Department itself felt was a just payment.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2008) for the relief of the Cleveland Railway Co. was announced as next in order.

Mr. BRIDGES. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

AMERICAN PRINTING HOUSE FOR THE BLIND

The bill (H. R. 4582) to amend the act approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL TERM OF DISTRICT COURT AT TALLAHASSEE, FLA.

The bill (H. R. 3493) to amend section 76 of the Judicial Code, as amended, with respect to the terms of the Federal district court held at Tallahassee, Fla., was announced as next in order.

Mr. AUSTIN. I should like an explanation of this bill. Unless an explanation is made, I shall ask that it go over.

Mr. PEPPER. Mr. President, will the Senator indulge me to make an explanation of the bill?

Mr. AUSTIN. Yes.

Mr. PEPPER. The Senator from Nevada [Mr. McCARRAN] was chairman of a subcommittee consisting of himself, the Senator from Idaho [Mr. BORAH], and the Senator from Deleware [Mr. HUGHES], which on behalf of the Senate Judiciary Committee considered this matter. The Judiciary Committee then called upon the Attorney General to know whether or not there was any objection to the bill on the part of the Department of Justice, and also inquired whether there was objection on the part of the Bureau of the Budget; and the committee was advised that there was concurrence in the bill by the Department of Justice and the Bureau of the Budget.

The bill itself provides a second term of court at Tallahassee, the capital of Florida, which happens to be my home city. We already have one term of the Federal court. No new building is required under the terms of the bill. No additional expense is required.

The bill merely authorizes two terms of the Federal court during the year instead of one, which is deemed inadequate on account of the increasing business in the Federal court.

The bill has already passed the House and has been approved by the subcommittee of the Judiciary Committee of the Senate and by the full committee. The amendments suggested in committee have been incorporated in the bill.

I sincerely hope the Senator from Vermont will not object to the consideration of the bill, since, if passed by the Senate, it will have to go back to the House for certain technical reasons, and I am very anxious to have it enacted during the present session of Congress.

Mr. AUSTIN. Mr. President, I ask the Senator from Florida if he does not realize that the bill provides for additional expense to the Government?

Mr. PEPPER. No, Mr. President; it does not.

Mr. AUSTIN. Mr. President, when this matter first came before the Judiciary Committee the question I have just asked the Senator from Florida was asked, and the committee was assured that if the bill was permitted to be reported favorably and passed it would not carry any additional burden for the Government. When it came back to the committee, however, we found in it the words now in the bill on page 4:

Provided further, That suitable rooms and accommodations for holding court at Orlando are furnished without expense to the United States until a Federal building containing quarters for the court is erected at such place.

Mr. PEPPER. Mr. President, if my colleague will allow me to explain, I will say what happened was this: A previous act of Congress—I do not remember in what Congress; my colleague, who lives at Orlando, can tell more accurately—authorized a second term of the Federal court to be held at Orlando with a restriction, namely, that the expense of the second term should be paid for by the local authorities. There is provided in a pending appropriation bill an authorization for a new Federal building at Orlando. If a new Federal building is erected and there are provided adequate courtroom facilities, which do not now exist for a term of the court to be held there, I do not suppose that anybody would object to the term being held in the new building which is to be constructed.

Of course, the Senator from Vermont understands that we are not trying to get a Federal building erected under the provisions of this bill. It is necessary that the correction be made in this bill to keep from defeating the bill which my colleague has previously gotten through the Congress, authorizing a new term of court at Orlando.

There is a difference in the way the Senate handles amendments to the Judicial Code and the way the House handles them, if I may so observe. The Senate merely provides an amendment to the code, but it is the custom of the House if there are amendments to the Judicial Code to rewrite the whole section. So that everything that is in this bill as to Orlando or any other place, except Tallahassee, is already incorporated in the Federal statutes. We are merely incorporating it all into one rewriting of a certain section—I believe it is section 76—of the Judicial Code. The affirmative report that is filed with this bill shows that the bill does nothing more than to put in one place the revision of this section of the code, and to add a second term of the Federal court at Tallahassee without any additional expense.

Mr. ANDREWS. Mr. President——

Mr. AUSTIN. I yield to the Senator from Florida.

Mr. ANDREWS. Let me say, by way of explanation, that Congress passed at the present session a bill permitting the Government to include in a public building to be constructed there facilities for holding court. We had to amend the old law to permit even the Government to hold court in its own building. So this bill does not make any change whatever in what is already the law in regard to holding a term of court at Orlando.

Mr. AUSTIN. Mr. President, I feel bound to object to the consideration of this bill, unless the Senators from Florida are willing to strike from it the words "until a Federal building containing quarters for the court is erected at such place." If they are willing to do that, I will withdraw the objection.

Mr. PEPPER. Mr. President, the Senator, I am sure, does not designedly intend to take the position if the Federal Government, in the regular course, erects a Federal building at Orlando, where there is none now, that the people there should still be required to pay the expense of providing quarters for the court.

Mr. AUSTIN. Mr. President, let us get down to the real situation. I object to stepping in under the fence just by degrees and committing Congress to an expenditure with respect to a matter concerning which there was a pretty fair understanding. It was my understanding that there would not be any additional expense to the Government by reason of the permission granted to hold a term of court at Orlando. This bill does not appear to be in accord with the understanding, and I shall object.

Mr. BORAH. Mr. President, I wish to say, before the Senator from Vermont objects, that not a dollar of additional expense is to be incurred by the Government by reason of the passage of this bill, and there could not be a dollar of additional expense incurred. We went into that carefully. Of course, if a Federal building is constructed there at some time, we would not expect private interests to continue to pay the expense; but if a Federal building shall never be constructed there they will continue to pay so long as a term of court is held there.

Mr. O'MAHONEY. Mr. President, I desire to come to the assistance of the Senator from Florida. May I suggest to the Senator from Vermont that if the word "until" were changed to "unless" it would probably meet his objection and the objective of the Senator from Florida?

Mr. AUSTIN. Mr. President, that would not quite serve the purpose. I object.

Mr. PEPPER. Mr. President, I am not going to say any more if I may be indulged to say this: The fallacy of the position of the Senator from Vermont is that the thing to which he objects is already the law; it has already been passed by the Congress. The Senator is assuming that we are writing a new provision in the law. We are merely taking about four or five different isolated statutes that have been passed covering terms of court here and terms of court there and putting them all into one section of the judicial code. We have not added a new word except as to Tallahassee.

Mr. BORAH. May I ask the Senator is it not a fact that the only thing sought to be accomplished by this bill is provision for an additional term of court at Tallahassee?

Mr. PEPPER. Exactly.

Mr. BORAH. Everything else contained in the bill is already in the law?

Mr. PEPPER. Exactly so.

Mr. AUSTIN. Then, Mr. President, why not strike out everything else?

Mr. KING. I ask for the regular order.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

STELLA VAN DEWERKER

The bill (H. R. 4489) for the relief of Stella Van Dewerker was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF CLAIMS OF CITY OF NEW BRUNSWICK, N. J.

Mr. BYRNES. Mr. President, I move to reconsider the vote by which Senate Resolution 165 was passed on Thursday last.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina that the vote by which Senate Resolution 165 was passed be reconsidered?

Mr. LA FOLLETTE. Mr. President, may the resolution be read by its title?

The PRESIDING OFFICER. The clerk will state the resolution by its title.

The Chief Clerk read the resolution (S. Res. 165), submitted by Mr. MOORE on the calendar day August 3, 1937, and subsequently reported from the Committee on Claims and the Committee to Audit and Control the Contingent Expenses of the Senate and agreed to on the calendar day August 12, 1937, as follows:

Resolved, That a committee composed of three members of the Committee on Claims, to be appointed by the chairman of said Claims Committee, is hereby authorized and directed to investigate the claims of the city of New Brunswick, N. J., for compensation for municipal services furnished to purchasers of lands from the United States Housing Corporation, the title to which lands still remains in the United States.

Such committee to be so appointed is authorized to hold hearings and to sit during recesses or sessions of the Seventy-fifth Congress at such times and places as it may deem advisable, to send for persons or papers, to administer oaths, and to employ a stenographer to report such hearings, the cost of which shall not be in excess of 25 cents per hundred words, the expenses of such investigation to be paid from the contingent fund of the Senate.

The PRESIDING OFFICER. Is there objection to reconsidering the vote by which the resolution was passed? The Chair hears none, and the vote is reconsidered.

Mr. BYRNES. I now ask for the consideration of an amendment to the resolution. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 5, after the word "investigation", it is proposed to insert a comma and the words "not to exceed $1,000."

The amendment was agreed to.

The resolution, as amended, was agreed to.

WALTER G. ANDERSON

The bill (H. R. 5927) for the relief of Walter G. Anderson was considered, ordered to a third reading, read the third time, and passed.

CLAIMS AGAINST THE GOVERNMENT OF MEXICO

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CONNALLY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding officer appointed Mr. PITTMAN, Mr. CONNALLY, and Mr. BORAH conferees on the part of the Senate.

JESSE A. LA RUE

The bill (H. R. 7172) for the relief of Jesse A. LaRue was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 2657) authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired, was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to inquire what is the purpose of that bill? Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 3372) for the relief of Luke Francis Brennan was announced as next in order.

Mr. KING. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SURCHARGE ON ALASKAN AIR MAIL

The bill (H. R. 6167) to provide a surcharge on certain air mail carried in Alaska was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of February 21, 1925, as amended by the act approved August 24, 1935 (U. S. C., 1934 edition, Supp. II, title 39, sec. 488), be, and it is hereby, amended to read as follows:

"The Postmaster General may provide difficult or emergency mail service in Alaska, at a total annual cost of not exceeding $25,000, including the establishment and equipment of relay stations, in such manner as he may think advisable, without advertising therefor; and he is authorized, in his discretion, to contract, after advertisement in accordance with law, for the carriage of all classes of mail to, from, or within the Territory of Alaska, by airplane, payment therefor to be made from the appropriation for star-route service in Alaska: *Provided*, That the Postmaster General, in his discretion, may fix the postage for the mails carried, or any part thereof, by aircraft to, from, or within Alaska, at rates not exceeding in any case 30 cents per ounce or 15 cents per half ounce, notwithstanding the domestic air-mail rate authorized by the act of June 12, 1934 (39 U. S. C., 463, 1934 edition)."

SUBSTITUTES IN CLASSIFIED POST-OFFICE STATIONS

The Senate proceeded to consider the bill (H. R. 1972) giving superintendents at classified post-office stations credit for substitutes serving under them, which had been reported from the Committee on Post Offices and Post Roads with an amendment to strike out all after the enacting clause and insert:

That the fourth paragraph of section 3 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes", approved February 28, 1925, as amended (U. S. C., title 39, sec. 93), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: *Provided*, That in determining the number of employees at a classified station credit shall be allowed for service performed by regular employees, substitute employees other than those serving in lieu of regular employees absent from duty for any cause and temporary employees assigned to the station, and for each 2,448 hours of service performed by such employees the station superintendent shall be allowed credit for one employee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PRINTING OF ILLUSTRATIONS OF POSTAGE STAMPS

The Senate proceeded to consider the bill (S. 2550) to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes, which had been reported from the Committee on Post Offices and Post Roads with amendments, in section 2, page 2, line 19, after the word "for", to strike out "use only in philatelic or historical" and insert "philatelic purposes in"; in line 21, after the word "journals", to insert "newspapers"; in line 22, after the word "or", to insert "advertising literature"; on page 3, line 18, after the word "for", to strike out "use only in philatelic or historical" and insert "philatelic purposes in"; in line 20, after the word "journals", to insert "newspapers"; and in line 21, after the word "circulars", to insert "or advertising literature", so as to make the bill read:

Be it enacted, etc., That the Postmaster General shall prepare, in such form and at such times as he shall deem advisable, and, upon his request, the Public Printer shall print as a public document to be sold by the Superintendent of Documents, illustrations in black and white of postage stamps of the United States, together with such descriptive, historical, and philatelic information with regard to such stamps as the Postmaster General may deem suitable: *Provided*, That notwithstanding the provisions of section 52 of the act of January 12, 1895 (U. S. C., 1934 edition, title 44, sec. 58), stereotype or electrotype plates, or duplicates thereof, used in the publications authorized to be printed by this section shall not be sold or otherwise disposed of but shall remain the property of the United States: *And provided further*, That notwithstanding the provisions of section 7 of the Copyright Act of March 4, 1909 (U. S. C., 1934 edition, title 17, sec. 7), or any other provision of law, copyright may be secured by the Postmaster General on behalf of the United States in the whole or any part of the publication authorized by this section.

SEC. 2. The act of March 3, 1923 (U. S. C., 1934 edition, title 18, sec. 350), is amended to read as follows: "That (a) nothing in sections 161, 172, and 220 of the Criminal Code, as amended, or in any other provision of law, shall be construed to forbid or prevent the printing, publishing, or importation, or the making or importation of the necessary plates for such printing or publishing, for philatelic purposes in articles, books, journals, newspapers, or albums (including the circulars or advertising literature of legitimate dealers in stamps or publishers of or dealers in philatelic or historical articles, books, journals, or albums), of black and white illustrations of—

"(1) foreign revenue stamps if from plates so defaced as to indicate that the illustrations are not adapted or intended for use as stamps;

"(2) foreign postage stamps; or

"(3) such portion of the border of a stamp of the United States as may be necessary to show minor distinctive features of the stamp so illustrated, but all such illustrations shall be at least four times as large as the portion of the original United States stamp so illustrated.

"(b) Notwithstanding any other provision of law, the Secretary of the Treasury, subject to the approval of the President, may, upon finding that no hindrance to the suppression of counterfeiting and no tendency to bring into disrepute any obligation or other security of the United States will result, by regulations, permit, to the extent and under such conditions as he may deem appropriate, the printing, publishing, or importation or the making or importation of the necessary plates for such printing or publishing, for philatelic purposes in articles, books, journals, newspapers, or albums (including the circulars or advertising literature of legitimate dealers in stamps or publishers of or dealers in philatelic or historical articles, books, journals, or albums), of black-and-white illustrations of canceled or uncanceled United States postage stamps. The Secretary, subject to the approval of the President, may amend or repeal such regulations at any time. Such regulations, and any amendment or repeal thereof, shall become effective upon publication thereof in the Federal Register or upon such date as may be specified therein if later than the date of publication. All findings of fact made hereunder shall be final and conclusive and shall not be subject to review."

SEC. 3. Section 147 of the Criminal Code is hereby amended by striking out the period at the end thereof and adding a comma and the following: "and canceled United States stamps."

SEC. 4. Section 172 of the Criminal Code is hereby amended by the addition of the following new paragraph at the end thereof:

"Except as to counterfeits, material, and apparatus referred to in the preceding paragraph, all articles and devices and any other thing whatsoever made, possessed, or in any manner used in violation of any of the provisions of chapter 7 or sections 205, 218, 219, or 220 of chapter 8 of the Criminal Code, or the act of August 26, 1935 (U. S. C., 1934 edition, title 18, ch. 7, and secs. 328, 347, 348, 349, and 349a, ch. 8), as amended, or in respect to which a violation of any such provision has occurred, and all material or apparatus fitted or intended to be used, or that shall have been used, in the making of such articles, devices, or other things, that shall be found in the possession of any person without authority from the Secretary of the Treasury or other proper officer to have the same, shall be taken possession of by any authorized agent of the Treasury Department and forfeited to the United States and disposed of in any manner the Secretary of the Treasury may direct. Whoever having the custody or control of any such articles, devices, or other things, material, or apparatus shall fail or refuse to surrender possession thereof upon request by any such authorized agent of the Treasury Department shall be fined not more than $100 or imprisoned not more than 1 year, or both. Whenever any person interested in any article, device, or other thing, or material or apparatus seized under this paragraph files with the Secretary of the Treasury, before the disposition thereof, a petition for the remission or mitigation of such forfeiture, the Secretary of the Treasury, if he finds that such forfeiture was incurred without willful negligence or without any intention on the part of the petitioner to violate the law, or finds the existence of such mitigating circumstances as to justify the remission or the mitigation of such forfeiture, may remit or mitigate the same upon such terms and conditions as he deems reasonable and just."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARY LUCIA HAVEN

The bill (H. R. 7430) for the relief of Mary Lucia Haven, was considered, ordered to a third reading, read the third time, and passed.

TRANSPORTATION AND SALE OF NATURAL GAS

The bill (H. R. 6586) to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? If not, let it go over.

Mr. LA FOLLETTE. Mr. President, I am not a member of the committee that reported the bill, but the measure has the unanimous endorsement of the regulatory commissions of the several States.

It is proposed to provide regulations for the transportation of natural gas in interstate commerce. No such regulation is now provided. At present the States can regulate the intrastate sale and transportation of natural gas, but when it goes into interstate commerce it is not subject to regulation.

I invite attention to the fact that on page 2 of the report there appears a resolution unanimously adopted by the National Association of Railroad and Utilities Commissioners in which they express their approval of the measure. A detailed analysis of the sections of the bill will be found beginning on page 4 of the report of the Senate Committee on Interstate Commerce. So far as I am aware, the bill appears to have been unanimously reported; at least no minority report has been filed.

Mr. McKELLAR. The purposes of the bill seem to be good. I shall not object.

Mr. WHITE. Mr. President, I think the Senator from Wisconsin [Mr. LA FOLLETTE] has stated the situation as it is. The bill was before the Committee on Interstate Commerce. There were no hearings held, but there were before the committee the recommendations of the utility commissioners as has been stated. So far as I am advised, there was no opposition on the part of anyone to the bill, and I think it passed through the committee with the understanding that there was no objection.

Mr. McKELLAR. I objected in the first instance because I saw no favorable report from the department. It is a bill which should have gone to the department.

Mr. LA FOLLETTE. I am unable to inform the Senator whether it was submitted to the Interstate Commerce Commission or some department of the Government, because the report does not so disclose. As I have said, I am not a member of the committee, but I have investigated the bill to some extent because of the interest which was expressed in it by the Public Service Commission of my own State.

Mr. BARKLEY. Mr. President, while it is sometimes customary, in the matter of a bill which attempts to exercise the right to regulate commerce among the States, to refer it to a department for approval or disapproval, it is not essential that that shall be done. It is the duty of Congress to determine the policies relating to the regulation of commerce among the States.

Mr. KING. Mr. President, I understand there were no hearings and no opportunity given for any individuals or corporations or States to appear. I shall not object to the present consideration of the bill, with the understanding that at the conclusion of the call of the calendar I shall enter a motion to reconsider the vote by which the bill was passed, so as to give me a chance between now and Monday to examine it. If I find it is entirely satisfactory I shall withdraw the motion.

Mr. WHITE. The bill passed the House in the early days of July and was on the committee calendar for something over a month. I think we all felt that if there was any opposition in any quarter it would have manifested itself in that time.

Mr. LA FOLLETTE. I may add for the benefit of the Senator from Utah that the measure was pending for some time before the House Committee on Interstate and Foreign Commerce and is similar to a bill which that committee reported at the last session of Congress. I am certain if there was any opposition of any substantial character to the measure, interested parties were on notice that it was to be considered and they had ample opportunity to file their objections.

Mr. KING. In order that I may not be charged with bad faith, I shall not object now to the consideration of the bill, but I shall enter a motion to reconsider the vote by which it shall be passed. During the time between now and Monday I shall give some consideration to the matter, and if I am convinced it is all right I shall withdraw my motion on Monday.

Mr. AUSTIN. Mr. President, I should like to inquire whether the bill undertakes to gain control over the natural resource of gas—that is, the natural gas of any State—to enable the Federal Government to control it? If it does, of course I should object. I inquire whether anyone knows about that?

Mr. LA FOLLETTE. Mr. President, it is my understanding, and I think the Senator will find from a study of the

bill, that all it attempts to do is to give the Federal Power Commission the right to regulate interstate transportation and sale and resale of natural gas which moves in interstate commerce.

Mr. CONNALLY. Mr. President, I have not had time to read the bill carefully, but I find in the report this statement:

If enacted, the present bill would for the first time provide for the regulation of natural-gas companies transporting and selling natural gas in interstate commerce.

Of course, if it relates only to actual transportation and regulations regarding transportation, that would be one thing.

Mr. AUSTIN. Mr. President, in view of what I learn by just glancing at the bill, and what appears on page 15—and this is the first time I have seen the bill, and I doubt whether many Senators have read it—I shall ask to have it go over.

The PRESIDING OFFICER. The bill will be passed over.

PALISADES INTERSTATE PARK COMMISSION

The Senate proceeded to consider the joint resolution (H. J. Res. 445) granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties, together with the properties of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park.

Mr. McKELLAR. Mr. President, may we have an explanation of the joint resolution?

Mr. WHITE. Mr. President, this is a measure which gives consent to a compact between the States of New Jersey and New York. I think the essential facts are that for something like 30 years or more separate State authorities have been undertaking to work out plans with reference to the Palisades on both sides of the Hudson River, in New York and New Jersey. After long experience it has been found necessary to have some joint authority to accomplish the desired purpose. The bill, as I understand, simply sets up under this compact a joint body to exercise jurisdiction and to perform the functions which the States have been undertaking heretofore to carry on separately.

Mr. McKELLAR. I see there is a recommendation from the Acting Secretary of the Interior and from the Attorney General. I had not noticed that before. I have no objection.

The joint resolution was ordered to a third reading, read the third time, and passed, as follows:

Whereas, pursuant to chapter 170 of the Laws of 1937 of the State of New York and chapter 148 of the Laws of 1937 of the State of New Jersey, the States of New York and New Jersey entered into a compact which is as follows:

"COMPACT

"Whereas, heretofore the States of New York and New Jersey have cooperated in the establishment and maintenance of an interstate park along the front of the Palisades in said States and in the mountainous lands in Rockland and Orange Counties in the State of New York, by respectively enacting legislation creating in each State a body politic by the name and style of 'Commissioners of the Palisades Interstate Park', with power to acquire lands for such park, and improve and manage the same, and by respectively appointing, in practically all cases, the same persons as members of each of such State bodies politic; and

"Whereas, it is confidently believed that the creation, by interstate compact, of a joint corporate municipal instrumentality to hold and manage such interstate park will provide greater flexibility and harmony in the management of the park,

"Now, therefore, in consideration of the premises and of the mutual advantages and benefits to accrue to the peoples of the States of New York and New Jersey from this compact and in consideration of the mutual covenants of the parties hereto herein contained, the sovereign State of New York and the sovereign State of New Jersey do hereby agree as follows:

"ARTICLE I

"The park or parks in the State of New York under the jurisdiction, management, or control of Commissioners of the Palisades Interstate Park, a body politic created pursuant to chapter 170 of the Laws of 1900 of the State of New York (hereinafter referred to as 'New York State board'), and the park or parks in the State of New Jersey now under the jurisdiction, management, or control of Commissioners of the Palisades Interstate Park, a body politic created pursuant to chapter 87 of the Laws of 1900 of the State of New Jersey (hereinafter referred to as 'New Jersey State board', the New York State board and the New Jersey State board being hereinafter referred to collectively as 'State boards'), shall continue to exist and shall be maintained in the two States as an interstate park for the use of the public and for the purpose of preserving the scenic beauty of the Palisades and other lands therein. Such park shall be called 'Palisades Interstate Park.' The parties hereto do hereby agree to and pledge, each to the other, faithful cooperation in the future planning, improvement, development, maintenance, government, and management of the park, holding in high trust for the benefit of the public the special blessings and natural advantages thereof.

"ARTICLE II

"There is hereby created a body corporate and politic with the name and style of 'Palisades Interstate Park Commission' (for brevity hereinafter referred to as 'the commission') which shall be a joint corporate municipal instrumentality of both the State of New York and the State of New Jersey for the purpose of effecting the objects of this compact and which shall be deemed to be performing governmental functions of the two States in the performance of its duties hereunder. The commission shall have power to sue and be sued, to use a common seal and to make and adopt suitable bylaws. The commission shall consist of 10 members, 5 of whom shall be citizens and residents of the State of New York and 5 of whom shall be citizens and residents of the State of New Jersey. For the purpose of doing business the members of the commission shall constitute a board. The present members of the two State boards shall be the first members of the commission for their respective States for the remainder of the terms for which they were respectively appointed. Each member of the commission shall be a citizen and resident of the State of which his predecessor was a citizen and each member of the commission other than the first members shall be appointed by the Governor of the State of which his predecessor was a citizen, by and with the approval of the senate of such State. Each member shall take an oath of office to perform faithfully all of the duties of his office according to the best of his ability. Such oath of office may be administered by any officer of the State of which such member is a citizen who is authorized to take oaths of office of any State officer and shall be filed in the office of the secretary of state of such State. The term of office of each member other than said first members shall be 5 years. Each member shall hold office until his successor shall have been appointed and shall have taken his oath of office, but each term shall be deemed to commence at the end of the preceding 5-year term, regardless of when the incumbent is appointed or takes the oath of office. If a member shall cease to be a citizen and resident of the State for which he was appointed, he shall cease to be a member of the commission. If a member of the commission shall die, resign, be removed, refuse to act, or cease to be a citizen and resident of the State for which he was appointed, the vacancy so created shall be filled, for the unexpired term only, by the appointment of a citizen and resident of the State of which such member was a citizen by the Governor thereof, by and with the approval of the senate of such State. Each member of the commission may be removed from office for neglect of duty or misconduct in office by the Governor of the State of which such member is a citizen after giving such member a copy of the charges against him and an opportunity of being publicly heard in person or by counsel, or both, in his own defense, upon not less than 10 days' notice. No member of the commission shall receive any compensation for his services as a member, but each member shall be entitled to receive his actual disbursements for his expenses in performing the duties of his office. The commission shall annually choose a president, a vice president, a treasurer, and a secretary from among its members and may also appoint such other officers as it may deem necessary or appropriate to carry out the purposes of this compact.

"ARTICLE III

"There are hereby transferred to the commission all of the functions, jurisdiction, rights, powers, and duties of the respective State boards, as now prescribed by the laws of the respective States, and the same shall hereafter be exercised and performed by the commission, subject to such modifications thereof as are contained in this compact. Either the State of New York or the State of New Jersey may by law applicable to parks or park commissions generally within such State, or by law specifically applicable to the commission or to any of the parks within such State under its jurisdiction, and without the concurrence of the other State, withdraw, modify, alter, or amend any of the functions, jurisdiction, rights, powers, and duties transferred to the commission by this article or confer additional functions, jurisdiction, rights, powers, and duties on the commission, but such action by one State shall be effective only within the territorial limits of such State. The commission shall also have such additional functions, jurisdiction, rights, powers, and duties as may be conferred upon it by both States.

"ARTICLE IV

"1. All legal and equitable title to or in any property, tangible or intangible and whether real, personal or mixed, used or held as a part of, in connection with, or for the purposes of the park

or parks now under the jurisdiction, management or control of the respective State boards, or connected with the maintenance or control thereof, insofar as the same shall have heretofore been vested in either of such State boards, is hereby transferred to and vested in the commission, subject to such liens, easements, permits, life rights, and other contracts relating thereto or in respect thereof as may now lawfully exist. All such legal and equitable title shall, upon the taking effect of this compact, forthwith and thereafter reside in the commission without further act or deed or transfer.

"2. The commission shall succeed and shall be and hereby is substituted for each of the State boards insofar as either of them has any obligation or liability to any person, firm or corporation, has undertaken or commenced any proceeding or other business, is a party to any action, suit or proceeding (the substitution of the commission for either of the State boards in any action, suit or proceeding to be deemed to be by operation hereof without motion or order) or has issued or promulgated any orders, rules, or regulations, and also insofar as consistent with the other provisions and the purposes of this compact, the commission should be regarded as succeeding and as substituted for either of the State boards in any other respect in order that the purposes of this compact may be accomplished. The balance of all appropriations heretofore made by either State and remaining to the credit of either of the State boards, to which either State board is entitled, or in the future would become entitled if its existence continued, shall be deemed to be appropriations to the commission herein created, and the commission shall, upon the taking effect of this compact, succeed to all the rights to any such appropriations theretofore made with the same force and effect as if the commission had originally been specifically named in the respective appropriation acts instead of the respective State boards for which such appropriations were made.

"3. All lands the title to which is hereby transferred to or shall hereafter be owned by the commission shall be and continue under the jurisdiction of the commission and shall be used only for public park purposes and none of said lands or any part thereof shall be sold, exchanged, or conveyed except with the consent of both States by specific enactments; *provided, however,* That the commission shall have power to grant easements, licenses, permits, and other rights over any lands held by it in either State when in the opinion of the commission the same will not interfere with the use and enjoyment of the park by the public.

"4. Each State may by legislation make rules and regulations for the use and government, including regulation of traffic, of such portions of the park as lie within the boundaries of the State, and such parts of any State, county, or other public highways as lie within the limits of such portions of the park, and all lands, parks, and parkways in the State under the jurisdiction of the commission, prescribe the penalty or penalties for violation of any such rules or regulations, prescribe the procedure for enforcement of any such penalty or penalties and provide the court or courts in which any such enforcement is to be sought.

"ARTICLE V

"1. All money, securities and other property, real and personal, heretofore received by either of the State boards or hereafter received by the commission by way of gift, bequest, or devise, may be retained by the commission and, except insofar as the purpose or manner of using the same is otherwise specifically designated or restricted by the terms of any such gift, bequest, or devise, may be used in the commission's discretion in either State for any park purpose; and the commission may likewise retain and use all revenue and income arising solely from such money, securities, and other property so received by way of gift, bequest, or devise or from facilities or operations financed solely by funds so received. In the case of revenue and income arising partly from specific property received by way of gift, bequest, or devise or from specific facilities or operations financed partly by funds so received, the commission may likewise retain and use such proportion of such revenue and income as the amount of gifts, bequests, or devices, or the proceeds thereof, invested in each such property, facility, or operation, bears to the total amount invested therein. The legislature of either State may from time to time by law specifically made applicable to the commission prescribe other terms and conditions upon which or purposes for which any gifts, bequests, or devises thereafter made of money, securities, or other property may be accepted for use in such State or used in such State or prescribe a different manner of administering gifts, bequests, or devises thereafter made in such State and the disposition of all revenues or income arising therefrom.

"2. Either State may from time to time by law require the commission to render to any designated official or official body of such State such reports and such estimates of revenues and expenditures as may be specified in such law.

"ARTICLE VI

"The commission shall not pledge the credit of either State except by and with the authority of the legislature thereof.

"ARTICLE VII

"Neither the State of New York nor the State of New Jersey shall be liable for any torts of the commission, its members, officers or employees, except as provided by the laws of such State, but each member, officer, and employee of the commission shall, with respect to any tort committed by him in the exercise of his duties or in the course of his employment as such member, officer or employee, be deemed to be an officer or employee of the State where such tort was committed, and any liability arising from such tort shall be governed by the laws of such State.

"ARTICLE VIII

"This compact may be amended from time to time by the concurrent action of the two States who are parties hereto.

"In witness whereof, the sovereign States of New York and New Jersey, respectively, have caused this compact to be signed and sealed in triplicate by their respective commissioners thereunto duly authorized this 28th day of June, 1937.

"For the State of New York:

"J. DU PRATT WHITE. [L. S.]
"W. AVERELL HARRIMAN. [L. S.]
"GEO. W. PERKINS. [L. S.]
"FREDERICK OSBORN. [L. S.]
"ALFRED E. SMITH. [L. S.]
"JOHN J. BENNETT, Jr. [L. S.]

"Attorney General of the State of New York.

"As commissioners authorized by chapter 170 of the Laws of 1937 of the State of New York.

"Approved:

"HERBERT H. LEHMAN,
"Governor of the State of New York.

"In the presence of:

"FREDERICK C. SUTRO,

"For the State of New Jersey:

"CHARLES W. BAKER. [L. S.]
"WILLIAM CHILDS. [L. S.]
"EDMUND W. WAKELEE. [L. S.]
"ABRAM DE RONDE. [L. S.]
"VICTOR H. BERMAN. [L. S.]
"DAVID T. WILENTZ. [L. S.]

"Attorney General of the State of New Jersey.

"As commissioners authorized by chapter 148 of the Laws of 1937 of the State of New Jersey.

"Approved:

"HAROLD G. HOFFMAN,
"Governor of the State of New Jersey.

"In the presence of:

"FREDERICK C. SUTRO."

Therefore be it

Resolved, etc., That the consent of Congress is hereby given to said compact, and to each and every part and article thereof: *Provided,* That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said compact.

SEC. 2. The right to alter, amend, or repeal this resolution is hereby expressly reserved.

The preamble was agreed to.

LABORERS IN POSTAL SERVICE

The Senate proceeded to consider the bill (H. R. 1609) to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion, which had been reported from the Committee on Post Offices and Post Roads with amendments.

The first amendment of the committee was, on page 2, line 10, after the words "basis of", to strike out "two hundred and fifty-four" and insert "three hundred and six", and in line 16 to strike out "two hundred and fifty-four" and insert "three hundred and six", so as to read:

That Public Act No. 366, entitled "An act to provide time credits for substitute laborers in the post office when appointed as regular laborers", approved August 27, 1935 (U. S. C., 1934 edition, Supp. I, title 39, sec. 101), is amended to read as follows:

"That section 5 of the act entitled 'An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes', approved February 28, 1925 (43 Stat. 1060; U. S. C., title 39, sec. 101), is amended by adding thereto a new paragraph to read as follows:

" 'Whenever any substitute laborer, watchman, or messenger is appointed to a permanent position as laborer, watchman, or messenger, the substitute service performed by such laborer, watchman, or messenger shall be computed in determining the eligibility of such person for promotion to grade 2 on the basis of 306 days of 8 hours constituting a year's service. Effective at the beginning of the first quarter following approval of this act, all laborers, watchmen, and messengers who have not progressed to grade 2 shall be promoted to that grade, provided they have the necessary credit of 306 days of 8 hours each constituting a year's service.' "

The amendment was agreed to.

The next amendment was, on page 3, line 2, after the words "credit of", to strike out "two hundred and fifty-four" and insert "three hundred and six", so as to read:

Any fractional part of a year's substitute service will be included with service as a regular laborer, watchman, or messenger in the

Postal Service in determining eligibility for promotion to the next higher grade following appointment to a regular position. Effective at once following approval of this act, all laborers, watchmen, and messengers who have not progressed to grade 2 shall be promoted to that grade, provided they have the necessary credit of 306 days of 8 hours each constituting a year's service.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDING OFFICER. The bill will be passed over.

DESIGNATION OF STREETS IN THE MALL

The joint resolution (H. J. Res. 171) for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the four avenues extending east and west in the Mall between Third Street and Fourteenth Street and south of the National Museum and north of the Smithsonian Institution in the National Capital, the city of Washington, D. C., shall be named as follows: In honor of the State of Missouri the most southerly of such avenues shall be known as Missouri Avenue; in honor of the State of Maine the most northerly of such avenues shall be known as Maine Avenue; in honor of the State of Oklahoma the more northerly of the two center avenues shall be known as Oklahoma Avenue; and in honor of the State of Ohio the more southerly of the two center avenues shall be known as Ohio Avenue.

The preamble was agreed to.

POTOMAC VALLEY CONSERVANCY DISTRICT

The joint resolution (S. J. Res. 162) to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley Conservancy District for the prevention or abatement of harmful pollution of the waters thereof was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the consent of Congress is hereby given to the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to negotiate and enter into a compact or agreement providing for the creation of a conservancy district to consist of the drainage area of the Potomac River and the main and tributary streams therein, said district to be organized and maintained for the purpose of regulating, controlling, preventing, or otherwise rendering unobjectionable and harmless the pollution of the waters of said Potomac drainage area by sewage and industrial and other wastes, upon conditions that a suitable person shall be appointed by the President of the United States from the Department of the Treasury who shall participate in said negotiation as representative of the United States and shall make a report to Congress of the proceedings of any compact or agreement entered thereto: *Provided*, That any such compact or agreement shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been approved by the legislatures of each of said States and by the Congress of the United States.

CONSERVATION IN ARID AND SEMIARID AREAS

The bill (S. 2863) to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and forest lands in the arid and semiarid areas of the United States resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the arid and semiarid areas of the United States.

SEC. 2. In order to effectuate this policy and promote proper land use in the said areas, the Secretary of Agriculture is hereby authorized, from time to time—

(1) To formulate and keep current a program of projects for the construction and maintenance in the said areas of ponds, reservoirs, wells, check dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;

(2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of this act, the facilities mentioned in section 2 (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of this act;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of this act; and

(4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of this act.

SEC. 3. The facilities included in the program provided for in section 2 (1) may be located—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 4. As a condition to extending benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation, and equitable utilization of waters.

(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities.

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

SEC. 5. The Secretary of Agriculture, in administering the provisions of this act, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in this act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this act, any funds available for the purposes of this act.

SEC. 6. For the purposes of this act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of lawbooks and books of reference, for printing and binding, for the purchase, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses and for other administrative expenses; and

(3) Perform such acts and prescribe such rules and regulations as he may deem proper to carry out the provisions of this act.

SEC. 7. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary.

GENERAL STAFF DUTY IN THE ARMY

The bill (S. 2886) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended by the act of June 4, 1920, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, may we have an explanation of the bill?

Mr. SHEPPARD. Mr. President, under existing law, no officer can be detailed to the General Staff of the Army unless he has served the previous 2 years in actual command of troops of one or more of the combat arms. Furthermore, under present law, an officer commissioned in a staff corps cannot be detailed in the General Staff Corps unless he has served 1 year immediately preceding such detail with troops of one or more of the combat arms. At the time this law was enacted, 1916, there were available enough officers of the line and of the Staff Corps to qualify under it for General Staff duty without handicapping the War Department in the selection of officers for duty on the General Staff Corps. This condition, however, no longer exists, and it is constantly becoming more difficult to find qualified officers for General Staff duty who also have had the 2 years of duty in actual command of troops of the combat arms immediately preceding the period for which it is desired to detail them on the General Staff. This situation is due to the large

number of officers who must now be assigned to duty with the National Guard, the Organized Reserves, the Reserve Officers' Training Corps, to schools for technical training, and to other duties fixed by law.

The War Department in its communication recommending this bill favorably stated that though it is recognized that officers should serve as frequently as possible with troop units, it is believed that duties performed as instructor with the Organized Reserves, the National Guard, and the Reserve Officers' Training Corps are equally important in providing the prospective General Staff officer with a well-rounded experience. The enactment of the bill under consideration will make available for selection to General Staff duty a large number of officers who are not now available.

It has become necessary, therefore, to modify existing laws in order to facilitate the selection of General Staff officers.

Mr. CLARK. Mr. President, how does it modify them?

Mr. SHEPPARD. It modifies them by enabling officers to be selected for the General Staff without having met the requirement for actual troop service during 6 years immediately preceding such selection.

Mr. CLARK. Let me ask the Senator from Texas if the removal of that prohibition would not permit officers to serve indefinitely on the General Staff.

Mr. SHEPPARD. Not at all. This bill applies to the nature of the duties officers must perform before they are detailed to the General Staff.

Mr. CLARK. I understand, but what is to prevent an officer from serving on the General Staff for the term for which he is assigned to it, then serving with troops for 1 week or 1 month, and then starting on another tour of duty on the General Staff?

Mr. SHEPPARD. Because the prohibition under existing law is unqualified as to the time officers may serve on the General Staff.

Mr. CLARK. But that is for one tour of duty.

Mr. SHEPPARD. Yes; except as to the Chief of Staff.

Mr. CLARK. And, as I understand, the purpose of the present law is to provide that they must have served with troops for 2 years prior thereto.

Mr. SHEPPARD. Not immediately prior thereto, but within the 6 years immediately prior thereto.

Mr. CLARK. But, as I understand this bill, under it an officer might serve one tour of duty on the General Staff, then go back to troops for a week or a month or 6 months, and then start another tour of duty on the General Staff. That is precisely what the present law was designed to prevent.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to his colleague?

Mr. SHEPPARD. I do.

Mr. CONNALLY. Let me ask my colleague a question. I greatly dislike to disagree with my distinguished colleague, but I think it is highly desirable that officers who are detailed to the General Staff shall have served with troops immediately before such detail.

There is a disposition in all these bureaus for little cliques and little crowds to get in control and stay in control and stay here in Washington. All of these generals and everybody else want to come to Washington. As the amendment to the existing law is proposed, the officer has to have served with troops not less than 2 years out of the preceding 6. If he served 2 years with troops and then served 4 years on the General Staff——

Mr. CLARK. And served a week with troops.

Mr. CONNALLY. Why could he not then serve another 4 years' term on the General Staff?

Mr. SHEPPARD. This is a War Department bill. I am sure it was not the intention of the War Department to bring about, as a result of this measure, the situation the Senator from Missouri [Mr. CLARK] and the Senator from Texas [Mr. CONNALLY] have suggested. It may be that the measure has not been framed with sufficient clearness. On account of the fact that so many officers are being required for detail with the Organized Reserves, the National Guard, and the Reserve Officers' Training Corps, it is becoming increasingly difficult to secure officers for General Staff duty.

Mr. CONNALLY. If the War Department cannot get officers to go to the General Staff who have been with troops, they are going to get them for staff duty or training service somewhere else. The point I make is that they should take officers who have been with troops. What is the use of learning staff duty, if you do not know anything about troops and the command of troops?—because that is what you learn staff duty to do.

Mr. LA FOLLETTE. I call for the regular order.

Mr. CONNALLY. I do not like to object, but I do not like the bill at all.

Mr. SHEPPARD. I am of the opinion that the suggestion of the Senator from Texas [Mr. CONNALLY] should have serious consideration.

Mr. CLARK. I think the objection of the junior Senator from Texas [Mr. CONNALLY], that an officer ought to serve with troops, is extremely valid. I recall very well that during the World War there was a very distinguished officer who had served on the General Staff for many years, and had written several Army manuals and many books on military training; and by seniority he came to be a brigadier general, and was put in command of a brigade in the front line. He drew a beautiful order for attack, but unfortunately he did not know where his front line was, and he put the jumping-off line something over 2½ miles inside the German lines. [Laughter.]

It seems to me that officers ought to serve with troops, and that the provision of law which is now sought to be amended, while it might be relaxed, is in itself a very meritorious provision. Therefore I will ask the Senator from Texas to let this bill go over until we may have a chance to examine it.

Mr. SHEPPARD. I shall be glad to let the bill go over.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

MRS. C. G. EIDNES

The Senate proceeded to consider the bill (S. 2120) for the relief of Rev. C. G. Eidnes, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mrs. C. G. Eidnes, of Gonvick, Minn., widow of Rev. C. G. Eidnes, in full settlement of all her claims against the United States for the death of her husband resulting from injuries received by him on the night of October 14, 1936, when he was attacked and beaten by two intoxicated Indians from the Red Lake Reservation as he sought to prevent their entry into his home in pursuit of his wife: *Provided*, That no part of the amount appropriated in this act in excess of 25 percent thereof shall be paid or delivered to or received by any creditor. It shall be unlawful for any creditor to exact, collect, withhold, or receive any sum of the amount appropriated by this act in excess of 25 percent thereof, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. C. G. Eidnes."

PERMANENT AGRICULTURAL PROGRAM

The concurrent resolution (S. Con. Res. 19) favoring the consideration of a permanent agriculture program on the coming of the next session of Congress was announced as next in order.

Mr. BARKLEY. Mr. President, a joint resolution on that subject was passed yesterday. There is no use of proceeding with this one.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

SALE OF VIRUSES, SERUMS, TOXINS, ETC.

The bill (S. 1629) to amend the act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous

products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes", approved July 1, 1902, to make it applicable to surgical ligatures and sutures, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes", approved July 1, 1902, is amended by adding at the end thereof the following new paragraph:

"No person shall sell, barter, or exchange, or offer for sale, barter, or exchange in the District of Columbia, or transport for sale, barter, or exchange from any State, Territory, or the District of Columbia into any State, Territory, or the District of Columbia, or from any foreign country into the United States, or from the United States into any foreign country, any surgical ligature or suture unless (a) such ligature or suture has been prepared at an establishment holding an unsuspended and unrevoked license, issued by the Secretary of the Treasury, to prepare such ligature or suture for such sale or transportation and (b) the package containing such ligature or suture is plainly marked with the proper name of the article, the name, address, and license number of the manufacturer, and the date beyond which the contents cannot be expected beyond reasonable doubt to yield their specific results: *Provided*, That the suspension or revocation of any license shall not prevent the sale, barter, or exchange of any ligature or suture which has been sold or delivered by the licensee prior to such suspension or revocation unless the owner or custodian thereof has been notified by the Secretary of the Treasury not to sell, barter, or exchange the same."

SEC. 2. Sections 2, 3, and 4 of such act of July 1, 1902, are amended by inserting after the word "antitoxin", wherever it appears, a comma and the following: "ligature, suture"; and by inserting after the word "antitoxins" a comma and the following: "ligatures, sutures."

SEC. 3. The amendment made by the first section of this act shall take effect 6 months after the date of its enactment.

CONSTRUCTION OF PUBLIC BUILDINGS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 2339) to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 15, after the word *"Provided"*, to strike out "That before any streets or alleys within the areas herein described are closed and vacated, the Secretary of the Treasury shall request the recommendation of the Commissioners of the District of Columbia as to the advisability of closing and vacating such streets or alleys" and to insert "That no street or alley shall be closed and vacated within the areas herein described unless the closing and vacating of such street or alley is mutually agreed to by the Secretary of the Treasury, the Commissioners of the District of Columbia, and the National Capital Park and Planning Commission", so as to make the bill read:

Be it enacted, etc., That to enable the Secretary of the Treasury to acquire adequate sites for public buildings to be located within the areas hereinafter described, including suitable grounds, parking, and approaches necessary to a proper grouping of such buildings, the areas defined in the act of May 25, 1926 (44 Stat. 630), as amended, within which sites or additions to sites for public buildings in the District of Columbia may be acquired, are hereby further extended, and the Secretary of the Treasury is authorized, empowered, and directed to acquire, pursuant to the provisions of said act, as amended, for the use of the United States, by purchase, condemnation, or otherwise, in addition to the areas already authorized, any land and buildings, including properties belonging to the District of Columbia, which he may determine should be acquired, within the area west of Nineteenth Street NW., bounded by New York Avenue NW., E Street NW., and the Potomac River; also squares 122, 104, 81, 58, 59, 44, and 33; and there is hereby authorized to be appropriated from time to time, in addition to the amounts heretofore authorized to carry out the purposes of the act of May 25, 1926, as amended, such amounts as may be necessary to carry out the provisions of this act: *Provided*, That no street or alley shall be closed and vacated within the areas herein described unless the closing and vacating of such street or alley is mutually agreed to by the Secretary of the Treasury, the Commissioners of the District of Columbia, and the National Capital Park and Planning Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION AND LICENSING OF REAL-ESTATE BROKERS, ETC.

The Senate proceeded to consider the bill (H. R. 6563) to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

The first amendment was, in section 2, page 3, line 25, after the word "guardians", to insert "trustees", so as to make the paragraph read:

The provisions of this act shall not apply to receivers, referees, administrators, executors, guardians, trustees, or other persons appointed or acting under the judgment or order of any court; or public officers while performing their official duty, or attorneys at law in the ordinary practice of their profession.

The amendment was agreed to.

The next amendment was, in section 12, page 26, line 6, after the word "association", to insert "insurance company", so as to make the section read:

SEC. 12. It shall not be necessary for any trustee or auctioneer acting under authority of a power of sale in a mortgage, deed of trust, or similar instrument securing the payment of a bona-fide debt nor any bank, trust company, building and loan association, insurance company, or any land-mortgage or farm-loan association, organized under the laws of the United States, when engaged in the transaction of business within the scope of its corporate powers and provided by law, to obtain a license under this act.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PUNISHMENT OF MURDER IN THE FIRST DEGREE

The bill (S. 2892) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 798 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189), be amended to read as follows:

"SEC. 798. Murder in first degree: Whoever, being of sound memory and discretion, kills another purposely and either of deliberate and premediated malice or by means of poison, or kills another in perpetrating or in attempting to perpetrate any offense punishable by imprisonment in the penitentiary, is guilty of murder in the first degree."

JURISDICTION OF UNITED STATES COMMISSIONERS TO TRY CERTAIN CIVIL SUITS

The bill (S. 2893) to confer jurisdiction upon certain United States commissioners to try certain civil suits wherein the United States is plaintiff, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any United States commissioner specially designated for that purpose by the court by which he was appointed shall have jurisdiction to hear, determine, and render judgment in civil actions at law, wherein the United States is plaintiff and wherein the amount demanded does not exceed the sum of $500, unless either party demands a trial before the court. Such judgment shall be docketed and enforced in the same manner and shall have the same force and effect as judgments of the district courts of the United States. An appeal shall lie from the judgment of the commissioner to the district court of the United States for the district wherein such suit is brought. The Supreme Court shall prescribe rules of procedure and practice for the trial of such cases before commissioners, and for the taking of appeals to the district courts of the United States.

SEC. 2. United States commissioners specially designated under authority of section 1 of this act shall receive for services rendered under this act the same fees, and none other, as provided for like or similar services in other cases under section 21 of the act of May 28, 1896 (29 Stat. 184; U. S. C., title 28, sec. 597).

RIO GRANDE AND PECOS RIVERS

The bill (S. 2688) to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to cause preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds, including all tributaries, of the Rio Grande and Pecos Rivers, above the point of their confluence, in the same manner and to the same extent as is provided for those

localities named in section 6 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; the cost thereof to be paid from appropriations heretofore or hereafter made for the purpose of carrying out the provisions of such section.

UNEMPLOYMENT FUNDS OF STATES AND TERRITORIES

The Senate proceeded to consider the bill (H. R. 8174) to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for payment to the unemployment fund of each State or Territory which was not certified by the Social Security Board under section 903 of the Social Security Act on December 31, 1936, but which enacted in the year 1937 an unemployment-compensation law approved by the Social Security Board under such section, an amount equal to 90 percent of the proceeds of the tax paid on or before January 31, 1938, with respect to employment in such State or Territory during the calendar year 1936 under title IX of such act. Out of the sums appropriated therefor, the Secretary of the Treasury shall pay such amount, through the Division of Disbursement of the Treasury Department, to each such State unemployment fund. The terms used in this act shall have the same meaning as identical terms in title IX of the Social Security Act.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. CLARK. Mr. President, this bill has to do with the provisions of the Social Security Act. Title IX of the Social Security Act, without any particular reason for the arbitrary limitation, set an arbitrary limitation of December 31, 1936, as the dead line by which States should pass legislation to comply with the provisions of that act satisfactorily to the Social Security Commission. Many States—35 States, in fact—did pass such legislation; but the States of Arkansas, Delaware, Georgia, Florida, Illinois, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Washington, Wyoming, and the Territories of Hawaii and Alaska, either by reason of constitutional limitations or for other valid reasons, were unable to have legislation passed by special sessions of their legislatures in time to comply with the act.

As to the States which passed complying legislation, 90 percent of the taxes collected were paid into the State unemployment pension fund. As to the other States, the taxes were collected, but, under the terms of the existing act, they were impounded in the Treasury, and did not inure to the benefit of the State's unemployment funds. The effect of that action was to penalize not only the States but also the unemployed insured under the act.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Massachusetts.

Mr. LODGE. Am I correct in my understanding that the enactment of this bill would not react unfavorably on States that have unemployment-compensation laws?

Mr. CLARK. The bill does not deprive the States which did comply with the act before the dead line of a single penny, and it does not in any real sense deprive the Federal Treasury of a single penny. It simply provides for permitting the States involved which failed to comply with the act before the dead line to be put on an equal footing with the other States.

Mr. LODGE. I thank the Senator.

Mr. CLARK. I may say that this measure passed the House of Representatives by unanimous vote.

Mr. AUSTIN. Mr. President, reserving the right to object, I desire to ask the Senator from Missouri a question; but before doing so, in order to give my question meaning I wish to make the statement that I know of at least one State which went to the expense of holding a special session of the legislature in order to "get under the wire" and comply with the law. Therefore, I am sure that discrimination has already taken place between that State and any State which would have the benefit of this bill, if I understand the bill.

Now I wish to know whether these States must hereafter conform to the law in order to get the benefits of the bill.

Mr. CLARK. I will say to the Senator from Vermont that my impression is, and I am quite certain it is correct, that every State involved has already complied with the law.

Mr. AUSTIN. Then I have no objection.

Mr. PEPPER. Mr. President——

Mr. CLARK. I yield to the Senator from Florida.

Mr. PEPPER. I wish to call to the attention of the able Senator the fact that the only States which will get the benefit of this bill are those which, during the year 1937, have complied with the act. In other words, it is not necessary to say that they will comply in the future. They have already complied.

Mr. CLARK. As I understand, every State has already complied. It is simply a question of permitting them to come in and use the taxes which they have already paid, to be applied under the purposes of the act.

Mr. SCHWELLENBACH. Mr. President——

Mr. CLARK. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. As long as the question of discrimination has been raised, I should like to point out the situation so far as my own State is concerned.

The legislature met in the spring of 1935, and we made the best efforts we could to get some information as to what the Social Security Act was going to contain. Acting upon that information, the legislature passed a law attempting to comply with the act. Later the Congress passed the Social Security Act, but made certain changes in the original measure which made ineffectual the law which the Legislature of Washington had passed; and our supreme court said that we could not collect the tax in the State of Washington because we had not properly guessed what the Congress was going to do.

Mr. CLARK. I will say to the Senator from Washington that a very similar situation existed in my own State; and the process of calling an extra session of the legislature in my State is so very complicated that it was deemed better to wait until the regular session of the legislature in 1937, which did comply with the provisions of the act.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

TAXICAB INSURANCE IN THE DISTRICT

The bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, I should like to ask the chairman of the Committee on the District of Columbia, the Senator from Utah [Mr. KING], a question concerning this bill.

I am, of course, as is every other Senator, interested in seeing that liability and other types of proper insurance are carried by vehicles which operate for hire in the District of Columbia; but I have been told that as the bill passed the House it contained a provision which would have enabled a large association in this city to qualify under the bill by creating a $75,000 indemnity fund.

Mr. KING. That was eliminated.

Mr. LA FOLLETTE. All smaller associations, or individual operators, would be at a great disadvantage, since they would have to pay for insurance many times the rate which the members of the large association would have to pay. The Senator informs me that that provision has been eliminated.

I wish we could have an understanding that in case the House should prove to be at all obdurate in this matter, the Senate conferees would return to the Senate for further instructions, because the Senator realizes we are approaching the close of the session, and from the little I know about the matter—and I confess I do not know as much as I should—it has seemed to me that by the language contained in the House bill a grave injustice would be perpetrated on the small associations, and particularly on the individual cab operators in the District of Columbia.

Mr. KING. Mr. President, I took the precaution, before the bill was reported to the Senate, to confer as to the attitude of the House with respect to the provision to which the Senator refers, and I was informed that they had no objection to its elimination.

Mr. LA FOLLETTE. Then, I have no objection.

Mr. CONNALLY. Mr. President, is it true that if this bill were enacted, before the individual cab operators could get insurance they would have to pay a premium of $300 a year?

Mr. KING. I do not think so. I was not a member of the subcommittee, but the Senator from Maryland [Mr. TYDINGS] was, and he assured me that after hearings had been conducted in the House committee and by the subcommittee of the Senate committee, the bill met the situation, and that the taxicab drivers were in accord with the bill.

Mr. CONNALLY. A great deal of complaint has been made to me by taxicab drivers about this particular bill. The same objection which the Senator from Wisconsin suggested has been made to me by individual operators.

Mr. KING. The provision to which they objected has been eliminated.

Mr. CONNALLY. I have not been able to read the bill, and while, of course, I know that what the Senator says is accurate, there may be some other provision that would equally tend toward hardship on the individual operator. If the big companies, that is, those operating the yellow cabs and checkered cabs, can arrange their affairs under the bill so that they have an advantage over the man who owned his own cab, or one who belonged to one of the voluntary associations, I do not think that would be right. The individual drivers also claim it would cost them $300 a year to take out insurance.

I can suggest to the Senator from Utah one regulation which would obviate the necessity for this measure, that is, one making pedestrians in the District of Columbia observe the traffic lights. In my State, when a light turns red, pedestrians have to stop; but here they walk right on, among trucks and in general traffic, and when one is struck and injured he wants to sue some taxicab operator who perhaps has nothing but three children and one automobile. [Laughter.]

Mr. McKELLAR. Mr. President, would not the enactment of the bill cause a great many now in the taxicab business to leave it because they would not be able to pay for the insurance required, and would it not virtually result in turning over the taxicab business in the city of Washington to the large companies?

Mr. KING. My information is just to the contrary. In fact, I came to the Capitol in a cab yesterday, and the driver said he had been driving here for 17 years, and he insisted that this measure should be passed, because, he said, it was imperative that they should have some insurance. He said he felt those who were driving taxicabs ought to take out insurance so as to protect people who might be injured. If there is any objection to the bill—the Senator who reported it, the Senator from Maryland [Mr. TYDINGS], being absent—I have no objection to its going over.

Mr. CONNALLY. In rebuttal of what the Senator from Utah suggests, the present Presiding Officer (Mr. MCGILL in the chair) and the junior Senator from Texas last night went home in a taxicab driven by a man who has his own little car, and who insisted that this kind of a bill would ruin him and his brother taxicab operators.

Mr. LA FOLLETTE. Mr. President, if we are to find out which testimony is the most current, the Senator from Texas will have to give the hour when he and the Senator from Kansas were in the taxicab. [Laughter.]

Mr. O'MAHONEY. Mr. President, I should like to ask the chairman of the Committee on the District of Columbia, by which committee the pending bill was considered, whether the committee took into consideration at all the question of requiring insurance on all automobiles using the streets of the District?

Mr. KING. Private cars?

Mr. O'MAHONEY. Yes.

Mr. KING. I do not think the subcommittee did, I will say frankly. I was not a member of the subcommittee, but elaborate hearings were conducted, and the chairman of the subcommittee, the Senator from Maryland [Mr. TYDINGS] told me that a large number of witnesses were present, and that they worked out a bill that was satisfactory.

Mr. O'MAHONEY. Is not the Senator of opinion that if some cars are required to be insured by mandate of law, and others are not insured, a degree of inequality will be permitted to exist?

Mr. KING. I do not think I would be willing to vote, at this time, at any rate, to require every owner of a car who drives it only for his own use and the use of his family to take out insurance; but if the Senator desires to offer a bill to carry that idea into effect, I am sure the committee will consider it.

Mr. O'MAHONEY. I was considering the desirability of offering an amendment to the pending bill to carry out that idea.

Mr. KING. I hope the Senator will not do that, because it would have to go to conference.

Mr. CONNALLY. No doubt we will have another call of the calendar, and I should like very much to have the Senator from Maryland here to explain the bill in a little more detail.

Mr. BARKLEY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

OIL WORLD EXPOSITION AT HOUSTON, TEX.

The joint resolution (H. J. Res. 385) authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive, was considered, ordered to a third reading, read the third time, and passed.

INTER-AMERICAN RADIO CONFERENCE

The Senate proceeded to consider the joint resolution (S. J. Res. 197) authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, which was read as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $15,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified.

Mr. ADAMS. Mr. President, I wish to call the attention of the Senator from Tennessee to the fact that apparently there is a series of bills authorizing appropriations for the expenses of expositions, and I wondered whether the Senator had considered how far we were going to follow this course, and what it would add to the governmental appropriations if we continued.

Mr. McKELLAR. Mr. President, I think this is a good place to stop them; and if the Senator will ask that the joint resolution go over, I will join in the request.

I wish to say that there have been a great number of authorizations; and, of course, as soon as an authorization is made, an estimate is sent to the Congress, and we are required to appropriate the money. We are appropriating for expositions a great deal of money which ought not to be appropriated.

Mr. WHITE. Mr. President, the authorization for the expenses of participation of the United States in the radio conference should be passed by the Senate. It is contemplated that the conference will be held the coming November, and unless authority is given for the appropriation and

the money is made available, I do not see how the United States can participate.

It has been recognized by everyone who knows anything about radio that we cannot confine the radio impulses to a particular State, and it has been necessary so far to have the waves regulated within the United States. It is equally true that the radio waves and energy traverse the boundaries of countries, as well as of States, and most troublesome questions have arisen between Cuba, Mexico, and the United States, and between Canada and Newfoundland and the United States.

It seems to me it is vital if we are to have any orderly radio communication within the United States that there should be orderly protection against the outside interferences coming from other countries.

The conference is to be held with the purpose of working out orderly communication between the nations on the North American Continent, and I think it would be a calamity and might result in disaster to the whole broadcasting system of the United States if we were not able to work out happy arrangements with these nations.

Mr. McKELLAR. Mr. President, I will object for the present.

The PRESIDING OFFICER. The bill will be passed over.

PACIFIC MERCADO EXPOSITION

The Senate proceeded to consider the joint resolution (S. J. Res. 186) providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940 and in the year 1942, commemorating the landing of Cabrillo, and for other reasons, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the preamble and to insert the following:

Resolved, etc., That the Government of the United States hereby extends its official recognition to the Pacific Mercado (International Exposition) and authorizes the executive departments, independent establishments, and agencies of the Government to participate therein. Any expense incurred by such participation is to be met from any funds which may legally be used for that purpose and which may be available to such executive departments, independent establishments, or agencies.

SEC. 2. That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite foreign countries to such proposed Pacific Mercado (International Exposition) and to such proposed world's fair to be held in connection therewith, with a request that they participate therein.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was amended so as to read:

Whereas there is to be held in the city of Los Angeles, State of California, commencing in the year 1940, a continuing international exposition to be known as the Pacific Mercado, designed to promote closer relations and better understandings among the countries and nations of the world through the furtherance of trade, industry, and cultural arts, by gathering, arranging, and exhibiting the varied cultures of such countries and nations and the origins, progress, and accomplishments in science, the arts, education, industry, business, and transportation of such countries and nations, and by other appropriate means; and

Whereas there is to be held in said city, in the year 1942, in connection with said Pacific Mercado, a world's fair commemorating the landing of Cabrillo; and

Whereas the holding of said Pacific Mercado and, in conjunction therewith, said world's fair, will further the purposes of certain conventions and treaties signed at the Inter-American Conference for the Maintenance of Peace, held in the city of Buenos Aires, capital of the Argentine Republic, in December 1936; and

Whereas the city of Los Angeles, by amendment to its charter, approved by the electors of said city and by the legislature of the State of California, has been authorized to issue, through its department of water and power, bonds for the acquisition of a site for such continuing international exposition and world's fair; and

Whereas the State of California on May 21, 1937, enacted assembly joint resolution no. 47, chapter 106, memorializing the President of the United States to extend to the governments and dominions of the world invitations to participate in the Pacific Mercado in 1940 (reference CONGRESSIONAL RECORD, May 26, 1937, p. 5047; and

Whereas the State of California on May 25, 1937, appropriated $1,500,000 for the State's participation in the Pacific Mercado and exposition; and

Whereas such continuing international exposition and world's fair are worthy and deserving of the support and encouragement of the United States, and the United States has aided and encouraged such world's fair and celebrations in the past: Therefore be it

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 199) to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938 was announced as next in order.

Mr. McKELLAR. Let this go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

INVESTIGATION OF BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS

The Senate proceeded to consider the resolution (S. Res. 15) continuing certain resolutions relating to the investigation of bankruptcy and receivership proceedings in Federal court, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with an amendment, on page 1, line 9, to strike out "Congress; and be it further" and to insert "Congress, for the purpose of enabling the said committee to complete its work and prepare and file reports of its investigations, and for such purpose is authorized to expend from the contingent fund of the Senate not to exceed $5,000", so as to make the resolution read:

Resolved, That Senate Resolution 78, agreed to June 13, 1933, authorizing an investigation of the administration of receivership and bankruptcy proceedings in the courts of the United States, and other matters pertaining thereto, and supplemented by Senate Resolution 72, agreed to February 15, 1935; Senate Resolution 170, agreed to July 25, 1935; Senate Resolution 282, agreed to June 6, 1936; and Senate Resolution 308, agreed to June 5, 1936, is hereby continued in full force and effect during the Seventy-fifth Congress, for the purpose of enabling the said committee to complete its work and prepare and file reports of its investigations, and for such purpose is authorized to expend from the contingent fund of the Senate not to exceed $5,000.

The amendment was agreed to.

The resolution as amended was agreed to.

LT. V. BALLETTO AND OTHERS

The Senate proceeded to consider the bill (S. 2022) for the relief of Lt. Lorimer E. Goodwin, which has been reported from the Committee on Claims with an amendment on page 1, line 4, after the word "Treasury" to strike out "not otherwise appropriated, the sum of $911.15 to Lt. Lorimer E. Goodwin" and to insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Lt. V. Balletto the sum of $166.17, to Lt. Robert B. S. Barney the sum of $15.75, to Lt. W. D. Beattie the sum of $306.17, to Capt. Edward E. Benson the sum of $351.75, to Capt. William G. Brill the sum of $145.14, to Capt. Chester T. Brown the sum of $597.21, to Capt. Lindsey C. Brown the sum of $248.55, to Lt. Walter L. Doerty the sum of $323.94, to Capt. Patrick L. Dolan the sum of $1,612.71, to Lt. Joseph B. Donnelly the sum of $930.32, to Lt. Ralph F. W. Eye the sum of $836.06, to Capt. John E. Fauber the sum of $379.48, to Lt. H. C. Garretson, Jr., the sum of $851.85, to Capt. Wellington Glover the sum of $781.05, to Lt. Lorimer E. Goodwin the sum of $775.36, to Lt. Francis J. Grueter the sum of $281.51, to Lt. Leo Guibault the sum of $68.92, to Lt. Phillips R. Hall the sum of $375.24, to Lt. Leslie F. Hart the sum of $689.10, to Lt. Norman J. Houston the sum of $341.51, to Lt. H. G. Howard the sum of $131.16, to Lt. Dixi C. Hoyt the sum of $592.63, to Lt. John J. Kennedy, Jr., the sum of $651.35, to Capt. Herbert L. Kuhn the sum of $251.60, to Capt. Joseph A. McCusker the sum of $535.96, to Lt. E. W. Mailman the sum of $173.32, to Capt. W. H. Marble the sum of $476.15, to Lt. Edward J. Norris the sum of $383.28, to Lt. Harry A. Plumb the sum of $468.54, to Lt. Thomas J. Quigley the sum of $86.05, to Lt. Warren M. Rogers the sum of $116.48, to Capt. Lewis W. Sanford the sum of $402.47, to Lt. Roger G. Seely the sum of $262.61, to Lt. F. Arnold Todd the sum of $180.10, to Capt. Edwin L. Tucker the sum of $205.61, to Lt. Carl E. E. Webber the sum of $362.24, to Capt. H. E. Whitten the sum of $1,275.67, to Camp Educational Adviser William W. Blodgett the sum of $147.23, to Camp Educational Adviser

B. W. Chapman the sum of $34.03, to Contract Physician Daniel J. Sullivan, the sum of $83.03, to Contract Physician A. A. Weinstein the sum of $628.20, and to the Officers' Club the sum of $542.42"; and on page 3, line 11, after the word "all" to strike out "his" and insert "their", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Lt. V. Balletto the sum of $166.17, to Lt. Robert B. S. Barney the sum of $15.75, to Lt. W. D. Beattie the sum of $306.17, to Capt. Edward E. Benson the sum of $351.75, to Capt. William G. Brill the sum of $145.14, to Capt. Chester T. Brown the sum of $597.21, to Capt. Lindsey C. Brown the sum of $248.55, to Lt. Walter L. Doerty the sum of $323.94, to Capt. Patrick L. Dolan the sum of $1,612.71, to Lt. Joseph B. Donnelly the sum of $930.32, to Lt. Ralph F. W. Eye the sum of $836.06, to Capt. John E. Fauber the sum of $379.48, to Lt. H. C. Garretson, Jr., the sum of $851.85, to Capt. Wellington Glover the sum of $781.05, to Lt. Lorimer E. Goodwin the sum of $775.36, to Lt. Francis J. Grueter the sum of $281.51, to Lt. Leo Guibault the sum of $68.92, to Lt. Phillips R. Hall the sum of $375.24, to Lt. Leslie F. Hart the sum of $689.10, to Lt. Norman J. Houston the sum of $341.51, to Lt. H. G. Howard the sum of $131.16, to Lt. Dixi C. Hoyt the sum of $592.63, to Lt. John J. Kennedy, Jr., the sum of $651.35, to Capt. Herbert L. Kuhn the sum of $251.60, to Capt. Joseph A. McCusker the sum of $535.96, to Lt. E. W. Mallman the sum of $173.32, to Capt. W. H. Marble the sum of $476.15, to Lt. Edward J. Norris the sum of $383.28, to Lt. Harry A. Plumb the sum of $468.54, to Lt. Thomas J. Quigley the sum of $86.05, to Lt. Warren M. Rogers the sum of $116.48, to Capt. Lewis W. Sanford the sum of $402.47, to Lt. Roger G. Seely the sum of $262.61, to Lt. F. Arnold Todd the sum of $180.10, to Capt. Edwin L. Tucker the sum of $205.61, to Lt. Carl E. E. Webber the sum of $362.24, to Capt. H. E. Whitten the sum of $1,275.67, to Camp Educational Adviser William W. Blodgett the sum of $147.23, to Camp Educational Adviser B. W. Chapman the sum of $34.03, to Contract Physician Daniel J. Sullivan the sum of $83.03, to Contract Physician A. A. Weinstein the sum of $628.20, and to the Officers' Club the sum of $542.42, in full settlement of all their claims against the United States for reimbursement for personal effects destroyed as the result of a fire at the Charles M. Smith Civilian Conservation Corps Camp, at Waterbury, Vt., on December 26, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. AUSTIN. Mr. President, I recall some circumstances that are the foundation for these claims. My colleague [Mr. GIBSON] appears to have been the author of the bill. I have not seen it before this time. I know of the fire that is referred to in the bill. Waterbury is only a short distance from Burlington, Vt., and I knew of the loss that occurred to these officers and Civilian Conservation Corps employees. When the fire occurred, in midwinter, they had to get out through the windows of the barracks which the Government provided for them to live in, and left everything they possessed.

The bill, as amended, provides for the payment of damages to 37 Army officers, 4 Civilian Conservation Corps employees, and the officer's club, by way of reimbursement for personal effects destroyed as the result of a fire at the camp.

I think there is a very clear explanation of the bill in the report.

Mr. KING. Mr. President, I will ask the Senator why there were so many officers in a C. C. C. camp, and why they should have personal property there of the value, in one case, of $2,000.

Mr. AUSTIN. Because the project was a very large project, and employed a great many men.

Mr. McKELLAR. Is not a claim for $1,984 quite a large claim on the part of a man who is in a C. C. C. camp?

Mr. AUSTIN. To what does the Senator refer?

Mr. McKELLAR. I refer to the claim of Patrick L. Dolan for $1,984.50. It seems to me to be a very large claim for a man in a C. C. C. camp.

Mr. AUSTIN. Where does the Senator find that item?

Mr. McKELLAR. On page 4 of the report.

Mr. AUSTIN. It does not appear to be in the bill. The bill is what the Senate is concerned with passing. Dolan's claim in the bill is allowed at $1,612.71.

Mr. McKELLAR. Yes; it was cut down to some extent.

Mr. AUSTIN. I venture to say that no Senator would carry around in his mind the items of personal property owned by each one of these men that were destroyed in the fire; but I think it is safe to trust the Claims Committee, which handled the matter, to examine into each one of the claims in detail. The committee has made its examination and has made its report. It seems to me no special reason exists for turning down the claims.

Mr. KING. Mr. President, I regret that the Senator has not furnished me—probably it is my fault because of the form of my question—sufficient reasons why such a large number of officers were in a C. C. C. camp. My understanding is that the C. C. C. camps are for young boys who are without employment, and that only two or three officers of the Army are in a camp to exercise supervision. There must have been 15 or 20 officers in the camp.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. CONNALLY. Let me say that the officers were not responsible for being there. The Government sent them there. Whether there was 1 there or whether there were 15 there, they could not help it.

Mr. AUSTIN. I may say, in explanation, that the situation was peculiar. Probably Senators will find only rare instances like it. Certain rivers in Vermont had been examined years before the relief policy was begun. Therefore, it happened that certain projects of flood control in that region had already been prepared for, so that when the Federal Government desired to move out of Camp Hunt and other places near Washington the army of men who needed work, the Federal Government found a place in Vermont. So we received from Washington the legacy of all the poor men who were sent up there, and the number was very large. They went to work upon a huge earth dam, and upon other projects. I do not know how many officers were required for it, and I am not undertaking to explain why so many were there; but they were there, and they evidently established facts which justified the committee in favorably reporting the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Lt. V. Balletto and others."

BENEFIT PAYMENTS TO COTTON PRODUCERS

The joint resolution (S. J. Res. 205) providing for benefit payments to cotton producers with respect to cotton produced in 1937 was announced as next in order.

Mr. CONNALLY. Mr. President, I desire to make a statement in connection with the joint resolution which the junior Senator from Texas introduced several days ago.

The joint resolution was referred to the Senate Committee on Agriculture and Forestry, and it was amended in substance to carry out what is known as the 1935 plan of handling cotton loans. It is believed that the Executive has power under existing law to do what is proposed to be done under the joint resolution. The Senator from Mississippi [Mr. BILBO] and several other Senators called at the White House some days ago and reported to the Senate that the Executive had agreed in effect to do by Executive action exactly what this joint resolution proposed to have done, and it is believed that the Executive has that authority. So I am perfectly willing to have the measure go over, temporarily at least, until the question can be finally decided; and if it is found that the Executive does not have the authority, I shall then ask that the joint resolution be taken up, considered, and passed.

I ask the Senator from Mississippi [Mr. BILBO] if I have made a correct statement as to the situation?

Mr. BILBO. Mr. President, the statement made by the Senator from Texas is correct. The request from the White House is that the matter be left "as is", and the White House would prefer to issue an Executive order rather than to have a statute controlling the matter. The terms of the Executive order will be in line with the joint resolution introduced by the Senator from Texas.

In this connection, I ask unanimous consent that Calendar No. 1220, being Senate Concurrent Resolution 19, favoring the consideration of a permanent agricultural program on the coming of the next session of Congress, be indefinitely postponed and taken off the calendar, because what is provided in the concurrent resolution has been taken care of by Senate Joint Resolution 207.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 205, being Calendar No. 1235, will be passed over.

Without objection, Senate Concurrent Resolution 19, being Calendar No. 1220, will be indefinitely postponed.

LEWIS HAZARD

The bill (S. 2316) to authorize the award of a decoration under certain conditions to Lewis Hazard for distinguished conduct was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to cause the recommendation for the award of a decoration to Lewis Hazard, formerly a private, Company C, One Hundred and Ninth Machine Gun Battalion, United States Army, for distinguished conduct on or about August 10, 1918, in the Fismes section in France, to be considered by the proper boards or authorities, and such award made to the said Lewis Hazard as it is found his said conduct merits.

EXTENSION OF AGRICULTURAL CREDIT PROVISIONS

The bill (H. R. 7909) to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. HUGHES. Mr. President, the bill originated in the House, and after hearings before a subcommittee of the Committee on Agriculture of the House it was finally passed by the House. The bill came to the Senate, and a subcommittee of the Committee on Banking and Currency was appointed, of which our leader [Mr. BARKLEY] was the chairman. Open hearings were had upon the bill, and its provisions were fully explained to the subcommittee. The subcommittee reported it favorably to the full committee, and the provisions of the bill were then explained to the full committee; and the full committee has made a favorable report, without any change in the bill.

The bill is a long one, but that is principally caused by the fact that many small changes were made by its provisions, largely relating to the machinery provided for the operation of various credit acts, some of which were found not to be working well in practice. One of the main things involved was to provide authority which had long been needed and which those charged with carrying out the provisions of the various acts had as a matter of fact been exercising, to extend the time for making payments on the principal of certain loans. The plan of deferring payment on Commissioner loans for 3 years was adopted. The bill gives discretionary power to the Administration to defer payments on such loans for longer than 3 years, for whatever time is necessary, depending on the necessities of the cases that arise.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. LA FOLLETTE. Will the Senator state what the general effect of this measure if passed will be? Will it be to liberalize the policies of the various farm-credit organizations, or to make them more stringent?

Mr. HUGHES. The effect will be to liberalize them, to make them more workable.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. BARKLEY. Is it not true that this bill, while a lengthy one, is recommended by the farm-credit organizations in order to strengthen and at the same time liberalize the law in ways which they have found to be advisable and desirable through the experience they have had in administering the laws which have been on the statute books?

Mr. HUGHES. The Farm Credit Corporation has charge of administering several plans that have been adopted from 1933 on. It may be said that three of those plans are to continue. One is an emergency plan and is going out of existence. Three plans have been liquidated. In the work of liquidating and closing out some of them, and also the continuance of the ones that are to be continued, defects were found in the law and questions had arisen as to their right to do this and that, for instance, to have a receiver appointed for those that had ceased operating or were in liquidation. There were three of those, I believe. So that really it does not affect the work of the Farm Credit Administration—that is, they are to be just as liberal and just as broad and are going to do just what they have been doing—but the machinery was found not to be quite sufficient to carry out the purposes.

While this is a long bill, and there are a number of small amendments here and there in it, the committee went into all of them very carefully. They were explained to us and we investigated them. We had an open hearing, and I remember that the Senator from Oregon [Mr. STEIWER] was very much interested and asked a great many questions. It is all printed, and I have a copy of the printed hearings.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. O'MAHONEY. May I ask how many members of the committee were present when the bill was under consideration?

Mr. HUGHES. I could not tell the Senator how many members were present at different times, but the same number we usually have, seven or eight.

Mr. O'MAHONEY. How many at one time?

Mr. HUGHES. I think on the day of the hearing we had seven or eight.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HUGHES. I yield.

Mr. BARKLEY. Not only did the subcommittee have a hearing—I happened to be chairman of the subcommittee—but there was a majority of the subcommittee present during the hearing. Then, when the subcommittee made its report to the full committee we had a hearing of the full committee, all the items were gone into in detail, and there was a larger attendance of the full Committee on Banking and Currency on that day than usual, more than a majority, I will say to the Senator.

Mr. O'MAHONEY. May I ask the Senator, the chairman of the subcommittee, since this bill covers a large number of pages, and apparently goes in great detail into the reorganization of the farm-credit system, whether in his opinion it is such a measure as should be passed under the unanimous-consent rule on the call of the calendar?

Mr. BARKLEY. So far as I am individually concerned, knowing the bill as I do, I would be perfectly willing to pass it under that condition, but if any Senator objects to that I can realize it is a valid objection, although I think it is very important that this bill be enacted into law at the present session of Congress. It passed the House, I think, without a dissenting vote, came here, and has been given as careful consideration—I will say as detailed consideration—by the Committee on Banking and Currency and by the subcommittee as any bill with which I have been familiar in recent months.

Mr. O'MAHONEY. Mr. President, the Senator will realize, of course, that those of us who represent agricultural States are constantly receiving communications from our constituents with respect to the operation of the farm-credit system. It is one of the most important financial phases of the Government.

Mr. BARKLEY. That is absolutely correct.

Mr. O'MAHONEY. It is a matter of the greatest importance to a large number of citizens in every State in the Union, and particularly in those States west of the Mississippi.

I have a great deal of respect for the Committee on Banking and Currency, and of course a great deal of respect for any subcommittee that would be headed by the Senator from Kentucky; but I want to feel sure that there are no controversial matters in this bill and that it deals with clarifying amendments of the present structure and will not cause any difficulty to those who are utilizing the farm-credit system.

Mr. BARKLEY. I think I can assure the Senator of that. There are too many amendments to go into them in detail but, as a sample of what this bill does, the Senator will recall that at the beginning of 1933 when the Government invested a large amount of money in the Farm Credit Administration the law was so amended as to give the Government a majority of the directors, four out of seven. This bill liberalizes that by allowing the Government to name three, the farm loan associations three, and then from a list of three submitted by the farm associations a seventh is named. That is just one of the liberalizing provisions of the bill which restores to the farm organizations more power, and more authority and to that extent takes away authority even from the Governor and the other officers of the Farm Credit Administration. That is one of the things that I think is a fair sample of what the bill does. It clarifies and it liberalizes; the bill consists of amendments that the committee have found desirable and in some cases necessary in view of the experience in the administration of the act during the last 4 years.

Mr. O'MAHONEY. I have no desire to make objection to the consideration of the bill, but I do want to emphasize the fact that a great responsibility rests upon the Senate in the consideration of measures of this kind. When the calendar is called for the consideration of unobjected-to bills, a wise course would urge us to consider only those simple bills as to which there is no danger of any controversial features being involved.

Mr. BARKLEY. I approve the Senator's statement.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. WHITE. This is a bill of 42 pages. It passed the other body only on the 2d day of August, 11 days ago. It was reported to the Senate from the committee only yesterday. The members of the committee having jurisdiction may be familiar with it, but I submit that a single day is not a sufficient time to enable Members of the Senate generally to give proper consideration to the bill, and I am going to ask that it go over.

Mr. BARKLEY. I ask unanimous consent to have printed in the RECORD at this point a detailed analysis of the bill, so that by Monday Members of the Senate may be able to study it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The analysis referred to is as follows:

ANALYSIS OF THE FARM CREDIT ACT OF 1937

Section 1: Title of the act.

Section 2: Authorizes the extension of land-bank commissioner loans.

This section confers upon the Federal Farm Mortgage Corporation powers similar to those vested in the Federal land banks under paragraph "tenth" of 12 U. S. C. 781. It authorizes the Corporation to extend, in whole or in part, any unpaid obligation under the terms of any mortgage for such periods as may be agreed upon at the time when the extension is made. (Amends 12 U. S. C. 1020d.)

Section 3: Reduces the amount available for loans to joint-stock land banks under section 31 of the Emergency Farm Mortgage Act of 1933 (48 Stat. 47) and makes the reduced amount available through the Federal Farm Mortgage Corporation instead of the Reconstruction Finance Corporation.

No loans have been made to joint-stock land banks under section 30 of the Emergency Farm Mortgage Act of 1933, and the authority conferred upon the land-bank commissioner to make loans under this section expired on May 12, 1937. Section 31 of the Emergency Farm Mortgage Act of 1933, providing for loans to joint-stock land banks for the purpose of postponing foreclosure of first mortgages held by such banks, is amended by cutting down the amount available for loans thereunder from $25,000,000 to $2,000,000, and by extending the authority to make loans thereunder from May 12, 1937, the present expiration date of section 31, until July 1, 1938. Under the amendment the funds will be made available through the Federal Farm Mortgage Corporation instead of the Reconstruction Finance Corporation. This amendment makes it necessary for any joint-stock land bank obtaining such a loan to agree that it will postpone foreclosures for a period of 1 year upon the conditions now prescribed in section 31 of the Emergency Farm Mortgage Act. (Amends sec. 31 of the Emergency Farm Mortgage Act of 1933, as set forth in note to 12 U. S. C. 823.)

Section 4: Authorizes the Federal Farm Mortgage Corporation to make loans to Federal land banks and joint-stock land banks on the security of real-estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the Corporation's board of directors.

The second clause of this section is new matter and will enable the Federal Farm Mortgage Corporation to make loans to Federal land banks and joint-stock land banks on the security of assets not acceptable as collateral for farm-loan bonds issued by these banks. The balance of the section reenacts existing provisions of law. Such loans to joint-stock land banks may not exceed in the aggregate $10,000,000. (Amends 12 U. S. C. 1020d.)

Section 5: Provides for 12 farm-credit boards, prescribes the manner in which the members thereof shall be elected, and establishes the qualifications of such members.

This section, together with sections 6, 7, 8, 9, 10, and 11, will promote the further integration of the Federal farm-credit system through the creation of a cooperative farm-credit board in each of the 12 Federal land-bank districts now existing. This board will be ex officio the board of directors of the Federal land bank, Federal intermediate credit bank, production credit corporation and bank for cooperatives in the district, and will, in addition, be vested with the powers enumerated in section 6. With the exception of the third district director the members of the farm-credit board will be selected in substantially the same manner as the members of the Federal land-bank board of directors are now chosen.

Paragraph (a) provides for the creation of 12 farm-credit districts to take the place of the 12 Federal land-bank districts now existing, and changes the designation of these districts in the Federal Farm Loan Act, its amendments and supplements, to "farm-credit districts." (New provision, 12 U. S. C. 671 repealed by sec. 7 (a).)

Paragraph (b) provides for a farm-credit board in each farm-credit district, to be composed of seven members. Three of the members of this board are to be elected: One by national farm-loan associations and borrowers through agencies; one by production credit associations; and one by cooperatives which are stockholders or subscribers to the guaranty fund of the district bank for cooperatives. In addition there are to be three district directors, of whom two are to be appointed by the Governor of the Farm Credit Administration, and one, who will be known as the third district director, selected as provided in paragraph (d). The seventh director is to be a director at large appointed by the Governor of the Farm Credit Administration. (New provision. Substitute for 12 U. S. C. 678.)

Paragraph (c) provides that the present Federal land-bank directors shall be the first members of the farm-credit board, and establishes identity of board members for selection purposes. (New provision.)

Paragraph (d) provides that the third district director (who will be the successor to the district director now appointed to represent national farm-loan associations and borrowers through agencies) shall be appointed by the Governor of the Farm Credit Administration from among the three candidates receiving the greatest number of votes in a nomination by national farm-loan associations and borrowers through agencies. (New provision.)

Paragraph (e) sets out the procedure for nominating the three elected directors and the third district director. (Substantially reenacts 12 U. S. C. 679.)

Paragraph (f) sets out the procedure for electing the three elected directors. (Substantially reenacts 12 U. S. C. 680.)

Paragraph (g) fixes a 3-year term of office for all directors and provides for filling vacancies in the farm-credit board. (Substitute for 12 U. S. C. 681.)

Paragraph (h) prescribes the qualifications of directors; all directors must have been residents of the district for 2 years; officers and employees of any Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for cooperatives are made ineligible to serve as directors; and the extent to which district directors may engage in other business is restricted. (Substitute for 12 U. S. C. 682.)

Paragraph (i) continues in effect the present disqualification on conviction of felony or court award of damages for fraud applicable to all directors and to administrative and executive officials

of the Federal land bank, Federal intermediate credit bank, production credit corporation, and bank for cooperatives. (Substantially reenacts 12 U. S. C. 682a.)

Paragraph (j) provides for compensating members of the Farm Credit Board and sets certain limitations on the compensation which may be paid such members. (Substitute in part for 12 U. S. C. 683.)

Paragraph (k) is a saving clause as to 12 U. S. C. 672 and other provisions of law authorizing loans in Territories and insular possessions of the United States.

Section 6: Authorizes each farm credit board to employ joint officers and employees for the four district institutions, and to acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of the business of these institutions.

This section will permit the appointment of a unified service staff, similar to the present general agent's staff, and the unified handling of property needed in transacting the business of the four credit units in each district. Officers and employees appointed under this section will be officers and employees of the four institutions. (New provision.)

Sections 7, 8, and 9: Make changes in the Federal Farm Loan Act incidental to the creation of the farm credit boards.

Section 7 repeals provision for Federal land-bank districts (12 U. S. C. 671) and other provisions of Federal Farm Loan Act superseded by section 5; makes members of farm credit board ex-officio directors of Federal land bank in district (new); reenacts provision of 12 U. S. C. 683, making compensation of officers and employees of Federal land bank subject to the approval of the Farm Credit Administration; and repeals 12 U. S. C. 682a (substantially reenacted by sec. 5 (i)).

Section 8 preserves power of Farm Credit Administration to readjust territories of national farm-loan associations now exercised by reference to 12 U. S. C. 671.

Section 9 amend Twelfth United States Code 831, conferring removal powers upon the Farm Credit Administration, so as to permit the director at large to be removed for cause. Under existing law (12 U. S. C. 681, repealed by sec. 7) such director may be removed by the governor of the Farm Credit Administration at will.

Sections 10 and 11: Provide that the members of each farm credit board shall be ex officio the directors of the Federal intermediate credit bank, the production credit corporation, and the bank for cooperatives in the district.

Section 10 amends 12 U. S. C. 1022, providing that the directors of the Federal land bank shall be ex officio the directors of the Federal intermediate credit bank in the same city.

Section 11 amends 12 U. S. C. 1131 and 1134, making similar provisions for the production credit corporation and bank for cooperatives in the district.

Section 12: Extends the class of eligible purposes for Federal land-bank loans to include the refinancing of any indebtedness incurred prior to January 1, 1937.

Under existing law Federal land-bank loans may be made for the purpose of refinancing indebtedness incurred for agricultural purposes, irrespective of the date of its incurrence, but may be made for the purpose of refinancing nonagricultural indebtedness only if incurred prior to January 1, 1933. This date is changed to January 1, 1937, by this section. (Amends par. 4 of 12 U. S. C. 771.)

Section 13: Restricts the class of eligible purposes for Commissioner loans by excluding the refinancing of indebtedness incurred for nonagricultural purposes subsequent to January 1, 1937, except where such refinancing is sought in connection with proceedings under chapter VIII of the Bankruptcy Act.

Under existing law Land Bank Commissioner loans may be made for the purpose of refinancing any indebtedness of a farmer irrespective of the purpose for which it was incurred or the date of its incurrence. This section restricts eligibility for refinancing loans by the Land Bank Commissioner to the same classes of debts as are made eligible for Federal land-bank refinancing loans under section 12—that is, debts incurred for agricultural purposes or incurred prior to January 1, 1937—with the one exception that refinancing loans may still be made by the Land Bank Commissioner in connection with proceedings under chapter VIII of the Bankruptcy Act without regard to the purpose or date of the indebtedness to be refinanced. (Amends 12 U. S. C. 1016 (c).)

Section 14: Provides that when conditions justify it, the Land Bank Commissioner may, by provision in the mortgage, allow a borrower the right to defer payments on principal during the first 3 years his loan is in effect.

This section substitutes for the existing provision of law under which borrowers from the Land Bank Commissioner are entitled to defer all principal payments for the first 3 years their loans are in effect if not otherwise in default, a provision under which such initial deferments will be permissible only when the Land Bank Commissioner deems them to be justified in the light of the circumstances, and consents to the inclusion in the mortgage of a clause permitting the borrower to defer principal payments for 3 years if he is not in default with respect to any other provision of his mortgage. Under existing law a borrower from the Land Bank Commissioner is in effect given the privilege of turning a 10-year loan into a 13-year loan at his option, by electing to defer principal payments during the first 3 years the loan is in effect. Under this section the Land Bank Commissioner will be vested with the power of determining whether this privilege should be granted the borrower according as the circumstances of the individual case may warrant. (Amends 12 U. S. C. 1016 (c).)

Section 15: Authorizes Federal land banks and joint-stock land banks to purchase Federal Farm Mortgage Corporation bonds without restrictions as to price.

Under existing law the Federal land banks may purchase Federal Farm Mortgage Corporation bonds, but only at or below par. Paragraphs (a) and (b) of this section remove this limitation so as to permit purchases for more than par. They also confer upon the joint-stock land banks power to purchase Federal Farm Mortgage Corporation bonds without restrictions as to price. In addition, paragraph (c) of this section permits the proceeds of principal payments upon first mortgages pledged as collateral security for farm-loan bonds issued by a joint-stock land bank to be invested in Federal Farm Mortgage Corporation bonds. This provision confers upon the joint-stock land banks a power already vested in the Federal land banks by 12 U. S. C. 897. (Amends pars. 8 and 15 of 12 U. S. C. 781, and the last paragraph of 12 U. S. C. 897.)

Section 16: Authorizes Federal land banks to make loans to each other upon such terms and conditions as may be approved by the Farm Credit Administration.

Under existing law Federal land banks have express power to borrow money and to give security therefor, but have no express general authority to make loans to each other. (Adds a new paragraph to 12 U. S. C. 781.)

Section 17: Authorizes Federal land banks and joint-stock land banks to accept conditional payments from borrowers, such payments to be held by the bank for future application upon unmatured indebtedness of the borrower making the payment.

The Federal land banks and joint-stock land banks do not, at the present time, have express authority to accept payments from borrowers on the condition that they be not immediately credited in reduction of the principal of the borrower's loan, but that they be held by the bank for the purpose of being applied to future maturing installments on the loan as they come due. This section, by conferring such power, will make it possible for the land banks to accept in good crop years payments in excess of the installments for that year on the borrower's loan, and to hold these payments unapplied until some future year when the borrower is unable to meet his current payments because of a poor harvest or other cause. In order to protect the banks' bondholders this section requires that when a conditional payment is accepted for subsequent credit upon a first mortgage then or thereafter pledged as collateral security for farm-loan bonds such conditional payment shall be subject to all requirements, conditions, and limitations imposed with respect to principal payments by 12 U. S. C. 897 to 899. Conditional payments made under this section are to be credited upon the borrower's indebtedness to the land bank as he may from time to time direct in accordance with the terms and conditions upon which the payment has been accepted and may, at the option of the bank, be credited upon such indebtedness as and when it matures if not otherwise paid. If at any time after 5 years from the date on which a loan was made the borrower's conditional payments equal or exceed his total indebtedness under the loan, the entire loan will become due and payable at once and such conditional payments are to be forthwith credited upon the loan so far as may be necessary to pay it in full. The bank is authorized to pay interest on conditional payments while held unapplied. (Adds a new paragraph to 12 U. S. C. 781.)

Section 18: Authorizes the Federal land bank bond committee to appoint a subcommittee of three members.

The bond committee of the Federal land banks consists of the presidents of the 12 banks or their alternates. It is desirable that the bond committee be given express authority to exercise its functions through a smaller subcommittee. This section permits the bond committee to appoint a subcommittee composed of three of its members, and provides that this subcommittee, if appointed, shall have such authority to exercise the powers and to perform the functions of the bond committee as the committee may authorize. Members of the subcommittee are to be appointed for 1-year terms but may be dismissed by the bond committee at will. (Amends 12 U. S. C. 883.)

Section 19: Permits the paid-in surplus of the Federal land banks subscribed by the United States to be converted into a revolving fund, which may be transferred from one bank to another to meet unusual conditions.

Under the authority of paragraph "Tenth" of 12 U. S. C. 781, the Secretary of the Treasury has from time to time subscribed to the paid-in surplus of the Federal land banks for the purpose of assisting these banks in granting extensions pursuant to that paragraph, and in deferring payments of principal pursuant to paragraph "Twelfth" of 12 U. S. C. 771. This section provides that all unpaid balances of the funds appropriated for these subscriptions to paid-in surplus, and all repayments of Government subscriptions to paid-in surplus, shall be held in the Treasury as a revolving fund. This revolving fund is to be used for the making of additional subscriptions to the paid-in surplus of the Federal land banks, which subscriptions may be made for the purpose of assisting the banks in granting extensions and deferring principal payments. The duty of making such subscriptions out of the revolving fund upon the request of any Federal land bank made with the approval of the Farm Credit Administration is placed upon the Secretary of the Treasury. Such subscriptions to paid-in surplus may be repaid, in whole or in part, at any time in the discretion of the bank and with the approval of the Farm Credit Administration, and the Administration may at any time require their repayment, in whole or in part, if in its opinion the bank has resources

available therefor. (New provision to be added after 12 U. S. C. 698.)

Section 20: Changes the title of land bank examiners to "farm credit examiners."

Land-bank examiners appointed pursuant to the provisions of 12 U. S. C. 656 are, under the authority of other provisions of law, being used for the purpose of examining Federal intermediate credit banks, production credit corporations, banks for cooperatives, and other institutions under the supervision of the Farm Credit Administration. This section brings their title into conformity with their functions. (New provision.)

Section 21: Changes the term of office of national farm-loan association directors from 1 to 3 years, and provides for staggering the election of such directors.

This section provides that each national farm-loan association shall have a board of directors of from five to seven members; that the members of the board shall be elected by the shareholders at annual meetings; that they shall hold office for 3-year terms; and that a certain number of directors shall be elected each year. It also provides for filling vacancies on association boards of directors and eliminates the reference to the National Banking Act now contained in the provision of the Federal Farm Loan Act relating to the election of association directors. (Amends 12 U. S. C. 712.)

Section 22: Permits direct borrowers from Federal land banks to transfer or hypothecate their Federal land-bank stock to the Federal Farm Mortgage Corporation.

Under the provisions of the Federal Farm Loan Act the stock in Federal land banks for which direct borrowers from the banks are required to subscribe may not be transferred or hypothecated. Where the Federal Farm Mortgage Corporation holds a second mortgage, subject to a first mortgage in favor of the Federal land bank, it sometimes becomes desirable to take an assignment of the borrower's interest in the Federal land-bank stock in order to avoid losses which the Corporation might otherwise sustain. Due to the fact that creditors of borrowers or others may not attach, garnishee, or through any other legal process subject the stock of a Federal land bank, or any interest therein, to the payment of their claims, it was necessary to authorize the Corporation to take any legal action which might be appropriate to accomplish this purpose. After obtaining an assignment of the stock the Corporation would either hold the stock until the bank loan had been paid in full and the stock retired, when the proceeds would be paid over to the Corporation, or the Corporation would dispose of the stock to a subsequent purchaser of the property who assumed the Federal land-bank mortgage. (Amends 12 U. S. C. 723 (c).)

Section 23: Changes method of voting in stockholders' meetings of national farm-loan associations to: one member, one vote.

Present law gives each stockholder one vote per share of stock with maximum of 20 votes. (Amends 12 U. S. C. 732.)

Section 24: Provides that the favorable vote of a majority of the board of directors is sufficient to elect a prospective borrower to membership in a national farm-loan association.

Present law requires a two-thirds vote to elect an applicant to membership. (Amends 12 U. S. C. 745.)

Section 25: Provides that two or more national farm-loan associations may under an agreement between them, and with the approval of the Farm Credit Administration, elect a common board of directors which will act as the board of directors of each of the associations entering into the agreement; provides a method by which loans may be made through national farm-loan associations under certain special conditions although the capital stock of the association is impaired; provides that one association may by agreement service loans made though another association; and authorizes a method by which national farm-loan associations may, in proper cases, pay off and retire stock at its fair book value.

Paragraph (a) will facilitate the joint management program of the Farm Credit Administration under which national farm-loan associations operating in the same territory are encouraged to conduct their business at a common office and through a single secretary-treasurer for their mutual benefit and the convenience of borrowers in the territory served by them. It permits one or more members of the common board of directors to be elected by each association which is a party to the agreement and permits the balance, if any, of the directors to be elected by the shareholders of all the associations voting as a single group. Other methods of election may be used where deemed appropriate and the total number of directors may exceed the maximum of seven elsewhere fixed by law. The members of the common board of directors will be ex officio the directors of each association which has become a party to the agreement. In order to retain in the individual associations the power of approving or disapproving applications for loans, it is provided that the shareholders of each association which has entered into such an agreement shall elect the members of the association's loan committee at the annual meeting, and that the loan committee so elected shall sit in place of the association's board of directors with respect to the approval of applications for loans and the election of applicants to membership in the association. (New provision to be added after 12 U. S. C. 745.)

Paragraph (b) provides a method by which loans may be made through national farm-loan associations under certain special conditions, although the capital stock of the association is impaired. Each new borrower becomes a member of the association, subscribes to stock of the Federal land bank of the district in an amount equal to 5 percent of his loan, and pays a rate of interest one-fourth of 1 percent below the rate provided for on direct loans. When there are 10 or more of such borrowers with loans aggregating not less than $20,000 that are in good standing, it is provided that they automatically become mutually liable for each other's loans, their stock in the bank is exchanged for stock in the association, and their interest rate will be reduced one-fourth of 1 percent. The new members and old members will be in separate groups, with separate issues of stock and separate earnings and reserves, and there will be no intergroup liability. Provision is made for a termination of this segregation if and when all impairment in the capital stock of the old group of borrowers is removed. (New provision.)

Paragraph (c) authorizes any national farm-loan association, with the approval of the bank of its district, to enter into an agreement with another association operating in the same or adjacent territory under which the latter would be permitted to service loans made through the first association. The purpose of this provision is to make possible a more economical servicing of loans by associations. (New provision to be added at the end of 12 U. S. C. 761.)

Paragraph (d) authorizes a method by which impaired national farm-loan associations may, in proper cases, be permited to pay off and retire their capital stock at its fair book value upon full payment of the mortgage loans in connection with which such stock was issued originally, and to settle on the same basis the claims of any of their stockholders who have previously paid their loans in full but have not received credit for or the proceeds of their stock. The section provides for the appointment of a conservator by the Farm Credit Administration, preferably using an appraiser, who will prepare a report on the financial condition of an association. On the basis of this report and the recommendation of the Federal land bank, the Farm Credit Administration may then declare a formal valuation of the stock which will be used for this purpose. (New provision to be added at the end of 12 U. S. C. 961–966.)

Section 26: Authorizes Federal intermediate credit banks to acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of their business.

This section is believed to be desirable so that the authority of the Federal intermediate credit banks to acquire and convey property used in the performance of their functions will be specific. Heretofore such transactions have been conducted under the general authority of the banks to exercise "all the usual powers of corporations." (Amends 12 U. S. C. 1023.)

Section 27: Authorizes the Federal intermediate credit banks to pledge as collateral security for debentures issued by them United States Government bonds and Federal Farm Mortgage Corporation bonds.

This section authorizes the Federal intermediate credit banks to use United States Government bonds, or bonds fully and unconditionally guaranteed by the United States, as collateral security for their debentures. Under existing law, such collateral is limited to "cash, or notes or other such obligations discounted or purchased or representing loans made under section 202 (a) of the Federal Farm Loan Act." Authorization to employ obligations of the United States Government as collateral will be of advantage to the Federal intermediate credit banks, in view of the fact that a large part of their capital is now invested in these obligations. The Federal land banks have for some time been authorized to use United States bonds and Federal Farm Mortgage Corporation bonds as collateral for farm-loan bonds. This section will extend similar privileges to Federal intermediate credit banks in respect to the collateral for their debentures. The striking out of the phrase "when chartered and established" in the provision amended is due to the fact that this phrase is believed to be surplusage. (Amends 12 U. S. C., 1041.)

Section 28: Permits the Federal intermediate credit banks to withdraw on trust receipt pledged collateral of certain kinds, subject to the approval of the Farm Credit Administration.

This section provides that warehouse receipts, shipping documents, and other similar credit instruments, when constituting the underlying collateral securing notes which have been purchased or discounted by Federal intermediate credit banks and deposited with a farm-loan registrar as collateral security for debentures issued by these banks, may be released by the registrar on trust receipt in such form and subject to such conditions as may be approved by the Farm Credit Administration. Heretofore, such warehouse receipts, shipping documents, and similar credit instruments have been delivered physically to the registrar. This has occasioned considerable difficulty and delay in handling commodities covered by such receipts and documents. It is occasionally very desirable for the owners of such commodities to be able to dispose of them without delay, due to a rapidly fluctuating market. The purpose of this section is to permit the adoption of a procedure whereby warehouse receipts and similar documents can be held so that they will be available at all times when required for quick disposition of the commodities covered thereby. (Amends 12 U. S. C., 1042.)

Section 29: Permits Federal intermediate credit banks to purchase depentures issued by them without restrictions as to price.

This section authorizes any Federal intermediate credit bank, with the approval of the Farm Credit Administration, to purchase consolidated debentures issued by the 12 Federal intermediate credit banks and individual debentures issued by the purchasing bank or by any other Federal intermediate credit bank. If a Federal intermediate credit bank purchases debentures which it has issued, or which have been issued for its account, it may retire

them forthwith. If it purchases debentures issued by, or for the account of, any other Federal intermediate credit bank it may hold them until maturity. At the present time Federal intermediate credit banks are authorized to purchase debentures only at or below par. It sometimes happens that one of these banks has funds which are temporarily idle, and market conditions are such that it can use such funds for the purchase of debentures only by buying them at a price above par. The section is designed to give these banks more freedom in using temporarily idle funds advantageously. (Amends 12 U. S. C. 1053.)

Section 30: Changes the procedure for determining the amount of the franchise tax to be paid by each Federal intermediate credit bank.

This section modifies and clarifies the provisions of the Federal Farm Loan Act with respect to the disposition of the annual earnings of Federal intermediate credit banks. It provides that after paying or providing for necessary expenses each bank shall apply the earnings then remaining: First, to restoring any losses in excess of its reserves which may have occurred during the current year; second, to eliminating any impairment in its paid-in capital and paid-in surplus which may have occurred during the year; third, to the creation and maintenance of such reserves as may be found advisable; fourth, to the payment of 25 percent of the amount then remaining to the United States as a franchise tax; and, fifth, to the payment of the residue of its net earnings into its surplus account. Under existing law the net earnings of any Federal intermediate credit bank remaining after payment or provision for necessary expenses are to be paid into the bank's surplus fund until it amounts to 100 percent of the subscribed capital stock, and thereafter 50 percent of such earnings is to be paid into the surplus fund and the residue is to be paid to the United States as a franchise tax. No franchise tax has been paid to the United States for the past several years. It is believed desirable to amend the existing law in the manner indicated above which, it is expected, will result in substantial payments of franchise taxes to the United States. (Amends 12 U. S. C. 1072.)

Section 31: Amends the law relative to the furnishing of confidential information to Farm Credit Administration institutions by various Government agencies.

This section provides that the several executive departments, boards, commissions, and independent establishments of the Government, including the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, and the Federal Reserve banks, are authorized, upon request of the Farm Credit Administration, to furnish to the Administration or of any bank or corporation operating under its supervision, in confidence, information relating to the condition of any institution with which such bank or corporation, or the Administration, contemplates entering into business relations. At present such information is furnished only in connection with the affairs of Federal intermediate credit banks and it appears desirable to provide that similar information be furnished in connection with the affairs of the other institutions operating under the supervision of the Farm Credit Administration. (Amends 12 U. S. C. 1095.)

Section 32: Confers upon the 12 regional agricultural credit corporations certain powers necessary or convenient for their proper liquidation.

This section authorizes each regional agricultural credit corporation to transact business in any State of the United States, in the District of Columbia, and in Puerto Rico; to borrow money from any other regional agricultural credit corporation, the Reconstruction Finance Corporation, or any Federal intermediate credit bank; to lend any of its available funds to any other regional agricultural credit corporation; and to sell to or purchase from another regional agricultural credit corporation any part or all of the assets of any such corporation. The foregoing additional powers are believed necessary to enable each regional agricultural credit corporation to liquidate its business to the best advantage. (New provision.)

Section 33: Provides for the merger and consolidation of regional agricultural credit corporations.

This section will enable the Farm Credit Administration to effect the consolidation or merger of two or more regional agricultural credit corporations. It provides for granting charters to, prescribing bylaws for, and fixing the capital of, regional agricultural credit corporations formed by consolidation; and makes applicable to such consolidated corporations all provisions of law conferring powers upon, or otherwise affecting, the 12 regional agricultural credit corporations now in existence. It is believed that the foregoing provisions are necessary to permit the liquidation of these corporations in an efficient manner. (New provision.)

Section 34: Declares that nothing contained in sections 32 and 33 shall be construed as limiting the rights, powers, and authority heretofore granted to regional agricultural credit corporations, the Farm Credit Administration, or the Governor thereof.

Section 35: Authorizes the Central Bank for Cooperatives (1) to buy and sell interests in notes and other obligations, and (2) to borrow from, and discount or rediscount paper with, commercial banks.

Clause (c) of this section enlarges the power of the Central Bank for Cooperatives to buy and sell notes or other obligations by including therein the power to buy and sell interests in such notes and other obligations. Clause (d) of this section gives the Central Bank for Cooperatives power to borrow from, and discount or rediscount paper with, commercial banks, in addition to its present power of borrowing from, and discounting or rediscounting with, Federal intermediate credit banks and banks for cooperatives. Clauses (a) and (b) of this section reenact existing law. (Amends 12 U. S. C. 1134J.)

Section 36: Authorizes the 12 regional banks for cooperatives (1) to buy and sell interests in notes and other obligations, and (2) to borrow from, and discount or rediscount paper with, commercial banks.

This section confers upon the regional banks for cooperatives powers similar to those conferred upon the Central Bank for Cooperatives by section 35. (Amends 12 U. S. C. 1134c.)

Section 37: Authorizes the Farm Credit Administration to lease and sell properties acquired in connection with loans made from the Agricultural Marketing Act revolving fund, and to pay from this fund expenses incurred in handling acquired properties pending their sale.

This section authorizes the Farm Credit Administration to sell at public or private sale to the highest responsible bidder, after such public advertisement as it may deem necessary, real or personal property acquired in connection with loans made from the Agricultural Marketing Act revolving fund, and also authorizes the leasing of such property for a period not in excess of 5 years. It further authorizes the Farm Credit Administration to pay from the revolving fund obligations and expenses incurred for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property. (Amends 12 U. S. C. 1141b.)

Section 38: Provides that all funds derived from the sale, lease, operation, or other disposition of real and personal property acquired in connection with loans made from the Agricultural Marketing Act revolving fund shall be covered into such fund.

The purpose of this section is to definitely establish that all proceeds from the disposition of properties acquired on account of or as a result of any loan made from the revolving fund, together with all income from such properties, shall become part of the revolving fund. (Amends 12 U. S. C. 1141d.)

Section 39: Provides that the terms "debenture" and "debentures", when used in any act of Congress, whenever enacted, except the Federal Farm Loan Act, relating to the purchase, sale, or use as security, of debentures issued by or for the benefit and account of any Federal intermediate credit bank or banks, shall be deemed to mean debentures issued by any such bank individually and consolidated debentures issued by such banks acting together.

Section 40: Provides that if any provision of the act is held invalid the remainder of the act shall not be affected thereby, and reserve the right to alter, amend, or repeal the act.

The PRESIDING OFFICER. On objection House bill 7909 will be passed over.

PUNISHMENT FOR TRANSMITTAL OF THREATENING COMMUNICATIONS

The bill (S. 1138) to amend the statutes providing punishment for transmitting threatening communications was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 1 and 2 of the act of July 8, 1932 (47 Stat. 649), as amended (U. S. C., title 18, secs. 338a and 338b), be, and the same are hereby, further amended so as to read as follows:

"SECTION 1. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed lettter or other communication, with or without a name or designating mark subscribed thereto, addressed to any other person and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit, cause to be deposited, or cause to be delivered, as aforesaid, any letter or other communication containing any threat to kidnap any person or any threat to injure the person of the addressee or of another shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed letter or other communication, with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to kidnap any person or any threat to injure the person of the addressee or of another shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, or shall knowingly cause to be delivered by the post-office establishment of the United States according to the direction thereon, any written or printed letter or other communication, with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime shall be

fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted in the judicial district in which such letter or other communication is deposited in such post office, station, or authorized depository for mail matter or in the judicial district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon.

"SEC. 2. (a) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, of any foreign country any written or printed letter or other communication addressed to any person within the United States for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any demand or request for ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person any money or other thing of value, shall deposit or cause to be deposited, as aforesaid, any letter or other communication for the purpose aforesaid, containing any threat to kidnap any person or any threat to injure the person of the addressee or of another, shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter, of any foreign country any written or printed letter or other communication addressed to any person in the United States for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States, and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to kidnap any person or any threat to injure the person of the addressee or of another shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person any money or other thing of value, shall knowingly deposit or cause to be deposited in any post office or station thereof, or in any authorized depository for mail matter of any foreign country any written or printed letter or other communication addressed to any person within the United States for the purpose of having such communication delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to such addressee in the United States and as a result thereof such communication is delivered by the post-office establishment of such foreign country to the post-office establishment of the United States and by it delivered to the address to which it is directed in the United States, and containing any threat to injure the property or reputation of the addressee or of another, or the reputation of a deceased person, or any threat to accuse the addressee or any other person of a crime shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating this section may be prosecuted either in the district into which such letter or other communication was carried by the United States mail for delivery according to the direction thereon or in which it was caused to be delivered by the United States mail to the person to whom it was addressed."

SEC. 2. That the act of May 18, 1934 (48 Stat. 781; U. S. C., title 18, sec. 408d), be, and the same is hereby, amended so as to read as follows:

"(a) Whoever shall transmit in interstate commerce by any means whatsoever any communication containing any demand or request for a ransom or reward for the release of any kidnaped person; or whoever, with intent to extort from any person, firm, association, or corporation, any money or other thing of value, shall transmit, as aforesaid, any communication containing any threat to kidnap any person or any threat to injure the person of another shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever shall transmit in interstate commerce by any means whatsoever any communication containing any threat to kidnap any person or any threat to injure the person of another shall be fined not more than $1,000 or imprisoned not more than 5 years, or both.

"(c) Whoever, with intent to extort from any person, firm, association, or corporation any money or other thing of value, shall transmit in interstate commerce by any means whatsoever any communication containing any threat to injure the property or reputation of the addressee or of another or the reputation of a deceased person or any threat to accuse the addressee or any other person of a crime shall be fined not more than $500 or imprisoned not more than 2 years, or both.

"(d) Any person violating the provisions of this section may be prosecuted in the judicial district from or into which such threat is transmitted as aforesaid. The term 'interstate commerce', as used in this section, shall include communication from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia."

RESIDENCE REQUIREMENTS FOR JUDGES

The bill (S. 1691) to provide that resident requirements of judges shall not be held to apply to judges who have retired or resigned, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no provision of law requiring any judge of any court of the United States to reside in any district or circuit shall be held or considered to apply to any such judge after he shall have retired or resigned.

BILL PASSED OVER

The bill (S. 2900) to establish a fund for the insurance of mortgages securing loans for construction or reconditioning of domestic floating property used for commercial purposes was announced as next in order.

Mr. WHITE. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JUDSON M. GRIMMET

The bill (S. 2773) to authorize the issuance of an unrestricted patent to Judson M. Grimmet was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior shall issue an unrestricted patent for lot 7, section 14, township 18 north, range 14 west, Louisiana meridian, to Judson M. Grimmet, of Caddo Parish, La., if in his opinion such lands are neither mineral in character nor valuable for deposits of oil or gas: *Provided*, That said Judson M. Grimmet shall show to the satisfaction of the Secretary of the Interior that he has acquired all the rights which passed in said land to Riley Hamilton under patent 763165.

HEIRS OF LEWIS G. NORTON

The Senate proceeded to consider the bill (S. 1327) for the relief of certain purchasers of lots in Harding town site, Fla., and for the relief of the heirs of Lewis G. Norton, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, after line 6, to strike out section 3, as follows:

SEC. 3. In view of the equities appearing in the decision of the United States District Court for the Southern District of Florida in the case of United States against Norton, no. 2885 (14 Fed. (2d) 184), the unsold lots in said Harding town site, being lot 1 of block 4, lot 6 of block 5, lot 14 of block 7, and lots 4 and 11 of block 10, are hereby granted to the heirs of Lewis G. Norton, and the Secretary of the Interior is hereby authorized and directed to issue a patent therefor to the said heirs. This grant is made in satisfaction of all claims by the heirs against the United States in connection with said town site.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to any person who, as a result of an auction sale of lots in Harding town site, Fla., conducted during February 1924 by a representative of the Department of the Interior, agreed to purchase a lot in such town site and who (1) prior to the date of approval of this act, has paid to the United States 75 percent or more of the agreed purchase price of such lot, or (2) within 12 months after the date of approval of this act makes payment to the United States which, together with payment previously made, amounts to 75 percent of the agreed purchase price of such lot.

SEC. 2. As used in this act, the term "person" includes an individual, partnership, corporation, or association.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EVERGLADES NATIONAL PARK, FLA.

The bill (H. R. 2014) to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934, be, and the same is hereby, amended by striking therefrom the following words: "*And provided further*, That the United States shall not expend any public moneys for the administration, protection, or development of the aforesaid park within a period of 5 years from the date of approval of this act."

MAMMOTH CAVE NATIONAL PARK, KY.

The Senate proceeded to consider the bill (H. R. 5594) to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky., which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 4, after the word "otherwise", to strike out "or which hereafter may be allocated and made available", so as to make the bill read:

Be it enacted, etc., That all lands purchased from funds heretofore allocated and made available by Executive order, or otherwise, for the acquisition of lands for conservation or forestation purposes within the maximum boundaries of the Mammoth Cave National Park as authorized by the act of May 25, 1926 (44 Stat. 635), be, and the same are hereby, made a part of the said park as fully as if originally acquired for that purpose, and the proviso at the end of section 1 of said act of May 25, 1926, shall not be construed so as to prohibit the acquisition of lands in said area under funds made available as aforesaid.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to exclude the Great Onyx Cave and the Crystal Cave, or either of them, from the maximum boundaries of the said park, and the area required for general development of the said park by section 1 of the act of May 14, 1934 (48 Stat. 775), is hereby modified accordingly.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PALM SPRINGS RESERVATION, CALIF.

The bill (S. 2888) to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That with the consent of a majority of the adult members of the Agua Caliente or Palm Springs Band of Indians, the Secretary of the Interior be, and he is hereby, authorized in his discretion to lease or sell, under such rules and regulations as he may prescribe, to the Board of Supervisors, Riverside County, Calif., for a public airport and other uses and purposes incidental or appurtenant thereto, all or part of section 18, township 4 south, range 5 east, San Bernardino meridian, Calif.; such lease may be assigned with the consent of the Secretary of the Interior to the city of Palm Springs if and when said city is incorporated.

SEC. 2. Any lease executed pursuant to authority contained in this act shall be for a period of time not to exceed 25 years and may be renewable in the discretion of the Secretary of the Interior upon such terms and for such a period of time as he may prescribe. The renewal period, however, shall not exceed the term of the original lease. The proceeds derived from the leasing of said lands shall be distributed in per-capita payments to the properly enrolled members of the band having rights on the reservation.

SEC. 3. In the event the land is sold as herein authorized, the proceeds from such sale shall be deposited in the Treasury of the United States to the credit of the Agua Caliente or Palm Springs Band of Indians and shall draw interest at the rate of 4 percent per annum which interest shall be distributed in per-capita payments to properly enrolled members of the band.

The PRESIDING OFFICER. That completes the consideration of unobjected bills on the calendar.

BRIDGES IN CADDO PARISH, LA.

Mr. ELLENDER. Mr. President, I ask unanimous consent for the immediate consideration of the bill (S. 2882) to authorize the construction of bridges in Caddo Parish, La. The bill was reported this morning favorably by the Committee on Commerce. It is purely a local bill.

Mr. AUSTIN. Mr. President, I will ask the Senator from Louisiana whether the bill has the recommendation of the War Department?

Mr. ELLENDER. It has been recommended both by the War Department and the Agricultural Department.

Mr. AUSTIN. Does it involve any burden on the United States?

Mr. ELLENDER. None whatever.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2882) to authorize the construction of bridges in Caddo Parish, La., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Louisiana, the Louisiana Highway Commission, and/or to the parish of Caddo, La., and they are jointly and severally authorized to construct, maintain, and operate a free highway bridge and approaches thereto over each of the following-named streams at the following places in the parish of Caddo, La., to wit:

1. A bridge across Cross Bayou at Shreveport, La.;
2. A bridge across Twelve Mile Bayou approximately 3 miles north of Shreveport, La.;
3. A bridge across Caddo Lake at or near Mooringsport, La.;

all to be located along the proposed relocation of the State Highway Route No. 8, between Shreveport, La., and Rodessa, La., at a point suitable to the interests of navigation, and according to the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to all conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair), as in executive session, laid before the Senate a message from the President of the United States submitting the nomination of Edward G. Dolan, of Connecticut, to be Register of the Treasury, which was referred to the Committee on Finance.

EXTENSION OF AIR MAIL SERVICE

Mr. McKELLAR. I move that the Senate proceed to the consideration of House bill 6628, being Calendar No. 1079.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee that the Senate proceed to the consideration of a bill, the title of which will be stated.

The CHIEF CLERK. A bill (H. R. 6628) to permit the further extension of the Air Mail Service, reported without amendment.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. If the motion should be agreed to, what would be the effect on the pending business?

The PRESIDING OFFICER. The present occupant of the Chair is advised by the Parliamentarian that the unfinished business has been temporarily laid aside by unanimous consent until 2 o'clock Monday. The motion of the Senator from Tennessee, if agreed to, would not displace that arrangement.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Lodge	Schwellenbach
Ashurst	Clark	Logan	Sheppard
Austin	Connally	McGill	Steiwer
Barkley	Green	McKellar	Thomas, Okla.
Bilbo	Hatch	O'Mahoney	White
Borah	Hughes	Pepper	
Bridges	King	Pope	
Bulow	La Follette	Schwartz	

The PRESIDING OFFICER. Twenty-nine Senators have answered to their names. A quorum is not present.

ADJOURNMENT

Mr. BARKLEY. I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m.) the Senate adjourned until Monday, August 16, 1937, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate August 14 (legislative day of Aug. 9), 1937

REGISTER OF THE TREASURY

Edward G. Dolan, of Connecticut, to be Register of the Treasury, to fill an existing vacancy.

SENATE

MONDAY, AUGUST 16, 1937

Rev. Anson Phelps Stokes, D. D., LL. D., canon of Washington Cathedral, offered the following prayer:

Almighty God, the source of all authority and power, we humbly beseech Thee that Thy wisdom may direct and guide Thy servants here assembled as representatives of the States of this Union. Grant, we beseech Thee, that, laying aside all private interests, prejudices, and secondary loyalties, they may reach their decisions with a single thought to the safety, honor, and welfare of the people of this country and the good of mankind. Grant that, as a result of the deliberations of this week in the Senate, peace, prosperity, good government, and justice may be advanced. Make us equal to our high trust; reverent in the use of freedom; just in the exercise of power; generous in the protection of the weak; careful in preserving the priceless inheritance of our constitutional government.

And while we make our prayers in a nation at peace, we would remember before Thee those parts of the world where war is waging. Grant to the President of the United States and his advisers the highest wisdom in dealing with these grave international problems. Guide all nations into the way of justice and truth, and establish among them that lasting peace which is the fruit of righteousness. In Christ's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, August 14, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, as we resume the morning hour I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson, Colo.	Pope
Andrews	Clark	King	Radcliffe
Ashurst	Connally	La Follette	Reynolds
Austin	Dieterich	Lee	Schwartz
Bankhead	Donahey	Lewis	Schwellenbach
Barkley	Ellender	Lodge	Sheppard
Berry	Frazier	Logan	Shipstead
Bilbo	George	Lonergan	Smith
Black	Gerry	Lundeen	Steiwer
Bone	Gillette	McAdoo	Thomas, Okla.
Borah	Glass	McCarran	Thomas, Utah
Bridges	Green	McGill	Townsend
Brown, Mich.	Guffey	McKellar	Truman
Brown, N. H.	Hale	Minton	Tydings
Bulkley	Harrison	Moore	Van Nuys
Bulow	Hatch	Murray	Wagner
Burke	Herring	Neely	Walsh
Byrd	Hitchcock	Nye	Wheeler
Byrnes	Holt	Overton	White
Capper	Hughes	Pepper	
Caraway	Johnson, Calif.	Pittman	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Connecticut [Mr. MALONEY] are absent because of illness.

The Senator from New York [Mr. COPELAND], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON], as a member of the committee appointed to attend the dedication of the battle monuments in France, is absent on that official duty.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

THE LATE SENATOR JOSEPH T. ROBINSON

Mrs. CARAWAY. Mr. President, that the distinguished services of the late Senator JOSEPH T. ROBINSON, of Arkansas, our leader and my colleague, were appreciated throughout the world is attested by the number of messages expressing to this Government sincere condolence upon his death. The principal nations of the earth have joined in these expressions; and I ask that they be preserved in the CONGRESSIONAL RECORD as a testimonial of the high esteem in which Senator Robinson was held by foreign nations. Copies of these telegrams and communications were received by the State Department and transmitted to the President of the Senate.

The VICE PRESIDENT. Without objection, the telegrams and communications will be printed in the RECORD.

The telegrams and communications are as follows:

[Translation]

EMBASSY OF ECUADOR,
Washington, July 15, 1937.

His Excellency Mr. CORDELL HULL,
Secretary of State, Washington, D. C.

Mr. SECRETARY: The news of the sudden death of the distinguished public man and eminent citizen of your country, the Honorable JOSEPH T. ROBINSON, United States Senator for the State of Arkansas, has reached me [bringing] deep sorrow with [it].

His virtues as a patriot and a loyal collaborator, his knowledge, the energy displayed unceasingly within the Congress, in the service of democratic ideals, were appreciated and admired by those in my country who follow with interest the progress of this great Nation.

Permit me to express to Your Excellency, and through your worthy medium, to the illustrious Government, the Congress and the people of the United States, the sincere condolences of the Government and people of Ecuador, as well as my own, on the passing of the Honorable Senator ROBINSON.

I renew to Your Excellency the assurances of my very high consideration.

C. E. ALFARO.

[Copy]

LEGATION DE LA RÉPUBLIQUE TCHÉCHOSLOVAQUE,
Washington, D. C., July 17, 1937.

His Excellency the Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

EXCELLENCY: Upon the receipt of a telegraphic message from Dr. Frantisek Soukup, President of the Czechoslovak Senate, I have the honor to request that you kindly convey to the United States Senate, the expression of sincere condolence of the Czechoslovak Parliament upon the loss of its illustrious and esteemed Member, Mr. JOSEPH TAYLOR ROBINSON.

In the absence of the Minister, I wish to add his and my personal expressions of sympathy upon the decease of Mr. ROBINSON, whom we have always held in high regard.

Accept, Excellency, the renewed assurances of my highest consideration.

DR. JOSEF NEMECEK,
In Charge of Affairs.

[Translation]

LEGATION OF THE DOMINICAN REPUBLIC,
Washington.

The Envoy Extraordinary and Minister Plenipotentiary of the Dominican Republic presents his compliments to His Excellency the Secretary of State, while acknowledging receipt of His Excellency's note informing him that the funeral of Senator JOSEPH TAYLOR ROBINSON will be held in the Senate Chamber on Friday, July 16, at 12 o'clock, noon, and extending him an invitation to attend the ceremony.

The Envoy Extraordinary and Minister Plenipotentiary of the Dominican Republic thanks His Excellency the Secretary of State for the invitation and avails himself of the opportunity to express to His Excellency, in his name and in the name of the Dominican Republic his sincere condolences on the death of the distinguished Senator ROBINSON.

WASHINGTON, D. C., *July 16, 1937.*

[Copy. Telegram received. Plain. From London. Undated. Received 1:30 p. m. July 16, 1937]

SECRETARY OF STATE,
Washington:

I want to express to you and to your Government my deepest sympathy for your great loss in the person of the late Senator ROBINSON.

TROYANOVSKY.

[Copy]

JAPANESE EMBASSY,
Washington.

The Japanese Ambassador presents his compliments to the honorable the Secretary of State and has the honor to acknowledge the receipt of his note of July 15, 1937, extending to him an invitation to attend the funeral services over the remains of the late Senator JOSEPH TAYLOR ROBINSON, which are to be held in the Senate Chamber of the Capitol at 12 o'clock noon on Friday, the 16th of July.

The Ambassador takes the occasion to express to the American Government his sincere sympathy for the loss it has sustained in the passing of Senator ROBINSON.

Owing to absence from Washington the Ambassador has designated Mr. Yakichiro Suma, counselor of the Embassy, to represent him at the services.

JULY 16, 1937.

[Translation]

LEGATION OF BOLIVIA,
Washington, July 15, 1937.

His Excellency Mr. CORDELL HULL,
Secretary of State, Washington, D. C.

EXCELLENCY: In the name of the Government of Bolivia and in my own, I perform the painful duty of expressing to Your Excellency the most sincere condolence on the lamentable and unexpected death of the Honorable Senator JOSEPH TAYLOR ROBINSON, an eminent public man of great civic virtues, whose passing plunges American democracy into mourning.

Requesting Your Excellency to be good enough to accept the condolence which I have the honor to express as a demonstration of intense and deep sympathy on the part of my country and myself toward Your Excellency's country, I repeat to you the assurances of my very high and distinguished consideration.

LUIS GUACHALLA.

[Translation]

EMBASSY OF THE FRENCH REPUBLIC IN THE UNITED STATES,
Washington, July 15, 1937.

His Excellency the Honorable CORDELL HULL,
Secretary of State of the United States, Washington, D. C.

MR. SECRETARY OF STATE: The Government of the French Republic and the French Nation have learned with sorrow of the sudden death of Senator JOSEPH T. ROBINSON, majority leader in the Senate.

In conformity with instructions that I have just received, I have the honor to transmit to Your Excellency the sincere condolences of my Government on the loss which the United States of America has just experienced in the person of Mr. ROBINSON, and I should be very grateful if you would be good enough to transmit these condolences to the members of the family of the deceased Senator, as well as to the Members of the United States Senate.

Please accept, Mr. Secretary of State, the assurances of my very high consideration.

JULES HENRY.

[Copy]

ROYAL NORWEGIAN LEGATION,
Washington, D. C., July 15, 1937.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

SIR: It is with deep feeling that I have the honor to convey to you, and through you to the American Government, the sincere condolences of the Norwegian Government at the great loss that has been sustained through the passing away of Senator JOSEPH T. ROBINSON.

The Government and the people of Norway recognized in Senator ROBINSON a great and intrepid leader in that cause of democracy and social justice in which the American and the Norwegian peoples are partners.

Accept, sir, the renewed assurances of my highest consideration.

WILHELM MORGENSTIERNE.

[Copy]

EMBAJADA DE CUBA,
Washington, D. C., July 14, 1937.

His Excellency Mr. CORDELL HULL,
Secretary of State, Washington.

YOUR EXCELLENCY: I have the honor to convey to Your Excellency, in the name of my Government and in my own, the expression of deepest condolence in the unexpected and most lamentable death of Senator JOSEPH T. ROBINSON, a profound loss to Your Excellency's country and especially to the legislative body in which he served for so many years and where he was always one of the outstanding personalities.

Accept, Excellency, the assurances of my highest and most distinguished consideration.

MARTÍNEZ FRAGA.

[Copy]

LEGACION DE LOS ESTADOS UNIDOS DE VENEZUELA,
Washington, D. C., July 15, 1937.

His Excellency Mr. CORDELL HULL,
Secretary of State of the United States of America,
Washington, D. C.

SIR: I have heard with much regret of the death of the Honorable JOSEPH T. ROBINSON, majority leader of the Senate, in whose demise the United States loses one of its most important political assets.

In the name of the Venezuelan Government and in my own name, I have the honor to ask you to be so kind as to convey to His Excellency the President Roosevelt, our sincere sympathy and accept the same expression for yourself.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

DIÓGENES ESCALANTE.

[Copy]

REPUBLICA DE CHILE, EMBAJADA DE CHILE,
Washington, D. C., July 15, 1937.

His Excellency CORDELL HULL,
The Secretary of State, Etc., Washington, D. C.

EXCELLENCY: I have learned with great sorrow of the death of the Honorable JOSEPH TAYLOR ROBINSON, majority leader in the United States Senate, and I beg leave to convey to you in the name of my Government, a most sincere expression of sympathy in the great loss to your people and Nation.

I should be most grateful if you would also transmit this expression of sympathy to Mrs. Robinson, to whom I venture, also, to offer my personal condolences.

Accept, Excellency, the assurances of my highest consideration.

M. TRUCCO.

[Copy]

IRISH FREE STATE LEGATION,
Washington, D. C., July 14, 1937.

The Honorable CORDELL HULL,
The Secretary of State of the United States,
Washington, D. C.

SIR: I have the honor to inform you that my Government have heard with profound regret of the death of majority floor leader, Senator JOSEPH T. ROBINSON, and have instructed me to convey to the Government of the United States and to the family of the deceased their sincere sympathy.

Accept, sir, the assurance of my highest consideration.

M. MACWHITE.

[Copy]

LEGACIÓN DE GUATAMALA,
Washington, D. C., July 14, 1937.

His Excellency CORDELL HULL,
Secretary of State, Washington, D. C.

EXCELLENCY: On behalf of the Government of Guatemala I have the honor to convey through you to the Government of the United States of America its expression of profound sorrow and regret at the great loss which it has been called upon to sustain in the death of the Honorable JOSEPH T. ROBINSON, senior Senator from the State of Arkansas.

Please accept, Your Excellency, the assurances of my highest consideration.

ADRIAN RECINOS.

[Copy]

LEGACION DE NICARAGUA,
Washington, D. C., July 14, 1937.

His Excellency the Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

EXCELLENCY: I have the honor to express to Your Excellency on behalf of my Government and of this Legation the most sincere condolences on the death of the distinguished statesman, the Honorable JOSEPH T. ROBINSON, Senator of the United States, and offer my deepest sympathy to Your Excellency's Government and to the people of your country on their loss.

Accept, Excellency, the renewed assurances of my highest esteem and consideration.

C. BRENES JARQUÍN.

[Copy]

ROYAL BULGARIAN LEGATION,
Washington, D. C., July 14, 1937.

The Honorable Mr. CORDELL HULL,
Secretary of State, Washington, D. C.

SIR: I have learned with great regret about the passing of the late majority leader of the Senate, Senator JOSEPH T. ROBINSON.

For his important and long-continued service in shaping the Nation's affairs, I wish to express to Your Excellency and to the American Government my participation in the national mourning and to request Your Excellency to transmit to the family of the late Senator ROBINSON my heartfelt sympathy in their bereavement.

I avail myself of this opportunity to reiterate to Your Excellency the assurance of my highest consideration.

D. A. NAOUMOFF,
Minister of Bulgaria.

[Copy]

SPANISH EMBASSY,
Washington, 15 de Julio de 1937.

His Excellency CORDELL HULL,
Secretary of State, Washington, D. C.

EXCELLENCY: On behalf of the Spanish Government and myself I have the honor to express to Your Excellency the deepest and

most sincere condolences on the death of the Honorable JOSEPH TAYLOR ROBINSON, late a Senator in Congress from the State of Arkansas.

Accept, Your Excellency, the renewed assurances of my highest consideration.

ENRIQUE CARLOS DE LA CASA.

[Translation]

EMBASSY OF MEXICO,
Washington, D. C., July 14, 1937.

His Excellency Mr. CORDELL HULL,
Secretary of State, etc.

Mr. SECRETARY: Today's press announces the unexpected death of the Senator from the State of Arkansas and the majority leader, JOSEPH T. ROBINSON.

Knowing the antecedents of the illustrious deceased, as well as the prominent role which he had been playing in Congress, and the valuable services which he had rendered to his country throughout a long political career, I wish to express to Your Excellency's Government my most sincere regret.

I avail myself of this opportunity to again assure Your Excellency of my highest and most distinguished consideration.

F. CASTILLO NÁJERA.
Ambassador.

[Copy]

The Honorable CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: I wish to express to you and to request you to convey to the President and the Senate sincere personal condolences and those of my Government over the death of Senator JOSEPH T. ROBINSON. His passing is a great loss to the country which he has served with such distinction.

Sincerely yours,

C. OUMANSKY, *Chargé d'Affaires.*

[Copy]

ROYAL EGYPTIAN LEGATION,
Washington, D. C., July 15, 1935.

The Honorable CORDELL HULL,
Secretary of State, Department of State,
Washington, D. C.

SIR: On behalf of the Egyptian Government I wish to express to you sincere condolences on the death of the late Senator JOSEPH T. ROBINSON, of Arkansas.

In losing Senator ROBINSON the United States has lost a great leader and statesman and an outstanding citizen who devoted his entire life to the service of his country and his people. Egypt shares the sorrow of the American people in this great bereavement.

Accept, sir, the renewed assurances of my highest consideration.

ANIS AZER.

NOMINATION OF SENATOR BLACK TO THE SUPREME COURT

Mr. MINTON. Mr. President, I send to the desk, to be inserted in the RECORD, a letter from Hon. Jacob Weiss, of Indianapois, Ind., concerning the appointment of the Senator from Alabama [Mr. BLACK] to the Supreme Court. Mr. Weiss is a distinguished lawyer and one of the leading Jews of the State of Indiana.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHICAGO, *August 14, 1937.*

Hon. SHERMAN MINTON,
United States Senator from Indiana,
Senate Office Building, Washington, D. C.

DEAR SHAY: According to this morning's Chicago Tribune, the opposition to the appointment of Senator BLACK are undertaking to build up a simulated disagreement with the President's nomination of Senator BLACK for the Supreme Court. It seems that the accusation will be that Senator BLACK was at some time a member of the Ku Klux Klan.

Paradoxically, the methods to be employed by these defenders of racial rights and integrity are now employing the ill-famed methods of the long-forgotten Ku Klux Klan. The opposition would arouse race prejudice at a moment when this country needs most a dispassioned approach to matters of national polity

As the president of the Indianapolis Zionist district and an active Jew in all Jewish undertakings, I hurry to decry the methods of the opposition to Senator BLACK's confirmation.

It would be un-Jewish, as it is certainly un-American, to employ the methods now resorted to by those who would gain their ends through any means.

When Senator BLACK was in Indiana last summer I had the opportunity to visit with him and become acquainted with him. As an American Jew, zealous of the preservation of the traditional American ideals, and as one interested in the happiness and prosperity of the American people, I have watched with great interest every action of Senator BLACK in the United States Senate. I find that his every action has been commendable and one which every liberty-loving American, and certainly every Jew, must find to be agreeable with everything true and beautiful in the American scene.

Shay, I urge you to use your best efforts to expose the sham and insincerity of those who would now hold that Senator BLACK has a Ku Klux Klan background.

They who employ such methods to defeat the gracing of the Supreme Bench by so fine a liberal American as Senator BLACK is ought to be shamed and humiliated by exposing their lack of understanding of the fundamentals of American ideals. Certainly they are not friends of the Jewish people.

Shay, I beg you to pardon my officiousness in this particular, but after reading the article in the Chicago Tribune this morning I felt impelled to give you my reaction, and I am sure I voice the opinion of thinking Jews in this particular.

With kindest personal regards, I am,

Cordially and sincerely,

JACOB WEISS.

INDIAN LANDS IN ARIZONA

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2188) to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. HATCH, and Mr. FRAZIER conferees on the part of the Senate.

ORDER TO DISPENSE WITH CALL OF THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that, following the routine morning business, the call of the calendar be dispensed with today, inasmuch as it was called on Saturday last.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 7022) to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes, and it was signed by the Vice President.

WASHINGTON AIRPORT—MOTION TO RECONSIDER

Mr. KING. Mr. President, I desire to enter a motion to reconsider the vote on the passage of House bill 7985, to promote air commerce by providing for the enlargement of Washington Airport, and I move that the House of Representatives be requested to return the bill to the Senate.

The VICE PRESIDENT. The motion of the Senator from Utah will be entered, and, without objection, the motion requesting the House of Representatives to return the bill is agreed to.

VIRGINIA DARE CELEBRATION, ROANOKE ISLAND, N. C.

The VICE PRESIDENT. The Chair is in receipt of a communication from the Senator from Tennessee [Mr. MCKELLAR] tendering his resignation as a member on the part of the Senate of the Joint Congressional Committee appointed to represent the Congress at the three hundred and fiftieth anniversary of the birth of Virginia Dare, at Roanoke Island, N. C., on the 18th instant, and appoints the Senator from Missouri [Mr. CLARK] to fill the vacancy.

OPERATIONS OF HOME OWNERS' LOAN CORPORATION IN PENNSYLVANIA (S. DOC. NO. 92, PT. 2)

The VICE PRESIDENT laid before the Senate a letter from the vice chairman of the Home Owners' Loan Corporation, transmitting, in further response to Senate Resolution 157 (submitted by Mr. DAVIS and agreed to July 27, 1937), data setting forth the name, title, salary, and address of employees of the Home Owners' Loan Corporation in the State of Pennsylvania offices during the fiscal years 1934, 1935, and 1936, which, with the accompanying papers, was ordered to lie on the table and to be printed.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions and telegrams embodying resolutions from the Civitan Club, of Birmingham, Ala., the organizing committee of the Utica (N. Y.) Joint Board of Textile Workers, and the Young Democratic Club of Duval County, Fla., favoring the prompt comfirmation of the nomination of HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court

of the United States, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by a convention of the Five Civilized Tribes, in the State of Oklahoma, favoring the enactment of certain pending legislation for the benefit of members of the Five Civilized Tribes, which were referred to the Committee on Indian Affairs.

He also laid before the Senate a resolution adopted by the executive committee of the Finnish Workers Federation of New York City, N. Y., favoring the enactment of the so-called Schwellenbach resolution, being the joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, which was ordered to lie on the table.

Mr. BRIDGES. Mr. President, I present for appropriate reference a petition addressed to the Congress of the United States, signed by a group of citizens of Philadelphia, Pa., praying that they be afforded certain protection, and with it I should like also to submit for appropriate reference a letter addressed to me transmitting the petition.

The VICE PRESIDENT. The petition and letter of transmittal will be received and referred to the Committee on Education and Labor, and the petition will be duly noted.

(The petition of sundry citizens, being nonstriking employees of the Apex Hosiery Co., of Philadelphia, Pa., presented by Mr. BRIDGES, prays that they be afforded protection, as guaranteed by the Constitution, and alleged to be denied them by law-enforcing officers, and also prays for a Congressional investigation to determine the facts involved in the above-referred-to strike and labor situation.)

APPROPRIATION FOR UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION—CONFERENCE REPORT

Mr. VAN NUYS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 4, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the Senate amendment insert the following:

"Any funds heretofore or hereafter made available to the United States Constitution Sesquicentennial Commission for carrying out the functions imposed upon such Commission by or pursuant to law may be expended by the Commission for printing and binding outside the Government Printing Office and such objects as the Commission may deem necessary and proper to accomplish the purposes of such functions: *Provided*, That this provision shall not be construed as waiving the requirement for the submission of accounts and vouchers to the General Accounting Office for audit."

And the Senate agree to the same.

FREDERICK VAN NUYS,
EDWARD R. BURKE,
WM. E. BORAH,
Managers on the part of the Senate.
KENT E. KELLER,
ROBERT T. SECREST,
Managers on the part of the House.

Subsequently, on motion by Mr. BURKE, the report was agreed to.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon;

H. R. 4257. A bill for the relief of H. A. Montgomery (Rept. No. 1204);

H. R. 4622. A bill for the relief of Henry Clay Gibson (Rept. No. 1205);

H. R. 4875. A bill for the relief of Paul H. Norboe (Rept. No. 1206);

H. R. 4936. A bill for the relief of Charlotte Sweeney, a minor, Howard Sweeney, a minor, William Hintz, and Martha Hintz (Rept. No. 1207);

H. R. 5112. A bill for the relief of Frank Lee Borney (Rept. 1208); and

H. R. 6574. A bill for the relief of E. W. Ross (Rept. No. 1209).

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4506. A bill for the relief of Norman E. Sherman and Banks W. Smith (Rept. No. 1210);

H. R. 4583. A bill for the relief of Arthur T. Worley (Rept. No. 1211);

H. R. 5161. A bill for the relief of the Puget Sound Bridge & Dredging Co. (Rept. No. 1212);

H. R. 5431. A bill for the relief of Cyrus M. Lasher (Rept. 1213);

H. R. 5568. A bill for the relief of Maj. William W. McCaw (Rept. No. 1214); and

H. R. 8081. A bill authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments (Rept. No. 1215).

Mr. STEIWER, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 195) to convey certain lands to Clackamas County, Oreg., for public-park purposes, reported it without amendment and submitted a report (No. 1217) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2326) to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, reported it with an amendment and submitted a report (No. 1218) thereon.

He also, from the same committee, to which was referred the bill (H. R. 3162) conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Uncompahgre (Tabegauche), Uintah (Unita), and White River (Yampa and Grand River) Bands of the Ute Indians may have against the United States, and for other purposes, reported it without amendment and submitted a report (No. 1219) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 2190) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles of apparel made therefrom, and for other purposes, reported it with an amendment and submitted a report (No. 1216) thereon.

INVESTIGATION OF RADIO BROADCASTING—REPORT OF COMMITTEE ON INTERSTATE COMMERCE

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 149) authorizing an investigation and study of the broadcasting industry, of broadcasting in the United States, and of interstate and foreign communication by radio (submitted by Mr. WHITE on July 6, 1937), reported it with an amendment and submitted a report (No. 1203) thereon; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on August 13, 1937, that committee presented to the President of the United States the following enrolled bills:

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream; and

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRNES:

A bill (S. 2970) to provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes; to the Select Committee on Government Organization.

By Mr. PEPPER:

A bill (S. 2971) authorizing the Secretary of the Treasury to exchange sites for Coast Guard purposes; to the Committee on Commerce.

By Mr. MOORE:

A bill (S. 2972) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation; and to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 20 years; to the Committee on Banking and Currency.

By Mr. REYNOLDS:

A bill (S. 2973) for the relief of the Continental Petroleum Co. of Delaware;

A joint resolution (S. J. Res. 209) conferring jurisdiction upon the Court of Claims concerning a claim of the Continental Petroleum Co. of Delaware; and

A joint resolution (S. J. Res. 210) for the relief of the Continental Petroleum Co. of Delaware; to the Committee on Claims.

REGULATION OF AIR TRANSPORTATION—AMENDMENT

Mr. ANDREWS submitted an amendment intended to be proposed by him to the bill (S. 2) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate commerce, and for other purposes, which was ordered to lie on the table and to be printed.

IMPORT DUTIES ON TEXTILES

Mr. STEIWER submitted the following resolution (S. Res. 177), which was ordered to lie over under the rule:

Resolved, That the United States Tariff Commission is requested to transmit to the Senate not later than January 15, 1938, its recommendations with respect to the desirability of fixing the import duties on textiles on a basis of specific rates, subject to the limitations of existing ad-valorem rates, for the purpose of providing a more nearly equal competitive basis between countries having high costs of production and countries having low costs of production, in exporting textiles to the United States.

FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. GLASS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a brief of facts concerning the activities of the Federal Deposit Insurance Corporation. The brief presents a comprehensive survey of the Corporation's activities.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

FACTS CONCERNING FEDERAL DEPOSIT INSURANCE

I. Organization of the Federal Deposit Insurance Corporation: The Corporation was organized September 11, 1933, pursuant to provisions of the Banking Act of 1933, approved by the President June 16, 1933. Mr. Leo T. Crowley, of Wisconsin, as Chairman; Mr. Phillips Lee Goldsborough, of Maryland; and Mr. J. F. T. O'Connor, Comptroller of the Currency, comprise the Corporation's board of directors. The administrative organization of the Corporation is shown graphically and discussed in the Corporation's annual report for 1936.

II. Insurance coverage: On June 30, 1937, every depositor in 13,887 commercial banks (more than 93 percent of all commercial banks in the country) was protected to a maximum of $5,000 against loss on his deposits. It is estimated that insured accounts number 55,000,000 and that 98½ percent of this number are fully protected by the $5,000 individual insurance limit. Of the $50,000,000,000 of deposits in insured commercial banks, $22,000,000,000 are protected by insurance.

III. Financial aspects: The Federal Deposit Insurance Corporation is capitalized at $289,299,556.99, of which $150,000,000 was subscribed by the United States Treasury and the balance by the 12 Federal Reserve banks. The Corporation's income is derived from two sources. Insured banks pay assessments amounting to one-twelfth of 1 percent of their average total deposits each year. Revenue from this source now brings in about $39,000,000 annually. Income from investment of the Corporation's capital and surplus now amounts to, roughly, $9,000,000 a year. The annual outlay for administrative expenses is only about $2,500,000. On June 30, 1937, the surplus of the Corporation, representing an excess of income over administrative expenses and deposit insurance losses and expenses, was about $75,000,000. So far the Corporation's income from investments has been more than sufficient to cover all losses and expenses. Consequently, the Corporation's capital and its assessment receipts remain intact.

In case of necessity arising through deposit insurance losses, the Corporation is empowered to issue its debentures to the extent of about $1,000,000,000. A par market to a maximum of $500,000,000 for these debentures is to be provided by the Treasury and the Reconstruction Finance Corporation.

IV. Closed insolvent insured banks: From the beginning of deposit insurance through June 30, 1937, 132 insolvent insured banks were placed in receivership or were merged with the aid of loans by the Corporation. The 179,601 depositors in these banks, with total deposits of $51,755,000, were protected to the extent of $47,598,000, or more than 90 percent of their claims, by insurance, pledge of security, preferment, or offset. All but 488, or less than one-half of 1 percent, of the depositors in suspended banks were fully protected against loss. Of the 132 banks, 96, with deposits of $26,358,000, were placed in receivership, and 36, with deposits of $25,397,000, were merged with other banks with the aid of loans and purchases of assets by the Corporation amounting to $11,845,000. Payment of the claims of depositors in insured banks placed in receivership has been begun by the Corporation in every case within 10 days after the receivership became final.

Under the law the Corporation must act as receiver for all insured national banks which fail, and may act as receiver for closed insured State banks when so designated by State authorities. On June 30, 1937, the Corporation was serving as receiver for 6 closed national banks and for 19 closed State banks.

V. Supervision of insured banks: By giving to the Corporation an assessment income only one-third as great as would have been required to cover losses up to $5,000 for each depositor had deposit insurance been in effect from 1865 to 1934. Congress has laid upon the Corporation a mandate to improve greatly the effectiveness of bank supervision and the quality of banking standards and practices. The Corporation attempts to fulfill this mandate through its exercise of the following powers: (a) To select the institutions composing its membership; (b) to supervise the operations of insured banks; and (c) to terminate the insured status of any insured institution for cause.

The Corporation is empowered to pass upon the application for admission to insurance of every bank not a member of the Federal Reserve System. Applying banks are judged upon the following factors: (a) The financial history and condition of the bank; (b) the adequacy of its capital structure; (c) its future earnings prospects; (d) the general character of its management; (e) the convenience and needs of the community to be served by the bank; and (f) whether or not its corporate powers are consistent with the purposes of the Federal deposit insurance law.

With respect to bank members of the Federal Reserve System, the law reads that each such bank "shall be an insured bank from the time it is authorized to commence or resume business or becomes a member of the Federal Reserve System."

The Corporation's field forces examine at least once a year each insured State bank not a member of the Federal Reserve System. The reports of examination are reviewed and analyzed in the Washington office. Summaries of the examinations of insured banks members of the Federal Reserve System are furnished by the Comptroller of the Currency and the board of governors for review by the Corporation. Amicable relations with State bank supervisors have been fostered by the Corporation's willingness to make joint or alternate examinations with State authorities in order to minimize the expense and annoyance to both insured banks and State banking departments. Regular and special examinations made by the Corporation now number about 7,900 a year.

When continued indulgence in unsafe or unsound practices or violations of law by an insured bank are disclosed by examination of that bank, the Corporation is required by law to notify the appropriate supervisory authority. The offending bank is allowed a maximum of 120 days in which to correct the criticized practice or violation. If reexamination at the end of this period indicates that the required correction has not been made, the insured status of the bank may, after a hearing, be terminated. To June 30, 1937, 41 banks had been cited to supervisory authorities and the insured status of 1 bank had been terminated.

OUR HERITAGE—ADDRESS BY DR. JOHN M. THOMAS

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address entitled "Our Heritage", delivered by Dr. John M. Thomas, former president of Middlebury College, on the occasion of the dedication of old First Church of Bennington, as Vermont's colonial shrine, on Aug. 15, 1937, which appears in the Appendix.]

The VICE PRESIDENT. Morning business is closed.

AMERICAN TROOPS IN CHINA—ASSERTED CONSENT TO ENGLAND TO USE UNITED STATES TROOPS

Mr. LEWIS. Mr. President, with the consent of the Chair and the Senate I beg the privilege of intruding at this point and addressing the Senate for a few moments on the situation of the United States in China.

The public press informs us of a very regretful and what appears to be a very serious situation in China as to Americans as well as to the world. I have on a previous occasion taken the liberty to address this honorable body recounting

what I felt was the necessity for bringing home the American soldiers now in China.

I beg to call attention that as to that some suggestions have been made by the able Senator from Nevada [Mr. PITTMAN], chairman of the Foreign Relations Committee, in a late informing address to the Senate as to some necessity directed by diplomacy for retaining the troops in their present position. I am moved this morning to note that in a wireless message to the Government we are informed from London that a combination policy will be maintained by the British Government in collaboration with the United States as to China. As to Japan the open statement is made that the question of putting economic pressure on Japan is under consideration, but not until a "united front with the United States" is achieved.

Mr. President, I am moved to ask what is keeping our soldiers in China. Has it come to the point that there are those who are so audacious, whether in the Orient or in America, professing to be officers of the Government of the United States, who have pledged to England that we will keep our soldiers in China that they may participate in any conflict which may be necessary with regard to maintaining the property of England situated in China? We hope England will be able to keep her property, her rightful property, and protect her people; but we cannot understand why it should be even suggested that the troops of the United States be kept in China for the purpose of uniting with any troops of any foreign country or to enter into conflict or possibly engage in China in the war strife between China and Japan.

Mr. President, I called attention but a day or two past to what I felt was the need for moving our troops out of China—to reinstate them where American possessions may be served by them whenever necessary. I ask Senators if they will bear with me a moment to recall General Hagood, of South Carolina, late a major general of the United States Army. General Hagood was lately held up in this body as a very eminent soldier, praised by the Senate, and approved by the President of the United States. I read from his book just published, page 25:

> After the Boxer Rebellion in 1900, the allied forces, more particularly the Americans, the British, the French, the Germans, and the Japanese, left some troops in Tientsin for the purpose of guarding the railroad from that city to Peking, 150 miles to the north, thus insuring, in case of another such uprising, a safe exit for the foreign ambassadors. Since that time the Chinese have developed modern armies. Some of their officers have graduated from West Point and our service schools as well as from the military schools of other countries. They have airplanes, all of the other military appliances, and 2,000,000 men under arms. The Japanese have expanded their garrison at Tientsin until it takes a lieutenant general to command it. How many other troops the Japanese have in China would be hard to say.
>
> But our two little battalions of Infantry still hold on. America, as usual, would not take a slice of the international settlement; we even gave back the Boxer indemnity. As a result, our soldiers as well as our officers and their families, our military stores, and our weapons are billeted in rented apartments.
>
> No known military reason exists for keeping this little handful of soldiers in China. It is said that they are there for diplomatic reasons. If that be so, then the reasons are bad.
>
> At any rate, if America is going to get its mind upon its own military situation, if it wants to remove all possible causes of irritation to others, if it wants to make America safe for Americans and let the rest of the world make itself safe for itself, a good beginning would be to take these troops out of China. It will save the taxpayers a tidy sum and put these men back where they belong.

Mr. President, I offer these comments from General Hagood as expressing my own thoughts, and naturally as confirming those I have previously expressed to this body.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. LEWIS. I gladly yield.

Mr. CLARK. I have listened with great interest to, and very largely in complete agreement with, the remarks of the distinguished Senator from Illinois, but I should like to ask the Senator why he confines his remarks in this international crisis to the question of American military forces rather than military and naval forces?

I am informed there are at the present time in Chinese waters 39 American vessels of war, whose total cost or total value to the United States is probably in excess of the approximately $200,000,000 of investments we have in China. When it comes to a question of involvement of the United States in war it seems to me the withdrawal of this rather large naval force should go hand-in-hand with the withdrawal of the military forces which, as the Senator has already explained, there is not and never has been any real reason for maintaining in China.

Mr. LEWIS. I acknowledge with a sense of indebtedness the wise suggestion of the Senator from Missouri, but I reply by saying that as to the soldiers around Tientsin I naturally feel and greatly fear that if there should be a conflict between those soldiers and the Japanese soldiers there would be brought on a result serious to the United States. I, therefore, felt that bringing our soldiers out would rescue us from a complication which seems imminent.

As to the Navy, I join my able friend from Missouri heartily. I wish to have those waters cleared completely of the American Navy under present conditions, for that likewise may involve us in a very serious result. But I assume from the morning's reports that our naval ships are being used at the present time for the purpose of transporting Americans out of China and giving them a temporary habitation and refuge on the ships until they can be landed at some place of their own selection.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. LEWIS. Certainly.

Mr. CLARK. I think the present employment of those ships in removing Americans from the danger zones is entirely proper. The Senator is aware of the fact that we habitually maintain in those waters a very considerable naval force. I suggest to the Senator, while it is entirely true that the involvement of American troops or American marines in conflict with either Japanese or Chinese troops would be a very serious international complication; that it would be a no less serious complication if an American battleship or an American cruiser or an American gunboat should happen to be hit by a bomb from either the Japanese or the Chinese aviation forces.

Mr. LEWIS. It may be, and, of course, it must be, that there are dangers from either point of view. I have expressed my views as to the soldiers because, previously, I have spoken on that subject; and at this time I had wanted to bring to bear, in fortification and sustenance of my previous expressions, the treatise written by the eminent soldier of war, General Hagood, who served in China, as we all recall. I thank Senators for honoring me with their attention for the moment, as I invite attention to the fact that I served in a not particularly important matter in China and there beheld, as many Senators have, that our United States compound in China is not as large as the Government grounds surrounding the National Capitol. The mere suggestion that the reason for holding those soldiers is upon the theory of protecting that land and holding it there for the Government is perfectly absurd.

I conclude by asking this question: I should like to know what sources there are, in the Orient or elsewhere, that have assumed to intimate to any foreign government that the United States will hold its forces, Army or Navy, to collaborate with and conjoin any foreign country in any action in the Orient it may find necessary to itself. As much as we should like to help any country avoid trouble, I cannot conceive that the War Department here in America, or the Navy Department at Washington, or, sir, the diplomatic department, and never the President, could give their approval to those, whoever they are, that have licensed these officials from foreign nations to say from London that they are arranging and have arranged that these matters of action in China of outside nations shall await "further development and union within the United States."

Mr. KING. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Utah.

Mr. KING. I did not have the pleasure of hearing the opening remarks of my friend from Illinois. I inquire whether or not in his remarks he had occasion to advert to the Four Power Treaty, the Nine Power Treaty, and the Kellogg-Briand Pact, all of which imposed obligations upon Japan as well as upon China, and more or less of obligations upon the United States, or, at any rate, gave to the United States opportunity to confer with Japan or any other nation whose action affected the status quo in the Pacific. I was wondering if the Senator had cognizance of those matters in the observations he made this morning.

Mr. LEWIS. I answer my able friend by saying that I not only have cognizance of the matters to which he refers, but I have had occasion to call attention to the fact that the nine-power pact to which my friend alludes—a very illustrious document in its reading—has received no obedience from the countries party to it. It has not protected us in any respect. It has been completely ignored; and as far as that is concerned, sir, the administrations in power here have frankly conceded, under the various Secretaries of State, that they were impotent to carry out those provisions for lack, I may say to my able friend, of the cooperation of the very signers themselves.

Now, as to the Kellogg Pact: The Kellogg Pact, it is true, declared that war should not be the policy of nations, and prescribed the dream that we should have peace by simply notifying all nations to join in our efforts. I see that our honorable Secretary of State has lately addressed communications to the different nations of the world asking their cooperation in a similar enterprise of peace. I hope he will have success. I deplore to have to revive to his mind that Mr. Bryan, the Secretary of State under President Wilson, negotiated an apparently very similar move; and the final result was that not one paid heed to it as we approached the World War; but, as we recall, we were led further to distraction, and ultimately into confusion, and then into the conflict.

I answer my friend from Utah that instead of getting benefit from some of these agreements, I fear that we have entered into the agreements with promise, but realized literally the expression that we recall of Macbeth of the witches making the promise to the ear to break it to the hope.

I say, yes; the able Senator is quite right. There were agreements of that nature entered into, and could they be fulfilled it would be well for our land and for peace everywhere. But I ask my able friend, the Senator from Utah, does he not realize that now, while these countries are at war, and there is no manner of asking them to enforce that which we could not ourselves enforce, it would be unfair to hold them responsible for the violation of purely civil compacts? Therefore, is not this the time to take such steps as we find necessary to avoid ourselves being drawn into military confusion that may mean conflict for the United States?

I hope no one professing to be an officer of the United States, either here or in the Orient, will assume to make any arrangements with any foreign country that pledges our forces to come to the aid of any land abroad for the preservation of its possessions somewhere else in the world. America must remain America, and for that she must remain American. All hands for all for peace—no American arms to any for war.

PREVENTION AND CONTROL OF FLOODS

Mrs. CARAWAY. Mr. President, I introduced Senate Joint Resolution 57, to authorize submission to Congress of a comprehensive national plan for the prevention and control of floods of all the major rivers of the United States. Representative McCLELLAN had introduced a similar resolution in the House.

My resolution was reported favorably by the Committee on Commerce. It passed the Senate, and was amended in the committee in the House to include not only a report on a flood-control plan, but a report on a plan for soil-conservation, hydroelectric power development, and soil-erosion control.

The resolution as amended passed the House and was returned to the Senate. It was my understanding that the amendments were agreeable to the President. I made a motion to concur in the House amendments, and the resolution was again passed in the Senate. The President, under date of August 13, returned the joint resolution without his approval. The resolution provided that the plan should be prepared by the Army engineers who have heretofore been in charge of flood-control matters.

As I see it, the report of the Army engineers would in no way be binding on the Congress. In the last analysis, Congress would have to enact all legislation seeking to cover these subjects, and could take into consideration not only the reports called for by my resolution but reports from other agencies. The President feels that the Corps of Army Engineers alone is not sufficient to formulate a plan so comprehensive in scope. He does not say that the objective of the joint resolution can be attained without any legislation whatever, but he admits the need for such a broad plan; and I am much pleased that he says:

> I propose to present to the Congress in January a comprehensive national plan for flood control and prevention and the development of water and soil conservation.

That having been my idea in introducing the resolution, I am content. Immediate action for the prevention of loss of life and property is what we most want.

EXTENSION OF AGRICULTURAL CREDIT PROVISIONS

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of House bill 7909, Calendar No. 1240.

The VICE PRESIDENT. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (H. R. 7909) to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Kentucky [Mr. BARKLEY].

The motion was agreed to; and the Senate proceed to consider the bill H. R. 7909, which had been reported from the Committee on Banking and Currency without amendment.

Mr. BARKLEY obtained the floor.

Mr. KING. Mr. President, when this bill was reached on the calendar the other day it was passed over. I shall be glad if the Senator will explain the bill.

Mr. BARKLEY. Mr. President, this is purely an administrative bill with reference to the Farm Credit Administration. During the past 3 or 4 years various purely technical changes have been found to be necessary in the administration of the Farm Credit Act, and they have been very carefully worked out by the Farm Credit Administration.

The bill passed the House without, I think, a dissenting vote. It came over to the Senate, was referred to the Committee on Banking and Currency, and then was referred to a subcommittee of which I happened to be chairman, and of which the Senator from Delaware [Mr. HUGHES] was a member, and other Senators whom I need not name. We had a detailed explanation of the bill before the subcommittee by the Governor and the General Counsel of the Farm Credit Administration. We reported the bill favorably to the full committee by unanimous vote of the subcommittee. Then the full committee had before them the Governor of the Federal Farm Credit Administration and the general counsel, and they again went into the details of the bill as they had done before the subcommittee, and again the full committee unanimously reported the bill out for consideration.

The bill makes certain changes of a purely technical and administrative character in the administration of the Farm Credit Act. Among them, it restores the method of choosing the directors of the farm credit associations. It allows the Farm Credit Administration to extend the time within

which outstanding loans to farmers by the farm-loan banks may be paid back. It seems to me it is a very desirable bill. While it is a long bill so far as pages and sections go, I assure the Senate that the subcommittee and the full Committee on Banking and Currency gave the bill very careful consideration; and I hope it will be enacted.

Mr. McGILL. Mr. President——

Mr. BARKLEY. I yield to the Senator from Kansas.

Mr. McGILL. How does the new bill provide for the selection of the board of directors by the Federal Farm Credit Administration?

Mr. BARKLEY. Prior to the Emergency Act of 1933, the law provided for the appointment of three directors by the Farm Credit Administration, three by the farm-loan associations, and a seventh from a list to be submitted by farm-loan organizations. Under the act of 1933 the Federal Government put quite a large sum of money into the farm-loan banks in order that they might function, and it was felt that a majority of the directors, four out of seven, ought to represent the Government. That is the existing status. The bill restores the selection to the method which existed for 19 years prior to 1933, and in fact gives the farm organizations four out of the seven directors instead of the Government having four out of the seven.

Mr. KING. Mr. President, may I ask the Senator one question?

Mr. BARKLEY. I yield to the Senator from Utah.

Mr. KING. Is there any provision in the bill which would modify in any way the views recently expressed by the President of the United States in his veto message?

Mr. BARKLEY. No; the bill does not deal with that subject at all.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill (H. R. 7909) was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Farm Credit Act of 1937."

SEC. 2. Section 4 (b) of the Federal Farm Mortgage Corporation Act (U. S. C., 1934 edition, title 12, sec. 1020d) is amended by adding at the end thereof the following new paragraph:

"When in the judgment of the directors conditions justify it, the Corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation, together with interest thereon, at a rate not exceeding 5 percent per annum, during such period and in such amounts as may be agreed upon at the date of making such extension."

SEC. 3. Section 31 (a) of the Emergency Farm Mortgage Act of 1933 (48 Stat. 47), as amended, is amended by striking out all prior to the first proviso and inserting in lieu thereof the following:

"(a) The Federal Farm Mortgage Corporation is authorized and directed to make available to the land-bank commissioner until July 1, 1938, out of the funds of the Corporation, the sum of $2,000,000, to be used for the purpose of making loans to the joint-stock land banks organized and doing business under the Federal Farm Loan Act, as amended. Loans made by the land-bank commissioner under this section shall be made in the name and on behalf of the Corporation and shall bear interest at a rate not to exceed 4 percent per annum. No loan shall be made under this section to any joint-stock land bank except for the purpose of obtaining, for a period of 1 year from the date on which the loan is made, postponement of the foreclosure of first mortgages held by such bank on account of (1) default in the payment of interest and principal due under the terms of the mortgage, and (2) unpaid delinquent taxes, excluding interest and penalties, which may be secured by the lien of said mortgages:".

SEC. 4. The first sentence of section 4 (b) of the Federal Farm Mortgage Corporation Act, as amended (U. S. C., 1934 edition, title 12, sec. 1020d), is amended to read as follows: "The Corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the Corporation; to make loans to Federal land banks and joint-stock land banks on the security of real-estate mortgages, sheriff's certificates, sales contracts, and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however*, That loans outstanding to joint-stock land banks under this subsection shall not at any one time exceed in the aggregate $10,000,000; to make loans to Federal land banks on the security of consolidated farm-loan bonds; and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended."

SEC. 5. (a) There shall be 12 districts in the continental United States, excluding Alaska, which shall be known as farm credit districts, and may be designated by number. The boundaries of the 12 Federal land bank districts existing as of the date of enactment of this act shall be the boundaries of the respective farm credit districts. Such boundaries may be readjusted from time to time in the discretion of the Farm Credit Administration, provided that said districts shall be apportioned with due regard to the farm credit needs of the country and no such district shall contain a fractional part of any State. The designations "Federal land bank district" and "land bank district" wherever used in the Federal Farm Loan Act, or in any act amendatory thereof or supplementary thereto, are changed to "farm credit" district" and shall hereafter be deemed to refer to the farm credit districts provided for in this section.

(b) There shall be in each farm credit district a farm credit board, which shall be selected as hereinafter specified and shall be composed of seven members. Each farm credit board shall include in its title the name of the city in which the Federal land bank, Federal intermediate credit bank, production credit corporation and regional bank for cooperatives of the district are located. Three of the members of said board shall be known as elected directors of whom one shall be chosen by national farm-loan associations and borrowers through agencies, one shall be chosen by production credit associations of the district and one shall be chosen by cooperatives which are stockholders or subscribers to the guaranty fund of the regional bank for cooperatives in the district. Three of the seven members shall be known as district directors, of whom two shall be appointed by the Governor of the Farm Credit Administration and one, who shall be known as the third district director, shall be chosen as hereafter in this section provided. The seventh member of such board shall be known as director at large and shall be appointed by the Governor of the Farm Credit Administration.

(c) The directors of the Federal land bank of each district who are in office on the date of enactment of this act shall constitute the farm credit board of the district and shall serve as members thereof for the remaining portions of the terms for which they were respectively elected or appointed as directors of the bank. Except as otherwise provided by this act, the successor to each original member of the farm credit board shall be selected in the manner in which such member was selected as a director of the Federal land bank.

(d) Each third district director shall be selected as follows: Each national farm loan association and borrower through agencies in the district shall nominate, in the manner provided herein for the nomination of candidates for elected directors, one candidate for such director, and from the three persons having the greatest number of votes as nominees the Governor of the Farm Credit Administration shall appoint such director. No third district director who is removed from office pursuant to section 17 (h) of the Federal Farm Loan Act may be nominated to succeed himself.

(e) At least 2 months before an election of an elected director the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such elected director. In the case of an election of a director by national farm loan associations and borrowers through agencies, such notice shall be sent to all national farm loan associations and borrowers through agencies in the district; in the case of an election by production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of an election by cooperatives which are stockholders or subscribers to the guaranty fund of the bank for cooperatives of the district, such notice shall be sent to all cooperatives which are stockholders or subscribers to the guaranty fund at the time of sending notice. After receipt of such notice those entitled to nominate the director shall forward nominations of residents of the district to the Farm Credit Administration. The Farm Credit Administration shall, from the nominations received within 30 days after the sending of such notice, prepare a list of candidates for such elected director consisting of the 10 nominees receiving the highest number of votes.

(f) At least 1 month before the election of an elected director the Farm Credit Administration shall mail to each person or organization entitled to elect the elected director the list of the 10 candidates nominated in accordance with the preceding paragraph of this section. In the case of an election of a director by national farm loan associations and borrowers through agencies, the directors of each farm loan association shall cast the vote of such association for one of the candidates on the list. In voting under this section each such association shall be entitled to cast a number of votes equal to the number of stockholders of such association and each borrower through agencies shall be entitled to cast one vote. In voting under this section each production credit association shall be entitled to cast a number of votes equal to the number of the class B stockholders of such association. In voting under this section each cooperative which is a holder of stock in, or a subscriber to the guaranty fund of, the bank for cooperatives shall be entitled to cast one vote. The votes shall be forwarded to the Farm Credit Administration and no vote shall be counted unless received by it within 30 days after the sending of such list of candidates. In case of a tie the Farm Credit Administration shall determine the choice. The nominations from which the list of candidates is prepared, and the votes of the respective voters, as counted, shall be tabulated and preserved and shall be subject to examination by any candidate for at least 1 year after the result of the election is announced.

(g) The terms of office of all directors shall be 3 years. Any vacancies that may occur in the farm-credit board shall be filled for the unexpired term in the manner provided herein for the original selection of such directors.

(h) Members of each farm-credit board shall have been, for at least 2 years, residents of the district for which they are appointed or elected. From and after the date of enactment of this act, no person shall be eligible for election or appointment as a member of any district farm credit board, and no person hereafter elected or appointed as a member of any district farm credit board shall be eligible to continue to serve as such, if in either case said person is an officer or employee of any Federal land bank, Federal intermediate credit bank, production credit corporation, or bank for cooperatives. No district director, excepting any third district director selected as hereinabove specified, shall, during his continuance in office, be a director, officer, or employee of any institution, association, or partnership engaged in the business of lending money or of making or selling land mortgage loans, except an institution or association under the supervision of the Farm Credit Administration.

(i) No person shall be eligible for appointment or election as an administrative or executive official of a Federal land bank, Federal intermediate credit bank, or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, or as a member of any farm credit board, or shall continue to hold office as such member, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

(j) Subject to the approvad of the Farm Credit Administration, members of each farm credit board shall receive such compensation as may be authorized by the board, including a reasonable allowance for necessary expenses in attending meetings of said board and directors' meetings. Such compensation shall be paid by the Federal land bank of the district, and such bank shall be reimbursed therefor by the Federal intermediate credit bank, production credit corporation, and bank for cooperatives of the district in such proportion and in such manner as may be fixed by the farm credit board subject to the approval of the Farm Credit Administration. Except with the approval of the Farm Credit Administration, no member of any farm credit board shall receive compensation or allowances for any services rendered such institutions, in his capacity as director or otherwise, for more than 30 days in any 1 calendar year, exclusive of the period for which compensation is paid for attendance at meetings of said board and at directors' meetings.

(k) Nothing contained in this section shall be construed to abrogate or repeal the second paragraph of section 4 of the Federal Farm Loan Act, as amended, or to affect the applicability of any other act of Congress under which agricultural credit laws of the United States may be made applicable to Territories or insular possessions of the United States.

SEC. 6. Each farm credit board provided for in this act shall have power, subject to the approval of the Farm Credit Administration—

(a) To employ joint officers and employees for the Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives in its district. The salaries or other compensation of all such joint officers and employees shall be fixed by the district farm credit board and shall be paid by the Federal land bank of the district. Such bank shall be reimbursed therefor by the other three institutions in the district, in such amounts and upon such conditions as the board shall determine. Officers and employees appointed by the district farm credit board shall be officers and employees of the district institutions served by them.

(b) To authorize the acquisition and disposal of such property, real or personal, as may be necessary or convenient for the transaction of the business of the Federal land bank, the Federal intermediate credit bank, the bank for cooperatives, and the production credit corporation, located in its district, upon such terms and conditions as it shall fix, and to prorate among such institutions the cost of purchases, rentals, construction, repairs, alterations, maintenance, and operation, in such amounts and in such manner as it shall determine. Any lease, or any contract for the purchase or sale of property, or any deed or conveyance of property, or any contract for the construction, repair, or alteration of buildings, authorized by a district farm credit board under this subsection shall be executed by the officers of the institution or institutions concerned pursuant to the direction of such board. No provision of law relative to the acquisition or disposal of property, real or personal, by or for the United States, or relative to the making of contracts or leases by or for the United States, including the provisions set out in title 40 and title 41 of the United States Code, 1934 edition, and the supplements thereto, and including provisions applicable to corporations wholly owned by the United States, shall be deemed or held applicable to any lease, purchase, sale, deed, conveyance, or contract authorized or made by a district farm credit board, Federal land bank, Federal intermediate credit bank, production credit corporation or bank for cooperatives under this subsection.

(c) No corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests, shall be subject to the provisions of the acts of Congress approved March 14, 1936 (49 Stat. 1161, 1162) (U. S. C., title 5, secs. 29a, 30b–30m, 31a).

SEC. 7. (a) The first paragraph of section 4 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 671), is repealed.

(b) Section 4 of the Federal Farm Loan Act, as amended, is further amended by striking out paragraphs 9 to 17 thereof (U. S. C., 1934 edition, title 12, secs. 678 to 683), both inclusive, and inserting in lieu thereof the following:

"The members of the farm credit board of each farm credit district provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the Federal land bank located in that district. Any compensation that may be provided by the board of directors of any Federal land bank for officers or employees shall be subject to the approval of the Farm Credit Administration."

(c) Section 23 of the Farm Credit Act of 1935 (U. S. C., 1934 edition, Supp. II, title 12, sec. 682a) is repealed.

SEC. 8. The ninth paragraph of section 7 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 719) is amended by adding at the end thereof the following sentence: "The boundaries of the territory designated in the charter of any national farm loan association may be readjusted from time to time to meet the farm-loan needs of the locality, as determined by the Farm Credit Administration."

SEC. 9. Section 17 (h) of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 831) is amended to read as follows:

"(h) To suspend or to remove for cause any district director or director at large, or any registrar, appraiser, examiner, or other official appointed by the Farm Credit Administration under authority of section 3 of this Act, as amended, the cause of such suspension or removal to be communicated forthwith in writing by said Administration to the person suspended or removed, and in case of a district director or director at large to the proper Federal land bank, Federal intermediate credit bank, production credit corporation, and regional bank for cooperatives."

SEC. 10. Section 201 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1022), is amended to read as follows:

"(b) One such institution shall be established in each farm credit district in the same city as the Federal land bank of the district. The members of the several farm credit boards of the farm credit districts provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the several Federal intermediate credit banks herein provided for and shall have power, subject to the approval of the Farm Credit Administration, to employ and fix the compensation of such officers and employees of such Federal intermediate credit banks as may be necessary to carry on the business authorized by this title."

SEC. 11. The second and third sentences of section 2 of the Farm Credit Act of 1933 (U. S. C., 1934 edition, title 12, sec. 1134) are amended to read as follows: "One such corporation and one such bank shall be established in each farm credit district in the city in which there is located a Federal land bank. The members of the several farm credit boards of the farm credit districts provided for in the Farm Credit Act of 1937 shall be ex officio the directors of the respective production credit corporations and Banks for Cooperatives."

SEC. 12. Paragraph "Fourth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 771), is further amended by striking out "incurred prior to January 1, 1933", from subparagraph (d) thereof, and by inserting in lieu thereof the following: "incurred prior to January 1, 1937."

SEC. 13. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1934 edition, Supplement II, title 12, sec. 1016), is further amended by striking out so much of the sixth sentence thereof as follows the colon after the word "other", and by inserting in lieu thereof the following: "Refinancing, in connection with proceedings under Chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

SEC. 14. The fourth sentence of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1016), is further amended by striking out the proviso at the end thereof and by inserting in lieu thereof the following: "*Provided*, That when in the judgment of the land-bank commissioner conditions justify it, any mortgage made under this section may provide that during the first 3 years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage."

SEC. 15. (a) Paragraph "Eighth" of section 13 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 781) is amended to read as follows:

"Eighth. To buy and sell United States bonds and Federal Farm Mortgage Corporation bonds."

(b) Paragraph "Fifteenth" of section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by striking out, after the word "value" in said paragraph, the comma and the words "and to purchase Federal Farm Mortgage Corporation bonds at or below par."

(c) Section 22 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 897), is further amended by inserting under the heading "In the case of a joint stock land bank" at the end thereof the following:

"(e) To purchase Federal Farm Mortgage Corporation bonds."

SEC. 16. Section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 897), is further amended by adding at the end thereof the following paragraph:

"Seventeenth. To make loans to other Federal land banks upon such terms and conditions as may be approved by the Farm Credit Administration."

SEC. 17. Section 13 of the Federal Farm Loan Act as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by adding at the end thereof the following new paragraph:

"Eighteenth. To accept conditional payments from borrowers for subsequent credit upon their indebtedness to the land bank; and to allow interest on such payments. All conditional payments so accepted shall be subject to such terms and conditions, not inconsistent with the provisions of this paragraph and with any rules or regulations prescribed for its efficient execution by the Farm Credit Administration, as may be agreed upon at the time of their acceptance. If a conditional payment is accepted for subsequent credit upon a first mortgage which is at the time or is thereafter pledged as collateral security for an issue of farm-loan bonds, all requirements, conditions, and limitations set forth in the seventh, eighth, and ninth paragraphs of section 22 of this act, as amended, shall apply to such payment the same as though it were a present payment on the principal of the mortgage pledged as collateral security, and the land bank shall forthwith notify the farm loan registrar of its receipt of such payment and account to him therefor. Every conditional payment accepted by a land bank for subsequent credit upon indebtedness of a borrower shall be credited upon such indebtedness as the borrower may from time to time direct in accordance with the terms and conditions upon which the payment has been accepted, and at the option of the bank may in any event be credited upon such indebtedness as and when it matures if it is not otherwise paid by the borrower at or before maturity. If at any time after 5 years from the date on which a borrower's loan was made the aggregate of the borrower's conditional payments accepted on account of his indebtedness under such loan and not yet credited thereon equals or exceeds his total indebtedness under the loan, all unmatured indebtedness under such loan shall become due and payable at once, and the payments so accepted shall forthwith be credited upon the borrower's indebtedness under the loan so far as may be necessary to pay it in full. Any balances of conditional payments remaining uncredited when the indebtedness on account of which they have been accepted has been paid in full shall be refunded to the borrower by the land bank."

SEC. 18. The seventeenth paragraph of section 21 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 883), is further amended by adding at the end thereof the following: "The bond committee may appoint from among their number a subcommittee consisting of three members, to hold office for a period of 1 year or until their successors have been appointed, may from among their number fill any vacancies on the subcommittee and may dismiss at pleasure the members of the subcommittee or any of them. The subcommittee, if appointed, shall have such authority to exercise the powers and to perform the functions of the bond committee as the bond committee may authorize and shall be subject to all provisions of law relating to the duties and expenses of the bond committee. The committee shall select one of the members of the subcommittee to be chairman and one of the members of the subcommittee to be secretary of the subcommittee."

SEC. 19. Paragraph "Tenth" of section 13 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 781), is further amended by striking out in the fourth sentence thereof the following: "made prior to the expiration of 5 years from May 12, 1933", and adding at the end of said paragraph the following: "The unexpended balances of the funds appropriated by the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 279), the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1060), the Second Deficiency Appropriation Act, fiscal year 1935, approved August 12, 1935 (49 Stat. 592), the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936, the Treasury Department Appropriation Act, 1937, approved June 23, 1936, and the Treasury Department Appropriation Act, 1938, approved May 14, 1937, for the purpose of enabling the Secretary of the Treasury to make subscriptions to the paid-in surplus of the Federal land banks, as provided for in this paragraph, and the proceeds of all repayments on account of such paid-in surplus, shall be held in the Treasury of the United States as a revolving fund, and shall be available for subscriptions to paid-in surplus made pursuant to this paragraph, as amended."

SEC. 20. Examiners appointed pursuant to the provisions of section 3 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 656), shall hereafter be designated and known as farm credit examiners.

SEC. 21. The second paragraph of section 7 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 712) is amended by striking out the first sentence and inserting in lieu thereof the following: "The board of directors of every national farm-loan association shall consist of not less than five nor more than seven members, who shall be elected by the shareholders of the association. Elections of such directors shall be held once each year at an annual meeting of the shareholders. Every national farm-loan association shall at the first annual meeting of its shareholders subsequent to the enactment of the Farm Credit Act of 1937 elect two directors for a term of 3 years, two directors for a term of 2 years, and the remainder of its board of directors for a term of 1 year. Thereafter directors shall be chosen to serve for terms of 3 years, and the shareholders of each association shall annually elect as many directors as may be necessary to fill the places of those directors whose terms expire during the year. Any vacancy that may occur in the board of directors through death, resignation, or other cause shall be filled at the next annual meeting of shareholders by the election of a director to serve out the unexpired portion of the term, or a special meeting of shareholders may be called for this purpose. Until such election the remaining directors shall have power to fill the vacancy for the time being by appointing a temporary director to serve until the next meeting of shareholders. All directors shall hold office until their successors are elected and have qualified."

SEC. 22. The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U. S. C., 1934 edition, title 12, sec. 723 (c)), is further amended by adding at the end thereof: "Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation."

SEC. 23. Effective 30 days after the date of the enactment of this act, the second paragraph of section 8 of the Federal Farm Loan Act (U. S. C., 1934 edition, title 12, sec. 732) is amended to read as follows:

"Every shareholder shall be entitled to one vote, and no more, at all elections of directors and in deciding all questions at meetings of shareholders."

SEC. 24. Effective 30 days after the date of the enactment of this act, the first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 745), is further amended by striking out the word "two-thirds" and inserting in lieu thereof the word "majority."

SEC. 25. (a) Section 9 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, secs. 741 to 745), is further amended by adding at the end thereof the following new paragraphs:

"Any other provisions of law to the contrary notwithstanding, two or more national farm loan associations may with the approval of the Farm Credit Administration, and by an agreement not inconsistent with any rules and regulations prescribed by the said administration, provide for a common board of directors to be elected by the shareholders of the associations that are parties to the agreement: *Provided, however,* That each member of any such board shall be a shareholder in an association that is a party to the agreement and shall be a bona fide resident of the territory within which such association is authorized to do business: *And provided further,* That no such agreement shall provide for a term of office in excess of 3 years for any member of such board. The number of members of the common board of directors shall be specified in the agreement and shall be five or more. The agreement may provide that any director may be elected by the shareholders of one or more of the associations which are parties to the agreement; that in the balloting for any director an association may vote at a separate meeting of its shareholders or at a joint meeting with the shareholders of any other association or associations participating in the election of the director; and that the candidate receiving the highest aggregate number of votes at such meeting or meetings shall be declared elected. Whenever two or more national farm loan associations have entered into such an agreement, the members of the common board of directors provided for in the agreement shall be ex officio the members of the board of directors of each association that is a party to the agreement, any provisions of this act to the contrary notwithstanding.

"Whenever a national farm loan association has entered into such an agreement, the power of approving applications for loans through the association and the power of admitting persons to membership in the association shall be vested in the loan committee of the association in lieu of being vested in its board of directors. The loan committee of any such association shall be elected annually by the shareholders of the association, instead of by its board of directors, and the shareholders shall in addition annually elect two alternates to serve as members of the loan committee at such times as regular members may be absent or disqualified."

(b) Whenever it shall appear that the capital stock of a national farm-loan association is impaired, the Farm Credit Administration may authorize the Federal land bank of the district in which such association is located to make loans to applicants through such association subject to the requirements and conditions specified for direct loans in paragraphs 12 to 16, both inclusive, of section 7 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 723), except as herein otherwise specifically provided, and may authorize such association to elect to membership borrowers having loans made pursuant to said paragraphs on lands situated within the chartered territory of the association. Borrowers admitted to membership in the association pursuant hereto shall be entitled to vote and hold office in the association and the rate of interest on their loans shall be one-fourth of 1 percent per annum less than the rate of interest provided at such time for direct loans. The association shall endorse all such mortgage loans but it shall not become liable therefor except as hereinafter provided.

When there are 10 or more borrowers admitted to membership in an association pursuant hereto whose loans are in good standing, as defined by the Farm Credit Administration, and aggregate not less than $20,000:

First. The association shall become liable for the payment of said loans: *Provided, however,* That, any other provisions of law to the contrary notwithstanding, the shareholders who have become members pursuant to this subsection shall not be held responsible, through the amount paid in and represented by their shares or otherwise, for any contracts, debts, or engagements of the association entered into before the date on which the first member was admitted to the association pursuant to this subsection

and the shareholders of such association who were members prior to said date shall not be held responsible, through the amount paid in and represented by their shares or otherwise, for any mortgages endorsed by such association on or after said date, but this provision shall not be construed to relieve any other liability with respect to stock held by shareholders who were members prior to said date.

Second. The interest rate paid by each such borrower on each such loan shall, beginning with the next regular installment date, be reduced one-fourth of 1 percent per annum.

Third. The stock in the Federal land bank held by each of said borrowers shall be exchanged for association stock in the manner provided for in paragraph 15 of section 7 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 723, subsec. (d)).

Fourth. The association may thereafter admit new members, endorse their loans, and become liable for the payment of such loans as provided in paragraph "First" of this subsection.

Fifth. At the next annual meeting of stockholders, and thereafter, the loan committee of such association may be elected by the members who become stockholders pursuant to this subsection and any loan committee so elected shall have the powers specified for loan committees elected as provided in subsection (a) of this section: *Provided, however,* That in the event such stockholders fail to elect the loan committee, new members shall be admitted to the association as otherwise provided in the Federal Farm Loan Act, as amended.

Sixth. In accordance with rules and regulations prescribed by the Farm Credit Administration, the association shall maintain separate capital-stock records; shall keep all capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with loans for which it becomes liable as provided in this subsection separate and apart from capital losses or gains, reserves (including legal reserves), and dividends received from the Federal land bank on stock owned by the association in connection with other loans of the association; and shall segregate any undivided profits of the association resulting from its business operations in like manner when so required by rules and regulations of the Farm Credit Administration. Subject to the other provisions of the Federal Farm Loan Act with respect to the declaration of dividends, dividends may be declared exclusively on association stock owned by borrowers with loans for which the association becomes liable as provided in this subsection or exclusively on association stock owned by borrowers with other loans through the association.

If the loan of any borrower who was admitted to membership pursuant hereto is not in good standing at the time when there are ten or more borrowers with loans aggregating not less than $20,000 which are in good standing, the provisions of paragraphs "First", "Second", and "Third" of this subsection shall be applicable to his loan at such time as it shall be placed in good standing.

If and when all impairment is removed in the stock owned by shareholders with loans which were made prior to the date on which the first member was admitted to the association pursuant to this subsection, the holders of such stock and the holders of stock issued on and after said date may, pursuant to rules and regulations of the Farm Credit Administration and consistent with the provisions of the Federal Farm Loan Act, as amended, agree as to the rights, powers, privileges, duties, and liabilities which shall thenceforth attach to their respective shares of stock and otherwise agree as to the future applicability, if any, of the special provisions contained in this subsection.

(c) Section 11 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 761), is amended by adding a paragraph at the end thereof reading as follows:

"Fifth. Whenever a Federal land bank shall have empowered any national farm loan association of its district to collect and pay over to said bank the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages taken from its shareholders, such association may, with the approval of said bank, enter into an agreement with another association operating in the same or adjacent territory to make such collections, for and on behalf of the association thus empowered to do so, on any or all of said loans, and immediately pay the amounts so collected to said land bank. Such agreements shall be made upon such terms and conditions and for such consideration as may be approved by the Farm Credit Administration."

(d) Section 29 of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, secs. 961–966), is further amended by adding at the end thereof the following new paragraphs:

"Upon receiving satisfactory evidence that any national farm loan association has failed to meet its outstanding obligations of any description, and that it will be to the best interest of its creditors and stockholders for the association to continue in business, the Farm Credit Administration may, in its discretion, in lieu of appointing a receiver as hereinabove in this section provided, appoint a conservator for such association and require of him such bond and security as the administration may deem proper. The person so appointed shall be a land bank appraiser appointed under the authority of section 3 of this act: *Provided, however,* That the Farm Credit Administration may, in its discretion, appoint some other qualified person. Any land bank appraiser appointed as a conservator shall serve without any additional compensation. Any other person appointed as a conservator shall receive such compensation as the Farm Credit Administration may authorize. Such compensation and all necessary and proper expenses of any such conservatorship shall be paid out of the assets of such association and shall be a lien thereon which shall be prior to any other lien.

"The conservator, under the direction of the Farm Credit Administration, may, when directed so to do, take possession of the books, records, and assets of every description of such association, and take such action as may be necessary to conserve such assets pending final determination of the financial condition of the association and the conditions under which it may be permitted to continue in business. Such conservator shall at the earliest practicable date make such investigations as shall be necessary to enable him to prepare an accurate report on the financial condition of such association. In preparing such report he shall value the association's assets and determine its indebtedness: *Provided,* That in determining said indebtedness contingent liabilities incurred by the association under the provisions of this act on endorsed mortgages shall be estimated and included as a debt. On the basis of said evaluation of the association's assets and indebtedness, the conservator shall determine the fair book value of the outstanding stock of said association and the claims of any retired shareholders based on their previous stock ownership. Upon its completion said report shall be submitted to the Federal land bank of the district and said bank shall thereupon indicate its approval thereof or note any exceptions thereto and submit such report together with its exceptions, if any, to the Farm Credit Administration for consideration.

"If said report is approved, in whole or in part, by the Farm Credit Administration, upon recommendation of the Federal land bank of the district, said Administration shall then decide whether such association shall be permitted to pay off and retire its capital stock at its fair book value, upon full payment of the mortgage loans in connection with which such stock was issued oirginally, and to settle on the same basis the claims of any of its stockholders who have previously paid their loans in full, but have not received credit for, or the proceeds of their stock in such association. At the same time the Farm Credit Administration shall also decide whether it will permit said association to admit new members pursuant to section 25 (b) of the Farm Credit Act of 1937. If the decision of said Administration is in the affirmative, it may terminate the conservatorship and turn the affairs of the association back to its board of directors. If said report is not approved or the decision of said Administration is in the negative, it may be, in its discretion, terminate the conservatorshp and permit such association to resume the transaction of its business subject to such terms, conditions, restrictions, and limitations as it may prescribe for the protection of the rights of creditors and stockholders, or said Administration may appoint a receiver for the association as elsewhere provided in this section.

"Any settlement made with a retiring or retired shareholder on the basis of the fair book value of the stock of the association pursuant to this section shall be made only on condition that said shareholder agrees to accept such settlement as payment in full. If any shareholder or former shareholder does not desire to settle on such basis, he may, in lieu thereof, be given a participation certificate which will entitle him to share pro rata, on the basis of the number of shares of stock which he owned in the association, in the distribution of any assets of the association which is made after all of its indebtedness to creditors has been satisfied. The Federal land bank of the district may pay to the association from the proceeds of bank stock retired in connection with the payment in full of loans endorsed by such association an amount sufficient to permit the association to make the settlements provided for in this section and any balance of such proceeds shall be retained by the bank and applied as a credit on the indebtedness of the association to it.

"After any determination by the Farm Credit Administration as herein provided, that the fair book value of the stock of a national farm-loan association is less than the par value thereof, periodically thereafter any increase in the fair book value of said stock resulting from earnings of the association and actual recoveries in excess of the valuations used by the Farm Credit Administration in determining the fair book value of the stock of such association, as herein provided, shall, under rules and regulations of the Farm Credit Administration, be apportioned ratably on a per-share basis to all outstanding stock or participation certificates having a fair book value less than par until the fair book value of all such stock or participation certificates is equal to the par value thereof.

"In the event that the indebtedness, as determined by the conservator, of an association which has been under conservatorship pursuant to this section increases in excess of the earnings of such association, the Farm Credit Administration may, in its discretion, again appoint a conservator for the association, or it may appoint a receiver as elsewhere provided in this section."

SEC. 26. Section 201 (c) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1023), is amended by adding to the end thereof the following paragraph:

"Each Federal intermediate credit bank shall have power to acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be leased to others for revenue purposes."

SEC. 27. Section 203 (a) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1041), is further amended by striking out the comma after the word "banks" and the following: "when chartered and established,"; and by inserting after the comma which follows the word "cash,"

the following: "United States Government bonds, Federal Farm Mortgage Corporation bonds,".

SEC. 28. Section 203 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1042), is amended to read as follows:

"(b) The provisions of title I of this act relating to the preparation and issue of farm-loan bonds shall, so far as applicable, govern the preparation and issue of debentures or other such obligations issued under the preceding section; but the Farm Credit Administration shall prescribe rules and regulations governing the receipt, custody, substitution, and release of the cash, obligations of the United States Government, and notes or other obligations securing such debentures, the right of substitution being hereby granted, and in the event such notes or other obligations are secured by warehouse receipts, shipping documents, or other similar credit instruments, may permit the substitution of trust receipts therefor in such manner and subject to such conditions as may be approved by the said Administration. Rates of interest upon debentures and other such obligations issued under the preceding section shall, subject to the approval of the Farm Credit Administration, be fixed by the Federal intermediate credit bank making the issue, not exceeding 6 percent per annum.

SEC. 29. Section 204 (c) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1053), is amended to read as follows:

"(c) Subject to the approval of the Farm Credit Administration, a Federal intermediate credit bank may buy for its own account any debentures or similar obligations issued by or for the benefit and account of such bank or other Federal intermediate credit bank or banks, and (1) hold until maturity any such debentures or similar obligations or (2) retire before maturity any such debentures or similar obligations issued by it or for its benefit and account."

SEC. 30. Section 206 (b) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, title 12, sec. 1072), is further amended to read as follows:

"(b) Subject only to review and approval by the Farm Credit Administration, each Federal intermediate credit bank, at the end of its fiscal year, after all its necessary expenses and costs of operation for such fiscal year have been paid or provided for, shall apply its net earnings then remaining, first, to making up any losses in excess of its reserves against unforeseen losses and assets of doubtful value; second, to the elimination of any impairment of its paid-in capital and paid-in surplus; third, to the creation and maintenance of reserves against unforeseen losses and assets of doubtful value in such amount as its board of directors may prescribe; fourth, to the payment of 25 percent of the amount then remaining to the United States as a franchise tax; and, fifth, to the payment of the remaining net earnings into its surplus account. The amounts paid as franchise taxes to the United States by Federal intermediate credit banks shall, in the discretion of the Secretary of the Treasury, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal intermediate credit bank be dissolved or go into liquidation, after the payment of all debts and other obligations as hereinbefore provided, any surplus remaining shall be paid to and become the property of the United States and shall be similarly applied."

SEC. 31. Section 208 (e) of the Federal Farm Loan Act, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1095), is amended to read as follows:

"(e) The executive departments, boards, commissions, and independent establishments of the Government, the Reconstruction Finance Corporation, the Federal Deposit Insuranace Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon the request of the Farm Credit Administration, to make available to the Farm Credit Administration or any district bank or district corporation operating under its supervision, in confidence, all reports, records, or other information they may have relating to the condition of any institution to which the Administration, such district bank or corporation has made or contemplates making loans or for which it has discounted or contemplates discounting paper, or which it is using or contemplates using as a custodian of securities or other credit instruments, or as a depositary."

SEC. 32. Each regional agricultural credit corporation, created under the authority of section 201 (e) of the Emergency Relief and Construction Act of 1932 (U. S. C., 1934 edition, title 12, sec. 1148), in addition to the powers heretofore granted, shall have and, upon order or approval of the Farm Credit Administration, shall exercise the following rights, powers, and authority:

(a) To conduct, transact, and operate its business in any State in the continental United States, in the District of Columbia, and in Puerto Rico.

(b) To borrow money (other than by way of discount) from any other regional agricultural credit corporation, the Reconstruction Finance Corporation, or any Federal intermediate credit bank, and to give security therefor.

(c) To lend any of its available funds to any other regional agricultural credit corporation at such rates of interest and upon such terms and conditions as may be approved by the Farm Credit Administration.

(d) To sell to or purchase from any other regional agricultural credit corporation or any corporation formed by consolidation or merger as provided in section 33 of this act, any part of or all the assets of any such corporation, upon such terms and conditions as may be approved by the Farm Credit Administration, including the assumption of liabilities of any such corporation, in whole or in part.

SEC. 33. (a) The Farm Credit Administration shall have the power and authority to order and effect the consolidation or merger of two or more regional agricultural credit corporations, on such terms and conditions as it shall direct.

(b) The Farm Credit Administration is authorized to grant charters to, prescribe bylaws for, and fix the capital of, regional agricultural credit corporations which may be formed by the consolidation of two or more regional agricultural credit corporations, and to approve or prescribe such amendments to the charter and bylaws of any regional agricultural credit corporation as it may from time to time deem necessary. Corporations formed by the consolidation of two or more regional agricultural credit corporations, as herein provided, shall have all the rights, powers, authority, and exemptions; shall be subject to the same supervision and control; and shall have their expenses paid in the same manner as provided by law in respect to regional agricultural credit corporations organized under section 201 (e) of the Emergency Relief and Construction Act of 1932.

SEC. 34. Nothing contained in sections 32 and 33 of this act shall be construed as limiting the rights, powers, and authority heretofore granted to the regional agricultural credit corporations, the Farm Credit Administration or the Governor thereof by any acts of Congress or Executive orders.

SEC. 35. Section 34 of the Farm Credit Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1134j), is further amended to read as follows:

"SEC. 34. Subject to such terms and conditions as may be prescribed by the Chairman of its Board of Directors, the Central Bank is authorized: (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such act, as amended; (b) to make loans (by way of discount or otherwise) to banks for cooperatives organized under section 2 of this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks."

SEC. 36. Section 41 of the Farm Credit Act of 1933, as amended (U. S. C., 1934 edition, Supp. II, title 12, sec. 1134c), is further amended to read as follows:

"SEC. 41. Subject to such terms and conditions as may be prescribed by the Farm Credit Administration, the banks for cooperatives are authorized (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such act, as amended; (b) to make loans (by way of discount or otherwise) to any bank organized under this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation, or any interest therein; and (d) to borrow from, and discount or rediscount paper with, any and all such banks and commercial banks."

SEC. 37. Section 4 of the Agricultural Marketing Act, as amended (U. S. C., 1934 edition, title 12, sec. 1141b), is further amended by adding at the end thereof the following new subsection:

"(7) may sell at public or private sale to the highest responsible bidder, upon such terms and after such public advertisement as the Farm Credit Administration may deem in the public interest, any property, real or personal, or any interest therein, acquired by the United States on account of or as a result of any loans made from the revolving fund authorized by section 6 of this act, as amended; may lease any such property, pending its sale, on such terms and for such period, not in excess of 5 years, as the Farm Credit Administration may deem in the public interest; and may incur and pay, from the said revolving fund, obligations and expenses for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchase or service on account of such property."

SEC. 38. Section 6 of the Agricultural Marketing Act, as amended (U. S. C., 1934 edition, title 12, sec. 1141d), is further amended by adding at the end thereof the following: "Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this act, shall be covered into and become a part of said revolving fund."

SEC. 39. The terms "debenture" and "debentures", when used in any act of Congress, whenever enacted, except the Federal Farm Loan Act, relating to the purchase, sale, or use as security, of debentures issued by or for the benefit and account of any Federal intermediate credit bank or banks, shall be deemed to mean debentures issued by any such bank individually and consolidated debentures issued by such banks acting together.

SEC. 40. (a) If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(b) The right to alter, amend, or repeal this act is hereby expressly reserved.

WATER-POLLUTION CONTROL

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of House bill 2711, to create a division of water-pollution control.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2711) to create a division of water-pollution control in the United States Public Health Service, and for other purposes, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clase, and to insert the following:

That there is hereby established in the United States Public Health Service a Division of Water Pollution Control (hereinafter referred to as the Division). The Division shall be in charge of a director, who shall be a commissioned engineer officer of the United States Public Health Service detailed by the Surgeon General of the Public Health Service (hereinafter referred to as the Surgeon General). Such engineer officer, while serving as director, shall have the rank of an assistant surgeon general of the Public Health Service, subject to the provisions of law applicable to assistant surgeons general in charge of administrative divisions in the District of Columbia of the Public Health Service.

SEC. 2. (a) The Division shall, after careful investigation, and in cooperation with the Chief of Engineers of the War Department, and the agencies of the several States authorized by law or duly designated to deal with water pollution, and in cooperation with the municipalities and industries involved, prepare comprehensive plans for eliminating or reducing the pollution and improving the sanitary condition of the navigable waters of the United States and streams tributary thereto. In the development of such comprehensive plans due regard shall be given to the improvements which are necessary to conserve such waters and promote their use for public water supplies, propagation of fish and aquatic life, recreational purposes, agricultural, industrial, and other legitimate uses, and for this purpose the Division is authorized to make joint investigations with the aforesaid agencies of any State or States of the condition of any waters of the United States, either navigable or otherwise, and the discharges of any sewage, industrial wastes, or substances which may deleteriously affect such waters.

(b) The Division shall encourage cooperative activities by the several States for the prevention and abatement of water pollution; encourage the enactment of uniform State laws relating to water pollution; encourage compacts between the several States for the prevention and abatement of water pollution; collect and disseminate information; make available to State agencies, municipalities, industries, and individuals the results of surveys, studies, investigations, and experiments conducted by the Division and by other agencies, public and private; and furnish such assistance to State agencies as may be authorized by law.

(c) The consent of Congress is hereby given to two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

SEC. 3. The Division, upon request of any State health authority and subject to the approval of the Surgeon General, shall conduct investigations and make surveys of any specific problem of water pollution confronting any State, drainage-basin authority, community, or municipality with a view to effecting a solution of such problem, and shall make definite recommendations for the correction and elimination of the deleterious conditions found to exist.

SEC. 4. The Public Health Service shall prepare and publish, from time to time, reports of such surveys, studies, investigations, and experiments as shall be made under the authority of this act, together with appropriate recommendations with regard to the control of pollution of the waters of the United States.

SEC. 5. Any State, municipality, or other public body which is discharging untreated or inadequately treated sewage or wastes into navigable waters of the United States or streams tributary thereto is hereby declared to be eligible to Federal aid in the form of grants-in-aid or loans for the construction of necessary treatment works, in accordance with plans approved by the respective State health authority and the Surgeon General. Such loans and grants-in-aid shall be made upon such terms and conditions as the Secretary of the Treasury with the approval of the President may prescribe, subject to the following limitations: (1) Loans or grants-in-aid shall be made only upon the certification of the State health authority having jurisdiction and upon approval and recommendation of the Surgeon General; (2) no grants-in-aid shall be made in respect of any project of an amount in excess of 33⅓ percent of the cost of the labor and materials employed upon such project, including the cost of preparation of plans and the carrying of same into execution.

SEC. 6. Any person discharging untreated or inadequately treated sewage or waste in character or quantity sufficient to be deleterious to the navigable waters of the United States or streams tributary thereto is hereby declared to be eligible to Federal aid in the form of grants-in-aid or loans for the construction of necessary treatment works in accordance with plans approved by the respective State health authority and the Surgeon General. Such grants-in-aid or loans shall be made upon such terms and conditions as the Secretary of the Treasury with the approval of the President may prescribe, subject to the following limitations: Grants-in-aid or loans shall be made only upon the certification of the State health authority having jurisdiction and upon approval and recommendation of the Surgeon General.

SEC. 7. (a) There is hereby established in the Division, by detail from time to time, a board of five commissioned engineer officers of the Public Health Service, a majority of whom shall be experienced in sanitary engineering, whose duties shall be fixed by the Surgeon General and to which board shall be referred for consideration and recommendations, in addition to any other duties assigned, so far as in the opinion of the Surgeon General may be necessary, all reports of examinations, investigations, plans, and surveys made pursuant to the provisions of this act or hereafter provided for by Congress, and all applications for grants-in-aid or loans for the construction of necessary treatment works made pursuant to sections 5 and 6 of this act, and all other matters in connection therewith upon which report is desired by the Surgeon General. The board shall submit to the Surgeon General recommendations as to the desirability of commencing, continuing, or extending any and all projects for treatment works upon which reports are desired and for which grants-in-aid or loans have been applied. In the consideration of such proposed treatment works and projects the board shall have in view the benefits to be derived by the construction thereof in accomplishing the purposes of this act, and the relation of the ultimate cost of such works, both as to the cost of construction and maintenance, to the public interests involved, the public necessity for such works and propriety of construction in part at the expense of the United States, and the adequacy of the provisions made or agreed upon by the applicant for the grant-in-aid or loan for assuring proper and efficient operation and maintenance of the works after completion of the construction thereof. The board shall, when it considers the same necessary, and with the approval and under orders from the Surgeon General, make as a board or through its members, personal examinations of localities where the proposed treatment works are to be located. All plans, costs estimates, information, and arguments which are presented to the board for its consideration in connection with any matter referred to it by the Surgeon General shall be reduced to and submitted in writing, and shall be made a part of the records of the office of the Surgeon General.

(b) As soon as practicable, the board shall classify the navigable waters of the continental United States into districts to be known as sanitary water districts. The board shall fix and define the boundaries of each such district and may from time to time alter such boundaries. The areas of such districts shall, insofar as practicable, conform to the areas of watersheds not wholly contained within the boundaries of one State.

(c) The board shall fix standards of purity in each such district for the navigable waters thereof and for such tributaries from which pollution may flow, be washed, or carried into such navigable waters; shall establish minimum requirements as to the treatment of polluting material before it is discharged into such waters; and shall promulgate regulations governing the discharge of any matter or materials into such waters.

(d) All special reports ordered by the Congress pursuant to the provisions of this act shall, at the discretion of the Surgeon General, be reviewed in like manner by the said board; and the said board shall also, on request by resolution of the Committee on Commerce of the Senate or the Committee on Rivers and Harbors of the House of Representatives submitted to the Surgeon General, examine and review the report of any examination, investigation, survey, or project for the elimination or reduction of water pollution or for treatment works made pursuant to any act or resolution of the Congress, and shall report through the Surgeon General, who shall submit its conclusions thereon as in other cases. The said board shall, at the discretion of the Surgeon General, make estimates of the amount of money required each year for each and all project applications for treatment works which have been approved under the provisions of sections 5 and 6 of this act, for an extension of Federal aid in the form of grants-in-aid or loans to any States, municipalities, or other public bodies or in the form of loans to persons, as provided for in said sections. The board shall recommend the order or sequence of priority for such individual projects in accordance with their estimated importance or value in the elimination or reduction of water pollution as determined by the said board as hereinbefore provided, and shall report thereon through the Surgeon General, who shall submit his conclusions as in other cases.

(e) The Secretary of the Treasury shall cause the manuscript of that portion of the annual report of the Surgeon General as is concerned with the Division, including a schedule of approved projects for treatment works and cost estimates thereof for grants-in-aid and loans, together with such supplementary reports as may be pertinent thereto, to be placed in the hands of the Public Printer on or before the 15th day of October in each year, and the Public Printer shall cause such portion of the annual report of the Surgeon General and supplementary reports to be printed with an accurate and comprehensive index thereof, on or before the 3d day of January in each year, for the use of the Congress; and all special reports of investigations of surveys which may be prepared during the recess of the Congress shall, in the discretion of the Secretary of the Treasury, be printed by the Public Printer as documents of the following session of the Congress.

(f) There are authorized to be appropriated such sums as may be necessary to carry out such projects or portions thereof for treatment works as are authorized annually by the Congress from the schedule of approved projects and cost estimates submitted to the Congress as hereinbefore provided, and the appropriations therefor shall be included in the annual appropriation bill for the Treasury Department or in any other supplementar,' or deficiency appropriation bill. Grants and loans thus provided for shall be made by the Secretary of the Treasury under the conditions set forth in sections 5 and 6 of this act. Any moneys appropriated for such projects shall remain available for expenditure for such purpose until the expiration of the fiscal year next succeeding the fiscal year for which the appropriation is made. In case that the costs of construction of treatment works are less than the original estimates as appropriated for by Congress, the proportionate part of such moneys belonging to the United States as has not been expended shall be refunded or returned to the Treasury of the United States, under such rules and regulations as the Secretary of the Treasury may prescribe. In case that the costs of construction of treatment works exceed, or appear likely to exceed, the original estimates as appropriated for by Congress, the Surgeon General may submit to Congress, as in other cases, estimates of the additional moneys necessary to meet increased costs arising because of unforeseen contingencies, structural difficulties, or other causes, which, in the opinion of the Surgeon General, require consideration by Congress. Alterations of, amendments, or revisions to approved project plans for treatment works which do not increase the total cost of the projects may be authorized at the discretion of the Surgeon General.

SEC. 8. Pursuant to the powers of the United States to regulate interstate commerce and navigation; to extend, change, and amend the Admiralty and Maritime Act; to give due effect to the Migratory Bird Treaty; and to protect the fisheries, particularly the anadromous fish, Congress hereby declares the discharge or deposit of any waste, except the normal discharge of sewage from toilets of boats or from the galley sink drains or the normal amount of oil that may be discharged from the exhaust pipe of a motorboat, or other substance, whether in a solid, gaseous, or liquid state, into any of the navigable waters of the United States, or into any tributary from which the same may flow, be washed, or carried into any of such navigable waters, in violation of regulations promulgated by the board, if such waste or other substance is or may be injurious to human health or to any other form of life, including aquatic life, or to migratory birds as defined in the Migratory Bird Treaty of August 16, 1916, or impairs in any manner the utility of such waters for navigation purposes, to be against the public policy of the United States and to be a public and common nuisance. After the expiration of 3 years after the date of enactment of this act an action to prevent or abate any such nuisance may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorneys to bring such an action when directed to do so by the Attorney General of the United States. Such action shall be brought as an action in equity and may be brought in any court of the United States in the district where the alleged nuisance exists.

SEC. 9. Nothing contained in this act shall be construed to limit in any manner the rights of any person or public body to bring actions for damages on account of the pollution of any waters, or for the abatement of such pollution.

SEC. 10. There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1938, the sum of $300,000, for all necessary expenses of the Division in administering the provisions of this act, including: (a) Expenses of investigations made under this act, including (1) printing and binding of the findings of such investigations, (2) the pay and allowances and travel expenses of personnel of the Public Health Service (including commissioned officers) while engaged in field investigation, (3) (upon the approval of the Surgeon General) the expenses of packing, crating, drayage, and transportation of the personal effects of such personnel and personnel of other Government departments on duty with the Public Health Service upon permanent change of station under competent orders in connection therewith while engaged in such investigations, and (4) purchases required for such investigations, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5), when the aggregate amount involved does not exceed $100; (b) upon approval of the Surgeon General, the necessary expenses of the board of engineer officers provided for in section 7 of this act; (c) the pay and allowances and travel expenses of reserve engineer officers while on active duty under section 10 (a) of this act; and (d) for the reimbursement of appropriations insofar as expended for pay and allowances of personnel detailed to the Division under section 10 (c) or 10 (d) of this act.

SEC. 11. There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1938, the sum of $700,000, to be paid to the States for expenditures by or under the direction of their respective State health authorities in the promotion, investigation, surveys, and studies necessary in the prevention and control of water pollution; this sum to be allotted, under the supervision of the Surgeon General, to the States in accordance with rules and regulations prescribed by the Secretary of the Treasury. The amount of any allotment for any fiscal year remaining unpaid at the end of such fiscal year shall be available for allotment hereunder for the succeeding fiscal year, in addition to the amount appropriated for such year.

SEC. 12. (a) For the administration of this act the Secretary of the Treasury may, upon recommendation of the Surgeon General, appoint such engineers, attorneys, experts, research assistants, examiners, and consultants as may be necessary, and fix their compensation, in the manner provided by law for the appointment and fixing of compensation of such personnel of the Public Health Service; and the Surgeon General is authorized to transfer, assign, or detail to the Division, from any other division of the Public Health Service, such professional and scientific personnel as may be available. Not exceeding 10 engineer officers in the reserve of the Public Health Service may be ordered to active duty for such periods of time as may be desirable, extending not more than 5 years beyond the date of enactment of this act, to assist in carrying out the purposes thereof.

(b) Such clerks, stenographers, and other employees as may be necessary to discharge the duties of the Division and for the investigations in the field shall be appointed by the Secretary of the Treasury in accordance with the civil-service laws, and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended, and he shall prescribe such rules and regulations with respect to their duties as he may find necessary.

(c) The personnel of the Public Health Service paid from any appropriation not made pursuant to section 8 may be detailed to assist in carrying out the purposes of this act.

(d) The Secretary of the Treasury, with the consent of the Secretary of any other department of the Federal Government, may utilize such officers and employees of said department as may be found necessary to assist in carrying out the purposes of this act.

SEC. 13. When used in this act the term "State health authority" means the official State health department, State board of health, or such other official State agency as is empowered with the duties of enforcing State laws pertaining to health; the term "treatment works" means the various devices used in the treatment of sewage or industrial waste of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping and power equipment and their appurtenances; the term "person" means an individual in the capacity of proprietor of an industrial enterprise, a partnership, a private corporation, an association, a joint-stock company, a trust, or an estate.

SEC. 14. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 15. This act may be cited as the Water Pollution Act.

Mr. KING. Mr. President, I should like to have the Senator from Kentucky explain the bill.

Mr. BARKLEY. I think I can explain it very briefly.

This bill passed the House of Representatives on the 21st day of April. For many years health organizations and civic organizations as well as the administrations of city governments in various States along navigable streams, have recognized the fact that by reason of the discharge of sewage and refuse of all sorts into our navigable streams the water was being polluted to such an extent as to endanger the health of the people who are compelled to consume the water. Of course, that is not true of all rivers. It is particularly true of some of the rivers in New England; it is true of the Ohio River, and it is true of other rivers contiguous to which there is a large industrial population, and large industrial enterprises are conducted.

Various efforts were made extending over a considerable time to frame a bill which would make a beginning in undertaking to clean out the polluted waters, or to prevent further pollution of the waters of navigable streams, because it has been recognized that, most of the people along the rivers being compelled to drink the water that flows down them, as population increases in the valleys and industries increase along the river banks, the health and probably the lives of millions of our people would be deleteriously affected.

The United States Public Health Service and the public-health departments of practically all the States collaborated, the medical associations of all the States in the Nation joined in the effort, and various other associations, sportsmen and others, cooperated to try to frame a bill which would make a reasonable approach to the subject.

We realized that the cities and industries should not be required overnight to cease to discharge whatever was being discharged into the rivers. So the bill as it passed the House was framed by Representative VINSON of Kentucky and by me, and introduced as a joint measure, providing for the creation of a division of stream pollution in the Public Health Service. The bill authorizes the division to make a survey of the stream-pollution situation and to recommend to the Congress and to the Executive from time

to time methods by which the waters may be purified so that health and life will not any longer be endangered by the discharge of impurities into the navigable rivers.

It also makes cities and counties and States, as well as private industries, eligible for obtaining loans and grants in relief so that they may bring about the purification of the streams by the installation of the necessary modern machinery for stream purification.

The bill as it passed the House authorized an appropriation of $700,000, which the division of stream pollution might use in making loans and grants-in-aid of the purification of the streams, not only by cities and public subdivisions of States but also by private industries, so that any city or any factory that is now engaged in the manufacture of any product the refuse from which is being discharged into a river, and which pollutes it or makes it impure or unsafe for human consumption, may avail itself of this credit in order that it may proceed at once to purify the water and install such machinery and appliances as are necessary in order to protect the life and health of the people.

The bill also provides that, if at the end of 3 years the Public Health Service, through these various agencies, finds that any institution, public or private, has deliberately refused to take advantage of the opportunity and has either continued or created a public nuisance, such facts may be laid before the Attorney General of the United States, and he is authorized to direct the district attorney in the district in which the nuisance exists to bring suit in equity to abate the nuisance. No criminal penalty is attached. It provides merely a civil action for the abatement of any nuisance which may endanger the life or health of the people.

I may say that the Senator from Connecticut [Mr. LONERGAN] has for several years introduced a measure along this line, differing somewhat in detail; and after the House passed House bill 2711, the Senator from Connecticut and I collaborated to see if we could not work out the differences between the bill as it was passed by the House and the bill which I had introduced and the bill which he has for several years introduced in the Senate.

The Senator from Connecticut cooperated most fully and most intelligently and most helpfully in working out this matter.

We have framed the pending measure based upon the bill which passed the House, with a provision which the Senator from Connecticut desired to have in the law authorizing the abatement of these nuisances after a 3-year period. That is the part of the bill which represents to the greatest extent the measure which the Senator from Connecticut introduced, and the remainder of the bill is that which passed the House in substance, and which I had introduced in the Senate, both at the last session and at this session.

The Committee on Commerce, before which the bill was pending, appointed a subcommittee, whose chairman was the distinguished senior Senator from Arkansas [Mrs. CARAWAY], and the subcommittee gave careful consideration to the bill. The bill was reported to the full committee, and the full committee unanimously reported it to the Senate. Therefore, I think the matter has been carefully considered, and the details worked out in conference among all those interested in the proposed legislation. The situation has become so acute in various portions of the country that it is absolutely necessary that Congress deal with the subject not in a drastic way now but make a fair beginning, so that we may in the years to come protect our people against stream pollution.

Mr. KING. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KING. I wish to ask the Senator whether there is any provision in the bill which would clearly indicate that streams which are intrastate are to be brought within the purview of the law.

Mr. BARKLEY. The Senator realizes that anything of an impure nature that is thrown into a stream whose waters find their way into a navigable stream must be dealt with in order that the waters of the navigable stream may be purified.

Mr. KING. I understand that.

Mr. BARKLEY. It would be of small avail merely to provide that streams between States, or streams which run from one State into another, might be purified, if in all the tributaries of these rivers factories or towns were permitted to discharge all sorts of impure substances which in a very brief space of time would find their way down into the main stream. For that reason the Public Health Service is authorized to make a survey not only of the main streams but of their tributaries; and, in order to protect the public health and the lives of the people, the bill contains provisions which would enable the Public Health Service to take notice of the discharge of impurities into the smaller streams which find their way into the larger streams.

Mr. KING. I am not making any complaint in regard to that. My question related to instances, and I have a number in mind, where a factory was located upon the bank of a small stream which ended in a State and had no connection whatever with any interstate streams.

Mr. BARKLEY. Of course, the bill does not undertake to deal with any stream that is not a tributary of a navigable stream. It is designed to deal with navigable streams and tributaries out of which impurities may flow into navigable rivers.

Mr. KING. I first saw the bill just a moment ago, and I should like to ask whether new positions are to be created. I saw some reference to the creation of a commission of five.

Mr. BARKLEY. A division is to be created within the Public Health Service. There is to be an officer of the Public Health Service designated as director of the division, but all of this work is to be done within the Public Health Service, through the Division of Stream Pollution, and all the agencies, including the Corps of Engineers, all State health departments, and all others, are authorized to cooperate with the Public Health Service in working out a feasible, practicable, and at the same time effective plan to protect people against stream pollution.

Mr. KING. It seems to me that section 12 gives a little too much authority for the employment of a large number of officials, and makes no limitations upon their salaries or compensation. I was wondering whether that matter had received the attention of the committee. We are creating so many new offices, as the Senator knows, so many new bureaus and positions, and we have gotten into the habit of paying $10,000 a year as salary to some man who is placed in some position more or less important, that we are not imposing proper restrictions upon the number of employees and the salaries paid them.

Mr. BARKLEY. Mr. President, it is not contemplated that the bill shall provide for an office-creating agency of the Government. Had we desired to create a number of new offices we would not have set the agency up in the United States Public Health Service. Section 12 of the bill provides:

> For the administration of this act the Secretary of the Treasury may, upon recommendation of the Surgeon General—

The Public Health Service being in the Treasury Department, as the Senator knows, makes that necessary—

> appoint such engineers, attorneys, experts, research assistants, examiners, and consultants as may be necessary, and fix their compensation, in the manner provided by law for the appointment and fixing of compensation of such personnel of the Public Health Service—

So the salaries of those employed in the proposed division are limited by the salaries paid in the Public Health Service—

> and the Surgeon General is authorized to transfer, assign, or detail to the Division, from any other division of the Public Health Service, such professional and scientific personnel as may be available. Not exceeding 10 engineer officers in the reserve of the Public Health Service may be ordered to active duty for such periods of time as may be desirable, extending not more than 5 years beyond the date of enactment of this act, to assist in carrying out the purposes thereof.

The Senator will realize that what it is proposed to do is to create this Division within an existing, well-recognized and, I think, universally appreciated branch of our Government in the Treasury Department, to wit, the Public Health Service, and the effort all through this bill is to limit the employment to persons already in the Public Health Service.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LODGE. Is this measure supported by the heads of various public health services throughout the country?

Mr. BARKLEY. I am not able to say that the head of the public health service in every State came to Washington or was personally consulted about it, but the national organization of State public health officers not only approved the bill, but cooperated in framing it. Many of them were here in Washington during the time when it was under consideration to help in framing it so as to coordinate our National Public Health Service with the State public health services, and many of the State officials testified before the House committee during rather extensive hearings which were held during the winter.

Mr. LODGE. That is what I had in mind. Is the organization to which the Senator referred the national organization of State public health services?

Mr. BARKLEY. The national Association of Public Health Officers approved this bill and helped in framing it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BONE. I have not had an opportunity to examine the bill, which was brought up hurriedly this morning, but I am curious to know about some of its aspects. For instance, water from a mine or factory containing mine tailings and discharge from certain types of mills, such as pulp mills, when poured into either fresh or salt water bodies, has a very definitely deleterious effect on marine life, fish, oysters, and the like. In what way does the bill get at that particular evil? Does it provide for terminating that sort of pollution?

Mr. BARKLEY. The bill provides a fund from which loans may be made either to cities or to private industries which may not immediately have the available funds with which to abate a nuisance that has been created which results in the pollution of streams. The Senator from Washington is eminently correct in stating that polluted streams not only have a very injurious effect upon human life, but upon marine life, and in some of the streams of the United States the pollution of the water has resulted in the wholesale killing of fish of various species. For that reason the Izaak Walton League has for a number of years been interested in securing some sort of legislation to prevent stream pollution, not only from the standpoint of human life, but from the standpoint of marine life, and it has cooperated very effectively and helpfully in the framing of this measure.

At the end of 3 years from the enactment of this bill, if any institution which cannot out of its own funds abate the nuisance, has not taken advantage of the opportunity of securing loans and grants under the act, and if at the end of 3 years the pollution is of such degree and extent as, in the opinion of the health officers of the State and of the Nation, to create a common nuisance, the bill authorizes the Attorney General to instruct the district attorneys in the districts where such a condition exists, to bring suit in equity to abate the nuisance.

Mr. BONE. Mr. President, a great many cities are now pouring their sewage into streams, and below the point of entrance other cities are taking their water supply out of the same rivers. The condition is so appalling and so tragic that something, I think, must be done to abate that sort of thing in the next few years or we are likely to have a plague in this country.

Mr. BARKLEY. The Senator is correct. I have in mind cities—I do not care to mention their names—on certain rivers the water of which has been declared unsafe for human consumption, and yet those cities are not in a position of their own volition and initiative to clear up that situation, although their chambers of commerce and their city administrations are anxious to be able to do it, and have repeatedly appealed to the Congress to enact legislation which will assist them.

Mr. BONE. Is there a provision in the bill requiring cities to put in sewage-disposal plants within a certain time? I did not hear all of the Senator's explanation of the bill, I am sorry to say.

Mr. BARKLEY. There is no provision which undertakes to require a city to do that. I doubt whether we would have authority to enact legislation to require a city to do that. However, this bill is intended to encourage cities to do it by making available funds which they may obtain through loans or grants to enable them to do it if they are not able to finance it themselves. It also applies to private industries that are not at the moment able to undertake the work themselves. They will be able to obtain and expend the money necessary to abate the nuisance referred to in the bill.

Mr. BONE. I think it is a very highly necessary piece of legislation.

Mr. WHITE rose.

Mr. BARKLEY. Does the Senator from Maine ask me to yield to him?

Mr. WHITE. I do not care to interrupt the Senator now. I desire to speak on the measure in my own time.

Mr. JOHNSON of California. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from California?

Mr. BARKLEY. I yield.

Mr. JOHNSON of California. I wanted to make an observation with respect to bills passed this morning. First we had placed before us for action a bill 42 pages in length. We passed it in 42 seconds time. I do not know the length of the bill now under consideration. How long is it?

Mr. BARKLEY. The bill is 27 pages long.

Mr. JOHNSON of California. Only 27! We will pass that in 27 minutes or 27 seconds. I do not object to the bill because I do not know anything about it. That is my fault, and I am not blaming anybody at all. But we are going rather rapidly with legislation of this character and legislation of the length and of the importance of the bill now before us. I am very glad to be in favor of a bill seeking to eliminate stream pollution and to do anything that I can in behalf of such a bill. I do not object to anything that the Senator from Kentucky has said. I think I missed a considerable portion of the explanation of the first bill that was considered, and do not know entirely to what it applied, and that was by reason of my not being here Saturday last, because I understand it was discussed then for sometime.

Mr. BARKLEY. I will say to the Senator from California that in that connection I also had inserted in the CONGRESSIONAL RECORD on Saturday a detailed explanation of that bill, which was available to all members if they had time to examine it.

Mr. JOHNSON of California. Mr. President, we are making a record. We can act on two bills as was shown this morning, in 16 minutes; one 42 pages in length and the other 27 pages in length, in all 69 pages, and we feel that when we have done so we have accomplished a great deal and that we have done our full duty.

Mr. BARKLEY. I appreciate what the Senator from California has said. I am in sympathy with the idea he expresses. Of course, the Senator realizes that we are not in any different situation now from that which always exists at the end of a session of Congress, when, because of what might have been thought to be more important matters, measures that are really worthy of our careful consideration get shunted over toward the end.

I will say to the Senator, however, that both of these bills were carefully considered, not only in the committees, where hearings were held on both of them, but they were debated at length in the House, the proceedings of which were, of course, available to those of us who have any time to study the CONGRESSIONAL RECORD. The committees have considered the bills carefully; and while it is, I think, unfortunate

that bills containing so many pages as these bills contain should come in at this late hour during the session, I do not believe that the Senator need to have any fear that the pending bill has not been given the widest and the most serious consideration.

Mr. JOHNSON of California. I agree with the Senator. I have no fear for anybody but myself, and, of course, I would not put forward that fear as a matter that should for a moment be considered by the Senate. However, I should like to know how many Senators know anything about the 42-page bill. I should not like to know it simply from asking that question. I ask Senators to think for a moment of the rapidity with which we pass bills of great volume in record time.

Mr. BARKLEY. In connection with the pending bill, I will say to the Senator that, of course, the Senate bill makes some changes in the bill as it passed the House. Request for such legislation has been made for many years. I introduced a bill dealing with the subject in the last Congress, and the Senator from Connecticut [Mr. LONERGAN] also introduced a bill of similar nature, and certain Members of the House introduced a bill, and hearings were held on all those measures. We have now reached a point where we can get legislation. Differences exist between the House bill and the Senate bill, and if anything is to be done at this session, the bill must be passed in time so that it may go to conference and the differences worked out in conference. I think we have reached a time in this country when we can no longer safely postpone dealing with the subject of stream pollution and the protection of life and health of our people.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. ELLENDER. The Senator mentioned a bill introduced by the Senator from Connecticut [Mr. LONERGAN]. What is the essential difference between the bill introduced by the Senator from Connecticut and the bill before us?

Mr. BARKLEY. The bill which the Senator from Connecticut introduced provided a different agency altogether. His bill did not set up a division of stream pollution in the Bureau of Public Health. There were very many differences between that bill and this one. The provisions for Federal enforcement were more drastic in the bill of the Senator from Connecticut than they are in this bill. The basis of the measure now before the Senate is the House bill plus the provision that was in the bill of the Senator from Connecticut providing for Federal efforts to abate the nuisance wherever a public nuisance is declared to exist by reason of insanitary conditions.

Mr. ELLENDER. As I understand, the present bill calls for more cooperation between the Federal Government and the local authorities?

Mr. BARKLEY. It does. The fact is that this is a bill designed to bring about complete cooperation between the Federal Government, States, counties, and cities and their various subdivisions. The bill of the Senator from Connecticut did make provision for such cooperation, but it also authorized the States to enter into compacts among themselves for the mutual abatement of nuisances, and in such cases, of course, it would be expected that they would be able to abate many of them and protect their own people without the intervention of the Federal Government.

Mr. ELLENDER. The reason I asked the question is that I have received a number of telegrams and letters against the so-called Lonergan bill.

Mr. BARKLEY. I will say to the Senator that the Senator from Connecticut has been very generous and very helpful in undertaking to eliminate some of the provisions to which objection was made in the original bill which he presented to the Senate.

NOMINATION OF SENATOR BLACK TO THE SUPREME COURT

Mr. WHITE. Mr. President, in the understanding the nomination of the Senator from Alabama [Mr. BLACK] to be an Associate Justice of the Supreme Court will be before the Senate tomorrow, and because of my fear that I shall be obliged to be absent during much of the day, I desire to take this opportunity to present my views concerning that nomination.

This nomination brings to the Senate three interesting questions. These are, first, is there a vacancy in the Supreme Court caused by the retirement of Justice Van Devanter? Second, if there is no vacancy so occasioned, was an office created by the act of March 1, 1937? And, third, did the act of March 1, 1937, increase the emoluments of a Justice of the Supreme Court?

I address myself at the moment to the first question. The distinguished Senator from Idaho [Mr. BORAH] asserts and argues with his extraordinary power and persuasiveness that the retirement of Justice Van Devanter did not cause a vacancy in the Supreme Court. Eminent students and other profound lawyers agree with him. If the Senator is right, then it is certain that an appointment can now be made only if by our legislative act we increased the membership of the Court and thereby created the office now sought to be filled. Stated in another way, if the contention of the Senator from Idaho is sound, the nomination now pending is not to fill the position occupied by the retired Justice but is to fill a recently created office.

Mr. President, I am inclined to accept the view of the Senator from Idaho that a vacancy can happen in our Supreme Court only by those means assigned by the Constitution itself; that is, by impeachment, by resignation, or by death. Neither of these events has occurred. There can, therefore, be no vacancy as contemplated by the Constitution itself.

There is support for this construction in the language in the act of March 1, 1937, itself, in the reports of the Judiciary Committees of both the House and the Senate, in past utterances of learned Senators other than the Senator from Idaho and in Court decisions.

The act of March 1, 1937, provides in words:

> Justices of the Supreme Court are hereby granted the same rights and privileges with regard to retiring, instead of resigning, granted to judges other than Justices of the Supreme Court by section 260 of the Judicial Code.

Here is clear recognition that the act does not contemplate a separation from the Court by resignation. The act further provides that the Justice so retired may be called upon and authorized to perform such judicial duties in any judicial circuit as he may be willing to undertake.

Mr. President, I assert that he can perform judicial duties only as a Justice. He can act in no other capacity.

I have said that the reports of the Judiciary Committees of the House and Senate recognize that a retired Justice is still a Justice of the Court. The report of the House Commitee on the Judiciary——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHITE. I yield for a question.

Mr. CONNALLY. What has the Senator to say to this suggestion? Suppose that the Senator from Idaho is technically correct that there was no vacancy on the Court and that the act of Congress providing for retirement in fact created a new place. Does it not inevitably follow that the new place which was created is the place now occupied by Mr. Justice Van Devanter, because he does not occupy his old place? If he occupied his old place, there would be nothing to do. If a position was created at all, is it not true that the new status of Justice Van Devanter is the new office which Congress created; that, in assuming that status, the new status, he vacated the old place, and that the appointment that is now being made is being made through the vacancy created by the abandonment of Justice Van Devanter of the former office, the former duties and the former functions of a Justice of the Supreme Court and the assumption by him of this new status which is that of a so-called retired Justice?

Everybody knows——

Mr. WHITE. I yielded for a question, and I hope the Senator will bring his question to a conclusion.

Mr. CONNALLY. I am asking the Senator what answer he has to that question? If that is not a question, the Senator from Texas does not know how to ask a question.

Mr. WHITE. I think it is a question, and I think the answer is that we have increased the size of the Court. I will refer to that further as I go along.

Mr. CONNALLY. If we increased the size of the Court, whose place has Senator BLACK been nominated to fill—this new or retired job or the old place that Justice Van Devanter held before he gave it up? We all know that Senator BLACK has been appointed to fill the place formerly held by Justice Van Devanter and not the place now held by Judge Van Devanter.

Mr. WHITE. I disagree entirely with the Senator.

Mr. CONNALLY. I thank the Senator for permitting me to ask the question.

Mr. WHITE. I think we have created an additional judgeship and that the Senator from Alabama has been named to fill that additional place.

Mr. President, the report of the House Judiciary Committee in summarizing said:

> This bill therefore, if enacted, would serve to relieve them——
>
> That is, the retired justices—
>
> of the part of their existing duties and leave them subject to assignment to the performance of duties in the circuits.

I persist in the question—in what capacity may they serve in the circuits unless it be as justices of the courts? They have no other judicial status.

The report of the Senate Committee on the Judiciary employs much the same language as I have quoted from the House report. It contains this significant statement:

> This bill, if enacted, would serve to relieve the Justices of the Supreme Court of a part of their existing duties, leaving them with full judicial investiture, subject to assignment to the performance of duties in the courts of any circut.

How may it be said that in relieving a Justice of only one part or of a part of his duties he has been removed from the Court? How may it be argued that Justices are so far removed from the Court as to create a vacancy? All that has been done, according to the Judiciary Committee of the Senate, is to relieve them of a part of their existing duties, leaving them with full judicial investiture.

What did Justice Van Devanter himself have to say? He wrote to the President. I quote from his letter to the President:

> I desire to avail myself of the rights, privileges, and judicial service specified in the act of March 1, 1937.

What was the judicial service specified in this act? It is such judicial duties as he might be willing to undertake. But it is manifest that he must be a justice to perform judicial duties. Justice Van Devanter could act only as a Justice of the Supreme Court. If Justice Van Devanter is not that, he is no judge at all. If he is that, there is no vacancy occasioned by his retirement.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. WHITE. I yield.

Mr. AUSTIN. Among those duties or services which are prescribed in the act of March 1, 1937, and which Justice Van Devanter referred to expressly in his retirement letter is the following:

> Including those of a circuit justice of such circuit.

I ask the Senator from Maine whether it is not an undeniable fact that a circuit justice is a Justice of the Supreme Court by virtue of title 28, section 215, of the United States Code, Annotated, which is the same as the Judicial Code, section 119, and again by virtue of title 28, section 217, of the same code, being Judicial Code, section 121? In order to make my question clear, I am going to read section 121, as follows:

> The words "circuit justice" and "justice of the circuit" shall be understood to designate the Justice of the Supreme Court who is allotted to any circuit, but the word "judge" when applied generally to any circuit shall be understood to include such Justice.

Now, my question is, is it not absolutely, definitely, precisely, and expressly stated in the act of March 1, 1937, that this retiring Justice is still a Justice of the Supreme Court of the United States?

Mr. WHITE. I think the Senator answers his own question.

Mr. President, whatever may be the opinions of Senators, the views of the Supreme Court itself should be conclusive upon us. In the case of *Booth* v. *United States* (291 U. S. 339) it was held that a district or circuit judge of the United States who retires under the provisions of section 375 continues in office within the meaning of section 1 of article III of the Constitution. This section 375 is the section referred to in the Retirement Act passed by the Congress in behalf of our Supreme Court Justices. It is the section defining the rights and privileges with regard to retiring, granted to our Justices. There seems to be no possibility of escape from the conclusion that our Justices continue in office, protected by section 1 of article II precisely as do district and circuit judges.

This decision should satisfy every Senator that no vacancy was created by Justice Van Devanter.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. GREEN. I understand the contention of the Senator from Maine to be that because of Justice Van Devanter's retirement no vacancy exists. Suppose, instead of one Justice of the Supreme Court retiring, all seven who are entitled to do so should retire. Would the Senator contend that no vacancies would exist and that two Justices only were left to perform the duties of the Supreme Court?

Mr. WHITE. I shall refer to that later. I have something to say on that point a little later.

If Congress by its act and Justice Van Devanter by his election did not create a vacancy, what is the result which has been brought about?

I am persuaded that an office was created by the act of March 1, 1937, and that with the filling of the office we shall have increased our Court to 10 members. I see no escape from this conclusion.

This is the view of the Senator from Idaho [Mr. BORAH] and of the chairman of the Judiciary Committee [Mr. ASHURST] unless that distinguished Senator has changed his understanding of the situation. I quote a colloquy between these Senators:

> Mr. ASHURST. Very well, suppose, during the session of Congress the President should nominate a man for Associate Justice of the Supreme Court of the United States and send his name to the Senate, and he should be confirmed and take the oath of office. We should have 10 judges of the Supreme Court, should we not?
>
> Mr. BORAH. We should.
>
> Mr. ASHURST. That is all I contend, and all anybody contends. There is no real difference between the Senator from Idaho and myself.

The Senator from Georgia [Mr. GEORGE] than whom there is no clearer thinker in this body, expressed the tentative view that we had so increased our Court and he likewise added the weight of his learning and judgment to the opinion of the Senator from Idaho [Mr. BORAH] that Justice Van Devanter is still a member of the Supreme Court. Upon this and upon the question of increase in the size of the Court, the Senator from Georgia [Mr. GEORGE] said:

> I am much interested in the Senator's remarks. The point I am about to mention may have been covered, but I wish to have the Senator's view upon it.
>
> I think there would be no disagreement with the main premise of the Senator from Idaho that Justice Van Devanter is still a Justice of the Supreme Court of the United States. I do not think there can be any doubt about that. In fact, I think the Supreme Court in one case has held, in the case of a district court judge, that he still remained a judge; and in another case the Supreme Court refused to grant a writ of certiorari, which would have reviewed that decision. So it must be taken that the Supreme Court has passed upon the question.
>
> Is it not a permissible view, however—and I submit it to the Senator without having previously explored it—that when the Congress passed the act authorizing the retirement of a Justice of the Supreme Court, and authorizing the President to appoint a successor, by necessary implication the Congress increased the number of Justices of the Supreme Court from 9 to 10, or increased the number of Associate Justices from 8 to 9, and that by necessary implication the Congress has given the Executive the power to make an additional appointment? It is not expressly so stated in the act, and of course I understand that the Senator would not favor

construction of an act by invoking the doctrine of implication; but it seems to me that of necessity what we have done is to increase the number of Justices of the Supreme Court by each retirement under the terms of the act.

For the opinion of the Senator from Georgia I entertain the highest respect.

The Senator from Kentucky [Mr. BARKLEY], the present leader of the majority, gives hesitant sanction to this construction of our legislative act. I quote the Senator from Kentucky [Mr. BARKLEY] as follows:

Inasmuch, however, as the size of the Court is subject to congressional regulation, and if we may assume that Justice Van Devanter is still technically a Justice of the Supreme Court—though he may be regarded as a Justice emeritus, or something of the sort—I think there is much force in the suggestion of the Senator from Georgia [Mr. GEORGE] that by implication, if not automatically, we have increased the membership of the Court from 9 to 10.

Mr. President, I find the words of the junior Senator from Kentucky [Mr. LOGAN] approving the contention of the Senator from Idaho [Mr. BORAH] that the retirement of Justice Van Devanter did not create a vacancy in the Court and supporting the proposition that Congress has authorized an increase in the membership of the Court. I quote the junior Senator from Kentucky [Mr. LOGAN] as follows:

If the position of the Senator from Idaho is sound, let me ask him this question: If a Justice will not resign, and we cannot make him do so, and if Congress authorizes him to retire and he still remains a Justice, is there any way to have a Supreme Court which will function properly other than by increasing the number of Justices?

Mr. BORAH. I am not sure I understand the proposition. I start out with this: That whether we like it or not, whether we would have made the Constitution differently or not, the Constitution provides that the Justices of the Supreme Court shall remain on that bench during good behavior.

Mr. LOGAN. That is true.

Mr. BORAH. That is fundamental. There is no way to get them off that bench so long as they observe the rules of good behavior.

Mr. LOGAN. That is true; there is no doubt about that.

Mr. BORAH. What we have undertaken to do is to provide a retirement provision. I say that that does not amount to taking a judge off the Supreme Court.

Mr. LOGAN. I agree with that.

Mr. BORAH. Then he is on the Supreme Court.

Mr. LOGAN. That is true.

Mr. BORAH. And we have a Chief Justice and eight Associate Justices there, and the President has no vacancy to fill.

Mr. LOGAN. That is where I agree with the Senator from Georgia rather than with the Senator from Idaho. We have done this already, and it has been complained about so much by the people and in the Senate; we have, under the act of Congress, a Supreme Court, not of a fixed number of 9 but a Supreme Court which may vary anywhere between 6 and 18 members, under chapter 21 of the laws of the first session of the Seventy-fifth Congress. It provides that when one of the Justices retires the President shall appoint a successor. By implication, according to my interpretation of the law, that amends section 203 of the statute, or whatever section it is, providing that the Supreme Court shall consist of one Chief Justice and eight Associate Justices.

Mr. BORAH. Mr. President, the escape from the position is that we have now increased the Supreme Court to 10.

Mr. President, I share the belief that we have increased the membership of the Court. We have in truth created a new office under the authority of the United States. This was done during the term of office for which Senator BLACK was elected. He cannot, therefore, be regarded as eligible under the Constitution for appointment to this additional and new office.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. JOHNSON of Colorado. Does the Senator contend that if Mr. Justice Van Devanter should die the President then could appoint another Supreme Court Justice?

Mr. WHITE. Yes; that would be my impression.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. WHITE. Mr. President, we have a special order at 2 o'clock, and I do not want to occupy too much time. I am rather reluctant to yield, but I will yield to the Senator from Washington, and after that I shall decline to yield until I shall have concluded.

Mr. SCHWELLENBACH. Accepting the conclusion of the Senator from Maine that by this act we have increased the size of the Court, is it not also true, if that is true, that we created a position on the Supreme Court which requires additional qualifications than the qualifications of simply having been nominated by the President and confirmed by the Senate?

Mr. WHITE. I should not say so.

Mr. SCHWELLENBACH. In order for a judge to occupy the tenth position upon the Supreme Court he must have served upon that Court a certain length of time and must have attained a certain age.

Mr. WHITE. I do not so understand at all. An original position, a new position, an additional judgeship may be filled by the nomination of the President and the confirmation of the Senate; and I know of no qualifications prescribed anywhere for a Justice of the Supreme Court.

Mr. SCHWELLENBACH. Certainly Senator BLACK could not qualify for the position that Mr. Justice Van Devanter is now occupying in the Supreme Court.

Mr. WHITE. I agree to that.

Mr. SCHWELLENBACH. Therefore, since he could not qualify for that position, Senator BLACK is not nominated to occupy the new position, but is nominated to occupy the position left by Mr. Justice Van Devanter.

Mr. WHITE. My understanding of the situation is that there is no vacancy because of the decision of Mr. Justice Van Devanter to accept retirement privileges. He is still a Justice of the Supreme Court of the United States. I think we have, however, created an additional judgeship. We have increased the membership of the Court from 9 to 10; and my contention is that Senator BLACK is not eligible to fill the new place, because that is a position created during the term of office for which he was elected a Senator of the United States.

Mr. GREEN rose.

Mr. WHITE. I must decline to yield further.

Mr. GREEN. Mr. President——

Mr. WHITE. I beg the Senator not to interrupt me further.

Mr. GREEN. I beg——

Mr. WHITE. Mr. President, I decline further to yield.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. WHITE. We have a special order for 2 o'clock, and I desire to conclude, so that I may not interfere with it. I do not want to be discourteous.

Mr. President, I repeat, I share the belief that we have increased the membership of the Court. We have, in truth, created a new office under the authority of the United States. This was done during the term of office for which the Senator from Alabama was elected. He cannot, therefore, be regarded as eligible under the Constitution for appointment to this office.

Still another constitutional prohibition stands in the way of Senator BLACK entering into the office for which he has been nominated. The Constitution says—and I paraphrase, that—

No Senator * * * shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States which shall have been created, or the emoluments whereof shall have been increased during such time.

That the emoluments of the office of a Justice of the Supreme Court have been increased during the term for which Senator BLACK was elected does not seem to me to be open to doubt.

Let us first inquire what an emolument is. Bouvier's Law Dictionary defines an emolument as—

The profit arising from office or employment, that which is received as a compensation for services or which is annexed to the possession of office as salary, fees, or perquisites; advantage, gain, public or private. It imports any perquisite, advantage, profit, or gain arising from the possession of an office.

A study of cases, so far as I have been able to examine them, adds little to this comprehensive definition.

In an early New Hampshire case the Court held that the word "emolument", among other things, comprehended an exemption from military duty allowed to a person employed

in carrying the mail. Except for this one case, I have found none enlarging the sweep of the Bouvier definition.

Let us consider, then, the effects of the Retirement Act upon the emoluments of the office of Justice of the Supreme Court. Has there been a change in the compensation amounting to an increase thereof? I return an affirmative answer to this question.

Prior to the act of March 1, 1937, by the law then in force, a Justice upon resignation was paid the same amount he was theretofore receiving as a Justice; but because after resignation he was no longer a Justice, his salary was not protected by the constitutional provision that the salary of a judge shall not be diminished during his continuance in office. It became, therefore, subject to income tax at the same rates imposed upon the salaries of citizens generally.

That this is so admits of no doubt. Moreover, the salary of a Justice who had resigned was subject to other possibilities of reduction. The illustration which immediately suggests itself is the reduction in the salary of Mr. Justice Holmes, which, following his resignation, was reduced by one-half, as a result, I believe, of the Economy Act passed by the Congress. But by the privilege of retirement now accorded the salary of a retired Justice may not be reduced. By the constitutional provision just referred to it is assured him, undiminished.

This proposition is sustained by the Supreme Court in the case of *Booth* v. *United States* (291 U. S. 339). The Court there held that a district or circuit judge of the United States who retired under the authority of section 375 of title 28 of the United States Code continues in office within the meaning of section 1 of article III of the Constitution, and that his compensation may neither be taken away nor diminished. The Court in this case further held that such a retiring judge does not surrender his commission, but continues to act under it.

He loses his seniority in office, but that fact attests that he remains in office—

Said the Court.

Mr. President, there cannot be successful challenge of the proposition that when we have given to a Justice the new privilege of retirement with a salary that may not be diminished by taxation or by other means, we have increased the emoluments of the office of a Justice.

I summon other Senators to the support of these assertions that the salary of a former Justice who is no longer a Justice because of resignation is subject to taxes or to other reduction by congressional act, while the salary of a retired Justice is beyond congressional reach because protected by the Constitution itself.

The late leader of the Senate, Senator Robinson, of Arkansas, said this:

Mr. ROBINSON. If a Justice should resign, the Congress would have the power to repeal any provision of law as to his salary. A Justice who has served to an extreme old age ought not to be expected to resign from his office and take the chance of being denied any provision during the years of his life when his earning power is entirely gone.

As stated by the Senator from Nevada, the Congress has availed itself of its power very greatly to reduce the compensation of Justices who have resigned. If it saw fit, it could decline to make any provision whatever for a Justice who had resigned; and he, not being in the status of an officer, having vacated his office, would have no remedy whatever. So long as he is retired he is still in a sense a member of the Court, and his compensation cannot be reduced by law. There is a very practical difference.

Mr. President, of a truth there is, as Senator Robinson clearly stated, a practical difference. It is a dollars and cents difference. In the case of the retired Justice, the salary is $20,000 a year net, reduced neither by income-tax nor by any other means. In the case of a former Justice resigned, it is $20,000 a year diminished by income-tax and subject to the hazard of congressional whim.

The Senator from Nevada [Mr. MCCARRAN], a profound lawyer, has said of a Justice who has retired:

By his own volition in accepting the terms of this bill he places himself in the status of a judge not in active service, and thereby maintains his right to hold his emoluments as his emoluments are now paid to him, and to hold his position subject to the call of the Chief Justice.

By the legislation of the Congress there has been accorded to a Justice of the Supreme Court the privilege of retirement, carrying with it a new right with respect to salary. This is an increase in the emoluments of the office of a Justice. It is a barrier which cannot be rightfully scaled in the present instance.

There are other emoluments which have been increased; for an emolument is something more than salary. The certainty of unlimited compensation enjoyed by a retired Justice, when set against the hazard of reduced pay or no pay at all in the case of a resigned Justice, is an advantage constituting an increased emolument.

The privilege of such judicial service as a retired Justice may, in the language of the statute, "be willing to undertake", is a new right accorded; it is an advantage accruing to such a retired Justice, constituting an increased emolument. It is an advantage accruing to such retired Justice, constituting in and of itself an increased emolument.

Mr. President, it is my belief that the Congress has created an office which Senator BLACK may not occupy at this time. It is my conviction that because of constitutional inhibitions he is not eligible. It is my belief also that we have increased the emoluments of the office of a Justice of the Supreme Court. It is my profound conviction that by reason thereof, Senator BLACK is not eligible to membership upon the Supreme Court during the term for which he was elected.

Mr. President, I have taken a solemn oath to support and defend the Constitution of the United States. I cannot permit agreeable personal relations, or the customs of this body, to make more persuasive appeal to me than the supreme law of the land. I shall, therefore, vote against the confirmation of Senator BLACK as a Justice of the Supreme Court.

WATER-POLLUTION CONTROL

The Senate resumed the consideration of the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

Mr. LONERGAN. Mr. President, I believe that most Senators are generally familiar with the problem of water pollution. It has been a problem for many, many years. But recently, with the continued increase in water pollution, it has become an emergency problem, calling for immediate action.

Originally we were concerned with pollution because of its destruction of fish and game and other aquatic life in and along our streams. That concern is still with us; but we now face the even more important problem of national health, which is being affected by stream pollution. It is not necessary for me to relate the thousands of examples showing how water pollution affects the public health. Newspapers only a short time ago carried articles concerning the spreading of disease in Ohio as a result of polluted waters. The medical profession has also been studying closely the possible cause of cancer and of the dreaded infantile paralysis from polluted waters. I have ventured to suggest that even those Senators who have given no special attention to this problem at all are almost daily confronted with articles in their newspapers concerning the results of pollution. Many Senators have come in actual contact with the problem in health work, or in traveling about their States on official business, or by engaging in fishing or other sports activities, where the stench and odor of polluted water is obvious. Indeed, the water-pollution problem has become so important that one authority has declared that we must destroy water pollution or it will destroy us.

The bill now being considered will give the Senate of the United States an opportunity to approach a solution to this important problem. The measure represents the best thought of scores of experts and organizations who have been fighting for years for corrective measures. The meas-

ure contains all of the provisions of the Barkley-Vinson bill as it was passed by the House, together with portions of my bill, Senate bill 13, which is the same in form as a bill favorably reported in the Seventy-fourth Congress by the Senate Commerce Committee.

I am happy to state that this composite bill, which we now know as a compromise measure, can be submitted for consideration at this time. My bill, Senate bill 13, and the original, House bill 2711, both sought to approach the water-pollution problem from a Federal standpoint, and the sponsors of both measures recognized the vital need of immediate action to control pollution. The two measures did represent two schools of thought, however, a division of opinion, so to speak, among the proponents themselves, which was not ironed out until recently.

Several years ago my interest in this subject was aroused by my work on a board which sought to eliminate pollution of water in Connecticut, and along the Connecticut River. I was startled then to learn the extent and the effects of water pollution. Since coming to the Senate I determined that something should be done about it, and in 1934 I called a conference of experts in Washington with the Secretary of War. After a hearing the conference selected a committee of five persons to draft a plan for transmittal to the President. A short time later the committee divided its opinion on two principles, somewhat different in operation, but with the same objective, and to this was added a third program, of the National Resources Committee.

Out of all these plans, and suggestions of many individuals and organizations and experts throughout the country, I was finally able to draft specific legislation, which I introduced in the Seventy-fourth Congress—Senate bill 3958—and extensive hearings were held before a subcommittee of the Senate Commerce Committee on that measure.

Eventually my bill, with several amendments, was reported by the committee. At about the same time Representative VINSON in the House and the Senator from Kentucky [Mr. BARKLEY] in the Senate joined in introducing a measure to establish a division of water control in the Public Health Service. At first the differences between the two bills were such that no amendment seemed possible, but after the Barkley-Vinson measure, now known as House bill 2711, had passed the House and come to the Senate, it was possible for the Senator from Kentucky and me to work out a compromise, which has been adopted by the Senate Commerce Committee, and is now before the Senate as a substitute for the original Barkley-Vinson measure.

I believe that all Senators will agree with the proposal and objective of this measure. I believe that many who were originally opposed to pollution-control measures will now agree that this compromise measure represents the best that can be accomplised at the present time. It is true that the measure represents only an approach to the problem of pollution control by the Federal Government, but it is an effective approach, which will bring results within a few years.

The measure does not create any new department in the Government. It does establish in the Public Health Service a division of water pollution control, in charge of a commissioned engineer officer of the United States Public Health Service, detailed by the Surgeon General.

The new division is authorized to cooperate with the agencies of the several States which are duly designated to deal with the subject of water pollution. The division will encourage cooperative activities by the several States in the prevention and abatement of water pollution by encouraging the enactment of uniform State laws relative to water pollution, by encouraging compacts between the several States for the prevention and abatement of water pollution, by the collection and dissemination of information, and by making available to State agencies, municipalities, industries, and individuals the results of surveys and experiments conducted by the division and other agencies. To further this objective the bill authorizes consent of Congress to the formation of agreements and compacts between the States for the prevention and abatement of water pollution.

The bill provides that any State, municipality, or other public body which is discharging untreated sewage into navigable waters is eligible for Federal aid in the form of grants-in-aid and/or loans for the construction of necessary treatment works, subject to certain limitations. Business establishments, industries, and individuals who are responsible for pollution are also eligible to obtain Federal aid in the form of loans for necessary treatment works.

The bill sets up a board of five commissioned engineer officers of the Public Health Service to meet at various times and generally supervise the projects undertaken by the division. The board members will be regular Public Health officials, detailed from time to time to serve on the board. The board will act upon recommendations submitted by the boards of health, in behalf of applicants for loans and grants, and will consider the public necessity for such projects, and the propriety of construction in part at the expense of the United States.

In order more effectively to handle the problem on a cooperative basis, the board is directed to classify navigable waters of the continental United States into areas to be known as sanitary water districts, and to fix standards of purity in each such district for the navigable waters thereof and for such tributaries from which pollution may flow, be washed, or be carried into such navigable waters. Thus, there will be established some uniform basis by which the State agencies may operate.

In addition, the board shall make reports to Congress, and shall determine the amount of money that will be necessary from time to time for grants-in-aid or loans under the various abatement projects. Before any money whatever is expended for such projects the board must submit a report to the Public Printer, to be submitted to Congress, so that Congress may authorize the projects in somewhat the same manner as the Congress acts upon rivers and harbors projects.

The only authorization for an appropriation in the bill is in section 10, authorizing the appropriation of the sum of $300,000 for each fiscal year beginning with the fiscal year ending June 30, 1938, for all necessary expenses of the division in administering the provisions of the act, and an additional annual appropriation of $700,000, as provided in section 11, to be paid to the States for expenditure by or under the direction of their respective State health authorities in the promotion, investigation, surveys, and studies necessary in the prevention of water pollution.

The remainder of the bill provides for the employment of personnel, to a large extent by transfer, assignment, or detail from other divisions or departments of the Government. Clerks, stenographers, and others in the routine classes of employment are to be appointed in accordance with civil-service laws and in conformity with the Classification Act of 1923 as amended.

The measure merely provides for Federal supervision of cooperative efforts with State agencies in the work of abating pollution. It goes beyond this in only one respect, that of enforcement, which is provided for in section 8. There are some who object to this section, which is taken from my pollution-control bill, S. 13, and slightly modified here, but I believe that if the provision is now studied carefully, the objections will no longer exist. The section clearly asserts the Federal jurisdiction over commerce and navigation; to extend, change, and amend the Admiralty and Maritime Act; to give due effect to the migratory bird treaty; and to protect the fisheries by declaring the discharge or deposit of waste within certain limitations to be a public nuisance, if such waste, whether in solid or gaseous or liquid state, shall be injurious to human health or to any other form of life, including aquatic life or migratory birds, or if it impairs in any manner the utility of such water for navigation purposes. It provides that after the expiration of 3 years after the enactment of the bill an action to prevent or abate such nuisance may be brought in the name of the United States by any United States attorney, at the direction of the

Attorney General. Such action shall be brought as an action in equity, and may be brought in any court of the United States, or in any district where the alleged nuisance exists.

Please note, Mr. President, that enforcement is provided in a court of equity. It is intended to take care of a few recalcitrant polluters whose activities are not unknown even to those persons who have had no experience at all with the subject of water-pollution control. For instance, there have been many cooperative efforts in various areas to abate pollution. Usually about 80 percent of the polluters of the waterways recognize the necessity for abating pollution and agree to cooperate in an abatement program. The other 20 percent fail to cooperate, or openly refuse to cooperate. Some of them openly assert that they do not want to be bothered with efforts to abate pollution. Many of them regard Nature's waterways as open sewers. There are a few who, I believe, would refuse to cooperate on a voluntary basis regardless of all cooperative effort and assistance which might be offered to them. No amount of education has been able to change the view of a small minority, and unfortunately this small minority can usually demoralize the whole effort of cooperation. Those who cooperate ask, "What good does it do for me to abate the pollution from my establishment, if my neighbor up the river refuses to cooperate, and continues to pollute the waters above me"?

The same question is often repeated by industries in different States. A waterway is no respecter of State boundaries. When it flows from one State into another, the efforts of the industries of one State to clear up polluted waters are often entirely nullified by failure of polluters in the neighboring States to cooperate.

In addition to the willful polluters, there are many, of course, who fear that there is no known method of treating the pollution from their plants. By expert assistance, however, the Public Health Service will be able to determine some method of pollution control, if possible, and offer a remedy. It has actually been found in many cases that the method of treating pollution in various industries has converted the pollutants into useful byproducts, which more than pay for the cost of installing a treatment process.

The important point to keep in mind regarding the Federal enforcement provision is that the division of water pollution control of the United States Public Health Service would, first of all, cooperate with the agencies in making surveys of their sources of pollution in given areas. Remedies would be sought, and this information would be furnished to the polluters, who would also be informed of the provisions for loans and grants by the Federal Government to install the necessary equipment. Every effort would be made to assist the polluter in a voluntary cooperative manner. On the basis of past experience it is regarded as fairly certain that at least 80 percent of the polluters would be willing to cooperate on this basis. The others, if they continued to refuse all cooperative assistance, would be subjected to the enforcement provisions, and in cases of open, willful pollution of waters affecting public health, and marine life, and navigation, the Attorney General could direct the district attorney in the area to institute an action in equity to prevent or abate pollution by the violator. If the polluter violated the court order, he would be subject, of course, to the penalties provided for contempt of court, which are the only penalties provided. Some Senators and many Members of the House have urged me to include a penalty as severe as a heavy fine or imprisonment to take care of such polluters, but I believe that when the polluters are offered information and financial assistance, and in many cases are shown how to obtain salable byproducts from the installation of pollution treatment works, they will want to cooperate, and will not be violators. The very existence of this enforcement provision itself, and the knowledge on the part of willful polluters that they can be restrained, will tend to make them more willing to accept the cooperative facilities of the measure.

Mr. President, this is not the time for temporizing with such an urgent problem. Now is the time for the Congress of the United States to act. The principles of my bill as inserted in this substitute measure have been endorsed by the water-pollution meeting of the American Wildlife Conference, which met in Washington at the call of the President, and by the Delaware Tri-State Anti-Pollution Conference, the antipollution committee of the American Fisheries Association, the American Game Conference, the Pennsylvania Federation of Sportsmen's Clubs, the West Virginia Affiliated Sportsmen's Association, the Kanawha Game and Fish Association of West Virginia, the Norfolk, Va., chapter of the Izaak Walton League, the American Game Conference at its convention in New York, and by practically all conservation organizations to which it has been presented.

I understand that the other provisions of the bill have not only the endorsement of the State boards of public health, which met in conference in Washington, but also the endorsement of many manufacturers and organizations that for a long time were opposed to most Federal plans of water-pollution control.

This problem cannot be solved on the basis of State action alone. Like flood control, it must be approached from the Federal viewpoint. Without Federal agencies the problem of water pollution will never be solved. The States have valiantly endeavored to solve the problem, but so long as there are streams flowing from one State to another, and so long as there is a lack of uniformity in water-pollution control, and until some financial assistance through loans and grants may be offered to help the polluter, there can be no really effective result. The tragic feature of pollution-control work is its incompleteness; the very fact that some polluters will not or cannot cooperate demoralizes the whole cooperative effort of those who do.

Congress should be aware also that the loans and grants provision in this measure will afford a certain amount of employment. The projects are in effect public-works projects. In fact, the Public Works Administration has been making loans and grants for this type of projects, and some consideration was given to an authorization permitting the handling of the loans and grants feature by the Administrator of Public Works. It was decided, however, in view of the necessity for a long-time, permanent program, and also because of the limitations placed on the expenditure of emergency funds by the Public Works Administration, that it would be more proper to grant special authority to the Public Health Service. I appeal to the understanding of Senators to support this measure and to them I also present the following Appeal of a Polluted Stream, a poem which I believe effectively presents this problem.

I am but a little stream
Flowing through your town for years,
Doing daily just your will,
Suff'ring patiently your jeers.

When I think of bygone days
And recall what I had been,
Thoughts of sorrow fill my breast
At the dirty deeds of men.

I was once the purest streamlet
That e'er blazed a mountain trail,
And God's sunshine smiled upon me
As I lingered in your vale.

And my bosom was so laden
With the speckled trout within,
That no fly nor a mosquito
Ever lived—to enter in.

How the goddess and her graces,
And the nymphs and naiads, too,
Sat and watched my crystal surface,
Knowing they were mirrored, true!

And the winged one from the heavens
Came to rest upon my banks,
Dipped into my limpid waters,
Sipped of them and sang me, "Thanks."

Too, the wild deer of the forest,
And the kine from neighboring farm,
Plunged into my friendly bosom,
Knowing I'd not do them harm.

I was mother to the redskin,
And I bore him on my breast
As he skimmed my placid waters
With a nature lover's zest.

But he went one day, forever,
With his tepees from my side,
And he left me to the white man
Whose impurities I hide.

Is there not a nature lover,
Or some man of civic pride
Who will plead my cause of justice
With the fathers who preside?

—*Ambrose Greelis.*

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. LONERGAN. I yield.

Mr. AUSTIN. I have discovered in the bill three different authorizations for money. One authorization is for the appropriation of sums for the building of projects on the basis of contribution of one-third by the United States and two-thirds by the States or subdivisions of States. The second authorization is for $300,000 annual appropriation for administration. The third authorization is the $700,000 appropriation for promotion and study purposes. Are other authorizations for money contained in the bill?

Mr. LONERGAN. No. However, the authorizations about which the Senator inquires have been taken from the House bill.

Mr. AUSTIN. I am looking at pages 24 and 25 of the Senate amendment to the House bill. Apparently the authorizations are made in connection with the Senate amendment.

Mr. BARKLEY. Mr. President, will the Senator from Connecticut yield?

Mr. LONERGAN. I yield.

Mr. BARKLEY. Action by Congress is necessary to carry out the projects. It is necessary that they be recommended to Congress by the division of stream pollution which is set up in the bill, and, of course, they will be subject to congressional action.

On page 24 the $300,000 item is simply an authorization for the administration expenses of the division of stream pollution. The $700,000 item is the fund set up out of which loans and grants may be made to cities or to private industries which desire to abate the nuisances of which complaint is made.

Mr. AUSTIN. Yes; but are other authorizations contained in the bill?

Mr. BARKLEY. No. That is all.

Mr. AUSTIN. There is no limit upon the amount of money that may be expended under this bill, is there?

Mr. BARKLEY. The limitation in the two items on pages 24 and 25 in the aggregate is $1,000,000 per year.

Mr. AUSTIN. According to the terms of the bill all unexpended balances are carried over from one year to the other.

Mr. BARKLEY. Unexpended balances might be available for the succeeding years. The other authorizations, which are more or less in blank, depend entirely upon the action of Congress each year. Congress may approve these projects or turn all of them down, or it may approve some of them and reject others. Action on them is always, however, in the control of Congress.

Mr. AUSTIN. Mr. President, one further question. Was any evidence offered in committee as to the probable immediate cost under the provisions of the bill?

Mr. BARKLEY. The House committee hearings went into more detail with respect to that matter. The probable immediate cost is not even as much as the amount authorized in the two items of $300,000 and $700,000. The institutions in question have 3 years in which to try to do away with the condition with which the bill deals. Many of them, of course, probably would not be in a position the first year to do so, and probably not the second year, but during the whole 3-year period there would be no more than $1,000,000 a year appropriated by Congress if all the money authorized under the terms of the bill should be appropriated. So that during the 3-year period, before any Federal action would be taken toward abatement of nuisances, the total amount appropriated would be only $3,000,000.

Mr. KING. Will the law expire by limitation within 3 years?

Mr. BARKLEY. No. It is permanent law, but the 3-year period is the one which must elapse before the Federal Government will take any steps to bring about the abatement of the nuisances.

Mr. KING. Mr. President, while the objective is praiseworthy, it is, in my opinion, projecting the Federal Government into activities that do not belong to it. I feel that we should not pass the bill until we have further considered it.

Mr. McKELLAR. Mr. President, I am wondering if $300,000 is not a very large administrative fund to be used for the expenditure of $700,000?

Mr. BARKLEY. I will say to the Senator that the bill authorizes the Public Health Service to make a Nation-wide survey of all streams and stream pollution, and I do not think that is a large amount when we consider that the investigations they must make cover the entire country. It seems to me that although the amount may seem in proportion large compared to $700,000, those charged with carrying out the terms of the bill must do this preliminary work before they actually begin to loan the money covered by the $700,000 authorization.

Mr. STEIWER. Mr. President, the remarks made by the junior Senator from Maine [Mr. WHITE] earlier in the day induce me to feel that at this time I should make one or two observations.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. BARKLEY. By a previous order another matter is to be taken up at 2 o'clock, and I am very anxious to get this bill passed by 2 o'clock. The Senator can make his remarks in connection with the other bill.

Mr. STEIWER. I should be very happy to cooperate with the Senator.

The PRESIDENT pro tempore. The Chair will recognize the Senator from Oregon after action has been taken on the bill.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is still before the Senate and open to further amendments. If there be no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 2711) was read the third time and passed.

JAMES O. COOK

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 854) for the relief of James O. Cook, which were, on page 1, line 8, after "Cook", to insert "of Valier, Mont.", and on page 2, line 1, to strike out "1 year" and insert "6 months."

Mr. WHEELER. I move that the Senate agree to the amendments of the House.

The motion was agreed to.

REGULATION OF AIR TRANSPORTATION

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, under the unanimous-consent agreement entered into on Saturday last, the question now before the Senate is the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill No. 2, having to do with the regulation of air transportation. The Senator from Oregon [Mr. STEIWER] is recognized, if he desires to speak, under the agreement previously made.

Mr. STEIWER obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Berry	Brown, Mich.	Byrnes
Andrews	Bilbo	Brown, N. H.	Capper
Ashurst	Black	Bulkley	Caraway
Austin	Bone	Bulow	Chavez
Bankhead	Borah	Burke	Clark
Barkley	Bridges	Byrd	Connally

Dieterich	Holt	McKellar	Shipstead
Donahey	Hughes	Minton	Smith
Ellender	Johnson, Calif.	Moore	Steiwer
Frazier	Johnson, Colo.	Murray	Thomas, Okla.
George	King	Neely	Thomas, Utah
Gerry	La Follette	Nye	Townsend
Gillette	Lee	Overton	Truman
Glass	Lewis	Pepper	Tydings
Green	Lodge	Pittman	Van Nuys
Guffey	Logan	Pope	Wagner
Hale	Lonergan	Radcliffe	Walsh
Harrison	Lundeen	Reynolds	Wheeler
Hatch	McAdoo	Schwartz	White
Herring	McCarran	Schwellenbach	
Hitchcock	McGill	Sheppard	

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Eighty-two Senators having answered to their names, a quorum is present.

NOMINATION OF SENATOR BLACK TO THE SUPREME COURT

Mr. STEIWER. Mr. President, the remarks delivered earlier this afternoon by the junior Senator from Maine [Mr. WHITE] induce me to add a few observations concerning the eligibility of the senior Senator from Alabama [Mr. BLACK] for appointment to the United States Supreme Court.

In order to make the language available to all those interested, I read into the RECORD the act of March 1, 1937. It is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Justices of the Supreme Court are hereby granted the same rights and privileges with regard to retiring, instead of resigning, granted to judges other than Justices of the Supreme Court by section 260 of the Judicial Code (U. S. C., title 28, sec. 375), and the President shall be authorized to appoint a successor to any such Justice of the Supreme Court so retiring from regular active service on the Bench, but such Justice of the Supreme Court so retired may nevertheless be called upon by the Chief Justice and be by him authorized to perform such judicial duties, in any judicial circuit, including those of a circuit justice in such circuit, as such retired Justice may be willing to undertake.

Under the authority of the act just read, a Justice of the Supreme Court submitted to the President a letter in which he announced his retirement. An interesting question now develops concerning the status of the Justice who has availed himself of the privileges and rights of this act.

The argument has been made here, and was made upon an earlier day, that Justice Van Devanter remains a Justice of the Supreme Court, even in retirement; that he possesses the judicial powers of a Justice and that he may be called upon to perform certain services which can be performed only by a Justice.

I will not attempt to retrace the ground covered by others in behalf of this question as to the status of the retired Justice. I do, however, wish to call attention to one or two things in the act to which I believe no reference has yet been made.

Relative to judges of the circuit and district courts, the language of section 260 of the Judicial Code makes a clear distinction between resignation and retirement. The language of that section of the code with respect to the matter of resignation is as follows:

Resign his office.

The language with respect to retirement is as follows:

May retire upon the salary of which he is then in receipt from regular active service on the bench.

The distinction in the two propositions is obvious. However, if there were any disposition to argue with respect to that distinction, let me call attention to the further language of the statute which makes the provision under discussion perfectly clear. I am still referring to section 260 of the Judicial Code, which I now read again, as follows:

But instead of resigning, any judge other than a Justice of the Supreme Court who is qualified to resign under the foregoing provisions may retire—

And so forth.

When the Congress enacted the act of March 1, 1937, the distinctions in the earlier act were retained. The language which I read a little while ago in the act of March 1, 1937, provides:

That Justices of the Supreme Court are hereby granted the same rights and privileges with regard to retiring, instead of resigning, granted to judges other than Justices of the Supreme Court by section 260 of the Judicial Code—

And so forth.

It may be seen, therefore, that Congress, in enacting the law, set up the distinction and made it perfectly plain that the act of March 1, 1937, created a retirement status, plainly distinguishable from the status resulting from resignation.

It is argued, and I think with great force, that because the Justice on such retirement status retains certain of his judicial powers, he is not entirely separated from the Court. The decision of the Supreme Court in the Booth case supports this contention. It is there held, referring to a circuit judge, that he does not relinquish his office.

In this regard, I want to call attention to the case of Maxwell against United States, reported in volume 3, Federal, Second, at page 906. I know many Senators are familiar with this case, but I think the RECORD ought to show just what was determined by it.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Oregon yield to the Senator from New Mexico?

Mr. STEIWER. I yield.

Mr. HATCH. Does the Senator know whether a writ of certiorari was applied for in the Maxwell case? I have forgotten. I intended to look it up. Will the Senator give me the information?

Mr. STEIWER. I am not sure. I have been told that the case was taken to the Supreme Court on a writ of error and was affirmed. I know, however—and it provides a very important answer to the Senator's question—that the Maxwell case was cited in the Booth case, apparently with approval.

Mr. HATCH. It was merely cited in the Booth case, but there was no comment on it in the Booth case.

Mr. STEIWER. It is true there was no comment, but it was cited in the opinion to support the argument which the Justice of the Supreme Court was making and upon which the Booth case was decided. So I feel we are justified in saying that it was cited with approval in the Booth case.

I wish to read briefly from one paragraph of the Maxwell decision by the Circuit Court of Appeals of the Fourth Circuit, as follows:

The surety says that the late Judge Smith, before whom the case was tried below, had not been properly designated to hold the District Court of the United States for the Eastern District of South Carolina and what was there done was a nullity. At the time Judge Smith was a retired district judge of that district, having the status defined and regulated by section 260 of the Judicial Code as amended by the act of February 25, 1919. The surety's contention is that a special authorization is required before such a judge can discharge any judicial function. If he is to act in the judicial circuit to which he formerly belonged, that authorization must come from its senior circuit judge. If what he is to do is to be done outside of that circuit, the authority may be given by either the Chief Justice of the United States, or by presiding, or senior judge of the court in which he is to sit. It is admitted that the senior circuit judge of this circuit did not designate Judge Smith to hold a district court in the eastern district of South Carolina. The short answer to all this is that Judge Smith, under his original commission, was entitled to hold the court of that district and required no designation from anyone to do so. He was still a district judge of that district, as the act itself clearly recognizes by directing, "The judge so retiring voluntarily * * * shall be held and treated as if junior in commission to the remaining judges of said court." Such is the construction which the act has universally received in practice in this circuit and, so far as we know, in all the others. Moreover, it may be said, in passing, it was the one given to it in the congressional debate which preceded its enactment. Mr. Steele, who spoke for the committee which reported it to the House, said: "The merit of this provision is that instead of resigning, the judge simply retires and is still enabled to perform such judicial service as he is capable of performing when the business of the district demands it. The district receives the benefit of such service without any additional expense to the Government." CONGRESSIONAL RECORD, Sixty-fifth Congress, third session, 368. During the course of the debate, Mr. Dyer said: "If this bill becomes a law it will still permit the other judge, that is the judge who is being given this assistance, but who still remains on the bench, to be a judge in fact, not a supernumerary, and if anyone appeared before him for a writ of any kind, he would have full authority to issue that writ.

In other words, the new judge would not be the only judge of the court."

Comment upon the quoted language seems unnecessary except to say that its significance lies in the fact that the district judge was permitted to resume his seat upon the bench without being assigned or designated by any other or higher authority. The circuit court of appeals sustained his action in trying a case in his own court; and, in the Booth case, the Supreme Court cited that decision with apparent approval. These cases support the conclusion that no vacancy exists merely by reason of retirement. Inasmuch as there is no vacancy caused by retirement, there can be no appointment except upon the theory that a new office has been created.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. STEIWER. I am glad to yield.

Mr. CONNALLY. Will not the Senator concede, however, that there is a difference in the statute referred to in the Booth case and the statute which was enacted at this session of Congress?

In the Booth case, the retirement statute provided a district or circuit judge might retire, but it also provided that he could be called back to service to perform the same functions he had always performed. The Court held, of course, that he was still a judge, because he could not perform those duties unless he was a judge.

But in the instant case, we have enacted a statute which provides that a Justice of the Supreme Court may retire, and it does not contemplate that he can ever go back on the Supreme Court bench and perform the functions which as a Justice of the Supreme Court he had once performed. He may be assigned to duty on a circuit court.

Is is not also true the Booth decision hinged entirely upon an act of Congress? I read from the syllabus in the Booth case as follows:

1. A district or circuit judge of the United States who retires pursuant to section 260 of the Judicial Code, as amended, continues in office within the meaning of section 1 of article III of the Constitution, and his compensation may not be diminished.

2. In the light of the evident purpose of the act that a retiring judge shall continue to hold office and perform official duties, its provision for the appointment of a "successor" cannot be construed as vacating the office.

It all hinged on the intent of the Congress. On the one hand, the intent of Congress was that he should still be a district judge though on a retired basis and could be recalled to perform the regular duties he had theretofore performed; while in this case, the intent of Congress was that he shall never perform the duties he relinquishes as a Justice of the Supreme Court. He gives them up voluntarily and retires, and such duties as he may thereafter perform are not the duties of his old office, but the duties of a circuit judge.

Mr. STEIWER. Has the Senator concluded his question?

Mr. CONNALLY. Yes. I thank the Senator very much.

Mr. STEIWER. I am glad the Senator interposed the question because it brings me very abruptly to a matter which must be considered. I may say most respectfully that I am not in accord with the views just expressed by the Senator from Texas and I should like to state the reasons why I am not in accord with those views.

The act of February 25, 1919, under which numerous district judges and circuit judges have been retired, provides as follows:

But a judge so retiring may, nevertheless, be called upon by the senior circuit judge of that circuit and be by him authorized to perform such judicial duties in such circuit as such retired judge may be willing to undertake, or he may be called upon by the Chief Justice and be by him authorized to perform such judicial duties in any other circuit as such retired judge may be willing to undertake, or he may be called upon either by the presiding judge or senior judge of any other such court and be by him authorized to perform such judicial duties in such court as such retired judge may be willing to undertake.

In all three of the alternative propositions which I have just read from the act of 1919, the retired judge may be called upon to perform such duties as he may be willing to undertake, all within his previous authority and power as a judge.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. STEIWER. Not if it is such a long question as the previous one, but I yield.

Mr. CONNALLY. Is there anything in the retirement statute which we enacted recently that contemplates the recalling of Justice Van Devanter to perform duties on the Supreme Court bench?

Mr. STEIWER. I shall come to that in a moment.

I was pointing out that under the act of 1919 the judge may be called back to perform such duties as he may be willing to undertake within his judicial powers as a judge. He might never be called upon to perform all of those duties. He is not obliged to perform any of those duties, but he may, when called upon, and according to the Maxwell case he may without being called upon, perform a certain part of the judicial functions which he had previously been authorized to perform.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. STEIWER. I shall yield in just a moment. I want to complete my answer to the question propounded by the Senator from Texas.

When we come to the act of March 1, 1937, we find a similar provision which I read:

But such Justice of the Supreme Court so retired may nevertheless be called upon by the Chief Justice and be by him authorized to perform such judicial duties, in any judicial circuit, including those of a circuit justice in such circuit, as such retired Justice may be willing to undertake.

I very respectfully suggest to the Senator from Texas that under either act the judge in retirement who is called back to service may, as a matter of fact, not be called upon to render all of the duties which he had previously performed as a judge. There is this difference, that under section 260 of the Judicial Code he may be called upon to perform all his duties as judge and if he is willing to undertake them he may perform such duties. Under the act of March 1, 1937, the Justice may be called upon to perform only the duties in the judicial circuits including those of a circuit justice. But those duties, as we all know, by traditional acception are duties of a Justice of the Supreme Court.

Mr. CONNALLY. Mr. President——

Mr. STEIWER. I want to go a little further before yielding.

The difference between the two statutes is that the judge under the earlier act might be called upon to perform all the duties he formerly performed, and under the latter act he may be called upon to perform only a part of the duties which he had formerly performed. I believe the Senator will not quarrel with that proposition; and I submit, in connection with it, as an answer to his question, that the difference between the two acts is a difference in degree only, and that there is no difference in principle, because under either act the judges are subject to call and may perform judicial acts which cannot be performed except upon the theory that the judge is still a judge. Therefore retirement by itself does not create a vacancy. It follows that authority to appoint creates a new office when retirement occurs.

I yield now to the Senator from Texas.

Mr. CONNALLY. The Senator's answer, as I understand, is that there is nothing in the retirement act recently passed which contemplates that the retired Justice may be recalled to sit on the Supreme Bench.

Mr. STEIWER. Yes. The Senator from Texas states the matter correctly.

Mr. CONNALLY. I thank the Senator. I am through.

Mr. HATCH rose.

Mr. STEIWER. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I do not want to interrupt the course of the Senator's argument at all, but I wonder if he would object to reading from the statute, which I presume he has before him, that provision relating to the lower court,

where it refers to the retiring judge as being junior in commission. I wonder if he would attach any significance to that language, and also to the fact that neither that language nor anything similar to it is included in the act of March 1, 1937.

Mr. STEIWER. There is no provision relating to seniority included in the act of March 1, 1937. There is good reason why it was not included. In the very nature of things the matter of seniority on circuit courts is of importance. It determines who shall be the presiding judge of the circuit court.

Mr. HATCH. It also applies to the district courts.

Mr. STEIWER. Yes. It is important in relation to the district courts. With respect to the United States Supreme Court, the law provides for a Chief Justice and eight Associate Justices. The Associate Justices are equal, one with the other. There is no reason for providing seniority as among them or as between them, and for that reason it was not added when the act dealing solely with Justices of the Supreme Court was passed.

Mr. HATCH. Would it not be the extreme view to hold that perhaps the framers of the act had in mind the Maxwell decision, a decision which pointed out the significance of those very words as indicating that the judge had remained a judge and possessed all the powers he had ever possessed and, from that line of reasoning, those words were omitted from the act of March 1, 1937?

Mr. STEIWER. I should doubt that, Mr. President. As a matter of fact, as I recall the Booth decision, which is the expression of the Supreme Court of the United States upon the question as to the status of a retired judge, this matter of seniority was not referred to in their argument. It was referred to in the Maxwell decision, and in the Maxwell case the United States Circuit Court of Appeals attached some little significance to it, but the Supreme Court, in the unanimous decision arriving at substantially the same conclusion with respect to the status of a retired justice of the Circuit Court of Appeals, did not even refer to the matter to which the Senator from New Mexico now refers.

Mr. HATCH. Unless, if I may again interrupt, they did approve the Maxwell decision, and therefore approved that line of reasoning.

Mr. STEIWER. I thought a little while ago the Senator from New Mexico had some little doubt about it.

Mr. HATCH. I was inquiring of the Senator whether they actually had done so.

Mr. STEIWER. They did approve the Maxwell decision.

Mr. President, let me hurry on. I do not want to interfere longer than is necessary with the unfinished business. I am speaking at this time chiefly because I want the RECORD to include some citations and discussions of these cases which may be very helpful to some Senators in reaching their conclusion respecting the eligibility of this appointee.

I desire to refer very briefly to the history of the act.

Section 260 of the Judicial Code was, as I remember, amended in 1919. Since that time numerous judges of the District bench and numerous judges of the circuit court of appeals have been retired under it; and in each case where retirement occurred the President availed himself of the authority to appoint a successor, just as the President is now availing himself of the authority given by the act of March 1, 1937, which permits him to appoint a successor in case of retirement from the Supreme Court. In every instance where a successor has been appointed to the District bench or to the circuit court of appeals, it has resulted in increasing the membership of that court, just as it does now; and, so far as I am advised, the question whether the appointment increases the size of the court never has been raised in 18 years of our experience under that act. The Presidents have uniformly sent up the nominations of successors. The Senate in every case, so far as I know, has confirmed those nominations, and appointments have resulted. The judges have assumed their offices under those conditions and have performed the work of the judiciary in the inferior courts.

I do not want to labor this phase of the matter unduly; but I desire to make the point with respect to it that the act of March 1, 1937, was passed by Congress with full knowledge of 18 years' practice and experience under the earlier act. It seems to me that when the Congress substantially reenacts a statute, as in its enactment of March 1, 1937, which was substantially the act of 1919, it adopts the construction which the administrative officers of the Government have placed upon it. It would seem, therefore, that the President, the Congress, and the Supreme Court are at one upon this entire proposition, and that in no case has there been failure to make the appointment merely because that appointment results in the enlargement of the Court.

What I am now saying relates in a way to what was said in debate by the Senator from Idaho [Mr. BORAH] some days ago. I could concur with the Senator's view that Justice Van Devanter retains his judicial powers and that there is no vacancy, except for the provision of the recent act approved March 1, 1937, in which there is a plain, explicit direction or authority to the President to name the successor for a Justice who has retired.

So, in summary, Mr. President, it would seem to me that the Justice in this case, having retired, still retains his judicial powers, and is still a member of the Court; that in the constitutional sense there is no vacancy, but that the act of March 1, 1937, by implication increases the size of the Court, and that a vacancy has resulted.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; but I desire to say one word before I yield.

My attention has just been called to certain language in the Booth case with reference to the matter of seniority.

I find on page 351 that the Supreme Court in its decision does refer to the loss of seniority, and that I was in error a little while ago in answering the Senator from New Mexico [Mr. HATCH] in saying that the Supreme Court, although it had cited the Maxwell case, had not specially or explicitly referred to the loss of seniority. I hope this statement corrects my error.

I now yield to the Senator from Indiana.

Mr. MINTON. Mr. President, suppose Chief Justice Hughes had retired, and the President had nominated Mr. Justice Stone as Chief Justice, and had then nominated Senator Black as Associate Justice. How many Chief Justices would we then have?

Mr. STEIWER. I cannot answer that question; and unless the Senator from Indiana has more imagination than possibly I should give him credit for, I am not sure he could answer it. I have given consideration to it. It seems to me there is an incongruity in the act of March 1, 1937.

Let me change the Senator's question a little. Suppose the Chief Justice had retired, and someone else entirely had been named by the President as his successor; and then suppose the Chief Justice should seek to emerge from retirement, under the theory, which a great many people hold, that he is still a member of the Court. A very pretty question might be presented as to who was Chief Justice and as to who would exercise the authority that is exercised by the Chief Justice. I shall not attempt to answer that question. Under any construction of this law which has come to my attention, unfortunately, many incongruities creep into being. I shall not attempt to resolve them in this debate.

Mr. MINTON. May I ask the Senator one more question about a matter that seems incongruous to me? If the President should appoint Senator BLACK in the instance to which I have referred, would he not necessarily have to take the vacancy created by the moving up of Mr. Justice Stone?

Mr. STEIWER. I should think so; but I may say in that connection that in case Mr. Justice Stone would be nominated, the Senate would act upon his confirmation, and subsequently the Senator from Alabama would be nominated, and the Senate would act upon his confirmation; and thus in both cases the appointment, if made, would be made by the constitutional means of nomination and confirmation by the Senate.

I will say to the Senator from Indiana that, in my humble judgment, it is an entirely different question from the question now presented, when it is suggested by some that Senator BLACK is to be nominated and confirmed for one position, and that the retiring Justice, by some legerdemain, is slipped out of one position into another position without nomination, without confirmation, and without constitutional appointment. To me the two propositions are utterly dissimilar.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Rhode Island.

Mr. GREEN. Under the construction which the Senator from Oregon places upon this law, is it not true that if there is no vacancy when one Justice retires, there would be no vacancy when seven Justices retire? Therefore, there would be seven vacancies to be filled if all the Justices of the Supreme Court now eligible to retire do so.

Mr. STEIWER. I think, if the Senator will permit me, there are only five left.

Mr. GREEN. Whatever the number is.

Mr. STEIWER. Let us say five, to be accurate.

Mr. GREEN. Five, or whatever the number may be. There would be five Justices retiring, but not five vacancies. Nevertheless, the President would have power to appoint five new Justices.

Under the construction of the law which I assume the Senator from Oregon follows—it was followed by the Senator from Maine [Mr. WHITE]—if there is no vacancy now, the vacancy will occur when the retiring Justice dies. If Mr. Justice Van Devanter should die, there would be a vacancy. The President could make an appointment to fill his place at that time. Therefore, the President would have the power to appoint five Justices upon the retirement of the five now eligible for retirement, and five more Justices as these old gentlemen die.

In other words, under the construction which the Senator places upon the act, the President is given power to appoint 10—or whatever the number may be—12 or 14 new Justices. Is not that a rather extraordinary position for the Senator to take now in justifying an act for which I believe he voted, authorizing the appointment by the President of 14 new Justices, when he made such a hullabaloo against giving the President the power to appoint 2 additional Justices?

Mr. STEIWER. Is that the Senator's question?

Mr. GREEN. That is the Senator's question.

Mr. STEIWER. I should say there is nothing extraordinary in the position of the Senator from Oregon. I am merely trying to construe the act. There is something extraordinary, and that is in the act itself. I confess that I did not realize its implications when the act was passed through this body, and I do not think any Senator realized them. I shall not quote from anything that was said in the Judiciary Committee this morning; but in that discussion a great variety of viewpoints were offered by different members of the committee. Viewpoints were so numerous that I entertained a doubt whether there was a member of that committee who understood this act at the time it was considered in this body.

Mr. GREEN. But that would be the conclusion the Senator from Oregon reaches, that the President was under this act given authority to appoint 10 new Justices.

Mr. STEIWER. That is a result which might happen. However, it is not my conclusion.

Mr. GREEN. Was that what was in mind when the opposition Senators almost unanimously stated that they would be in favor of confirming the nomination of the late Senator Robinson?

Mr. STEIWER. Mr. President, I think the expressions as to the confirmation of Senator Robinson were based largely upon the affection which Senators held for that great colleague. Certainly, without investigation of the legal question involved, I would have voted for the confirmation of Senator Robinson, but with my present understanding of the meaning and effect of this act, I could not, under my oath, vote for the confirmation of any Senator nominated at this time.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. HATCH. I merely wish to get the Senator's position entirely clear in my own mind. If I understand his position, it is that the Retirement Act provides for the appointment of additional Justices to the Supreme Court.

Mr. STEIWER. That is correct.

Mr. HATCH. And when another Justice is appointed and confirmed by this body the Court will consist of 9 Associate Justices and 1 Chief Justice, 10 altogether?

Mr. STEIWER. It would consist of the Chief Justice and eight active Associate Justices and the inactive Associate Justice.

Mr. HATCH. One Chief Justice and one inactive retired Justice——

Mr. STEIWER. He may be called a retired Justice, I suppose, very properly.

Mr. HATCH. The Senator does not think that perhaps that was the office which was created, the status of retired Justice of the Supreme Court?

Mr. STEIWER. I do not think so. I know that question will have to be met and solved, but I shall not deal with it today; I have no doubt but that will be thoroughly debated when the matter is before the Senate formally for action. To my mind that is one of two real questions involved here. I think all the rest may safely be answered along the lines I am suggesting. My opinion is that the present nomination is not made to the old position, but is made to the new. I did not intend, however, to debate that question today.

I desire to yield the floor, but before doing so, I wish to submit the final conclusion to which I arrive, namely, that the act of March 1, 1937, makes a potential increase in the size of the court; that an appointment is now authorized by reason of the retirement of Justice Van Devanter; that the appointment is made to the new position and not to the old, and that under section 6, article I of the Constitution, Senator BLACK is not eligible to this appointment. He cannot be appointed to the new office because it was created during the term for which he was elected. He cannot be appointed to the old office because its emoluments have been increased.

I would not make this argument except for my belief that a great constitutional question is involved. The provision of the Constitution against the eligibility of Members of Congress was one created by the framers of the Constitution, not for the protection of the court, nor for the protection of the Congress, but was for the protection of the people. It is an integral and highly important part of the Constitution of our country. I am more than loath to become a party to any violation of its express prohibitions.

Mr. HATCH and Mr. CONNALLY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from New Mexico.

Mr. HATCH. My inquiry relates to the question of whether we created additional judgeships or whether we created the office of retired Justice of the Supreme Court; and I have this in mind, and I say it in all seriousness: That the Congress of the United States and the whole country for 6 months past have been giving attention to what has been called a historic debate, and that debate revolved about the question whether or not the appointment of additional Justices of the Supreme Court should be authorized. The Senator from Oregon, the Senator from Texas, the Senator from Nevada, all of us, joined in a majority report refusing to authorize the appointment of six additional Justices of the Supreme Court.

When the plan was changed on the floor of the Senate, almost the entire membership of this body—all with the exception of 20—voted to send a bill back to the committee authorizing the appointment of one additional Justice of the Supreme Court each year. The facts were all before us, the events were occurring during the time the act of March 1,

1937, was under consideration, the debate was proceeding, and men were saying on the floor of the Senate and throughout the country, "Not one additional position on the Supreme Court shall be created, and the size of the Supreme Court shall not be enlarged." Men on this floor made that statement vehemently and emphatically. Have we not the right to consider that debate and those conclusions in deciding whether or not we did increase the size of the Supreme Court?

Mr. STEIWER. Let me answer the Senator's question with a question, and I know the Senator will give me a frank answer. In the discussion of the act of March 1, 1937, which we call the Sumners-McCarran Act, did the Senator ever hear any reference made to the case of United States versus Booth? I never did.

Mr. HATCH. Yes, it was discussed in the committee.

Mr. STEIWER. I never heard it discussed.

Mr. HATCH. I do not know whether the case was discussed in the committee or not, but it was handed about on the floor of the Senate. Many Senators read it, and read the Maxwell case, before the Sumners-McCarran bill was passed.

Mr. STEIWER. I asked the Senator the question because I did not hear the Booth case discussed in the committee, and I was present during the greater part of the time the bill was under discussion.

Mr. HATCH. I do not believe it was discussed in the committee.

Mr. STEIWER. I did not hear it discussed on the floor, and I was under the impression that the act had been passed by the Senate without a full realization of the significance of those holdings by the Court.

Mr. HATCH. Many Senators were fully aware of the significance of the holdings.

Mr. STEIWER. If they were, I do not see why they were urging any other bill providing for the enlargement of the Court.

Mr. HATCH. They may have thought it did not enlarge the Court.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. CONNALLY. The Senator has said that the Congress has created a new office. Let me ask the Senator this, if Justice Van Devanter had not retired, would there have been a new office? Did not Congress by this legislation simply give Justice Van Devanter the privilege of changing his status when and if he desired to? If he had not retired, we would not have created any new office. So, can it be said that Congress, and Senator BLACK, by participating in the action of Congress, actually created a new position, because, unless and until Justice Van Devanter decided to retire and assume this new status, there was no vacancy, and therefore no new office. So, after all, the moving cause and the real vital force which created this situation was not the act of Congress, but the voluntary act of Justice Van Devanter in relinquishing his former position as a Justice of the Supreme Court and accepting a new status, call it what you may, but it is stated, and that is the position that has been created, if any, the new status into which Justice Van Devanter willingly put himself.

Mr. STEIWER. My answer to the Senator is that I agree with him that the act of March 1, 1937, did not immediately create a new office, it created one only conditionally, and the condition was the retirement of a Justice of the Supreme Court. Upon the happening of that condition, the President was authorized to send up the name of a successor. The authorization to send up the name of a judge in the very nature of the thing creates an office, for otherwise it would be utterly vain; and even though the nomination submitted is confirmed, the confirmation would not result in a judgeship. There could not be a legal act performed by the appointee; the whole thing, in short, would be a nullity, except upon the assumption that Congress, in authorizing the appointment, actually created the office, for without the office there could be no appointment.

Mr. HATCH. I think the Senator from Oregon has made clear the point about which I was going to ask him. I thought the Senator said that when the name was sent over by the President that created the new office.

Mr. STEIWER. I did not intend to say that.

I ask unanimous consent to have added at the end of my remarks a memorandum on the retirement of Justices of the Supreme Court prepared by the Legislative Counsel of the Senate. I ought to say, in fairness to the Legislative Counsel, that this was not prepared after the nomination of Senator BLACK had been sent to the Senate but had been prepared sometime prior to that upon the question of proposed amendments to the act of March 1, 1937. It had been prepared largely for the purpose of suggesting escape from some of the difficulties which seemed to inhere in that act. I mention this in fairness to the Legislative Counsel because I am sure those gentlemen would not want to take a partisan stand on a question of the sort with which this body is confronted.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM IN RE RETIREMENT OF JUSTICES OF THE SUPREME COURT

Under the Sumners-McCarran Act of March 1, 1937, Justices of the Supreme Court who have had at least 10 years' service as members of the Federal judiciary, and who have attained the age of 70 years, may retire voluntarily from regular active service on the bench at full pay for life. This does not expressly appear on the face of the act itself, but it may be fairly inferred from the fact that the act grants to Justices of the Supreme Court "the same rights and privileges with regard to retiring, instead of resigning," as are granted to other Federal judges by section 260 of the Judicial Code.

After providing full pay for life for any judge of any court of the United States who "resigns his office" after having had at least 10 years' judicial service and having attained the age of 70 years, section 260 of the Judicial Code then provides that, instead of resigning, any judge "other than a Justice of the Supreme Court" who is qualified to resign "may retire, upon the salary of which he is then in receipt, from regular active service on the bench." The general purpose of the act of March 1, 1937, is, therefore, quite obvious when it is read in connection with section 260 of the Judicial Code, but certain complications may arise from the fact that a distinction is made between resignation and retirement, and the further fact that the President is authorized under such act, as well as under section 260 of the Judicial Code, to appoint a "successor" to a retired Justice or judge, as the case may be.

In the case of the Supreme Court, for example, a question may arise as to whether a Justice who voluntarily retires from "regular active service on the bench" is still to be counted as a member of the Court for the purposes of the statutory limitation upon the number of such members.[1] At least two arguments may be advanced in support of the view that a retired justice should not be overlooked in determining the membership of the Court. One is that the act of March 1, 1937, specifically provides that any retired Justice may be called upon by the Chief Justice "to perform such judicial duties, in any judicial circuit, including those of a circuit justice in such circuit, as such retired Justice may be willing to undertake,"[2] and it is difficult to believe that if a retired Justice should attempt to perform such duties his acts would be held invalid or that he would be acting in any other capacity than that of a Justice of the Supreme Court. Otherwise, the statutory provision would have to be construed either as granting authority to perform judicial duties to a person who did not hold the office of judge at all, or as creating a new type of judgeship to which no appointment need be made as provided by the Constitution but which would be filled automatically upon the retirement of a Justice of the Supreme Court.

The second argument for treating a retired Justice of the Supreme Court as still being a member of that Court is based upon the recent decision of *Booth* v. *United States* ((1934) 291 U. S. 339), where the status of retired district and circuit judges was considered. In that case, in answer to the question whether a United States judge, upon retirement, relinquishes or retains his office, the Court said:

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[1] Section 215 of the Judicial Code reads:

"The Supreme Court of the United States shall consist of a Chief Justice of the United States and eight associate Justices, and six of whom shall constitute a quorum."

[2] In passing it might be noted that in the report of the Senate Committee on the Judiciary accompanying H. R. 2518 it was stated that upon retirement a Justice would not thereafter exercise any functions in connection with the Supreme Court itself. (See Senate Report No. 119, 75th Cong., 1st sess.) In view of the decision in *Booth* v. *United States* ((1934) 291 U. S. 339), a certain amount of confusion might result if a retired Justice should emerge from his retirement for the purpose of participating in the work or decisions of the Court.

"By retiring pursuant to the statute a judge does not relinquish his office. The language is that he may retire from regular active service. The purpose is, however, that he shall continue, so far as his age and his health permit, to perform judicial service, and it is common knowledge that retired judges have, in fact, discharged a large measure of the duties which would be incumbent on them if still in regular active service. It is scarcely necessary to say that a retired judge's judicial acts would be illegal unless he who performed them held the office of judge. It is a contradiction in terms to assert that one who has retired in accordance with the statute may continue to function as a Federal judge and yet not hold the office of a judge. The act does not, and, indeed, could not, endue him with a new office different from but embracing the duties of the office of judge. He does not surrender his commission but continues to act under it. He loses his seniority in office, but that fact in itself attests that he remains in office * * *.

"The Government argues that the holding of an office involves the performance of duties, and since no duties are obligatory on one who has retired under the act, he cannot be said to hold any office. But Congress may lighten judicial duties, though it is without power to abolish the office or to diminish the compensation appertaining to it" (pp. 350, 351).

In view of the above statement and the evident purpose of the act of March 1, 1937, it is believed that a Justice of the Supreme Court who retires from "regular active service on the bench" still retains his commission and holds office under it, and that therefore he should be counted at all times as a member of that Court.

In the Booth case also the Government contended that the provision of section 260 of the Judicial Code authorizing the President to appoint a "successor" to a retired judge indicated that the act of retiring created a vacancy which must be filled, and that there was no need to make provision for or against the appointment of another judge upon the death or resignation of the one who had retired. In this connection the Court said:

"Some reference is made to the fact that under the act a successor to the retiring judge is to be appointed, and it is claimed the direction is inconsistent with his retention of office. The phraseology may not be well chosen, but it cannot be construed to vacate the office of the retiring judge in the light of the evident purpose that he shall continue to hold office and perform official duties" (p. 351).

There is no reason to suppose that the Court will place a different construction upon the corresponding provision of the act of March 1, 1937, that "the President shall be authorized to appoint a successor to any such Justice of the Supreme Court so retiring from regular active service on the bench." Consequently, if upon the retirement of a Justice under that act he is still in office and there is no vacancy to be filled until his death or resignation from office, it necessarily follows that any appointment of a so-called "successor" to a retired Justice prior to his death or resignation will have to be made to a new office, which did not exist on March 1, 1937. It also follows that the number of Justices on the Supreme Court will be increased when any such appointment is made, for the so-called "successor" will in effect be an "additional" Justice, and if such appointment is valid it will only be because the act of March 1, 1937, will have been construed as amending by implication section 215 of the Judicial Code which fixes the number of Justices at nine. This construction would seem to be a logical one for otherwise the provisions of such act relating to the appointment of a "successor" to a retired Justice would have to be interpreted as having no effect whatever. As a result, it would seem that the membership of the Court may vary from time to time depending upon the number of Justices who take advantage of the retirement provisions.

It should also be borne in mind in this connection that the act of March 1, 1937, is silent upon the question of the filling of vacancies. Upon the assumption that some effect is to be given to the provision authorizing the President to appoint a successor and that a new office is created upon the retirement of any Justice pursuant to such act,[2] a vacancy will occur upon the death or resignation of the person appointed to such office. A vacancy will also occur in the office of a retired Justice upon his death or resignation. In view of the fact that no limitation is imposed by the act upon the filling of a vacancy in the office of any Justice, retired or otherwise, it is difficult to make a distinction between these two types of cases. If one such vacancy may be filled it would seem that the other might also be filled. If, on the other hand, the statute should be construed as preventing the filling of either vacancy, the result would be that upon the death or resignation of both the retired Justice and his so-called "successor" the membership of the Court would be permanently reduced. This would also amount to an implied amendment to section 215 of the Judicial Code, but it is not believed that any such reduction in the membership of the Court was contemplated.

The only other possible construction of the statute would be that one such vacancy might be filled while the other would not be, but there is no indication on the face of the statute as to which one should be selected. It might, of course, be argued that it was the intention not to fill the vacancy caused by the death or resignation of a retired Justice, but any such argument would seem to have no other basis than the assumption that it was not necessary to make any provision in the statute for such a case because a vacancy was created in the office of the retired Justice upon his retirement. As already pointed out, however, if the Booth case, supra, is applicable and controlling, no vacancy exists when a Justice retires. On the other hand, although there is nothing in the statute to indicate specifically that the vacancy in the office of the so-called "successor" is to be filled, it seems reasonable to assume that such office was considered as being permanent and that there was no intention of merely providing for an appointment to a temporary position on the Court.

In passing it might be noted also that, regardless of the interpretation of the act of March 1, 1937, with respect to the status of retired Justices or the number of members of the Court, no change was made by such act in the provision relating to the number of Justices to constitute a quorum. Under any interpretation of such act and regardless of the ultimate size of the Court it would seem that six members of the Court would be a quorum as is now provided by section 215 of the Judicial Code. A certain amount of confusion might be caused as a result of this if such act should be construed as providing for an increase in the membership of the Court or if retired Justices should be subsequently held to be eligible to participate in the work of the Court.

In any event it is believed that some of the potential difficulties which have been discussed may be avoided by amending the act of March 1, 1937, and with this in mind the following suggestion is submitted for consideration:

"A bill to amend the act entitled 'An act to provide for retirement of Justices of the Supreme Court', approved March 1, 1937.

"*Be it enacted, etc.*, That the act entitled 'An act to provide for retirement of Justices of the Supreme Court', approved March 1, 1937, is amended to read as follows:

" 'That section 215 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 321), is amended to read as follows:

" ' 'SEC. 215. (a) The Supreme Court of the United States shall consist of (1) a Chief Justice of the United States and eight Associate Justices, on regular active service, and (2) the Justices who have retired from regular active service as hereinafter provided. A quorum of the Supreme Court shall consist of any six Justices on regular active service.

" ' '(b) Any Justice of the Supreme Court who has held a commission or commissions as judge of any court or courts of the United States at least 10 years, continuously or otherwise, and who has attained the age of 70 years, may retire, upon the salary of which he is then in receipt, from regular active service on the bench. Any Justice so retiring may be called upon by the Chief Justice and be by him authorized to perform such judicial duties, in any judicial circuit, including those of a circuit Justice in such circuit, as such retired Justice may be willing to undertake. A vacancy occurring in the office of any such retired Justice shall not be filled."

" 'SEC. 2. Any Justice of the Supreme Court who has retired pursuant to this act prior to the date section 215 of the Judicial Code, as amended by this act, takes effect, shall be deemed to have retired pursuant to such section 215, as amended by this act.' "

REGULATION OF AIR TRANSPORTATION

The Senate resumed consideration of the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill 2, having to do with the regulation of air transportation.

Mr. McCARRAN. Mr. President, in connection with the regular order of business, being the motion to consider Senate bill 2, Calendar No. 702, I remind the Senate that last Saturday I discussed the bill at some length. I shall not hold the Senate for any great length of time this afternoon. However, I wish to draw the Senate's attention to the fact that this proposed legislation comes before this body under the sanction of two messages from the President of the United States. First of all, I desire to draw attention of the Senate to what is known as the Black-McKellar Act, or the Air Mail Act of 1934, and especially to section 20 of that act, in which it is provided:

SEC. 20. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative in Congress.

Mr. President, pursuant to the Black-McKellar bill and pursuant to the particular section I have just read, a

[2] It might be contended that as many new offices were created on Mar. 1, 1937, as there were Justices who were eligible to retirement on that date, but it seems more logical to say that each new office comes into existence only when the appointment to it may be made, namely, upon the date a Justice who is eligible to retire from regular active service on the bench elects to do so.

special commission was appointed by the President of the United States to carry out the investigation and to report to Congress, and pursuant to that investigation a report was filed. I have in my hand a copy of the message of the President of the United States sent to the Senate on January 31, 1935, in which the President said:

As I have suggested on many occasions, it becomes more and more apparent that the Government of the United States should bring about a consolidation of its methods of supervision over all forms of transportation. When the Interstate Commerce Commission was created in 1887 the railroad was practically the principal method of rapid interstate transportation. Since that time this monopoly of transportation enjoyed by the railroad, to a very important degree, has been limited by the development of the automobile and good interstate roads. Recently water transportation by lake, by river, by canal, and by oceans has, largely through the construction of the Panama Canal and our inland waterways, definitely brought ships and shipping into the general interstate field. More recently still, air transportation has become an element. All of these developments have changed the general problem of transportation and the concern of the Government with them.

Following that statement in the message, the President further said:

There are detailed questions, however, that require early action. Our extended mail contracts with air lines expire on or about March 1, and existing legislation dealing with primary and secondary routes should be revised before that time. The Commission suggests that the Interstate Commerce Commission be given temporarily the power to lower or increase air-mail rates as warranted in their judgment after full investigation.

Further on the President said:

I concur in this recommendation of the Federal Aviation Commission provided always that the grant of this duty to the Interstate Commerce Commission be subject to provisions against unreasonable profits by any private carrier.

Later, on June 7, 1935, the President sent another message to Congress in which he said:

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation, although I still maintain, as I indicated in my message on that subject, that a separate commission not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency.

Mr. President, I draw these matters to the attention of the Senate because I want the Senate to understand that this bill comes here in the light of two messages from the President of the United States, and in view of that fact, together with the protracted study to which the measure has been submitted, as set out in my statement to the Senate on Saturday last, I am going to submit the matter to the Senate with the hope that we may have a vote to bring the bill before the Senate of the United States for final passage.

NOMINATION OF SENATOR BLACK TO THE SUPREME COURT

Mr. BRIDGES. Mr. President, the President of the United States on Thursday, August 12, submitted to the United States Senate, this body, the name of a nominee for Associate Justice of the Supreme Court of the United States. At that time a motion was made for action upon the Black nomination without referring the nomination to a committee, and the discussion was led by the able chairman of the Committee on the Judiciary. Objections were made by the able Senators from California [Mr. JOHNSON] and Nebraska [Mr. BURKE]. The nomination was referred to the Committee on the Judiciary. The chairman of the Judiciary Committee appointed a subcommittee headed by the distinguished Senator from West Virginia [Mr. NEELY]. The subcommittee, after a brief session, voted to report the nomination favorably to the full committee. The full committee today, I am informed, again took favorable action, and has reported the nomination to the Senate for action.

On this occasion I desire to raise my voice and state my views relative to the action of the Judiciary Committee of the United States Senate in taking action upon this nomination without an extended investigation and without full public hearings.

If Senators will examine the records in connection with those who have been nominated to the Supreme Court of the United States by various Presidents, I think it will be found that with but few exceptions the nominations have all been subject to extensive investigation, and that, with few exceptions, public hearings were had in connection with the nominations.

I have been in this body but a short time, and I realize what Senatorial courtesy means, and I do not care to violate Senatorial courtesy, so-called; but I call the attention of this body to the fact that Senator BLACK's name is before this body, not as a United States Senator, but as a nominee to the highest judicial tribunal in this country; and for that reason his public record, his public acts, and his general fitness for a judicial position are of public interest, and the public has a right to be heard. In my judgment we are denying that public right when the Judiciary Committee of the United States Senate fails to hold open and extended hearings.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CONNALLY. I do not disagree with what the Senator has said up to this point. The Senator says the public has a right to a voice in this matter. Who is the public, except the constituents of every Senator on this floor? If we do not represent the public, who does? Does the Senator mean that we shall be obliged to have long and protracted hearings, and let everyone who wants to come before the committee make a stump speech on the subject; or should the committee, when it has satisfied itself with respect to the nomination, report to the Senate?

Hearings are for the information of the committees, not for the purpose of public amusement; not to have a legislative rodeo so that everybody may come in and have a good time. Hearings are had to obtain information. The Judiciary Committee met and satisfied itself with respect to this question. The members of the committee thought it was the committee's duty, when it was satisfied, to report the nomination to the Senate so that the Senator from New Hampshire and other Senators representing the great inarticulate public of which the Senator speaks may have an opportunity to make speeches here in the Senate. I do not know what the Senator means by "the public" if he does not mean the people of the United States who are represented here by Senators in this Chamber.

Mr. BRIDGES. In answer to the Senator, I will say that I mean reasonable public hearings. I will grant the distinguished Senator from Texas his contention that the Members of the United States Senate do represent the public; but I think that the public themselves, the general public, the people, should have an opportunity to be heard directly.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. BARKLEY. There are about 130,000,000 people in this country; how many of them would the Senator have come here and be heard on these constitutional questions before the committee?

Mr. BRIDGES. I certainly would hear from the representatives of various groups.

Mr. BARKLEY. What "various groups"?

Mr. BRIDGES. For example, from bar associations, or civic associations, or organizations of that kind.

Mr. BARKLEY. On what subject would the Senator have the bar association—I presume he means the American Bar Association—address the committee?

Mr. BRIDGES. I think a telegram was read in the Senate the other day from the chairman of the judiciary committee of the New York Bar Association asking to be heard, and I think that man is entitled to be heard.

Mr. BARKLEY. Did he say on what subject he wanted to be heard? Did he want to be heard on the constitutional phase of the question or on the qualifications of the nominee?

Mr. BRIDGES. I do not recall as to that.

Mr. BARKLEY. So that the Senator just wants him to come down here in a sort of omnium gatherum and let him testify ad libitum and ad nauseum about this nomination?

Mr. BRIDGES. I think anything that anybody of reliable standing cares to contribute about a man who is nominated to the highest judicial tribunal in this country should be worthy of consideration by this body.

Mr. BARKLEY. Does the Senator think that the president of the New York State Bar Association knows anything about Senator BLACK more than the Members of the Senate, who have been associated with him for 10 years know?

Mr. BRIDGES. He may or may not.

Mr. BARKLEY. He probably may not.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from New Hampshire yield to the Senator from Indiana?

Mr. BRIDGES. I yield.

Mr. MINTON. Does the Senator from New Hampshire have any information about Senator BLACK that other Senators do not possess and that he would like to submit to the committee?

Mr. BRIDGES. If the Judiciary Committee should reopen their hearings to the public, I would be very glad to give to the chairman of the Judiciary Committee the names of certain people whom I should like to see subpenaed for questioning.

Mr. MINTON. Where does the Senator get his list of names?

Mr. BRIDGES. If the hearing is reopened, I will be very glad to tell the chairman of the Judiciary Committee or the Judiciary Committee itself that fact.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BARKLEY. Is the Senator not willing to tell the Senate anything he would tell the committee, which is the servant of the Senate?

Mr. BRIDGES. I would answer that by saying I do not care in any way to reflect upon Senator BLACK's fitness for this office. I simply would like to turn over certain names to the Judiciary Committee and let them, in executive session, decide as to calling the witnesses.

Mr. BARKLEY. So the Senator himself is not willing to reflect upon Senator BLACK, but he is willing to furnish the committee the names of those who would do so?

Mr. BRIDGES. No. I think that is a very unfair statement. The reason I would not make a public statement in the United States Senate about Senator BLACK or his fitness for this office is because I want to be fair, and I simply feel as to certain information that has been passed on that the Judiciary Committee might well conduct a thorough investigation into the subject.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. BARKLEY. If there is anything the Senator knows that is in any way a reflection upon the ability and character or fitness of the Senator from Alabama to become an Associate Justice of the Supreme Court, does he not think that here, in open discussion in the Senate, where secret executive sessions on nominations have been abolished, it ought to be revealed, so that we, as well as the public, might have the benefit of such information?

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. BRIDGES. I yield.

Mr. SCHWELLENBACH. It is my understanding that the Senator from New Hampshire takes the position that upon all nominations for such a high office there should be a hearing and that, after such hearing, the Senate should pass upon it? Is that correct?

Mr. BRIDGES. That is correct.

Mr. SCHWELLENBACH. May I recall to the Senator's mind that very shortly after the announcement of the retirement of Justice Van Devanter the Republican leader, the Senator from Oregon [Mr. MCNARY], gave to the public a statement, which was published freely in the press, that he had polled all the Republican Members of the Senate, and that it had been agreed by all the Republican Members of the Senate that if the nomination of the late Senator Joseph T. Robinson were sent to the Senate the customary Senatorial courtesy would be observed, leaving out even reference to the committee and the nomination would be approved by the Republican Members of the Senate? May I ask the Senator whether or not that statement was correct as made by the Senator from Oregon? Did he poll the Senator from New Hampshire?

Mr. BRIDGES. I do not recall that I was personally polled; I remember the matter being discussed. But I would feel the same about any man, regardless of who he was or the position he occupied, who was nominated by the President to sit on the Supreme Court.

Mr. SCHWELLENBACH. The Senator read in various newspapers at various times references to the statement of the Senator from Oregon and the assurance that all the Republican Senators had been polled and they all had agreed that the nomination of the late Senator Robinson would be confirmed without reference to the committee, did he not?

Mr. BRIDGES. I did; and, in answer to the Senator from Washington, I will say that if the late Senator Robinson had been nominated for the Supreme Court, from the information at hand, I should have been very happy to cast my vote to confirm his nomination.

Mr. SCHWELLENBACH. So, as a matter of fact, it is not because of any rule the Senator has that in all instances when a nomination is sent for an important office there should be a hearing and investigation that the Senator did not want to apply the rule as to Senator Robinson which he now wants to apply to Senator BLACK?

Mr. BRIDGES. I say that I believe there should have been public hearings if Senator Robinson had been nominated to the Court, in order to give the public an opportunity to be heard, but I personally should have been glad to vote for the confirmation of the nomination of Senator Robinson from the information I have at my command.

Mr. SCHWELLENBACH. Without investigation?

Mr. BRIDGES. I would have been guided by the outcome of such an investigation.

Mr. SCHWELLENBACH. But the Senator just stated that he would have been glad to have voted, without a hearing, for the confirmation of Senator Robinson.

Mr. BRIDGES. I think probably it is rather an unfair thing to discuss a very distinguished, very able, and very beloved Member of this body who has recently passed to the Great Beyond.

Mr. SCHWELLENBACH. There is nothing that has been said on either side that casts any reflection on the late Senator Robinson.

Mr. BRIDGES. I do not care to reflect on anyone; I have nothing but admiration for the late Senator Robinson, and, insofar as I am concerned, for Senator BLACK; but I believe in the general principle that the public are entitled to be heard. I think Senator BLACK, naturally, if he followed a consistent course, would be the last man to object to it, due to the activities he displayed in connection with the confirmation of the nomination of other Justices of the Supreme Court.

Mr. SCHWELLENBACH. But on the only other occasion when the Senator had an opportunity to consider a definite name in connection with an appointment to the Supreme Court of the United States the Senator then took the position that he was not going to ask for any hearing or any investigation and would let it go through without even reference to a committee. Was not the Senator from Oregon correct?

Mr. BRIDGES. Certainly, I should like to have had public hearings held. But now, a few weeks after our distinguished leader has passed, the Senator from Washington stands up and asks me about Senator Robinson. I will tell him now that I should have been glad to vote for the confirmation of the nomination of Senator Robinson if it had been sent in, based upon the information I now have; but I should have insisted that the public have an opportunity to be heard and been guided by the facts.

Mr. SCHWELLENBACH. Then the Senator from Oregon was not correct in the statement he gave to the newspapers that he had polled all the Republican Members of the Senate and that they had all agreed that they would not ask for a reference of the nomination to the committee? The Senator from New Hampshire repudiates what the Senator from Oregon said?

Mr. BRIDGES. I think the Senator from Oregon had confidence in his statement, but I do not know that he made a definite official poll of each Republican Senator.

Mr. SCHWELLENBACH. The Senator read the story in a number of newspapers; did he not?

Mr. BRIDGES. I do not recall that I did; I heard about it; but I do not recall reading about it.

Mr. SCHWELLENBACH. During the time the Senator from Oregon was present, when there was a possibility of naming Senator Robinson to the vacancy on the Supreme Court, did the Senator from New Hampshire ever repudiate the statement made by the Senator from Oregon?

Mr. BRIDGES. No.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Indiana?

Mr. BRIDGES. I yield.

Mr. MINTON. I still do not know whether the Senator is in the possession of any newly discovered evidence as to Senator BLACK that he would like to put before the Senate.

Mr. BRIDGES. In answer to the question, I myself do not know, but I think it would be worth while to have the Judiciary Committee make an investigation of certain information that has come to my attention.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. BRIDGES. I yield.

Mr. McKELLAR. By looking at the list of Senators, I find that 20 of us have been here during the entire time Senator BLACK has served in the Senate, and I find that about 30 more have been here 7 years with Senator BLACK. Does the Senator from New Hampshire mean to say that the president of a bar association of New York or New Hampshire or Mississippi or Texas would have more knowledge as to the character and fitness of Senator BLACK than is possessed by his colleagues, 20 of whom have served with him intimately almost every day the Senate has been in session for 10 years, and some 30 more of whom have served here for 7 years with Senator BLACK? Would the Senator think that a member of some bar association or the president of a bar association would have better or more accurate knowledge of the qualifications of Senator BLACK than have we who have been associated with him day by day and have witnessed his work here on the floor and in committees?

Mr. BRIDGES. In answer to the Senator, I will say that such a person might not or he might have something to contribute. We hear a great deal of talk in this Chamber and elsewhere about the word "liberal." A speech was delivered the other day by the distinguished Senator from Montana [Mr. WHEELER], I believe, somewhere in New England, which I read with interest, in which he discussed liberalism. Probably "liberal" is the most misused word in the English language.

There are many people in Washington today who pose as liberals who are not liberals at all. They are reactionaries of the worst type. If we are going to be liberal, let us give the people an opportunity to be heard on any such important appointments as the one here in question. It is better that they be heard through their representatives, United States Senators, than not at all, but it would be much more liberal if we would give the public an opportunity directly to be heard not only when the nomination of Senator BLACK is before us for consideration, but when any other nomination to the highest judicial tribunal in the country is before us for consideration.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. BRIDGES. I yield.

Mr. SCHWELLENBACH. Does the Senator think we would get very much liberalism expounded by the president of the New York Bar Association?

Mr. BRIDGES. His views certainly would be as liberal as the views of some of the self-designated liberals located here in the city of Washington.

Mr. President, it is rather interesting to me to remember when Charles Evans Hughes' name was before the Senate for confirmation. Many Senators present now were here when he was confirmed as Chief Justice of the Supreme Court. Although he had previously served as Associate Justice of the Supreme Court, had run the gantlet of the Senate, had been confirmed and served with distinction, yet when he came again before the Senate when nominated to the Chief Justiceship, he was again made to run the gantlet and was subjected to extensive public hearings and a thorough investigation.

In the case of Judge Parker, whose nomination was eventually rejected for confirmation by this body, when his name was presented he was subjected to extensive public hearings, to a rigid investigation, in which the distinguished Senator from Alabama [Mr. BLACK] played a very important part, and that in spite of the fact that he had been confirmed by the Senate as judge of the circuit court of appeals and was then serving.

Mr. BONE. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I yield.

Mr. BONE. I am advised that the National Lawyers' Guild has not evinced any active public interest in the nomination of Senator BLACK. I am informed the American Bar Association has evinced very keen interest in the matter. Would the Senator be disposed to suggest a possible reason for that interest on the part of one and not the other, and would it possibly rest in the economic viewpoint of the American Bar Association as distinguished from that of the National Lawyers' Guild?

Mr. BRIDGES. My answer to the distinguished Senator from Washington is that that is something which I should like to hear expressed before the Judiciary Committee. I should like to have representatives of both those legal organizations here, and hear what they have to say and what their opinion is with reference to Senator BLACK's qualifications for the position.

Mr. BONE. Would not the Senator agree with me that the interests of the American Bar Association as such are largely due to the economic views of that body as expressed in resolutions of hostility to some of the things which have been accomplished in this country—its opposition to child labor, its opposition to legislation in the utilities field? Knowing Senator BLACK's viewpoint, does that occur to the Senator as having a great deal to do with the desire of the American Bar Association as such to inquire into his qualifications?

Mr. BRIDGES. I am not a member of the American Bar Association and I have no intimate knowledge of the viewpoint of the American Bar Association. From my knowledge of their attitude in the past, I know I have agreed with them on some issues and differed with them on other issues. I believe it is possible for any such group to have sincere motives, and I think it is very possible that some groups may have ulterior motives. I would not make any statement about the views of the American Bar Association or any other group of lawyers, but I am willing that they should state their position and their viewpoint, and I think it is very proper to have a definite opinion from them upon consideration of nomination to the office of Associate Justice of the Supreme Court of the United States.

Mr. BONE. Is it not a fact that the controversies which have been waged around Supreme Court appointments have generally revolved around the question of men's economic viewpoints, their attitude as lawyers toward social legislation and economic legislation, and that is the fundamental

thing around which this little controversy is now being waged?

Mr. BRIDGES. So far as I am personally concerned, I do not believe that would alter my opinion or formulate my opinion with reference to Senator BLACK's fitness for the high position to which he has been named.

Mr. BONE. Of course I am not challenging the honesty of the viewpoint of the Senator from New Hampshire, but I think we ought to be realists enough to understand that no man who has Senator BLACK's viewpoint toward many controversial pieces of legislation that have come before this body, could escape the conviction that lawyers representing the great corporate interests of the country would not like that viewpoint and of course would feel very badly if a man with such a viewpoint should go on the Supreme Court Bench, because, after all, the Supreme Court of the country writes more legislation than we write in the Congress of the United States. The Senator is aware of that of course.

Mr. BRIDGES. I should like to see upon the Supreme Court Bench a man of legal ability, a man of fairness, a man of broad views, who is tolerant of other men's opinions, who is liberal in his ideas—and when I use the word "liberal" I do not define it as many Senators define it, because it is not liberal to go bankrupt, it is not liberal to tax millions yet unborn, it is not liberal to regiment, it is not liberal to do many things we are doing today under the guise of the term "liberal" or "liberalism."

Mr. BONE. I think the Senator will agree with me that we had anything but a liberal administration, as the Senator has just defined it, from 1920 to 1932. We had just the converse, the exactly opposite thing. We had enthroned in this country an economic philosophy as antipathetic to the thing to which the Senator referred as it is possible for one thing to be antipathetic to another, as different as is the doctrine of infant love from the doctrine of infant damnation; and yet under that regime the whole American system folded up under us and we had more idle people in the United States than at any time in its previous history. If that be the correct philosophy, and it certainly was applied with completeness by the exponents of that doctrine under the administrations of Harding, Coolidge, and Hoover, and if we should continue it, what are we to assume from the break-down that came after the application of that principle?

Mr. BRIDGES. I ask the Senator if he considers the present administration to be a liberal administration, with liberal policies, in the true sense of the term "liberal"?

Mr. BONE. It may be that my type of liberalism is a little different from that which has been exhibited in this body at times. I would have gone far beyond some of the things we have done in meeting the dreadful situation we have had confronting us in past years. I cannot imagine anything more desolating than to have millions out of work through no fault of their own. I would have revamped the situation far more than was done if I had had my way. We had the epitome of conservatism in the saddle in this country and we had years and years to try out that philosophy. It blossomed and bore fruit, and certainly the ablest men in the country were at the helm during that period. In this desolating thing which we confronted, why have not men like Morgan and Mellon and Girdler come forward to give the country a concrete program? They have been sitting in the seats of the cynics, they have hurled the cynic ban, and they have yet to come forward with any kind of concrete program. They are among the 59 whom a former German ambassador said had this country in the hollow of their hands.

The Senator will agree that the philosophy of big business was dominant in this country for years. Certainly all they had to do was to come here and tell the Congress what they wanted, and Congress very willingly made itself the servant of that philosophy. That philosophy was in the saddle, wholly and completely enthroned. If there is anything in the form of stand-pat philosophy that would bring social and economic salvation, they had years to try it out on the patient, but the patient almost died.

Mr. BRIDGES. I agree with the Senator to some degree. We have in this country, let us take for homely example, traffic upon the highways. We have a class of persons who, in driving an automobile, travel along at a breakneck speed of 70 miles an hour, endangering their own lives and the lives of everyone else. We perhaps have another class of drivers who go 20 miles an hour, and by their slow gait are in turn endangering themselves, the general public, and the traffic upon the highway. We have another class of drivers that perhaps travel 40 miles an hour, or fast enough to get quickly and safely to their destination, who at the same time do not endanger either themselves or anyone else.

To my mind the driver at 20 miles an hour represents the same philosophy which the Senator from Washington was commenting upon a few moments ago, that of the old guard reactionary, and I agree with him in his views in that regard. The 70-mile-an-hour driver represents to me some of the advanced philosophies of the New Deal, and somewhere in between is the middle ground, a 40-mile driver who can "go places" in a safe manner without endangering the other occupants of the road or ourselves. I class myself in the latter group.

Mr. BONE. Of course, the Senator lays down a postolate upon which many of us will be in agreement. We want to do the safe thing. We want to apply remedies that will be safe, but we cannot very well be conservative and safe when a building is on fire. When we call out the fire department, it cannot be conservative in throwing water on the fire.

We have an economic conflagration in this country. The Senator's reference to the automobile impels me to ask him what he would do if an automobile driver went into reverse, and went tearing down the road in reverse, wabbling all over the road. That is what happened in this country—not 20 miles an hour, or 70 miles an hour, but an economic system in reverse gear, going the wrong way, and endangering everybody on the road.

We cannot be lily-fingered in dealing with a thing that has millions and millions of people in bread lines and hunger marches. Are you going to be nice and lily-fingered and sweetly conservative in dealing with those things, or are you going to try to stop that kind of business?

My conservative brethren—I am not going to call them "reactionaries"; I am going to be as sweetly modest as they are and say that they are conservatives—come along and very justly object to a lot of things that have been done; but the terrible part of this is that they were in the saddle for years. They had their sweet way. Today the able Senator from New Hampshire is raising certain criticisms. He is an able man. He has been honored by the people of his State, and he is entitled to be listened to with respect, because his views are probably the outgrowth of his experience, and they are justly entitled to credit and respectful attention. But here are the great master minds in this country, these Gargantuan intellects which for years guided this country of ours in paths of glory with their transcendent genius—the Girdlers, the Morgans, the Mellons, the big banking interests, the great industrialists of America. Why have not those mighty brains in travail produced something in the way of a program that can be brought down here and laid on the desk of Senators and have them told, "Here is the way to salvation. This is the proper route to economic salvation"? But no; they merely stand in the role of critics, and they put themselves in the position of being critics without offering anything constructive.

Is not that true?

Mr. BRIDGES. Let me say to the Senator from Washington that my opinion about some of the persons he has mentioned probably varies little from his own. Nevertheless, they are entitled to their views. However, I do not agree with the methods—in fact, only part of the methods—used by the present administration in solving the difficulties that

I know as well as he knows we were faced with. In other words, I believe that today we have emerged from the worst of the depression; but how are we going to maintain the people to whom the Senator has referred, who are dependent upon the Government for aid, if we continue in the years ahead to sap the resources of a government like ours in reasonably normal times?

Mr. BONE. Let us consider the problem of unemployment. Technological change has done some strange things to this system of ours. If the Senator did me the honor to listen to my brief remarks the other day about man-hours, production per man-hour in this country for the past 20 years, he would, like myself, have been astonished at the changes that have come over the face of our industrial society. Obviously, we are able to produce more now with less labor than ever before in the world's history. No one man is responsible for that. No one is vicious because that came about. No one wants to lay aside all these magnificent agencies of modern science and say that they shall no longer be harnessed and made tireless toilers for the human race. We want to achieve as much production as possible and to make that enhanced and increased production—that step-up in the tempo of production—something worth while to humanity. But if we can make more with less man-hours, and if we are going to employ people so that they may buy what this system is capable of producing, we shall have to spread employment and give people a chance to work. Otherwise it means the dole.

The Senator does not want the dole. I do not want it. I doubt if there is a man in this body who wants that sort of thing. Therefore the approach—and perhaps it was not the sanest approach—through the wage and hour bill seems to me to have been a logical, orderly approach.

What is the other approach? Going back to the old thing? Closing our eyes to the presence of this economic ghost under the American flag and saying it does not exist? It just cannot be done. If there is any better way of meeting this problem, let the conservative groups in this country come forward with a clean-cut program and not merely sit in the seat of the cynic and hurl anathemas at this program instead of offering something.

Mr. BRIDGES. I will say to the distinguished Senator from Washington that in considering here, in the past or in the future, any program of proposed legislation when I have opposed it, I have tried to have something constructive to offer in its place, either an amendment or a substitute, and I shall continue to take that course.

Mr. BONE. I do not wish to interrupt the Senator's speech any longer.

Mr. BRIDGES. In closing, let me say that we have had a discussion of the word "liberal." If we are liberal here in the United States Senate, if we are not reactionary, if we are not narrow-minded, and if we do not have preconceived opinions, then we will give the public an opportunity to be heard upon this nomination. The people of Alabama have a right to choose any man they care to choose for United States Senator.

The people of any State in the Union have a right to pick their own representatives in the United States Senate. That is their right and privilege, and the men they choose should be accepted by this body if they are duly elected. But the public of the United States is interested in who is appointed to the Supreme Court of this Nation; and I say it is reactionary, the use of steamroller methods, not to give the general public an opportunity to be heard in a public hearing and not to conduct a general investigation. I desire to express my disapproval of it, and I hope the nomination will be recommitted to the Judiciary Committee for investigation and hearing.

REGULATION OF AIR TRANSPORTATION

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill 2, having to do with the regulation of air transportation.

Mr. McKELLAR. Mr. President, the motion before the Senate is to take up Senate bill 2, which has for its purpose, as stated in its title, the amendment of the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate commerce, and for other purposes.

I may say that the other purposes of the bill are to take away the air regulation of the Department of Commerce, which is a very considerable part of the work of the Commerce Department, and turn it over to the Interstate Commerce Commission. That is the first thing the bill does. In the second place, it takes away the air-mail business of the Post Office Department and turns it over to the Interstate Commerce Commission. In the third place, it repeals all of the air-regulatory measures that were enacted by the Roosevelt administration since it has been in power.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Certainly.

Mr. CONNALLY. Does the bill turn over to the Interstate Commerce Commission the control of air-mail aircraft and all other aircraft?

Mr. McKELLAR. Yes, sir; it turns over to the Interstate Commerce Commission the regulation of all commercial aircraft, both domestic and foreign, and in addition to that it repeals all the regulations concerning them.

Mr. CONNALLY. To whom is the power given, then, to regulate these aircraft—to the Interstate Commerce Commission?

Mr. McKELLAR. The power is given to the Interstate Commerce Commission, virtually without limitation, to do what it pleases.

Mr. McCARRAN. Mr. President, will the Senator permit me to interrupt him at that point?

Mr. McKELLAR. Let me first answer the question asked by the Senator from Texas. I will yield to the Senator from Nevada in a moment.

Mr. McCARRAN. If the Senator——

Mr. McKELLAR. Wait one moment, if the Senator pleases. I decline to yield at the present time. I am answering a question from another Senator, and I wish to finish my answer.

Mr. CONNALLY. I will surrender the floor if I can prevent hostilities. [Laughter.]

Mr. McKELLAR. There will be no hostilities between my good friend from Nevada and myself. I will say to the Senator from Texas that he remembers the scandals. He himself was here at that time.

Mr. CONNALLY. I was not here in any scandals. [Laughter.]

Mr. McKELLAR. Yes; the Senator was here during the scandals of the Hoover administration over air mail.

Mr. CONNALLY. Oh, I recall them very vividly.

Mr. McKELLAR. The Senator recalls them very well. He recalls that all the air-mail contracts were canceled at that time.

Mr. CONNALLY. Afterward, when the Democrats came in.

Mr. McKELLAR. When the Democratic administration came in, the Democratic Postmaster General and the Democratic President canceled all the air-mail contracts, and we all knew they were canceled for fraud; and what a hullabaloo was made about it! I am going to tell the Senate in a few minutes what has become of air-mail carriage since those fraudulent practices were done away with. They were done away with by law in the two so-called air-mail acts passed in 1934 and 1935. Those two acts were prepared in my committee, the Post Office Committee. They were reported out by me, but they were actually prepared by three persons. One was the Senator from Alabama [Mr. BLACK], who has been nominated, and tomorrow will no doubt be confirmed, as a Justice of the Supreme Court. One of the other men was no less a personage than the present President of the United States, who aided in the preparation of those acts. The third man happened to be myself, the chair-

man of the Post Office Committee. Those acts are absolutely repealed by this bill.

Mr. CONNALLY. I am sure the Senator from Tennessee was the most active and the most useful contributor to those acts.

Mr. McKELLAR. Oh, no; I was the least active and the least useful contributor to them.

Mr. CONNALLY. I labor under no handicap of modesty, and I insist that the Senator from Tennessee was the most active and the most useful contributor.

Mr. McKELLAR. The Senator from Texas is exceedingly kind.

Now I yield to my friend from Nevada.

Mr. McCARRAN. Mr. President, will the Senator from Tennessee now be so kind as to state to the Senator from Texas the fact that this bill seeks to regulate scheduled air transportation only?

Mr. McKELLAR. Oh, no. I do not know what the title means if it means that. I am going to read it in a little while, so that Senators may see for themselves.

Mr. CONNALLY. So far as handling the air mail is concerned, does the pending bill take it away from the Post Office Department and give it to the Interstate Commerce Commission?

Mr. McKELLAR. Absolutely; the Post Office Department will have about as much to do with the handling of the mail as will the Senator from Texas if the bill shall be enacted.

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TRUMAN. The Postmaster General will have exactly the same control over the air mail that he has over mail carried by railroad trains or by any other method.

Mr. McKELLAR. He will not have the same control over the air mail he now has, and I am sure nobody would say to the contrary.

Mr. President, my distinguished and very greatly beloved friend, the Senator from Texas, has indulged in a joke or two about some differences of opinion between the Senator from Nevada [Mr. McCARRAN], the author of the pending bill, and myself. I have the highest respect and esteem and admiration for the Senator from Nevada, and nothing I shall say will in any way reflect on him in connection with the matter. I think he and the distinguished junior Senator from Missouri [Mr. TRUMAN], who is collaborating with him, honestly believe that all the mail service and all other activities of the air service ought to be turned over to the Interstate Commerce Commission.

Mr. TRUMAN. The Senator does not correctly state my position. I do not want to see control of the carriage of the mail turned over to the Interstate Commerce Commission, and this bill would not do that.

Mr. McKELLAR. The Senator is mistaken. He has not read his own bill if he says that.

Mr. TRUMAN. I have read it.

Mr. McKELLAR. I am attributing to these Senators no unworthy motives. I know in their minds they think they are right. But they are not the only ones who are looking after this bill. There are others interested in the bill. Before I get to that part of it, however, I wish to give a very short history of the air mail.

In 1918 I was a Member of the Senate and a member of the Committee on Post Offices and Post Roads. We had no air mail at that time. We had some Army airplanes, and I brought in a bill from the Committee on Post Offices and Post Roads appropriating $100,000 to establish the first air-mail line that was ever established in this country. That air-mail line was to be established between Washington and New York. The distinguished Senator from Utah [Mr. KING], who sits next to me, had a joint debate with me over that bill in 1918. I recall that the argument of the Senator was printed in one column in many newspapers in this country, and my argument was printed in a parallel column. My bill won, and the line was established. The very next year the Committee on Post Offices and Post Roads reported a bill to establish a line from New York to San Francisco, Calif. It is what is known now as the United Line, and that line was established at that time. A million-dollar appropriation was made, and for about 3 years the air industry moved on apace.

Then there was a change in administration. So long as President Wilson was President, the air mail was conducted by the Government and successfully carried on; but when our Republican friends came into power, in 1921, they changed all that. They turned over the wonderful route from New York to San Francisco, and the route from Washington to New York, and other routes which had been created, to private industry, without really any compensation whatever. It was not long before those concerns, drawing rich subsidies from the Government, something like $20,000,000 a year, became rich and powerful and dictatorial. They no longer asked for subsidies; they came here and demanded them.

In 1926 a bill was passed which allowed these concerns to join together, and when Postmaster General Brown came in, in 1929, he required them to join together, and they formed one of the most massive trusts that was ever created in this country. Twenty million dollars a year was paid in direct subsidies to those companies, and, in addition to that, they received from the Commerce Department large subsidies, amounting to nearly as much, in the way of building landing fields, providing routes, and lighting the routes, and, as I have before stated, there came about one of the greatest scandals ever heard of in this country, far greater than the scandals of previous administrations in regard to whisky, far greater than the scandals which had arisen over postal contracts away back in 1882, probably the greatest scandal that had ever been known theretofore.

When the Roosevelt administration came in, what was the result? Those contracts were examined and found to be fraudulent; they were declared fraudulent by the Post Office Department, and the President canceled them. What has happened since then? I have the statement of what happened in very succinct form, and I want to tell the Senate what has happened to the whole aviation industry since then under the wise checks and balances that are now provided in the law, and which the pending bill would repeal.

Today the air mail is in the most advantageous position in its history. Contractors are operating the finest and fastest planes. Every route in the domestic system is being operated with multimotored equipment. Regardless of the fact that the new system was organized only in 1934, when the Roosevelt administration reorganized it under the present laws, of which I will tell the Senate more later, the contractors have included in the cost of operation the cost of equipping the lines with new planes and improved instruments, and pilots on all lines are getting higher pay than under the old system. But the mail is being transported at much lower costs than under the old system, when the equipment was not so good as it is at present.

In the fiscal year 1932 the Post Office Department paid $19,938,000 for the transportation of only 8,845,000 pounds of mail. I said 20 million a while ago, and that was not very far out of the way. The figures I have given related to the Hoover administration. In the fiscal year 1937, just closed, the Post Office Department paid approximately $12,900,000 for the transportation of over $19,000,000 pounds of mail. In other words, about two and a half times the amount of mail was transported at a cost of approximately $7,000,000 less. This is the system the pending bill would rip up, root and branch, and absolutely destroy, and turn the air mail over to the aviation companies, without let or hindrance. They could charge $10 a pound for carrying the mail if they desired, under the bill of the distinguished Senator from Nevada, and we will discuss that later.

In the fiscal year 1932 the air-mail contractors received less than $5,000,000 in revenue from express and passengers, but the Government had to pay nearly $20,000,000 for the

carriage of the air mail. In the fiscal year 1937 the contractors received over $24,000,000 in revenue from passengers and express, which is about five times the amount received in the fiscal year 1932.

In the fiscal year 1932 there were in the domestic system 28,745 route miles. At present the mileage is 30,049, and with four new routes just advertised, the mileage will be increased to nearly the maximum of 32,000 route miles permitted under the present law, and the Department will, during the current fiscal year, pay for about 45,000,000 miles of flying, as compared with 32,000,000 miles in 1932.

So Senators may appreciate what gigantic strides have been made in aviation since honesty and uprightness have governed, since fairness and justice have prevailed. In other words, air-mail contractors are now attending to their duties instead of being here themselves as lobbyists. They still have lobbyists here. I am going to refer to that matter in a few minutes. They have plenty of lobbyists—plenty of them within the sound of my voice. They are here all the time, and they join with the lobbyists of the Interstate Commerce Commission, because the Interstate Commerce Commission has lobbyists here all the time who do nothing but lobby for bills in which they are interested.

What do Senators want to do? Do they want to pass a bill which takes the air mail from under the restrictions that now encompass it and turn it over to the Interstate Commerce Commission? Do they wish to let air-mail operations be conducted without let or hindrance, without any of the provisions that govern honesty and fair dealing in the handling of the mails? If Senators do, then let them vote for this bill. If they want to continue the course charted by the President and by the Senate of the United States—an honest course, an honorable course, a fair course—let them not repeal the present law.

Mr. President, the aviation industry of America has grown until it has become the best in the world; and yet it is suggested that the restrictions be taken off the industry and that its regulation be turned over to the Interstate Commerce Commission. The two men who would be in control of it are Mr. McManamy and Mr. Haley. Both testified under oath that they had no knowledge whatsoever about mail rates or any other kind of rates. Mr. McManamy said he did not know anything about air-mail rates. Mr. Haley said that he never knew anything about mail rates or never had any experience with mail rates or any other kind of rates until this division was turned over to him under the act of 1934.

Are Senators going to turn over the determination of air-mail rates to experts of that kind? Remember, there is always a nice, juicy office in this plan for Mr. Haley. He is to be the new director. I am going to tell the Senate in a few minutes how the bill in this case was really prepared; and I might just mention, as I go along, that it was drafted in room 212 of the Carlton Hotel in this city by the representatives of the aviation companies, meeting at night with Mr. Haley, who is supposed to have control of this division. I shall get to that later.

Mr. AUSTIN. Mr. President, is this another one of those spoils conferences?

Mr. McKELLAR. Another one of the spoils conferences. I wish to say to the Senator from Vermont in all fairness that if the legislation now proposed shall be enacted, in my humble judgment, there will be a worse scandal concerning the air mail, after the contracts come into the hands of these people under the terms of the bill, than there was previously, because then there will be nothing to stop the air-mail operators; all the shackles will then be taken off, and all checks and balances will be destroyed. The provisions suggested by the President that were so carefully put into the two laws dealing with air mail will be made nugatory and rendered ineffective. The plans of the Senator from Alabama [Mr. BLACK], who had already investigated the aviation companies of this country, and who engaged in the preparation of a bill dealing with the subject, will come to naught.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. SCHWELLENBACH. Will the Senator explain that situation? I merely ask for information.

I have gone over this bill rather carefully and compared it with the Interstate Commerce Act and with the Motor Vehicles Act. Mail is carried on the railroads, for example. The Post Office Department has contracts with the railroad companies, and the Interstate Commerce Commission regulates the railroad companies. What is there about the air-mail business that makes it different from railroad mail business; and why is it more necessary that the Post Office Department should have charge of the regulation of commercial transportation by airplane than the regulation of the commercial operation of railroads? I ask purely for information.

Mr. McKELLAR. I shall be glad to give it to the Senator. However, I wish to conclude the statement I was making, and then I shall answer the Senator.

The cost to the American people of this greatly increased mileage, with the vastly improved and faster equipment, will be about $5,000,000 less than in the fiscal year 1932, although approximately 13,000,000 more miles were flown in 1937 than in 1932.

In the fiscal year 1932, when the Government was paying the contractors nearly $20,000,000 for air-mail service, the postage revenue on air mail was only about $6,000,000. In the fiscal year just closed, air-mail revenues have been increased to over $12,000,000. Much of this increase is due to the splendid work done by postmasters throughout the country in an educational campaign conducted for the purpose of calling attention to the advantage of the greatly improved service.

In the fiscal year 1932, only 43 States and 162 cities had air-mail service. At the present time, every State in the Union except Delaware has direct air-mail service; and that State has all of the advantages of service through stops in nearby States. At the present time 200 cities are served; and new routes have just been advertised which will add a number of additional cities which will bring the total up to 209.

The Department contemplates the establishment of a number of additional routes in the trunk-line system, and is also now making a study of the possibility of inaugurating a secondary or "feeder" system to give service to cities and communities which, on account of their geographical location, can never be directly served by stops on the trunk-line system.

Mr. President, having said that much about what has been accomplished, I shall, in answer to the question of the Senator from Washington, read not from the Department of Commerce sources or Post Office Department sources, but from the testimony had in connection with this matter. I read from the testimony of Mr. Norman B. Haley, who, under Mr. McManamy, is the director of the rate-making service in the Interstate Commerce Commission. I read from page 211 of the hearings before the Senate Committee on Interstate Commerce on Senate bill 2:

Senator McKELLAR. May I ask some questions, Mr. Chairman?
The CHAIRMAN. Certainly, Senator McKELLAR.
Senator McKELLAR. Mr. Haley, you say you do recall a meeting where you, Mr. McManamy, and Mr. Branch came to my office?

Mr. McManamy is the Interstate Commerce Commissioner who has to do with air mail, and Mr. Haley is the director under Mr. McManamy.

Mr. HALEY. Yes, sir.
Senator McKELLAR. What was the purpose of your coming there?
Mr. HALEY. Mr. MEAD, Senator McKELLAR, was also there.
Senator McKELLAR. He may have been there. I do not recall. I remember the other three.
Mr. HALEY. Mr. Dobbins was also there.
The CHAIRMAN. Who are Mr. MEAD and Mr. Dobbins?
Mr. HALEY. Mr. MEAD is chairman of the House Committee on the Post Office and Post Roads, and Mr. Dobbins, I believe, was the ranking member at that time.

Senator McKELLAR. What did you come there for?

Mr. HALEY. I came there for only one reason, Senator, and that was because you asked us to come there and meet in your office at the conclusion of the White House conference in the morning. The President had suggested that we continue the discussion among ourselves.

Senator McKELLAR. Do you recall that when you got there, Mr. McManamy first asked that an amendment be introduced or proposed to the air-mail law providing that all limitations in the rate, namely, the only two that there were, the 33⅓-cent rate and the 40-cent rate, be done away with?

Mr. HALEY. No, sir; I do not.

Senator McKELLAR. You do not recall that that was discussed?

Mr. HALEY. Well, as I have already stated, I think Mr. Branch—

Mr. Branch is now Second Assistant Postmaster General, and has charge of the matter for the Post Office Department. He was putting it off on Mr. Branch—

I think Mr. Branch had an idea that the top limit should be raised or taken off.

Senator McKELLAR. Why, Mr. Haley——

The CHAIRMAN. Who was Mr. Branch?

Mr. HALEY. The Second Assistant Postmaster General, then and now.

Senator McKELLAR. Do you not recall the following conversation between Mr. McManamy and myself? I said, "Mr. McManamy, have you examined into this rate matter yourself?"

Mr. HALEY. I have read that.

Senator McCARRAN. From what are you reading?

Senator McKELLAR. From my statement given on Saturday. He answered, "No, sir." I then asked him, "Do you know anything about the rate making of air mail?" He answered, "No, sir."

I asked, "Have you read the proof as to rates that has been taken by our committee here before making that request?" He answered, "No, sir."

I want to say that Mr. McManamy was present when this testimony was being taken and, of course, Mr. Haley was; they were both there.

I asked him, "Have you read the hearings before Senator BLACK'S committee concerning air-mail rates?" He answered, "No, sir."

"Well," I said, "isn't it a remarkable request that you are making?" He said, "Well, the reason I make that request is that Mr. Haley has asked me to."

Here was the chairman of the entire Commission, he was chairman at that time, I think, but he was certainly a member of the Commission in charge of the air mail, and he said that the reason he was making the request was that Mr. Haley asked him to.

Senator McCARRAN. I suggest that the record show that Mr. McManamy is present here at this table.

Senator McKELLAR. I am glad he is. I am surely glad to have him here.

Senator McCARRAN. I just wanted the record to show that.

I was very happy he did.

Mr. McCARRAN. Mr. President, if the Senator is going to read from the record I respectfully suggest that he read from it correctly.

Mr. McKELLAR. I intend to read it correctly; if I make any mistake I wish the Senator would correct me.

Mr. McCARRAN. That is what I wanted to do. In this case I hope the Senator will not take any offense at a correction.

Mr. McKELLAR. Oh, no.

Mr. McCARRAN. The Senator from Tennessee said:

But that is not what I am asking you. Do you independently remember that conversation?

Mr. McKELLAR. I have not reached that as yet.

Mr. McCARRAN. I thought the Senator was away beyond that point.

Mr. McKELLAR. No. I quote further from the record:

Senator McKELLAR. I am sure that Mr. McManamy will not say that that is incorrect.

But that is not what I am asking you. Do you independently remember that conversation?

Mr. HALEY. I do not, sir, remember it as you have read it.

Senator McKELLAR. Well, was not that the substance of it?

Mr. HALEY. No, sir. I am not trying to avoid your questions, Senator; but that was not discussed.

Senator McKELLAR. What was said by Mr. McManamy?

Mr. HALEY. As I recall, Senator, Senator O'MAHONEY, who was also present, as you recall, asked the Commissioner if he had given consideration to the advisability of removing those limits; and I think, as I recall—this was over 2 years ago, Mr. Chairman—that Mr. McManamy answered that it was always better to permit the Commission to function in rate making without too many limitations or restrictions; but I do not recall that Commissioner McManamy at any time advocated the lifting of the rates; and I certainly did not suggest it to him.

Senator McKELLAR. When Mr. McManamy answered me that Mr. Haley had asked him to make that request of the committee, did I not reply—

Now, listen to this—

"But Mr. Haley represents various air-mail companies"? Don't you remember that?

Mr. HALEY. No, sir; I do not, Senator.

Up to the time these gentlemen came to my office in connection with the effort to do away with the rate limitation of 40 cents in one respect and 33⅓ cents in the other, I had seen Mr. Haley around here.

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I will yield in a moment when I finish the sentence. I had supposed all the time, from his actions and his words, that Mr. Haley was a lobbyist for the aviation companies; he acted that way. Yet it is proposed by this bill to repeal all restrictions about air mail and aviation and turn this matter over to a man who has never had any experience, a man who, like Mr. McManamy, never read any of the evidence, as he testified a little later, as I shall show.

Mr. TRUMAN. I should like to ask the able Senator from Tennessee if he thought Mr. Haley represented the air-mail companies when he went to the White House and conferred with the President on an occasion when the Senator was there?

Mr. McKELLAR. I do not mean to charge him with being a paid representative of the air-mail companies.

Mr. TRUMAN. But the Senator knows that Mr. Haley had been with the Interstate Commerce Commission for 27 years before that.

Mr. McKELLAR. I want to answer the question the Senator asked before I am required to answer another one. I do not know that Mr. Haley gets paid for it; I could not prove it; but Mr. Haley is one of the best lobbyists for the aviation companies, he is more interested, perhaps, than is any other man in favor of the aviation companies, and this record will show it; Mr. Haley's own testimony will show it.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. The able Senator from Tennessee went to the White House with Mr. Haley and conferred with the President, did he not?

Mr. McKELLAR. I do not recall it at all. The Senator says I did. It may have been so. I assumed Mr. Haley was representing the air companies all the time.

Mr. McCARRAN. Does not the able Senator from Tennessee know that Mr. Haley has for 27 years been connected with the Interstate Commerce Commission?

Mr. McKELLAR. I have found that he has been employed as bookkeeper for the Interstate Commerce Commission for many years; perhaps for a quarter of a century. I find, from his own testimony, that Mr. Haley never had anything to do with rate-making in his life, and in a few minutes I am going to show what kind of rate-making he has done and show that he is utterly ignorant of the principles of rate-making. To turn the great aviation industry over to him to make rates would be suicidal to the aviation companies and suicidal and ruinous to the Government and to aviation.

Mr. SCHWELLENBACH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. SCHWELLENBACH. May I accept this understanding then: I asked the Senator from Tennessee to tell me purely for my own information what difference there was between the carrying of the mails by commercial aviation companies and the carrying of the mails by the railroads that made it impossible for the Interstate Commerce Commission to regulate the aviation companies as compared with the railroads. Now, as I understand, it is because this man Haley——

Mr. McKELLAR. Is utterly unfit for it.

Mr. SCHWELLENBACH. Is incompetent?

Mr. McKELLAR. Incompetent, and an ally, if not more, of the aviation companies. He is tremendously interested, at any rate, in the aviation companies. He consorts with them, he goes to the hotel where their representatives are when this bill or one like it is being prepared. I am not reflecting on the Senator from Nevada at all——

Mr. McCARRAN. Mr. President——

Mr. McKELLAR. Just a moment; but when Mr. Haley goes in together with the lobbyists of the aviation companies—and I am going to give the names in a few minutes—of course there is but one conclusion that can be reached and that is that he is tremendously more interested in the aviation companies and their agents and representatives than he is in the Government of the United States. I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, I think perhaps I should rise to a question of personal privilege. For some reason the Senator from Tennessee tries to tie me to room 212 of the Carlton Hotel.

Mr. McKELLAR. Not at all. There is no evidence the Senator was there. I think the Senator said on one occasion he was not in room 212, but I have the facts about room 212. This bill was written in room 212 of the Carlton Hotel by the lobbyists of the various aviation companies, with Mr. Haley.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. McCARRAN. The Senator is the co-author of what is known as the Black-McKellar bill. Am I correct in that statement?

Mr. McKELLAR. I think it is called that.

Mr. McCARRAN. I read from section 6 of the Black-McKellar bill. It is in keeping with the Senator's criticism of the Interstate Commerce Commission fixing rates?

SEC. 6. The Interstate Commerce Commission is hereby empowered and directed, after notice and hearings, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane,

And so forth. The Senator is the author of that, is he not?

Mr. McKELLAR. No. That particular section was inserted at the very earnest suggestion and request of our distinguished colleague [Mr. BLACK] who is about to go on the Supreme Court Bench. He thought, just as the Senator from Washington [Mr. SCHWELLENBACH] seems to think, that there is some relation between the making of rates for air mail by the Interstate Commerce Commission and the making of rates for railroads by the Interstate Commerce Commission. I am going to come to that before I conclude. This is the background of it and I will tell the Senator more about it a little later.

That particular provision was inserted by the Senator from Alabama with the approval of the President. We never made a greater mistake, and I believe every Senator who listens to this testimony will come to the same conclusion I have reached, that we never made a more frightful mistake than when we placed in the hands of the Interstate Commerce Commission the power to make the rates.

I proceed a little further with the reading of the testimony. On page 212 I asked this question:

Senator McKELLAR. You do not remember that I stated there in that meeting that I had always considered you a representative of air-mail companies?

Mr. HALEY. You must be referring to some other occasion.

There I was saying that in my office I told Mr. McManamy in Mr. Haley's presence that I had always considered Mr. Haley a representative of the air-mail companies. This was his answer when I asked the question:

You do not remember that I stated there in that meeting that I had always considered you a representative of the air-mail companies?

This was his answer:

You must be referring to some other occasion.

Senator McKELLAR. Oh, no, Mr. Haley. You are the man who was present, and you surely remember that I remembered you as soon as you came in here. You are the man——

The CHAIRMAN. I have just come in. What is your business, Mr. Haley?

Mr. HALEY. I have already stated on the record, Mr. Chairman, that I have been continuously employed by the Interstate Commerce Commission for over 27 years. I have had no other interest or vocation during that time. Of course Commissioner McManamy is here, Senator——

Senator McKELLAR. We are glad to have him here.

I will ask you if you received the following letter from me, dated February 4, 1937 [reading]:

"FEBRUARY 4, 1937.

"Hon. N. B. HALEY,
"Director, Bureau of Air Mail,
"Interstate Commerce Commission, Washington, D. C.

"DEAR SIR: Your letter of February 3 has been received, enclosing reports of free and reduced-fare transportation rendered by air-mail carriers"——

The CHAIRMAN. What are you reading from, Senator?

Senator McKELLAR. From a copy of my letter to him, and asking him to identify it.

The CHAIRMAN. To Mr. Haley?

Senator McKELLAR. Yes; it is addressed to Mr. Haley. [Reading further:]

"The law directs you to make a full statement of 'all free transportation * * * including in each case the regular tariff value thereof, the name and address of the donee', and a statement of the reason for furnishing such free transportation. I do not find in your report the names and addresses of the donees referred to or any statement of the reason for furnishing such free transportation.

"I suggest that you send in an amended report in accordance with the act of Congress.

"Very truly yours,

"_____ _____."

The CHAIRMAN. Should not this be up to the Post Office Department? They have been the ones that have used the air more than anybody else.

Senator McKELLAR. I will clear that up in just a moment.

Your letter was dated February 3. I should have read that first. Your letter is as follows [reading]:

FEBRUARY 3, 1937.

Hon. KENNETH D. McKELLAR,
Chairman, Committee on Post Offices and Post Roads,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Attached hereto for your information and files is copy of an analysis of the reports of free transportation for the semiannual period ended June 30, 1936, filed with the Commission by the domestic air-mail carriers of the United States pursuant to the Commission's order of November 26, 1935, issued under authority of section 6 (f) of the Air Mail Act of 1934, as amended.

Very truly yours,

(Signed) N. B. HALEY, *Director.*

Attachment.

The CHAIRMAN. Is there a list of those who had free transportation?

Senator McKELLAR. I have that list in the Post Office Committee, and I am going to show you how it got there.

The CHAIRMAN. I think we ought to have it here.

Senator McKELLAR. I shall be glad to have it here.

The CHAIRMAN. Let me ask you this, Mr. Haley, for the benefit of the record now——

Mr. HALEY. May I suggest that Senator McKELLAR finish? I think it will be advisable.

The CHAIRMAN. All right.

Senator McKELLAR. I do not find a reply to my letter of the 4th. I do not know whether you replied to it or not. If you did, I would like to have it made a part of the record.

Mr. HALEY. We will do that, Senator.

Then I wrote this letter to Mr. Eastman, who is one of the prominent members of the Interstate Commerce Commission:

FEBRUARY 9, 1937.

Hon. JOSEPH B. EASTMAN,
Interstate Commerce Commission, Washington, D. C.

DEAR MR. EASTMAN: This letter probably should be written to the Chairman of the Interstate Commerce Commission, but I do not know him, and shall thank you to deliver it to him after you shall have read it.

On February 3 Mr. N. B. Haley, Director of the Bureau of Air Mail, sent me a report which purported to be a report required under the Air Mail Act. I wrote him on February 4, from which letter I quote:

"The law directs you to make a full statement of all free transportation * * * including in each case the regular tariff value thereof, the name and address of the donee, and a statement for

the reason for furnishing such free transportation. I do not find in your report the names and addresses of the donees referred to or any statement of the reason for furnishing such free transportation."

Here is the man as to whom we are going to remove all restrictions, and turn over to him air mail and the making of rates. These various companies furnished $1,200,000 of free transportation in this country. The law directs the Director to furnish that information to the Congress, and he sent in his report without furnishing it. Do you want to trust that kind of a man with the entire air-mail problem? If you do, vote for this bill. If you do not, I ask you to vote against it.

This is Mr. Haley's letter. Then I went on to say:

I will stop here long enough to say that there was a statement, as I remember, that free transportation had been given to the extent of $1,200,000, in round numbers. Is that correct?

Mr. HALEY. Yes, sir.

The CHAIRMAN. To whom had that been furnished?

Senator McKELLAR. Let me finish the letter, and you may then ask the question, Mr. Chairman. Thank you. [Reading further:] "Today I have received a letter from Mr. Haley, dated February 5, in which he says:"

Here is an officer of the Government to whom we are going to legislate a $10,000 salary. He is interested in this bill, of course, because he expects to be the Director of Air Mail.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. McCARRAN. Will the Senator kindly read from any record which will enlighten the Senate to the effect that we are about to legislate a $10,000 salary to Mr. Haley?

Mr. McKELLAR. Yes, sir.

Mr. McCARRAN. He is in the employ of the Interstate Commerce Commission at this time.

Mr. McKELLAR. Yes; but he is an applicant for the place when it is provided, and he, with the lobbyists—I started to say "other lobbyists", but I do not want to do any man an injustice. I thought he was a lobbyist.

Mr. McCARRAN. The Senator thought he was a lobbyist?

Mr. McKELLAR. Yes, sir; I thought Mr. Haley was a lobbyist until this testimony was given.

Mr. McCARRAN. The Senator is mistaken. Will not the Senator admit that he is mistaken?

Mr. McKELLAR. Oh, no, no, no; because I do not know. Mr. Haley is the man to pass on that. I do not know whether he is lobbying for them or not; but I know that he was present time and again at room 212 in the Carlton Hotel in this city when the lobbyists of the aviation companies—and I will give their names in just a few minutes—met to prepare this bill; and it was under this bill, or one exactly or substantially like it, jointly prepared, that the director—and he is the present director—will get $10,000 a year if the bill is passed; a pretty nice, soft job for Mr. Haley. It may be right for him to be standing up for the air-mail companies, but I do not think so.

Today I have received a letter from Mr. Haley, dated February 5, in which he says:

Now, here is his excuse for not furnishing that information. Here is the excuse he gives. Listen to this. This is Mr. Haley writing, not anything that I said:

Of course, the underlying data from which these summaries were compiled are public records, but are, however, quite voluminous. The labor in compiling tabulations of the details of the names and addresses of donees of, and the reasons for, such transportation would, in addition to the duties required by the act, be impossible within the limited appropriation granted the Commission for air-mail work.

The unspeakable Mr. Haley, supposed to represent the Government, supposed to carry out the law that the Congress has passed! What does he say about it? He says he did not have the necessary employees to furnish the names; it was too much work for him. If he had spent at his office, where he ought to have been, part of the time that he spent down at the Carlton Hotel in room 212 in preparing this bill, it would have been better for him.

I want to say another thing for Mr. Haley. I want to quote another item from his letter.

Then I go on, reading from my letter:

I do not believe you and the other members of the Commission will uphold Mr. Haley in his apparent willful violation of the law.

This is a letter addressed to Mr. Eastman.

I have written Mr. Haley, summoning him before the Committee on Post Offices and Post Roads of the Senate on February 12, 1937, at 11 a. m., and have asked him to bring the full report with him.

It appears from the report submitted that the tariff value of this free transportation amounts to $1,275,460, with an additional amount of $6,270 where reduced fares were given. This large sum of money should be accounted for, and I know you will agree with me that the law requires that the names, addresses, and reasons should be furnished. I shall be glad to hear from you.

And what resulted? Why, I got the information. How? By writing a letter to each member of the Commission, explaining to them that their director had violated the law and had said that he could not carry it out; but when the Commission got after him he did carry it out, and we got the information. All the members of the Commission wrote to me saying that it would be done, and it was done, and it is found on pages 215 and 216 of the record.

On February 5 I received this letter from Mr. Haley:

In reply to your letter of yesterday concerning the summary of reports of air-mail carriers of their free and reduced-fare transportation.

In the absence of direction in the Air Mail Act (sec. 6 (f)) to make a report to the Congress, it occurred to me that you would be interested in the summaries voluntarily published by the Commission.

I "would be interested in the summaries"! Here is the law that requires Mr. Haley to make a report giving the names and addresses, and we all know why they were to be given.

I read further from the record of the hearing:

The CHAIRMAN. I would like to go back to the conversation that you had in Senator McKellar's office and what took place, as you recall it.

Mr. HALEY. Mr. Chairman, I think you were not here when I described the circumstances of that visit, which I have stated was the only time that I was in Senator McKELLAR'S office, and the first time that I ever saw him.

In February 1935 the President called a conference at noon one day on aviation matters, and the White House secretary notified me that I was expected to be present. There were also present at that meeting, besides Senator McKellar and myself, Representative Mead, of the House Post Office Committee; Senator O'Mahoney, of the Senate Post Office Committee; and Mr. Harllee Branch, Second Assistant Postmaster General. At the conclusion of the conference the President suggested that we continue discussion of the matter, which related to proposed amendments to the Air Mail Act, and Senator McKELLAR asked us to meet in his office at 2 o'clock.

The Commission has a legislative committee which handles all legislative matters——

The CHAIRMAN. Yes; I am familiar with that. What I wanted to get at particularly was the conversation that took place in Senator McKELLAR'S office. He has asked you if you did not remember certain matters, and you said you did not. Now, what was the conversation that took place, as you recall it?

Mr. HALEY. We met there by appointment, and there was some discussion of various provisions of the proposed amendment to the act. The thing which Senator McKELLAR has referred to particularly was a suggestion that the top limits fixed by the Air Mail Act for rate making should be either lifted or removed.

With regard to that statement as it appears here, I desire to say that I do not remember that Mr. Haley made it; but if he did make it, or if he changed his testimony so as to let it appear here, there is not one scintilla of truth in it, because the first time I ever heard of the desire to take off these limitations that the Commission could not go beyond 33⅓ cents a pound for a 300-pound load, and an increase to 40 cents for a larger load, was at this meeting when Mr. McManamy proposed to do it; and I shall come to his testimony in just a moment.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. I draw the Senator's attention to the fact that, by his own record as made, the present law permits $1,200,000 free transportation, as disclosed by the Senator, whereas Senate bill 2 forbids any free transportation.

Mr. McKELLAR. That is one provision which will have to be accepted.

There were several other minor details discussed, as I recall it. We were not in conference a long time. I know that Commissioner McManamy said very little, and I do not think I said much more than he did. We were respectful listeners most of the time.

The CHAIRMAN. The talking was done by the Senators, as usual?

Mr. HALEY. I would not say that, in this instance.

Senator MCKELLAR. I think you might as well say it, because I did a good deal of the talking when I found out what you gentlemen wanted.

I do not think I was ever more explicit in my life, and I think that if there is one thing I try to be, it is to be outspoken and candid in all matters, just as I am in this.

I think those gentlemen came here, whether they knew it or not, in the interest of the air-mail companies and the aviation companies. They were there to get these limitations taken off.

Senator MCKELLAR. I think you might as well say it, because I did a good deal of the talking when I found out what you gentlemen wanted.

Senator MCCARRAN. I understand that it was at that meeting in Senator MCKELLAR's office, as you recall it, that Mr. Harllee Branch, the Second Assistant Postmaster General, suggested lifting the top limit?

Mr. HALEY. That is my recollection, Senator.

That was the only question discussed, as will be seen in just a moment.

Senator MCCARRAN. And it did not come from you?

Mr. HALEY. No, sir.

The CHAIRMAN. Let me ask Commissioner McManamy this question: Do you remember that conversation, Mr. Commissioner?

Commissioner MCMANAMY. I have quite a clear recollection of everything that transpired in Senator MCKELLAR's office on that occasion.

The CHAIRMAN. Was it suggested by you or by Mr. Haley that the top rate should be lifted?

Commissioner MCMANAMY. It was not. The suggestion with respect to lifting the top rates came after some discussion by some of the others, and I was asked this question, I think, by Senator O'MAHONEY, but it may have been by Mr. Dobbins: "What is your opinion concerning the advisability of raising the top rates?"

My reply was that I had not given that particular consideration, but that if any change were made I thought it would be better to lift the rates than to lower them, because in handling rail rates the Commission was left free, without restrictions, to adjust different rates.

I digress long enough to say that there are three great transcontinental airways—the United, as we all know, that operates from Chicago to Cheyenne, Wyo., and to San Francisco; the T. W. A., which goes over the middle route, south of the other one, and through the northern part of Arizona and now into San Francisco; and the third great route, the American Airways, which goes south of that, coming through Washington, and to Lynchburg, Va.; Bristol, Tenn.; Memphis, Tenn.; Little Rock, Ark.; Dallas, Tex.; and on into Los Angeles. There is 20 minutes difference in time between those three routes.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. MCKELLAR. In just a moment. What sort of rates has this commission, of which Mr. Haley was an employee, supervised by Mr. McManamy established on those routes, with 20 minutes difference in the carrying of the mail? The United gets a rate of 40 cents per air-mile, the T. W. A. gets 24 cents, the American Airways gets a rate of 26 cents. Remember, a large part of the money which these companies receive is a subsidy, taxpayers' money. The United, which needs it least, gets $2,400,000 a year under these rates made by the Interstate Commerce Commission. The T. W. A. gets $1,900,000 a year, and the line that goes further south gets $900,000 a year. Those are the rates. That is a sample of the rate-making power of Mr. Haley, who meets at night at room 212 to prepare this bill. I do not see how anyone can vote for the bill.

I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from Tennessee whether he recognizes that that magnificent structure of competing lines, three great transcontinental lines, was the sequel of the so-called spoils contracts?

Mr. MCKELLAR. Under the spoils contracts of the Hoover administration they just divided up the whole territory of the United States among several large companies, and, as I recall it, it was Mr. Brown's ambition to put them all into one line, so that there would not be any competition at all. At all events, the system built up under that administration was comparatively small. No one was satisfied. The one built up under the present administration has been tremendously successful. The United is making money, the others are rapidly approaching the point where they will make money. They are prosperous, they are rendering a splendid service, they have three or four times the route miles the others had, they have the most magnificent airplanes in the world. The Government is helping them, of course. They used to get $20,000,000 from the Government and about $5,000,000 from carrying passengers. Now they get $20,000,000 for carrying passengers and about twelve to fourteen million from the Government in the way of subsidies. They will soon be self-sustaining, if they are allowed to go on in honesty and in decency. Unless we take away the restrictions we put around them, unless we allow them to have holding companies, unless we allow them to have interlocking directors with those who furnish their airplanes, unless we allow them to go into partnership with the General Motors and the other great corporations of the country, with which they were in partnership before, when the great scandals arose, they will continue to prosper. But if the pending bill shall be enacted, and all the brakes are taken off, we will destroy what has been built up under the Democratic administration, and turn everything over to them.

Mr. TRUMAN. Mr. President——

The PRESIDING OFFICER (Mr. BERRY in the chair). Does the Senator from Tennessee yield to the Senator from Missouri?

Mr. MCKELLAR. I yield.

Mr. TRUMAN. I merely wish to get the rate structure straight for the RECORD, and I have the records of the Post Office Department. According to the figures of the Post Office Department, presented by a responsible official and printed at page 124 of the hearings before the Senator's own subcommittee on the Post Office appropriation bill for this year, it is shown that the distance from New York to San Francisco over the mail route of the United Air Lines is 2,773 miles, over that of the American Air Lines it is 3,182 miles, a difference of 409 miles. The same testimony shows that the flying time over the United Air Lines route is 16 hours, 45 minutes, and over the other route 18 hours and 50 minutes; a difference of 2 hours and 5 minutes.

The pound-mile rate for carrying the mails during the fiscal year 1936 was 74 hundredths of a mill over the United; over the T. W. A. the rate was 71 hundredths of a mill, over the American Line from Fort Worth to Los Angeles it was 1.39 mills, and from Newark to Fort Worth it was 1.67 mills.

The pound-mile rate is the exact rate for which this mail is carried. The plane-mile rate over the United was 31 cents, over the American, 26 cents, over the T. W. A., 24 cents.

The United carried an average of 643 pounds, the American an average of 348, the T. W. A. an average of 466.

Mr. MCKELLAR. Oh, yes; those are the figures; but money talks. One of these companies, a favorite of the Interstate Commerce Commission, the favorite company of the Director of the Bureau of Air Mail of the Interstate Commerce Commission, gets $2,400,000. T. W. A., the next in favor, gets $1,900,000. American Airways, the third of the great transcontinental companies in favor, gets $900,000.

Money talks! The proof of the pudding is in the eating.

Mr. MCCARRAN. Mr. President, will the Senator yield?

Mr. MCKELLAR. In just a moment. The proof of the pudding is in the eating. Here is the fact that we have three great transcontinental routes. Under the rates established by the Interstate Commerce Commission, the United Air Lines, which needs no subsidy, gets $2,400,000. T. W. A., which needs no subsidy, gets $1,900,000 from the Government. American Airways, a company whose needs I do not know, gets over $900,000. Those are the facts. It is money that talks.

Mr. MCCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. I know the Senator from Tennessee does not intend willfully to mislead the Senate of the United States.

Mr. McKELLAR. No.

Mr. McCARRAN. Will the Senator kindly state on what record he bases the statement that any one line of the three named is the favorite of the Interstate Commerce Commission?

Mr. McKELLAR. On the record, which is undisputed and indisputable, that one concern, for carrying the mails for substantially the same distance as another—because 200 miles does not mean much in airplane travel—gets $2,400,000, another line gets $1,900,000 for carrying it on another transcontinental route, and the third one gets only $900,000 for carrying the mail on another route.

Mr. McCARRAN. Will the Senator now state the pound miles carried by one as against the other?

Mr. McKELLAR. It is charged that the United company has some influence with the Post Office authorities at New York and gets a bigger load, and in that way gets the 40-cents-a-mile rate, and that may be true.

Mr. McCARRAN. Will the Senator say who made that charge?

Mr. McKELLAR. I think I myself made it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CLARK. If the Senator believes that the Post Office Department has been engaged in such a practice as that, then, as chairman of the Committee on Post Offices and Post Roads, does he not think a public investigation and determination of facts along that line should be had? It seems to me such an investigation and determination should be had.

Mr. McKELLAR. Yes; and I engaged in——

Mr. CLARK. It seems to me that when the Senator, being the chairman of the Committee on Post Offices and Post Roads, comes upon the floor of the Senate and makes a charge such as that against the Post Office Department, and then does not follow it up, he is more or less unfair to the Post Office Department.

Mr. McKELLAR. If the Senator is familiar with the record, he knows that I made the charge in the record itself. We have had a hearing on this matter. The Senator will find it all contained in this volume of hearings. There is no secret about it.

Mr. CLARK. Mr. President, does the record disclose that the Post Office Department is guilty of partiality in awarding air-mail contracts?

Mr. McKELLAR. Oh, no; that is not what it is.

Mr. CLARK. I am perfectly frank to say to the Senator from Tennessee that I am not familiar with the record.

Mr. McKELLAR. The Senator just came into the Senate Chamber; and if he will wait and listen to what is going to be said, he will find out about the things concerning which he is now asking.

Mr. CLARK. I will say to the Senator from Tennessee that I have attended committee meetings; but, nevertheless, the Senator from Tennessee, on his own responsibility as a Senator, makes the statement that the Post Office Department is guilty of favoring one air line, the United Air Lines, at the expense of its competitors. If that be true, it seems to me it is a very serious charge.

Mr. McKELLAR. I think it is.

Mr. CLARK. The chairman of the committee of the Senate having jurisdiction of the subject matter makes a charge which I think is a very serious one against an administrative department, and something ought to be done about it.

Mr. McKELLAR. Something will be done. The Senator need have no concern on that score. My own idea is that we will make them do right. I do not care whom they may be; if they represent the Government—whether they belong to one department or another makes no difference with me—they will have to do right. I have told the Post Office Department so, and I brought out the condition publicly. I made a statement about it. While there is no direct proof of it, it looks very peculiar—and I am making the statement here in the most public place in the world—that every load the United Co. carries across the continent is a load that will just reach the 40-cent rate. The testimony in the record shows beyond controversy that every load of mail carried by the United Co. gets the increased rate of 40 cents a pound. It is not right. If Senators pass this bill, they will place in the hands of the Interstate Commerce Commission the power to perpetuate that business.

Mr. McCARRAN. I was afraid the Senator was going to say that if we pass this bill we will put it in room 212.

Mr. McKELLAR. No; this bill came out of room 212. I was trying to tell the Senate that.

Mr. TRUMAN. Mr. President, will the Senate yield?

Mr. McKELLAR. I yield.

Mr. TRUMAN. I want to straighten out this situation. The Senator is making charges against the Post Office Department that do not appear in the record.

United Air Lines carry mail from New York to Chicago to San Francisco by way of Cheyenne, Wyo., the most thickly populated part of the country. They also stop at Omaha. They have to carry more pounds, and they get more pay. The American carries mail down through Nashville and Memphis, Tenn., to Fort Worth and to Los Angeles, where there is not so much mail. It is just a difference in pounds. That is what makes the difference in price.

Mr. McKELLAR. Remarkable! Remarkable! Here is an air line which carries 300 pounds of mail——

Mr. TRUMAN. One of them carries 643 pounds, and the other carries 205 pounds.

Mr. McKELLAR. Wait a minute. The remarkable thing is that every load the United Line carries weighs 643 pounds; but that is not true with respect to the other two companies. They are not the favorites of the Interstate Commerce Commission. They are not the favorite sons in this matter. The United is the favorite. The United is a beautiful boy, the sunny-haired boy of destiny in the fight over subsidies that the American people are paying for carrying the mails.

I say that, in my humble judgment, those differences ought to be wiped out. If we are going to pay a subsidy, we ought to make the subsidy build up fair air-mail competition instead of letting certain companies be favored. It is not right, and I will not stand for it. I do not care what Department makes such a decision.

I was careful to go into the matter with the Post Office Department as well as other departments. The situation has been corrected, so I have been informed; but if not, it will be. I made the charge in that connection, and I stand for it.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Yes.

Mr. McCARRAN. Has the Senator, with all his care and solicitude, determined how much mail the United Co. carries that it is not paid for at all?

Mr. McKELLAR. I know it carries 643 pounds on each plane, the exact amount that is necessary to get the 40-cent rate per pound. That is remarkable! It is a very remarkable circumstance that one company gets 643 pounds, while the other companies get what they can. It is not right, Senators; it is not fair; and I am not in favor of it.

Mr. McCARRAN. Mr. President, will the Senator yield again?

Mr. McKELLAR. I yield.

Mr. McCARRAN. Does not the Senator know from his own investigation that the United line, running through the center of the United States, carries hundreds of thousands of pounds of mail that is not paid for at all?

Mr. McKELLAR. No, sir; I do not know that.

Mr. McCARRAN. The Senator should know it, because he is the head of the Committee on Post Offices and Post Roads.

Mr. McKELLAR. It is not in this record, and I have not been able to find it in the record.

I now continue to read from page 219 of the record:

Senator McKELLAR. Did you not, in answer to a question by me, say that you had no knowledge at all of air-mail rates and that you had never examined into them?

Listen to this: It is proposed to turn the air-mail aviation over to this man Haley to make rates. I call the Senate's attention to this question. It is proposed to turn this matter over to him to make rates, if this bill shall pass.

Mr. TRUMAN. Mr. President, I desire to state to the Senator from Tennessee——

Mr. McKELLAR. Just a moment. I do not yield just now. The Senator cannot interrupt me when I am putting a matter of this importance before the Senate. I want the Senate to hear it.

Senator McKELLAR. Did you not, in answer to a question by me, say that you had no knowledge at all of air-mail rates and that you had never examined into them?

Commissioner McMANAMY. I may have said about that.

The question was that he had no information at all about air-mail rates, and he answered:

I may have said about that.

Yet it is proposed to turn over to this man under this bill, without any restrictions or limitations, the fixing of rates. He may pay the United $2 a pound for carrying the mail. Under the Hoover administration they were paid $1.25. He could do it again if this bill should pass, and yet he is the kind of man to whom the rate-making power is to be turned over.

Mr. TRUMAN. Mr. President, Mr. Miller is chairman of that division of the Interstate Commerce Commission. Mr. McManamy has nothing to do with it.

Mr. McKELLAR. I do not know whether or not Mr. Miller is a rate maker. I hope he knows more about it than Mr. McManamy swore he knew about it.

I then asked this question:

Senator McKELLAR. Do you recall that I then asked you if you were there asking for an elimination of this limitation of 33 cents without doing the Post Office Committee the courtesy even to read the testimony that was offered in this committee concerning these rate changes, and that you said you had never read that testimony? Is not that true?

Commissioner McNANAMY. No; not entirely——

Senator McKELLAR. Had you ever read that testimony?

The CHAIRMAN. Let the witness finish his answer to your question.

Commissioner McNANAMY. So far as your question as to that testimony is concerned, that is true.

He never read anything about it, did not know anything about it, never investigated the subject in his life and probably never has done so yet. Do Senators wonder that under such circumstances there is a rate on one of the transcontinental lines of 40 cents, on another one 24 cents, and still another one 26 cents? Do Senators wonder that a subsidy is given in one case of $2,400,000, in another case $1,900,000, and in a third case only $900,000, when we have a man in charge who never read anything about rates, never read the testimony adduced before the Interstate Commerce Committee, never read the testimony before the Black committee, and knew nothing in the world about it?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. I draw the attention of the Senator, so that he may fully enlighten the Senate, to page 272 of the record. The Senator is undoubtedly acquainted with Mr. Charles F. Graddick, Superintendent, Division of Air Mail Service, Post Office Department.

Mr. McKELLAR. I will get to that some time tomorrow.

Mr. McCARRAN. May I read this to the Senator now?

Mr. McKELLAR. Certainly.

Mr. McCARRAN. I read:

Mr. GRADDICK. I do not actually handle the dispatch. However, I think I can explain to the Senator.

One of the reasons why United has so much excess is that were it not for the limitation in the law of 40 cents, they would actually get 43.2 cents, I believe. We could not divert enough mail to reduce it below 40 cents unless we materially delayed the mail in the first place. It is doubtful if we could divert enough, anyway, because of cities like Chicago, Omaha, and the other larger-sized cities that are directly on the route of the United Air Lines, those cities having by far greater population than others.

Mr. McKELLAR. I thank the Senator. I want to congratulate him on having one kind word for the Post Office Department. So far as I know, that is the first kind word my good friend from Nevada has ever said about it. Yesterday he was giving one of Mr. Graddick's superiors "Hail, Columbia."

Mr. McCARRAN. I am referring to Mr. Graddick, not to the Post Office Department.

Mr. McKELLAR. Oh! I was giving an honor to the Senator that he did not deserve. I shall have to take it back. [Laughter.]

From page 21 I read further:

Senator McKELLAR. May I ask another question at this point?

The CHAIRMAN. Yes.

Senator McKELLAR. Commissioner McManamy, are you chairman in the aviation section?

Commissioner McMANAMY. No, sir—yes, sir.

That is the answer of the man who has been formulating the air-mail rates and fixing them:

No, sir—yes, sir; I beg your pardon.

That is a fine answer so far as it goes.

No, sir—yes, sir; I beg your pardon. I am chairman of Division 3 of the Commission, which handles matters of aviation.

Now, what did he mean? I take it that he meant he was, although he said:

No, sir—yes, sir; I beg your pardon. I am chairman of Division 3 of the Commission, which handles matters of aviation.

Senator McKELLAR. Have you taken any part in the preparation of this bill?

Commissioner McMANAMY. This bill?

Senator McKELLAR. Yes.

Commissioner McMANAMY. No, sir.

Senator McKELLAR. Did you know that another bill had been prepared by the air-mail companies and by those under you, and that that was finally objected to by some member of the Commission—Mr. Eastman, I believe—that it was not passed, and that this bill was then substituted for it?

Commissioner McMANAMY. I did not.

Senator McKELLAR. Did Mr. Haley ever tell you about it?

Commissioner McMANAMY. Not to my recollection; no.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. WHEELER. I have heard the Senator say many things about Mr. McManamy. As a matter of fact my understanding is that Mr. Miller, who is a brother-in-law of the Senator from Pennsylvania [Mr. GUFFEY], is the man on the Commission who has to deal largely with air mail.

Mr. McKELLAR. I understood he had succeeded Mr. McManamy, but McManamy was head of the air mail at this time and that is why I am reading from his testimony.

Mr. WHEELER. Let me correct the Senator with reference to that. Mr. Miller was chairman at that time and the Senator is in error. Mr. Miller, as I said, is a brother-in-law of the Senator from Pennsylvania [Mr. GUFFEY].

Mr. McKELLAR. And a very fine man. I substantiate that statement.

Mr. WHEELER. I have known Mr. McManamy for a great many years. He was formerly a member of the railroad brotherhood, and I think there is no more honest, upright man on the Commission than Mr. McManamy.

Mr. McKELLAR. I agree with the Senator that Mr. McManamy is no doubt a perfectly honest man, but with reference to his equipment, his ability, his knowledge of making rates, I differ entirely. I do not think he has any at all. The Senator is mistaken about him not being in charge of air mail. Let me read what he said. It is difficult to get his real meaning, but let me read it again:

Are you chairman of the aviation section?

That was a plain question, but here was his answer:

No, sir—yes, sir; I beg your pardon. I am chairman of division 3 of the Commission, which handles matters of aviation.

How can anyone say he was not the man in charge of it? He said he was, but I do not know whether he was or not.

Mr. WHEELER. He was not the chairman, because Mr. Miller is the chairman.

Mr. McKELLAR. I am talking about the chairman of the Aviation Division. I am not talking about the Chairman of the Interstate Commerce Commerce.

Mr. WHEELER. I am talking about the fixing of rates. If the Senator will call up anyone at the Interstate Commerce Commission, he will find that Mr. Miller handles it.

Mr. McKELLAR. Most of them were here and heard all this testimony and heard Mr. McManamy say:

No, sir—yes, sir; I beg your pardon. I am chairman of division 3 of the Commission, which handles matters of aviation.

If he was not chairman of division 3, I do not know what work he was doing there.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. Certainly.

Mr. BARKLEY. What function does the Interstate Commerce Commission at this time perform with respect to fixing rates in aviation?

Mr. McKELLAR. The law of 1935——

Mr. McCARRAN. The Black-McKellar law of 1935.

Mr. McKELLAR. The air-mail law of 1935 provides that the Interstate Commerce Commission shall have the right to fix rates within certain limitations. That is, they cannot make them more than 33⅓ cents per pound for loads of 300 pounds, and cannot go above 40 cents a pound for loads of 643 pounds.

Mr. BARKLEY. That was commercial aviation.

Mr. McKELLAR. Oh, no; that was air mail.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. WHEELER. The Senator knows, does he not, that Commissioner Eastman has gone over this bill very thoroughly, and has completely approved of the bill in its present form?

Mr. McKELLAR. In answer to that question——

Mr. WHEELER. Does not the Senator know that?

Mr. McKELLAR. No; I do not know that, and I want to read to the Senator the testimony before his own committee.

Mr. WHEELER. Let me say to the Senator, for his benefit, that at my request Commissioner Eastman went completely over this bill and studied it, and came back and approved of the bill in its present form.

Mr. McKELLAR. Let me read the testimony right now, if the Senator will pardon me just a minute. It is very important to read the testimony right at this point; and I am very happy that the Senator asked the question.

Mr. McCARRAN. What page is the Senator about to read from?

Mr. McKELLAR. Page 223. This is a question by me:

I want to ask you, Mr. Haley, if it is not a fact that on or about January 17, 1937, representatives of the Air Transport Association and of the major air lines met in Chicago in order to consider the introduction of a bill getting rid of the present losses of the air mail?

Mr. HALEY. I would not know that, Senator, because I have not been in Chicago for years, and I do not know what happened in Chicago.

Senator McKELLAR. Do you know Mr. Westwood?

Mr. HALEY. Yes.

Senator McKELLAR. Did not Mr. Westwood really prepare this bill?

Mr. HALEY. I think, Senator, that he contributed largely to the final shaping of the bill, along with other counsel of the legislative committee.

The CHAIRMAN. Which bill are you now talking about?

Mr. HALEY. This is what turned out to be H. R. 5234, which is now before the House committee.

Senator McKELLAR. Mr. Westwood is a Washington attorney, employed by the Air Transport Association, is he not?

Mr. HALEY. I so understand.

Senator McKELLAR. After that first bill was prepared by Mr. Westwood, was it not materially amended by various representatives of the air-mail companies, especially by Mr. Godehn?

Mr. HALEY. Senator, the first we saw of the bill was the draft that Representative Lea forwarded to Commissioner Eastman. I do not know what happened before that.

Senator McKELLAR. Do you not know that Mr. Godehn was one of the men most intensely interested in this bill? Just answer the question.

Mr. HALEY. Mr. Godehn was a member of the legislative committee and, with other counsel, worked upon the bill.

Senator McKELLAR. But he was very much interested in it?

Mr. HALEY. I presume he was.

Senator McKELLAR. Mr. Hale, of the American, was.

Mr. HALEY. That is quite right.

Senator McKELLAR. And Mr. Brophy, of the T. W. A.?

Mr. HALEY. Yes.

Senator McKELLAR. That bill as finally drawn by those gentlemen, was submitted by you to Mr. Eastman, was it not?

Mr. HEALY. I would not say as finally drawn by those gentlemen; it is a draft of that bill which was produced by the joint efforts of the legislative committee.

Senator McKELLAR. You carried it to Mr. Eastman?

The CHAIRMAN. Let him finish his answer.

Senator McKELLAR. Excuse me.

Was it carried by you to Mr. Eastman?

Mr. HALEY. It was not carried by me to Mr. Eastman.

Senator McKELLAR. Was it sent by you, or did it go from your hands to some other employee and thus reach Mr. Eastman's hands?

Mr. HALEY. No; it went to Mr. Eastman on a further reference, as I recall it, from Mr. Lea.

Senator McKELLAR. Do you not remember—I want to refresh your memory—that Mr. Eastman wrote Mr. Lea a personal letter in which he said that that bill should not be passed?

Mr. WHEELER. Mr. President, let me ask the Senator——

Mr. McKELLAR. Just a minute, please, sir. This is very important. Just a minute, and then I will yield to the Senator from Montana.

Mr. HALEY. I think we had better get the correspondence.

The CHAIRMAN. Every bill that comes before this committee, and in which the Interstate Commerce Commission is interested, is always immediately referred to the Interstate Commerce Commission for its recommendation?

Mr. HALEY. I so understand.

Senator McKELLAR. Yes, Mr. Chairman, but I am not producing testimony about that; I am showing where the bill—the first draft—was, and then how it got to the Interstate Commerce Commission before it ever got to your committee.

Senator McCARRAN. To what bill do you refer?

Senator McKELLAR. This very bill here.

Senator McCARRAN. Then, if you will allow me to say so, you are mistaken, because I myself drew this bill. I have been drawing bills since 1933, and this is only a follow-up. They are all of record. No air-mail carrier or other air-transport company had anything to do with it. I want you to know that now. If you are imputing any improper motive by this bill toward me or through me, I want to know it now.

Senator McKELLAR. No; I am just trying to get the history of this bill, and I think I am getting it now.

Senator McCARRAN. You are not even getting started on it.

Senator TRUMAN. I think that Senator McCARRAN knows more about this bill than anybody else. If he wants to make a statement, I think we should hear him.

The CHAIRMAN. All right.

Senator McCARRAN. I will make this statement: In 1933, as the record will show, I drafted the first air-mail bill, following the Black hearings. That was fought out on the floor of the Senate, and the Senator from Kentucky took a very active part against my bill and he was successful.

I think that was the Senator from Kentucky [Mr. BARKLEY], our present leader.

Mr. McCARRAN. No; it was the Senator from Tennessee [Mr. McKELLAR] himself. There is an error there. It should have been "the Senator from Tennessee."

Mr. McKELLAR. Did I beat the bill then? I hope I shall have as good luck this time. [Laughter.]

I followed that up by taking the hearings that were conducted before the special commission appointed under the Senator's bill, and redrafted and reintroduced that bill. It did not come to a hearing, because I was taken ill and could not pursue it.

Now, just one moment. Let me read a little further.

Mr. McCARRAN. I wish the Senator would continue reading at that point.

Mr. McKELLAR. I will.

Mr. BARKLEY. Mr. President, I am anxious to have the Senate conclude its session of today.

Mr. McKELLAR. Very well.

Mr. WHEELER. Mr. President, let me interrupt the Senator.

Mr. McKELLAR. With the understanding that I shall hold the floor tomorrow.

Mr. WHEELER. I merely wish to make a brief statement.

After the close of the hearings before the Interstate Commerce Committee of the Senate, at which the Senator from Tennessee appeared, I again asked Mr. Eastman to take the bill and go over it and check up on every matter that was in the bill and come back and report to me. He did so, and said that in his opinion it was a good bill, and it was entirely satisfactory to him. The Senator from Tennessee is talking about something that took place before that, not after that.

Mr. McKELLAR. Just one moment. I want to read this testimony, and I think it will refresh a good many minds.

Mr. McCARRAN. What page is the Senator about to read from?

Mr. McKELLAR. I read from page 226:

Mr. Haley, do you sometimes go to the Carlton Hotel?

Mr. HALEY. Yes, sir; and may I say, Senator, that I was at the Carlton Hotel on several occasions in February, at least, if not in the latter part of January, in connection with this very matter.

When I read that, I thought of a thing that happened so many years ago that I am ashamed to tell about it. I was a clerk in a country store, and my employer had a little son who was a very mischievous little rascal. In the back part of the store we had a barrel of molasses that we sold by draining it through a faucet. The little youngster came in very late one afternoon and got to fooling with the faucet and opened it, and the contents of the whole barrel of molasses poured out on the floor. His father saw what had happened, and he walked to the door and said, "You Hearst!" The boy came out from under the store saying, "Papa, I didn't do it! Papa, I didn't do it! Papa, I didn't do it!"

Here was Mr. Haley saying:

Yes, sir; and may I say, Senator, that I was at the Carlton Hotel on several occasions in February, at least, if not in the latter part of January, in connection with this very matter. The reason why I went to the Carlton Hotel was that we were doing this work overtime—nights and Sundays—and the offices of the Commission were closed, and the guards would not let people come in who were not employees of the Commission.

That is the man you are going to turn this thing over to.

Mr. WHEELER. Mr President, in fairness——

Mr. McKELLAR. Just one minute, and then I will yield to the Senator.

Senator McKELLAR. Those meetings were held in room 212, were they not?

Mr. HALEY. I think the rooms we worked in were 212 and 214. They were adjoining rooms.

Senator McKELLAR. Colonel Gorrell was one of those present?

Mr. HALEY. Yes.

Senator McKELLAR. He is president of the Air Transport Association?

Mr. HALEY. Yes.

Senator McKELLAR. His assistant, Mr. Paxton, was there?

Mr. HALEY. That is correct.

Senator McKELLAR. Mr. Godehn, of the United, was there?

Mr. HALEY. Yes, sir.

Senator McKELLAR. Mr. Brophy, of the TWA was there?

Mr. HALEY. That is right.

Senator McKELLAR. Mr. Hale and Mr. C. R. Smith, of the American, were there?

Mr. HALEY. That is right.

Senator McKELLAR. Mr. Carleton Putnam, of the Chicago & Southern, was there?

Mr. HALEY. That is correct.

Senator McKELLAR. Mr. Denning, who represents some of the companies, was there?

Mr. HALEY. I did not happen to see Mr. Denning there; but Mr. Denning did join the conference in Mr. Eastman's office later.

Senator McKELLAR. Was the bill that you gentlemen finally agreed upon endorsed and approved by all present, or did anybody object to it? If so, who?

Mr. HALEY. We were not there for the purpose of voting on the bill; we were there for the purpose of assisting the committee in working out the changes in the bill.

Senator McKELLAR. Was that not the bill, after you had worked it out, that was sent to the House?

Mr. HALEY. It was introduced, Senator, and referred to the Commission. It then went to the legislative committee of the Commission, which made a report on it. I presume that the Commission would have no objection to having a copy of that report go into the record here.

Senator McKELLAR. Did you make a report on it?

Mr. HALEY. No, sir; not a written report.

That is the way the bill was created. That is the way it started. It was started in room 212 by these distinguished lobbyists of the various aviation companies and we are now being asked to put into law what they prepared.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WHEELER. I do not know Mr. Haley, and never saw him until he came before the committee, but in fairness to him it should be noted that he went to that room in the Carlton Hotel at the request of the Commissioners of the Interstate Commerce Commission. The Senator knows that.

Mr. McKELLAR. Oh, no; he does not say that. I am taking his statement for it. He does not say that at all.

Mr. WHEELER. The Senator is not fair to him, because I know, and every other member of the committee knows, that Mr. Haley went there at the request of the Interstate Commerce Commission, and worked with these men on this bill at the request of the Commission. If there was anything wrong about his going there and working nights and working overtime on this bill, then the blame should not be put upon the employee who went there at the direction of members of the Commission.

Mr. McCARRAN. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. What is more, the Senator has read the record, showing certain facts, but does not state that the reference was not to the bill now before the Senate at all, but the reference was to House bill 5234.

Mr. McKELLAR. That is a companion bill in the House; it is substantially the same bill.

Mr. BARKLEY. Mr. President, will the Senator yield now?

Mr. McKELLAR. Yes, Mr. President, I yield.

RECOGNITION OF DISTINGUISHED MILITARY SERVICE

Mr. REYNOLDS. Mr. President, I ask that the Senate proceed to the consideration of Senate bill 2765, order of business 1236, to grant recognition to distinguished military service.

Mr. AUSTIN. Mr. President, I objected to this bill when it was reached on the calendar at the last call, and I did so because I had been informed that some persons wished to be heard. No one has appeared to request a hearing, and I have no further interest in stopping the consideration of the bill.

Mr. REYNOLDS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (S. 2765) to grant recognition to distinguished military service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any brigadier general on the active list of the Army on May 1, 1937, who served honorably as a commissioned officer in the Army in the Spanish-American War, the Philippine Insurrection, the Boxer Rebellion in China, and who as a general officer commanded with distinction a brigade of troops in action against the enemy in France during the World War shall, upon retirement from active service, be retired with the rank, pay, and allowances of a major general.

RELIEF OF WATER USERS ON RECLAMATION AND INDIAN IRRIGATION PROJECTS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 413) to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, which was to strike out all after the enacting clause and insert:

That there is hereby created a commission to be composed of three members appointed by the Secretary of the Interior, all of whom shall have an intimate knowledge of irrigation farming but who shall not be employees of the Bureau of Reclamation or the Bureau of Indian Affairs of the Department of the Interior, and

shall have no financial interest in the matters coming under their jurisdiction. The commission is authorized and directed to investigate the financial, economic, and other conditions of the various United States and Indian reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where deemed advisable by the commission and requested by such district, association, or other reclamation organization, said commission may proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial, economic, and other conditions of the various United States and Indian reclamation projects and their probable present and future ability to meet such water-right charges, shall report to the Congress as soon as practicable, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and fully from year to year during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $30,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries, in carrying out the provisions of this act. the commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

SEC. 3. If upon investigation the commission shall find that a project, because of partial crop failure due to a water shortage or other causes beyond the control of the water users, is unable to make full payment of the construction charges becoming due and payable for the calendar year 1937, without great hardship or undue burden, the commission is hereby authorized to certify that fact to the Secretary, and such certification, if approved by said Secretary, shall operate to grant an extension of time for the payment of such proportion of the construction charges due for the calendar year 1937 as the commission considers just and equitable, the proportion of the charges so extended to be paid at such time as the Secretary may determine.

SEC. 4. Sections 1 and 2 of the act approved April 14, 1936 (Public, No. 519, 74th Cong.), are hereby repealed.

Mr. HATCH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CROP INSURANCE FOR FRUITS AND VEGETABLES

Mr. POPE. Mr. President, sometime ago the Senator from Florida [Mr. PEPPER] offered a resolution calling on the Secretary of Agriculture to supply certain data with reference to crop insurance for fruits and vegetables. The resolution was on the calendar of the Senate for some time, but on motion of the late Senator Robinson, of Arkansas, who was at that time the majority leader, it was laid on the table.

I have discussed the matter with the Senator from Florida, who is very anxious to obtain the information called for, and I have likewise discussed it with the Secretary of Agriculture, who can furnish the information without any additional appropriation. Therefore I ask unanimous consent that Senate Resolution 108 be taken from the table and immediately considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 108) submitted by Mr. POPE and Mr. PEPPER on March 29, 1937, which was read, as follows:

Resolved, That the Secretary of Agriculture is requested to transmit to the Senate, at the earliest practicable date, a plan and recommendations for the establishment of a system of crop insurance for fruits and vegetables, and to make such studies as may be necessary in connection therewith.

Mr. POPE. Mr. President, I desire to have the resolution amended in one slight particular. In the original resolution, in line 2, there appeared the words "a plan and", and I wish to have those words stricken out and the word "his" inserted, so that, if amended, the resolution would read:

Resolved, That the Secretary of Agriculture is requested to transmit to the Senate, at the earliest practicable date, his recommendations for the establishment of a system of crop insurance for fruits and vegetables, and to make such studies as may be necessary in connection therewith.

Mr. AUSTIN. The Senator would strike out the words "a plan and"?

Mr. POPE. Yes; and substitute in their place the word "his."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I am about to move that the Senate proceed to the consideration of executive business. I wish to announce that I shall then ask the Senate to take a recess until 11 o'clock tomorrow, and at that time immediately to go into executive session to consider the nomination of the Senator from Alabama [Mr. BLACK] to be Associate Justice of the Supreme Court.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of George F. Sullivan, of Minnesota, to be United States district judge for Minnesota, vice Joseph W. Molyneaux, retired.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of Claude McColloch, of Oregon, to be United States district judge, district of Oregon, vice John H. McNary, deceased.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of John L. Rogers, of Tennessee, to be an Interstate Commerce Commissioner for a term expiring December 31, 1943, vice Hugh M. Tate.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Charles H. Mease to be postmaster at West Leesport, Pa., in place of C. B. Rothenberger.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, nominations on the calendar will be stated.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 17, 1937, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 16, 1937

POSTMASTERS

CALIFORNIA

Patrick D. Lucey, Jr., Crockett.

GEORGIA

Troy Howard Vickers, Crawfordville.

LOUISIANA

Charles C. Collier, Campti.

MICHIGAN

Lorenzo F. Maus, Hastings.
Ernest A. Dickson, Watersmeet.

NORTH DAKOTA

Ruth C. Borman, Alamo.
Cleo Flugga, Marion.

OHIO

Albert Daman, Napoleon.
John I. Miller, Van Wert.
Theodore C. Gilroy, Waynesfield.

OREGON

William E. Logan, Hermiston.

VIRGINIA

Mary R. White, Vinton.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 16, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, thanksgiving and praise be unto Thee. Thou hast crowned Thyself with the immortal name of Father. We thank Thee for the common bounty of Thy providence; Thy arms protect us and Thy voice calls us. They fill us with rest, with inspiration, and with hidden strength. We pray Thee to write hope, good cheer, and cooperation with sunbeams on the foreheads of these days. Inspire us to work for the good and dismiss the ill. May we labor in the spirit of a great faith and conscious consecration, with the assurance that our labors will be accepted before Thee and live in the richer life of our country. O Savior of the world, be in our hearts, our homes, our schools, our churches, and our State, and let peace reign everywhere with olive branch and dove. Heavenly Father, vouchsafe Thy loving presence unto our President, our Speaker, and the whole membership of the Congress. Blessings of happiness and good health upon our separated loved ones. In the dear Redeemer's name. Amen.

The Journal of the proceedings of Friday, August 13, 1937, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 854. An act for the relief of Robert Coates;

H. R. 1375. An act for the relief of Wayne M. Cotner;

H. R. 1767. An act for the relief of the Rowesville Oil Co.;

H. R. 2014. An act to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

H. R. 3406. An act for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia;

H. R. 3426. An act for the relief of Rose McGirr;

H. R. 4489. An act for the relief of Stella Van Dewerker;

H. R. 4582. An act to amend the act, approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind;

H. R. 5927. An act for the relief of Walter G. Anderson;

H. R. 6167. An act to provide a surcharge on certain air mail carried in Alaska;

H. R. 6762. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended;

H. R. 7022. An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes;

H. R. 7172. An act for the relief of Jesse A. LaRue;

H. R. 7430. An act for the relief of Mary Lucia Haven;

H. R. 7909. An act to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes;

H. R. 7949. An act to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits;

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936;

H. J. Res. 171. Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues;

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive; and

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties, together with the properties of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 6563. An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes;

H. R. 7645. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; and

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 18. An act to establish a National Safety Standards Commission, to reduce the danger of accidents at highway grade crossings and drawbridges, and for other purposes;

S. 371. An act for the relief of William R. Kellogg;

S. 667. An act for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald;

S. 992. An act to make electricians licensed officers after an examination;

S. 1138. An act to amend the statutes providing punishment for transmitting threatening communications;

S. 1327. An act for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton;

S. 1629. An act to amend the act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes", approved July 1, 1902, to make it applicable to surgical ligatures and sutures;

S. 1691. An act to provide that residence requirements for judges shall not be held to apply to judges who have retired or resigned;

S. 2022. An act for the relief of Lt. V. Balletto, and others;

S. 2113. An act to provide benefits on account of disability or death due to service in the armed forces of the United States in the event of war, and for other purposes;

S. 2120. An act for the relief of Mrs. C. G. Eidnes;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2316. An act to authorize the award of a decoration under certain conditions to Lewis Hazard for distinguished conduct;

S. 2338. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works and for other purposes;

S. 2339. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended;

S. 2403. An act to prohibit the transportation of certain persons in interstate or foreign commerce during labor controversies, and for other purposes;

S. 2550. An act to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers;

S. 2580. An act to amend existing laws so as to promote safety at sea by requiring the proper design, construction, maintenance, inspection, and operation of ships; to give effect to the Convention for Promoting Safety of Life at Sea, 1929; and for other purposes;

S. 2638. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936;

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation, and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers;

S. 2773. An act to authorize the issuance of an unrestricted patent to Judson M. Grimmet;

S. 2838. An act to establish a public airport in the vicinity of the National Capital;

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes;

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.;

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes;

S. 2892. An act to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree;

S. 2893. An act to confer jurisdiction upon certain United States commissioners to try certain civil suits wherein the United States is plaintiff;

S. 2918. An act to authorize the striking of an appropriate medal in commemoration of the one hundredth anniversary of the establishment of Chicago, Ill., as a city;

S. J. Res. 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof;

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 854. An act for the relief of James O. Cook.

The message also announced that the Senate had ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, together with Senate engrossed amendment thereto.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. COPELAND, Mr. CLARK, Mr. DONAHEY, Mr. JOHNSON of California, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2188) entitled "An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HATCH, and Mr. FRAZIER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7646. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, Mrs. CARAWAY, Mr. MCNARY, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 437) entitled "Joint resolution relative to determination and payment of certain claims against the Government of Mexico", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. CONNALLY, and Mr. BORAH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4276. An act to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House thereon, and appoints Mr. KING, Mr. COPELAND, Mr. TYDINGS, and Mr. AUSTIN to be the conferees on the part of the Senate.

THE SUGAR BILL

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

Mr. LANZETTA. Mr. Speaker, I object.

WASHINGTON AIRPORT

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. MAY, Mr. THOMASON of Texas, Mr. WILCOX, Mr. ANDREWS, and Mr. SHORT.

NO QUORUM

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Will the gentleman withhold that for a few moments until the Chair can hear some unanimous-consent requests?

Mr. RICH. I will withhold it for the time being, Mr. Speaker.

EXTENSION OF REMARKS

Mr. QUINN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a report from the Animal Defense League.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. O'CONNOR of New York. Mr. Speaker, I desire to propound a unanimous-consent request.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege until the last edition authorized by the Joint Committee on Printing is published, to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extension of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman just explain that? This resolution is a little different than the one usually offered.

Mr. O'CONNOR of New York. An attempt has been made to make it a little more complete and explicit. First, it obviates Members rising in their places every morning and evening and asking to extend their own remarks. Under this request they can do that as often as they want to, up to the last printing of the RECORD, as is usually done.

Also in their own remarks they can make short quotations. For instance, questions have arisen as to whether or not they could even quote from the Constitution, if objection were made.

Then the last provision, "this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress", is to meet the situation when we adjourn here next Saturday, August 21, 1937. [Applause.]

Mr. SNELL. That is one thing on which I am in accord with the gentleman. [Laughter.]

Mr. O'CONNOR of New York. During the 10 days after adjournment the RECORD will be printed as often and at such times as the Joint Committee on Printing may direct, but the last edition of the regular daily RECORD will be published August 21, 1937. Heretofore there have been speeches inserted in the RECORD or remarks about events which occurred, for instance, on August 25, which makes the permanent RECORD look ridiculous. In other words, speeches made or delivered over the radio or comments on events happening up to the last day of adjournment may be included, but nothing happening thereafter.

Mr. SNELL. If that is all the gentleman has in mind, I think that is perfectly proper.

Mr. ENGLEBRIGHT. Mr. Speaker, will the gentleman yield for a question?

Mr. O'CONNOR of New York. I yield to the gentleman from California.

Mr. ENGLEBRIGHT. As I understand that, any Member need not obtain permission from the Chair to extend his own remarks on any occurrence or with reference to any legislative matter that otherwise occurred during the session?

Mr. O'CONNOR of New York. Yes; that is correct.

Mr. RICH. As I understand it, the Members are not to be allowed to put in the RECORD any speech delivered or written after the date the House adjourns.

Mr. O'CONNOR of New York. It might be written thereafter, of course, but it would have to pertain to something which occurred prior to August 21.

Mr. RICH. How long a time will they have within which to extend their remarks?

Mr. O'CONNOR of New York. In a few days the RECORD will contain a notice by the Joint Committee on Printing of the date when the last issue of the RECORD will be printed. It is usually about 10 days after the close of the session, I think.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, under the request of the gentleman from New York, can we put into the RECORD remarks made outside prior to that date?

Mr. O'CONNOR of New York. The Members' own remarks.

Mr. HOFFMAN. That is what I mean.

Mr. O'CONNOR of New York. Yes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial which appeared in a New Jersey newspaper on the matter of the sale of helium.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Mr. Simpson, director of old-age insurance for the State of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain short excerpts from newspapers.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio speech to be delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to make a short statement regarding a former Member of the House of Representatives.

The SPEAKER. The gentleman from Pennsylvania has made the point of order that no quorum is present. He very kindly withheld it to permit the submission of unanimous-consent requests to extend remarks in the RECORD. The Chair thinks the gentleman from Arkansas should wait until the call of the House is disposed of.

The Chair will count. [After counting.] Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 144]

Allen, La.	Fulmer	Lamneck	Sirovich
Bernard	Gasque	Lemke	Smith, Me.
Binderup	Gavagan	Lord	Smith, Va.
Boyer	Gifford	McGroarty	Smith, W. Va.
Buckley, N. Y.	Gilchrist	McLean	Somers, N. Y.
Bulwinkle	Gingery	Maas	Stack
Cannon, Wis.	Goldsborough	Meeks	Sullivan
Carter	Gray, Ind.	O'Neal, Ky.	Sweeney
Clark, Idaho	Haines	Patman	Taylor, Colo.
Clark, N. C.	Harrington	Patrick	Tobey
Cluett	Hartley	Phillips	Tolan
Crowther	Hill, Ala.	Pierce	Vinson, Ga.
Drewry, Va.	Kirwan	Reece, Tenn.	Wadsworth
Eaton	Kleberg	Reilly	Wearin
Ellenbogen	Kloeb	Richards	Weaver
Fernandez	Kniffin	Schneider, Wis.	White, Idaho.
Fitzpatrick	Kramer	Scrugham	
Flannagan	Lambeth	Seger	

The SPEAKER. Three hundred and sixty Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THIRD DEFICIENCY BILL, 1937

Mr. WOODRUM, from the Committee on Appropriations, reported the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes (Rept. No. 1547), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all points of order on the bill as they may affect the Procurement Division of the Treasury Department and the House of Representatives may be waived.

Mr. TABER. Mr. Speaker, first, I reserve all points of order on the bill with the exception of those two matters.

Mr. BOILEAU. Mr. Speaker, I desire to reserve all points of order on the bill.

The SPEAKER. The Chair will see that the gentleman from Wisconsin does not lose any of his rights. The Chair thinks that the Chair should submit the request of the gentleman from Virginia. Will the gentleman from Virginia again state his request?

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all points of order on the bill as it affects the items for the House of Representatives and the Procurement Division of the Treasury be waived.

Mr. BOILEAU. Mr. Speaker, I reserve the right to object until it is explained a little further.

Mr. TABER. Mr. Speaker, reserving the right to object, the items with reference to the House of Representatives are only minor ones, I may say to the gentleman from Wisconsin.

The items with reference to the Procurement Division are a building program, as I understand it—the gentleman from Virginia will correct me if I am wrong—authorizing a building program of $70,000,000 over a period of 3 years, for which $22,000,000 is appropriated. The other items under the Procurement Division relate to an increase in the cost of the Government Printing Office of about $1,000,000, the transfer to the Secretary of a piece of land from a military reservation in Hawaii to the Procurement Division for the Treasury Department to build a post office on, and an increase in the cost of a building in Winchester, Va., of about $3,000.

As to these items it seems fair that the House should waive the points of order.

Mr. BOILEAU. The Appropriations Committee was unanimous in support of these particular items?

Mr. TABER. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CONSENT CALENDAR

The Clerk will call the first bill on the calendar.

REVISION OF AIR-MAIL LAWS

The Clerk called the first bill on the Consent Calendar, H. R. 4732, to revise the air-mail laws.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. COSTELLO. Mr. Speaker, may I call the attention of the House to the fact there are two bills on the calendar, this one, H. R. 4732, which would provide for regulation of the air-mail lines by the Post Office Department, and another bill upon the Union Calendar (H. R. 7273), providing for regulation by the Interstate Commerce Commission.

It seems to me it is very important that some legislation on this subject be passed during the present session, because at the present time, only those air lines which have air-mail contracts are subject to any regulation, and that by the Post Office Department. Anyone can organize a new air line, without a mail contract, and be free from any supervision other than the ordinary safety requirements for all aviation prescribed by the Department of Commerce. Under the existing law the routes to be followed and the mileage to be flown is entirely limited by Post Office Department legislation. The future expansion and development of the industry is thereby curtailed if not entirely prohibited.

I know that the Members will agree with me when I state that air transportation is one of the most essential of this Nation's industrial enterprises. Not just because of the commercial usefulness of the air lines, nor because of their value in connection with the Postal Service, but more particularly from the point of view of the national-defense program of the Nation. As a member of the House Committee on Military Affairs, I am principally interested in this particular phase of the industry, and it is regarding this feature of commercial aviation that I would direct the attention of the House.

The Members must realize that our commercial air-transport industry is directly the supporting service for our military air forces. Just as the Navy requires an adequate American-operated commercial fleet to supplement its needs in time of emergency, and without which the Navy would

be seriously handicapped, due to its lack of sufficient ships of supply and with transport facilities, so also the air force will require that its facilities be supplemented by commercial airplanes in order to fully and properly function in time of need.

Today were the air forces called upon to assemble at a given mobilization point removed from the numerous existing air bases, it would be necessary to effect such mobilization on the instant. However, the Army Air Corps, lacking sufficient freight and cargo planes in the service, would of necessity be forced to call upon the privately and commercially owned planes of the Nation in order quickly to transport the desired personnel and the necessary equipment and supplies needed for such a mobilization in case of emergency. Moreover, such an emergency itself would bring about an increased demand upon the existing air lines to shoulder a volume of traffic far beyond anything heretofore experienced in the matter of peacetime commercial passenger and postal traffic. At such a time the demands for fast and immediate transportation would reach such a volume—transportation of passengers and freight, essential movements of military personnel as well as of important civilian personalities, hurried movements of essential military supplies as well as of necessary civilian freight needed for both military and civilian manufacturing and production—all this would reach such a volume as to tax the utmost resources of the Nation.

The complete expansion of existing air-transportation facilities cannot be too rapid for the welfare of the country. Such an expansion is being held in check due to the limitation on routes and on mileage, a limitation that makes the investment of new capital in the industry hesitant and doubtful, because of the uncertainty of successful operation. The tremendous growth of the industry in the past 10 years threatens to be held in check because of the present impossibility of air lines extending their facilities into additional areas by adding new mileage. Whereas in the past the transportation of mails has been the primary business of the air lines, now commercial freight and passenger transportation are becoming the main source of revenue of the air lines. Just as the regulation of the railroads and the busses is entirely within the control of the Interstate Commerce Commission, despite the fact that the mails are carried by these means of surface transportation, so likewise the air lines should also be brought under the same source of control despite the fact that mails are to be carried by the air lines. Previously the air lines have been predominantly mail carriers, but today the predominance of their business is transportation of passengers and freight. This major part of the air-line business is entitled to have its interests become the primary consideration of whatever governmental agency shall control the operation of the air lines. The regulation of transportation in this country has been definitely placed in the hands of the Interstate Commerce Commission which has supervised the operations and the rate making in an excellent and most efficient manner. It is only a matter of time before the necessity of placing the air lines under the same control will be universally recognized, but every day of delay means a delay in the development and expansion of the existing air lines, a development and expansion which is seriously needed as a supplement for our national defense.

In order to construct adequate transport airplanes for our military air forces would place an unnecessary burden upon the Government. This is especially true, as during peacetime the need for numerous cargo and transport ships does not exist. It is only in the time of an emergency that such a need arises. During an emegrency it would be too late to attempt to supply this deficiency, as the aviation manufacturing concerns would be taxed to capacity to fill the requirements for the construction of additional fighting ships. Only in time of peace could the facilities of our factories be utilized to produce an adequate number of transport ships, and in the interest of governmental economy such ships should be purchased by the air lines now operating for use in their own commercial activities. However, all such ships would be available for use by the Air Corps and all commercial flying in time of emergency would be subject to regulation by the Government.

I urge the immediate passage of the bill H. R. 7273, with such amendments as this House may deem advisable, in order that the development of aviation may be advanced and that the number of transport ships available to the Nation may be increased. As it is it requires from 1 year to 18 months to secure the delivery of any number of new airplanes after an order has been given. To delay this legislation beyond the present session would mean a delay in the growth of aviation beyond 1941 or 1942. Immediate passage would mean the expansion and development of the air lines in 1939 and 1940. In a word, it would mean greater preparedness on the part of this Nation in the immediate future rather than at some distant time.

To allow this development to proceed at this time will mean that we shall have additional transport ships available for our air forces and that without expense to the Government. To not do so will place a burden upon the Committee of Military Affairs to determine whether or not we should engage upon a program of providing more ample transport and cargo facilities for the Air Corps in order to make of it a really mobile and effective striking force, capable of transporting itself to any given point of mobilization immediately and without dependence upon any form of surface transportation. Unless our Air Corps can be thus independent of surface transportation, the entire advantage of air speed becomes totally lost. In order that we may not find ourselves inadequately prepared in the event of an emergency as we were at the outset of the World War, it is my opinion that this legislation should be passed to facilitate expansion of commercial airlines and thus provide for wartime expansion in connection with our fighting aircraft.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

Mr. MEAD. Mr. Speaker, reserving the right to object—and I shall not object—I merely want to make a clarifying statement. I am afraid the gentleman who preceded me fails to understand the practical situation confronting this Congress. I am for aviation, but there is no need for the passage of any general air-mail legislation at this time. We have the permanent law of 1934, with amendments adopted in 1935. It is working well. If we should pass an air-mail law at this session giving the Interstate Commerce Commission the authority now exercised by the Post Office Department, it would mean that the wholesome regulations written into the permanent air-mail law preventing holding companies, involved stock ownership, interlocking directorates, high salaries, and all the other dangerous elements that were eliminated as the result of cancelation would mean but little, and those old financial practices would come back into the system again. If we pass the bill giving added powers to the I. C. C., it will add from five to eight million a year to our air-mail costs.

No new air-line companies would be started without the prospect of a postal subsidy. We are increasing the air-mail mileage as fast now as Congress will permit. Practically speaking, the only air lines in operation are those with a postal subsidy, and while we are paying approximately 30 cents a mile for a sack of mail, the air-line companies carry passengers for 5 cents a mile. That is a real mail subsidy. If the Interstate Commerce Commission takes over the air-mail lines and the Post Office Department is permitted to pay on a pound-mile basis at a rate not in excess of the revenue derived from that service, perhaps there would be little objection. The average load of mail throughout the system is not as great as the average weight of a good-sized passenger. Yet the passenger goes for 5 cents while the mail pays 30 cents.

When the subsidy is no longer involved, then it may be proper to take jurisdiction away from the Department that now pays the bill and turn the whole problem over to the

Interstate Commerce Commission. But I am not in favor of the Interstate Commerce Commission's spending money now for the Postal Service. This is an all-important service to the entire country, and so long as the taxpayers' money is being used to pay the subsidy the Post Office Department should exercise some control. From the standpoint of money involved the mail is the important good. We want service for the people paying the bill and safety as well for the patrons who fly.

One reason for this bill giving the authority to the Interstate Commerce Commission is that big financial influences desire to get back into the air-mail business again. This they cannot do under the law that we passed in 1934. It is a good law, fair to the Government and to the industry. It has given aviation a real start. Under it the system in this country has become the greatest in the world. It has grown by leaps and bounds during the past 3 years. Today we have more lines in operation. We serve more cities. We carry more passengers, more express, and more mail than ever before in our history.

Herewith is a statement explaining the bill reported by the Post Office Committee, to strengthen the existing air-mail law. This bill is the one we are now discussing.

H. R. 4732—TO REVISE THE AIR-MAIL LAWS

The bill clarifies certain provisions of the air-mail laws.

Section 1 defines the term "nonmail schedule", which is used in other provisions of the Air Mail Act of 1934.

Section 2 provides that no increase in rate shall be allowed during the initial period for which any contract is hereafter let, and that the contractor shall be required to perform his contract for the full initial period at the bid rate.

Section 3 authorizes the Postmaster General to grant extensions of air-mail routes from either terminus or any intermediate point, subject to the existing limitations on aggregate mileage of extensions and rate of pay.

Section 4 requires the Interstate Commerce Commission to furnish the Postmaster General with a copy of each report made to the Commission by any auditor, examiner, or employee, covering any examination of books, records, accounts, contracts, and business records of air-mail contractors.

Section 5 continues in effect for 2 more years the present system of compensation for the carrying of the air mail.

Section 6 makes it unlawful, after the enactment of the bill, for an air-mail contractor to engage directly or indirectly in any phase of the aviation industry except the transportation of mail, passengers, and express, and activities incidental thereto.

Section 7 prohibits the Interstate Commerce Commission from considering any application for the establishment of any air-mail line or air-transport service, or to grant any such application on the grounds of public convenience and necessity, or for any other reason.

Below is given an explanation of our foreign air-mail bill, which has also been favorably reported to the House.

This bill requires a rule, and I trust one will be granted before adjournment of this session.

H. R. 7873—PROVIDING FOR THE TRANSPORTATION OF THE MAILS ON CERTAIN COMMERCIALLY OPREATED AIRCRAFT, AND FOR OTHER PURPOSES

This bill was introduced to provide legislation necessary to establish trans-Atlantic air-mail service which will be operated jointly with foreign countries. While provision is made for the continuance of our present contract system where desirable, the bill enables the Postmaster General to place mail on any outgoing aircraft and to pay for it at poundage rates. This will permit the Department to take advantage of all out-bound flights, whether by American or foreign operators, will expedite transportation, and will eliminate the subsidy feature which is inherent in our contract system.

It should be noted that mail may be carried by lighter-than-air craft as well as by heavier-than-air craft under the terms of this measure.

Section by section the bill provides as follows:

Section 1 authorizes the Postmaster General to place mail on any out-bound commercially operated aircraft not otherwise obligated to carry the mails. Refusal is made unlawful and penalty imposed of denial of clearance.

Section 2 (a) and (b) sets out the rates to be paid on a poundage basis, calculations to be based on the shortest distance between the points on the route:

For letters and cards carried by heavier-than-air craft: $1.85 per pound for the first thousand statute miles, or any fraction thereof; and at the rate of $1.85 per pound per 1,000 statute miles for greater mileage.

For other articles, including parcel post: $0.50 per pound for the first thousand statute miles, or any fraction thereof; and at the rate of 50 cents per pound per 1,000 statute miles for greater mileage.

For letters and cards carried by lighter-than-air craft: $1 per pound per thousand statute miles, or pro rata thereof for greater or less mileage.

For other articles, including parcel post: $0.27 per pound per thousand statute miles, or pro rata thereof for greater or less mileage.

The rates for lighter-than-air service are made less than the rates for heavier-than-air service for the reason that they are in compensation for a service considered slower than the airplane service, and by a craft capable of carrying a larger volume.

Section 2 (c) is designed to insure fair dealing where there is a joint service operated by the United States and another country. It will permit the Postmaster General to reduce the poundage rates to foreign operators when their government pays our operators less than the rates set out in this bill.

Section 2 (d): This paragraph requires American companies to collect from countries contiguous to the United States (such as Canada) the same rates for mails in the same out-bound direction as they are paid by the United States Post Office Department, or have their pay from the United States Post Office Department reduced to the rate accepted from the contiguous country.

The next paragraph states that the determination of the Postmaster General on any questions arising under this legislation shall be final.

Section 3, first paragraph, is to rebut any presumption that a company after operating for a time may secure a right to the carrying of mails as against another operator that may institute service and be able to carry mails to the advantage of the Department.

The second paragraph prohibits poundage-rate operations by airplanes over contract routes, as a matter of fairness to our contract operators.

Section 4 authorizes the Postmaster General to fix postal rates for our foreign air-mail service.

Section 5 permits renewal of existing foreign air-mail contracts, for 5-year periods, at not exceeding the rate at the time of renewal, with proper Government safeguards with respect to discontinuance, curtailment, or suspension of service.

The second paragraph provides for establishing new foreign air-mail service under formal contract when deemed desirable. This involves advertising for bids and the issuance of detailed specifications. Only American citizens are eligible to bid.

Both renewals and new contracts must be passed upon by a special committee composed of the Secretary of the Treasury, the Attorney General, the Postmaster General, and the Secretary of Commerce.

Section 6 (a) requires information as to the character of bidding corporations, including evidence of the bidder's responsibility.

Section 6 (b) is for the purpose of determining the interlocking interests of different companies.

Section 7 (a) authorizes the Postmaster General to refuse service by insufficient or unsafe equipment.

Section 7 (b) provides for the furnishing by the Secretary of Commerce of specifications as to the character of equipment to be employed and maintained in the contract service.

Section 8 is designed to prevent individual action by American operators in foreign countries in making arrangements with authorities in those countries respecting operations, lines of routes, or other matters, and then invoking

such agreements against the Department where they may affect the administration of our foreign air-mail contracts.

Section 9 (a) clarifies the basis of pay for carrying excess mails on contract routes.

Section 9 (b) requires all flying equipment used in the performance of contract air-mail service to be of United States manufacture, and all other equipment and supplies used in such performance to be of United States manufacture or be products of the United States. This does not apply in the event of emergencies.

Section 9 (c) authorizes the Postmaster General to prescribe the frequency of service and line of route to accommodate the mails. It also permits the carriage of mails on nonmail schedules or planes at the request of the contractor.

Section 9 (d) provides for increases and changes in service.

Section 10 states that any contract for foreign air-mail service may be terminated by Congress without allowance of any indemnity to the contractor.

Section 11, first paragraph, specifies the manner in which contractors shall keep their books, records, and accounts.

The second paragraph provides for readjustment of contract rates, but specifies that they shall not be readjusted so as to exceed the original contract rates, and that rates for service on any newly established routes shall not be reduced for the first 5 years unless the contractor agrees thereto. This paragraph also provides for surrender of the contract when the operator is not satisfied with any reduction in pay proposed by the Post Office Department, but no new contract covering such route may be awarded at a higher rate of pay.

Section 12 limits the salary which may be paid by a contractor to any officer, director, or regular employee to a rate not exceeding $25,000 per year for full-time service.

Section 13 pertains to cancelation of contracts for willful neglect, and imposes penalty for unreasonable or unnecessary delay in transporting the mails.

Section 14 prohibits collusion in the making of bids.

Section 15 provides for forfeiture of the contract if an operator violates any provisions of this measure.

Section 16 permits the Department to have domestic mails carried on the part of any United States foreign air-mail route between the terminus thereof and the boundary of the United States. There may be cases where the terminus of a foreign air-mail route may be inland and it is desired to serve a domestic post office between the United States terminus and the border, and this section would provide for service between the two domestic offices incidental to service to the foreign country.

Section 17 prohibits competing operations between contractors.

Section 18 authorizes the Postmaster General to maintain postal agencies at points on United States foreign air-mail routes in foreign countries or possessions of the United States for the purpose of handling air mails in transit.

Section 19 protects the pay and working conditions of our pilots and copilots.

Section 20 defines certain terms used in the bill.

Section 21 provides that nothing in the bill shall modify or affect the Domestic Air Mail Act of 1934, as amended.

Mr. WOLCOTT. Mr. Speaker, I renew my request that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRANSFER OF CERTAIN RECORDS FROM HOUSE OF REPRESENTATIVES TO NATIONAL ARCHIVES

The Clerk called House Resolution 222.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this bill has been on the calendar for some time and it appears there is a great deal of controversy about the matter. The bill contemplates the turning over of certain memorable documents to the Archivist, when, as a matter of fact, we have set up an agency which is directly responsible to the Congress for that particular purpose. I refer to the Library of Congress.

As I read the report of the committee, it appears to me that due credence has not been given to the opposition to the bill, and for this reason I ask unanimous consent that the bill may be recommitted to the Committee on the Library so that it may during the recess hold further hearings and report out a bill after due consideration at the next session of the Congress.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the next bill, H. R. 4540, authorizing the Red Lake Band of Chippewa Indians in the State of Minnesota to file suit in the Court of Claims, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, the Department of Justice has suggested two amendments to this bill. I have discussed these amendments with the author of the bill and he desires to take the matter up with his constituents. He requests that the bill be passed over without prejudice and I propound that unanimous-consent request.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PER-CAPITA PAYMENT TO RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the next bill, H. R. 4539, authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw as much as may be necessary from the fund in the Treasury of the United States arising from the proceeds of the sale of timber and lumber within the Red Lake Reservation in Minnesota, according to the provisions of the act of May 18, 1916 (39 Stat. L. 137), and to make therefrom a per-capita payment or distribution of $25 to each of the living members of the Red Lake Band of Chippewa Indians of the State of Minnesota, immediately payable upon the passage of this act, under such rules and regulations as the said Secretary may prescribe: *Provided*, That the money paid to the Indians as authorized herein shall not be subject to any lien or claim of attorneys or other parties: *Provided further*, That before any payment is made hereunder, the Red Lake Band of Chippewa Indians in Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify the provisions of this act and accept same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CREATION OF UNITED STATES BOARD OF AWARDS

The Clerk called the next bill, H. R. 171, to create a United States Board of Awards and to provide for the presentation of certain medals.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZATION OF PAYMENTS FOR CERTAIN LANDS APPROPRIATED BY THE UNITED STATES

The Clerk called the next bill, H. R. 4399, authorizing payment for certain lands appropriated by the United States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. O'CONNOR of Montana and Mr. COCHRAN rose.

Mr. COCHRAN. Mr. Speaker, at the request of the Department, I have two amendments that have been suggested to this bill. I submitted it to the gentleman from Montana [Mr. O'CONNOR]. As far as I am concerned, if the gentleman will offer the amendment I am perfectly willing to have the bill considered.

Mr. O'CONNOR of Montana. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Montana.

Mr. O'CONNOR of Montana. Mr. Speaker, there is now on the Clerk's desk an amendment providing for just what the gentleman from Missouri has stated.

Mr. COCHRAN. Is it the one I gave the gentleman?

Mr. O'CONNOR of Montana. This amendment contains the very language the gentleman gave me.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of $860,098.75 to the Uintah, White River, and Uncompahgre Bands of Ute Indians of Utah as payment for 36,223 acres of land belonging to said Indians and being a part of the lands which were withdrawn from entry and sale by an Executive order dated July 14, 1905, and included within the Uintah National Forest, and for which the said bands of Indians have never been paid. Such sum shall be in full satisfaction as to claim for principal of said Indians against the United States with respect to such lands, and shall, when appropriated, less the amount of attorneys' fees and proper expenses as provided in section 2 hereof, be deposited in the Treasury of the United States to the credit of said bands and shall draw interest at the rate of 4 percent per annum, and shall be disposed of in the manner provided by law for like funds of said Indians.

SEC. 2. The Secretary of the Interior is authorized and directed to determine and pay out of the moneys hereby appropriated a reasonable sum as attorneys' fees and expenses for services rendered in accordance with certain existing contracts executed by the Uintah, White River, and Uncompahgre Bands of Ute Indians and approved by the Commissioner of Indian Affairs and the Secretary of the Interior in accordance with the provisions of section 2103 of the Revised Statutes of the United States. Such fees shall not in the aggregate exceed 10 percent of the sum herein authorized to be appropriated and shall be paid out of such sum when appropriated.

With the following committee amendment:

Page 2, line 1, after the word "such" strike out the remainder of line 1 and all of lines 2 and 3 and insert "sum, together with the sum of $1,217,221.75 heretofore paid the said bands of Indians pursuant to the act of February 13, 1931 (46 Stat. L. 1092), shall be in full satisfaction as to claim for principal and interest of said Indians against the United States with respect to the 1,010,000 acres of land taken from them by Executive order of July 14, 1905."

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR of Montana: Page 2, line 15, after the word "Indians" insert "*Provided*, That before the deposit of the amount so appropriated to the credit of said bands of Ute Indians, the Comptroller General of the United States is authorized and directed to ascertain and deduct from the total gratuities theretofore paid to such Indians of the character provided for offset by section 2 of the Second Deficiency Appropriation Act for 1935 (49 Stat. 596)."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFETY OF RAILROAD OPERATION

The Clerk called the next bill, S. 29, to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking, automatic train-stop, train-control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation.

Mr. RICH. Mr. Speaker, I have been trying to get information on what the cost of this legislation is going to be, but no definite information is available on it, so I object.

Mr. WITHROW. Will the gentleman hold his objection in abeyance for a moment?

Mr. RICH. Yes. Mr. Speaker, I withhold the objection.

Mr. WITHROW. In the hearings held before the House Committee on Interstate and Foreign Commerce it was estimated that the maximum cost for the first year would be $43,000. There is some misunderstanding as to the amount of the cost, because there was an estimate of $101,000 for the cost, but this included train control. At the present time the Interstate Commerce Commission has authority to take care of train control. The maximum cost under this bill would be $43,000.

Mr. RICH. We have tried to get information on this matter, but have been unable to get it. We want to know what this is going to entail on the part of the railroads, but it seems they cannot give any information as to what this item is going to be. I think we ought to know the cost definitely before we go ahead with this bill, and, therefore, I must object.

Mr. WITHROW. The House Committee on Interstate and Foreign Commerce has reported the bill, and has had extensive hearings on it. The committee is perfectly satisfied with respect to the merits of the measure, which is very, very necessary.

Mr. RICH. I object, Mr. Speaker.

Mr. WITHROW. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WITHROW. With reference to the measure which has just been objected to by the gentleman from Pennsylvania [Mr. RICH], how many objections are required?

The SPEAKER. Only one objection is required.

Mr. WITHROW. Is this because the bill was passed over without prejudice the last time it was called?

The SPEAKER. The gentleman is correct.

Mr. WITHROW. I thank the Speaker.

ASSIGNMENT OF NAVY OFFICERS TO DUTY UNDER DEPARTMENT OF COMMERCE

The Clerk called the next bill, H. R. 7216, to provide for the assignment of officers of the Navy for duty under the Department of Commerce and appointment to positions therein.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. FADDIS. Reserving the right to object, Mr. Speaker, I cannot hear what the number of the bill is.

Mr. McCORMACK. This bill is Calendar No. 352, the bill H. R. 7216.

Mr. FADDIS and Mr. McCORMACK objected.

PAYMENT TO OSAGE TRIBE OF INDIANS

The Clerk called the next bill, S. 670, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SAN CARLOS APACHE INDIANS

The Clerk called the next bill, S. 1231, authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I have been asked to state my objection to this bill.

I have a letter from the Attorney General of the United States in which he indicates that the Acting Director of the Budget recommends a payment for the lands of not more than $33,725. The bill carries the amount of $277,966. In view of the letter from the Attorney General and the recommendation of the Bureau of the Budget, I have asked the author of the bill to accept such an amendment. He has declined to take the responsibility of doing so.

I therefore ask unanimous consent, Mr. Speaker, that the bill go over without prejudice.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I may say to the gentleman from Missouri that a further objection to the bill appears on page 2 where the proviso recites that none of the funds herein authorized to be appropriated shall be subject to the payment of any claims, judgments, or demands against the San Carlos Apache Indians accruing to them prior to the approval of this act.

It has been our purpose to stop this procedure, and I think the bill should provide for set-off if gratuities have been given to these Indians.

Mr. COCHRAN. Mr. Speaker, I hope the gentleman who is the author of the bill will take notice of what the gentleman from Michigan [Mr. WOLCOTT] has said. Mr. Speaker, I ask unanimous consent to include in my remarks the letter of the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter referred to follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This acknowledges your request of August 3 for a report relative to a bill (S. 1231) to authorize payment to the San Carlos Apache Indians for 232,320 acres of land at the rate of $1.25 per acre, less $12,433.63 heretofore paid to them.

By the agreement entered into between the San Carlos Apache Indians and the United States on February 25, 1896 (29 Stat. 358), the Indians ceded to the United States the lands referred to in the bill. In consideration of the cession, the United States agreed to place to the credit of the Indians the "net proceeds accruing from the disposal of such coal and mineral lands, lying within the ceded territory under the laws applicable thereto."

Subsequently the Government realized the sum of $12,800 as the proceeds of the disposal of certain coal lands within the tract, and paid this amount to the Indians. No other coal or mineral lands lying within the ceded territory have been disposed of by the Government, and no proceeds have accrued therefrom. Consequently, no further amount would appear to be due to the Indians under the terms of the aforesaid agreement.

It further appears that certain of the lands were turned over to the State of Arizona, and certain others have been included in homesteads, national forests, home sites, and public water reserves. The Acting Director of the Bureau of the Budget recommends a payment for such lands at $1.25 per acre, which would amount in the aggregate to the sum of $33,725.

I do not recommend the enactment of a bill appropriating any larger sum in respect of matters referred to therein. If an appropriation for the last-mentioned sum is made, a provision should be included to the effect that the payment is in full settlement of the entire claim.

Sincerely yours,

HOMER CUMMINGS,
Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that the bill be passed over without prejudice?

Mr. MURDOCK of Arizona. Mr. Speaker, reserving the right to object, I am unwilling to accept the figure of the Bureau, as the gentleman from Missouri has said, but I do want to make this statement. I feel that this measure is only an act of justice to the Apache Indians on the San Carlos Reservation and that this tract of land—under the circumstances should not be returned to the Indians—should be unquestionably open to mineral exploitation and also put under grazing provisions, all of which cannot now be done. I feel that two or three injustices are being done these Indian and citizens of Arizona by the delay in the enactment of this legislation. I do not wish to object to inserting in the RECORD at this point the letter to which the gentleman of Missouri refers.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that the bill be passed over without prejudice?

There was no objection.

CAMP MERRITT, N. J.

The Clerk called the next bill, H. R. 71, to provide for the establishment of a national monument on the site of Camp Merritt, N. J.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I am going to submit a unanimous-consent request that this bill go over without prejudice, and I want to state my reason.

My only reason for doing this is because there is no ceiling placed on the appropriation. The bill provides that there is authorized to be appropriated such sums as may be necessary to carry out the provisions of the act. Although we have done this in the past, I think we should stop doing it and some limitation should be placed in the act upon the authorization, and to correct this evil I ask unanimous consent that the bill go over without prejudice.

Mr. RICH. Mr. Speaker, reserving the right to object, I have had some conversations with the Members of the House with reference to this bill. The present administration set up an organization 3 years ago whereby every camp site and every public park and every area that is to be established as a public park should be passed upon by the National Park Service.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I want to make this statement first.

This order was issued by this administration, and I worked for and supported it, and I think the administration should demand that every park that is set up should first have the approval of the Park Service or Planning Board and that we should not permit one to be established unless it is accepted by the Board, and for that reason I shall have to object.

Mr. KENNEY. Mr. Speaker, I may say to the gentleman from Pennsylvania that the National Planning Board has agreed to make a survey in October and I would like to have the bill go over without prejudice so that it may come up in January.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that the bill be passed over without prejudice?

There was no objection.

SAN JUAN NATIONAL MONUMENT, P. R.

The Clerk called the next bill, H. R. 7487, to establish the San Juan National Monument, P. R., and for other purposes.

Mr. COSTELLO. Mr. Speaker, I object.

EXCEPTING YACHTS, TUGS, ETC., FROM PROVISIONS OF ACT OF JUNE 1936

The Clerk called the bill (H. R. 7158) to except yachts, tugs, towboats, and unrigged vessels from certain provisions of the act of June 25, 1936, as amended.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. O'CONNOR of New York). Is there objection to the request of the gentleman from Michigan?

There was no objection.

SUBSISTENCE FOR ESKIMOS, ETC.

The Clerk called the bill (S. 1722) to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. The Interior Department appropriation bill carries money for the purpose of taking care of the people of Alaska and for the purchase of reindeer. We have allowed them additional money this year for that purpose. Why a bill of this kind should be brought up at this time I cannot understand. I ask that the bill go over without prejudice.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. FADDIS. I believe if the gentleman will read the report of the committee he will see that this is a matter that has been hanging fire for quite awhile and that the natives of Alaska are deserving of the attention of the House, and that giving them all of these reindeer will help them in obtaining their subsistence. It is a duty that we owe to the Eskimos. They are wards of the Nation.

Mr. RICH. If the gentleman had read the Interior Department appropriation bill he would know that we did that very thing, we appropriated money to buy reindeer for the people of Alaska.

Mr. FADDIS. It has not helped the natives of Alaska any.

Mr. RICH. We have given the Alaskan people an opportunity to help themselves, and to help the Eskimos and all the people who live in Alaska. I do not think we should permit $2,000,000 to be spent for the purpose of purchasing reindeer when we have already provided for them. Mr. Speaker, I renew my request.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. GREEN. The Committee on the Territories went into the matter very carefully and held extensive hearings upon it. It had a representative from the Department here, and we decided it was equity to permit the Eskimo owner of reindeer to have the same opportunity as the white owner. There is a clash between the Eskimo owner and the white owner and there is a tendency for the white man to crowd out the Eskimo and impose on the Eskimo and swindle them out of their reindeer.

Mr. RICH. Do the Eskimos come under the Interior Department?

Mr. GREEN. They do.

Mr. RICH. Then the Interior Department has already taken care of them and if I had the hearings here I could show the gentleman where the Department of Interior states they will be taken care of. The Delegate from Alaska [Mr. DIMOND] will bear me out, when he came before the committee, that they asked for the money, I think it is $5,000 additional, to buy up reindeer from a certain island to be taken over to help these Eskimos. We have appropriated the money and there is no reason why the Committee on the Territories should come in here now and ask for money to take care of these people when the Interior Department has already done so.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CIVIL GOVERNMENT FOR PUERTO RICO

The Clerk called the bill (H. R. 1486) to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes."

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, this bill violates the principle of democratic government in that the legislature shall at all times be independent of the executive. For that reason I ask that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SUPREME COURT OF PUERTO RICO

The Clerk called the bill (H. R. 1485) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes."

The SPEAKER pro tempore. Is there objection?

Mr. HARLAN. Mr. Speaker, I reserve the right to object to ask the proponents of the bill something about it. I want to know whether there is in this bill a provision for the creation of a new judiciary down there?

Mr. IGLESIAS. No. It is for increasing two judges on the supreme court.

Mr. HARLAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Three objections are required. The Chair hears one objection.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER pro tempore. Not a sufficient number of objections.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 40 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", approved March 2, 1917, as amended, is hereby again amended to read as follows:

"SEC. 40. That the judicial power shall be vested in the courts and tribunals of Puerto Rico now established and in operation under and by virtue of existing laws. The jurisdiction of said courts and the form of procedure in them, and the various officers and attachés thereof, shall also continue to be as now provided until otherwise provided by law: *Provided, however*, That the supreme court shall be composed of a chief justice and six associate justices, appointed by the President, by and with the advice and consent of the Senate of the United States, and the Legislature of Puerto Rico shall have authority, from time to time as it may see fit, not inconsistent with this act, to organize, modify, or rearrange the courts and their jurisdiction and procedure, except the District Court of the United States for Puerto Rico."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALTERATIONS AND REPAIRS TO CERTAIN NAVAL VESSELS

The Clerk called the bill (H. R. 7560) to authorize alterations and repairs to certain naval vessels, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I understand that the remodeling of the *Lexington* and the *Saratoga*, although it will cost, under the terms of the bill, $15,000,000, is paid out of the annual naval-appropriation bill, and that this bill involves no additional expense.

I wonder if somebody from the Committee on Appropriations can confirm that understanding?

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. TABER. I think the gentleman from North Carolina [Mr. UMSTEAD] can tell definitely, but any bill that carries an authorization of $15,000,000 adds to the cost of things to the Treasury. Is that correct?

Mr. UMSTEAD. It is correct.

Mr. WOLCOTT. Mr. Speaker, because of this controversy, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATCHEZ TRACE PARKWAY

The Clerk called the next bill, H. R. 6652, to provide for the administration and maintenance of the Natchez Trace Parkway, in the States of Mississippi, Alabama, and Tennessee, by the Secretary of the Interior, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PAYMENT TO SAC AND FOX TRIBE OF INDIANS

The Clerk called the next bill, H. R. 5170, authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, this bill carries an appropriation of $40,000, and it sets a very bad precedent. The Department very properly assumes, if this measure passes, other Indian tribes will be here asking for the same relief, and the amount involved,

according to the letter from the Department, is $21,197,799. There is also an objectionable provision in the bill which states:

That no tribal funds of Indians of the United States shall hereafter be used for administrative purposes of tribes or Indians other than the tribes or Indians to which said funds are accredited or hereafter made available.

As far as that proviso is concerned, if that is brought in here in a bill by itself I have no objection but it should come in in a separate bill. Mr. Speaker, to open the way for all Indian tribes to come here and ask for the same recognition requested here I think is going too far, because it will involve $21,000,000. Therefore, I will have to object.

Mr. TABER. Mr. Speaker, I object.

Mr. WIGGLESWORTH. Mr. Speaker, I object.

Mr. BOREN. Mr. Speaker, will the gentleman reserve his objection?

Mr. COCHRAN. I will reserve my objection, but I understand three other Members have already objected to the consideration of this bill.

The SPEAKER pro tempore. The gentleman may withhold his objection if he desires.

Mr. COCHRAN. I will withhold it for the moment.

Mr. BOREN. Mr. Speaker, I am the author of this bill and I have asked in it for one thing, and that is that $40,000 that belonged to the Sac and Fox Indians, spent for the benefit of other Indians, an action unwarranted on the part of the Department, be returned to those Indians. I am not asking for an appropriation that sets any precedent of returning money to Indian tribes that was spent for the administration of their own affairs; but the Sac and Fox Indians, the report will clearly show, and the Department confesses those facts, had money taken from their funds without their permission and spent for the benefit of Indians other than members of their own tribe. I cannot believe there are three Members of this House who can conscientiously object to a bill that tries to prevent one of your bureaus down here from robbing the Sac and Fox Indians of their money over their objection, and I hope the gentlemen will withdraw their objections.

Mr. RICH. This is not our bureau. It is your bureau.

Mr. BOREN. The Republican Party saddled this Nation with that bureau, and it is largely operated by Republicans.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COCHRAN, Mr. TABER, and Mr. WIGGLESWORTH objected.

MANNER OF PAYMENT OF GROSS-PRODUCTION TAXES ON MINERALS

The Clerk called the next bill, S. 2249, providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, let us have that bill explained.

Mr. DISNEY. Under the present statute, the gross-production taxes on oil and gas are paid directly to the Secretary of the Interior and by him sent to the State treasurer of Oklahoma. That requires from 4 to 6 months.

Under the present procedure the gross-production taxes on restricted Indian lands are paid to the Secretary of the Interior and then, in turn, sent by him to the State treasurer of Oklahoma. This bill provides that the procedure be changed, so that, in the discretion of the Secretary of the Interior, the payment of taxes shall be made direct to the treasurer of Oklahoma. There is nothing else involved. Under the present procedure it takes months for these tax items to make their way around, and under the procedure provided for in this bill the taxes would go directly from the taxpayer who operates the restricted Indian lands, to the treasury.

Mr. RICH. Do these payments come from Indian lands?

Mr. DISNEY. Oil operations on restricted Indian lands by oil companies or individuals.

Mr. RICH. Does the gentleman not think that the Interior Department must have a check on that? Evidently when they wrote the law it was for the purpose of the Interior Department having a check on the money coming from these royalties from the Indian lands. If they do not have a check upon it, how are they going to turn the money over to the gentleman's State?

Mr. DISNEY. They do have a check on it. Now, it is sent here to Washington to the Interior Department. Under this resolution they would still have to have the same check, but the Secretary could authorize the companies to pay direct to the treasurer.

Mr. RICH. Will it affect any economy?

Mr. DISNEY. There is no particular economy, but it makes for expediency. The money is paid directly instead of in a roundabout manner.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted,etc., That whenever restricted Indian lands in the State of Oklahoma are subject to gross production tax on minerals, including oil and gas, the Secretary of the Interior, in his discretion, may cause such tax or taxes due the State of Oklahoma to be paid in the manner provided for by the statutes of the State of Oklahoma.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN BANDS OF THE SHOSHONE NATION OF INDIANS

The Clerk called the next bill, S. 68, authorizing the Western Bands of the Shoshone Nation of Indians to sue in the Court of Claims.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, reserving the right to object, the Senator from Nevada [Mr. McCARRAN], took this matter up with me. At that time I did not have the report from the Attorney General. I have it now. The Senator stated that this bill had been given careful attention, practically rewritten, and that he felt the House should pass it.

Among other things the Attorney General said that if this bill passes in its present form and the court renders a favorable decision, including interest, as it has on several claims recently, the Government is liable in the end to be required to pay interest which will aggregate over 350 percent. It seeks to open a controversy that dates back to 1863.

Under the circumstances, Mr. Speaker, I do not see how I can do otherwise than object to the passage of the bill.

Mr. TAYLOR of South Caroina. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. TAYLOR of South Carolina. How much money would it take to satisfy all the claims the Indians of the United States might have against the Government?

Mr. COCHRAN. I have absolutely no idea, but it certainly would take more money than I think is in circulation to satisfy the attorneys for the Indians, judging from the amounts already asked in suits before the Court of Claims.

Mr. Speaker, I object.

HELIUM GAS

The Clerk called the next bill, H. R. 7494, to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes.'"

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. THOMAS of New Jersey. Mr. Speaker, reserving the right to object, this is probably one of the most controversial bills which is on the Consent Calendar. A bill very similar to it passed the Senate by a very close vote. When the bill was considered by the Committee on Military

Affairs, 10 members of the committee signed a minority report.

Mr. Speaker, I am very sincerely of the opinion that this bill should come up under a rule, and not on the Consent Calendar.

Mr. Speaker, I object.

Mr. MASON and Mr. CRAWFORD objected.

BRIDGE ACROSS MISSISSIPPI RIVER AT LAKE VILLAGE, ARK.

The Clerk called the next bill, H. R. 7849, authorizing State highway commissioner of Arkansas and State highway commissioner of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Arkansas State Highway Commission and Mississippi State Highway Commission, cooperating with equal powers, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon Arkansas State Highway Commission and Mississippi State Highway Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The State Highway Commission of Arkansas and State Highway Commission of Mississippi are hereby authorized to fix and charge tolls for transit over such bridge; and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 25 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 3, beginning with the word "tolls" in line 14, strike out all down to and including the word "management" in line 18.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVISIONAL OFFICERS OF THE WORLD WAR

The Clerk called the next bill, S. 1040, placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BIERMANN. Mr. Speaker, reserving the right to object, when this bill was called the last time I asked that it be passed over without prejudice and later was forced into an objection for what I thought were good reasons. Those reasons were that the Veterans' Administration reported adversely on the bill, and the War Department and Navy Department reported adversely on the bill.

Since making the objection I have looked into the substance of these adverse reports. I think the objections made to these benefits and privileges for provisional officers apply equally as strongly, probably a little more strongly, to other temporary officers of the World War. I do not believe that any soldier or officer of the World War who came out unharmed should have any benefit or privilege above any other good citizen whether he was in the Army or not. The cold hard facts are that more than 4,000,000 of them have special benefits and privileges and I think it is a little unfair discrimination not to give the same benefits and privileges to these provisional officers, because the provisional officers in many cases were those who were in the hardest of the fighting. Therefore I shall not object.

Mr. FISH. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from New York.

Mr. FISH. I have a very high regard for the gentleman from Iowa [Mr. BIERMANN] and I am sure he would not object after he looked into the provisions of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That all persons who served as provisional officers in the Army, Navy, or Marine Corps of the United States during the World War, or who were appointed to commissioned or warrant grades or ranks in the Navy from civil life subsequent to April 6, 1917, and were honorably separated from such service prior to December 31, 1921, are hereby placed in the same status with all persons who served as emergency officers in the Army, Navy, or Marine Corps of the United States during the World War and extended the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers: *Provided*, That application under this act for benefits and privileges must be made within 1 year after the passage of this act: *And provided further*, That the provisions of this act shall not be extended to those provisional officers retired under Regular Army retirement law and those honorably discharged under section 24b of the act of June 4, 1920, with 1 year's pay.

SEC. 2. That all acts and parts of acts in conflict with or inconsistent with the provisions of this act are hereby repealed.

Mr. McCORMACK. Mr. Speaker, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 1, line 6, after the word "life", insert the following "or who entered the Navy from civil life and who were promoted to commissioned or warrant grades or ranks."

Mr. McCORMACK. Mr. Speaker, I have taken this amendment up with several members of the Military Affairs Committee and they have no objection to its adoption. For the benefit of the gentleman from Iowa, I believe a very brief explanation for the RECORD and for the membership of the House should be made.

This will affect only a very small number of the same type of officers. For illustration, I know of an individual, a close friend of mine, who could qualify under the bill as it now stands, except for one thing. He joined the Navy as an enlisted man on June 1, 1917, from civil life. On June 8, 1918, when commissioned an officer, he was given the choice of being promoted from the enlisted grade or of being disenrolled from the service as an enlisted man before being appointed as an officer. He chose to be promoted. If he had chosen to be disenrolled, thereby breaking his service record, he could qualify under the bill as it now stands.

My amendment simply provides if a man enlisted and then was promoted, rather than being disenrolled to accept a commission, he is the same type of officer that would come within the purview of this bill.

Mr. THOMASON of Texas. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Is the gentleman sure he comes under the provisions of the bill?

Mr. McCORMACK. I am satisfied he will if my amendment is agreed to.

Mr. THOMASON of Texas. The reason I asked the gentleman the question, the Navy Department claims it has no provisional officers at all. The senior Senator from Texas, on the floor of the Senate in discussing the bill, made that same statement on authority of the Navy Department.

Mr. McCORMACK. He will come under it just as much as any one else.

Mr. THOMASON of Texas. The impression I have, judging from the statement made by the senior Senator from Texas, is he is not included under the provisions of the bill.

Mr. McCORMACK. He will be if others are, for the reason the language states, "who are appointed or commissioned." That would prevent an enlisted man who was promoted from being considered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. THOMASON of Texas. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. THOMASON of Texas: Page 2, line 10, after the word "law", strike out the remainder of line 10 and all of lines 11 and 12.

Mr. THOMASON of Texas. Mr. Speaker, this provision ought not to be in the bill, and besides it would do an injustice to a very few splendid young officers who may have been honorably discharged under section 24 (b), and I think they ought to be placed in the same status and on the same equality as the others who receive benefits under this provision. It does no harm to the others, and I sincerely hope the amendment will be agreed to.

Mr. FADDIS. Will the gentleman yield?

Mr. THOMASON of Texas. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. What is the object of the amendment?

Mr. THOMASON of Texas. It seeks to strike out the words after the proviso that the act shall not be extended to provisional officers of the Regular Army. The bill carries the proviso that those honorably discharged under section 24 (b) shall not be included, which I say is a discrimination against a very few deserving men who ought to be placed on the same basis of justice and equality with the other men taken care of in its provisions. The other men are in no way harmed.

Mr. HARTER. Will the gentleman yield?

Mr. THOMASON of Texas. I yield to the gentleman from Ohio.

Mr. HARTER. The former officers affected by this bill were those largely assigned to the combat divisions of the World War?

Mr. THOMASON of Texas. Absolutely, and they were a fine class of officers who have been rankly discriminated against and who rendered a very great service.

Mr. HARTER. And they should be placed in the same position as emergency officers?

Mr. THOMASON of Texas. Yes. They had no finer Army officers during the World War than these young provisional officers. They are entitled to the same fair treatment that the emergency officers have received. It has been by a strict and technical construction that they have not received justice long ago. I hope the bill will now be finally passed and become law.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. THOMASON].

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING JURISDICTION TO SECRETARY OF TREASURY OF CERTAIN PROPERTY WITHIN WEST POINT MILITARY RESERVATION

The Clerk called the next bill, S. 2751, to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I have no objection to this bill, but I think the House and the country should know that this contemplates doing the same thing up there in New York for our silver hoardings that we have done down in Kentucky with respect to our gold surplus. This bill is necessitated by the perfectly ridiculous silver policy of the administration in subsidizing the silver industry.

There are many of us who have advocated, and we are going to continue to advocate, that this Nation is foolish to subsidize Soviet Russia, Nazi Germany, Italy, and all the other governments that we deplore so much in connection with its gold and silver purchases. It has been proven by all of the economists who have studied this question that the only benefit to any country under our silver-purchase policy was to bail out the Bank of England of its holdings of Indian silver. It is desired to build a vault now at West Point to house the silver which we have bought, much of which was an excess monetary reserve for which India had no use and which it was inadvisable for her to maintain. Our purchases of silver compelled China to go off the silver standard to the detriment of our trade with China. I think it is an asinine policy for this country to continue to buy gold and silver at the expense of the taxpayers of this Nation for the benefit of these foreign governments, the set-up of which we deplore, which governments seek to undermine our democracy.

Mr. FISH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. FISH. Is the gentleman discussing S. 2751?

Mr. WOLCOTT. Yes.

Mr. FISH. Where does it state that it covers West Point in this bill?

Mr. WOLCOTT. It allows the Secretary of the Treasury to take over certain of the property of the West Point Military Reservation for the purpose of building a vault there to house the excess silver which the Government has purchased under its silver policy.

Mr. FISH. In the bill I have that is stricken out. I want to be sure we are talking about the same matter. I should like to get this information.

Mr. THOMASON of Texas. The committee has an amendment putting it back to West Point.

Mr. FISH. That is what I wanted to find out.

Mr. WOLCOTT. The difference, as I see it, is that we substitute Camp Dix for West Point, but the purpose of it is exactly the same.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. RICH. Can the gentleman explain the object of this administration in building vaults in Kentucky in which to bury gold, and now in building vaults up at West Point in which to bury silver?

Mr. WOLCOTT. The gentleman can figure out how much the Government of the United States has subsidized the Government of Soviet Russia from the fact that the production of gold in Soviet Russia has increased in the last 4 years from a million-and-some-odd ounces to seven-million-and-some-odd ounces, which we are buying at the rate of $35 an ounce. The time to stop buying gold and silver is right now, before we bankrupt this Nation for the benefit of Soviet Russia.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to make transfers to the jurisdiction and control of the Secretary of the Treasury of such portions of the property at present included within the West Point Military Reservation, N. Y., and upon such conditions as may be mutually agreed upon by the Secretary of War and the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized to construct within the limits of the property so transferred such building or buildings, appurtenances, and approaches thereto as he may deem adequate and suitable for the use of the Treasury Department as a depository, and for use in carrying out any other functions or duties of the Treasury Department: *Provided*, That upon cessation of such use the premises or any part thereof so transferred shall revert to the jurisdiction of the War Department.

Mr. THOMASON of Texas. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent that we may withdraw the committee amendment to the Senate bill providing for the construction of this vault at West Point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, My purpose in offering this amendment is not because I expect that the Congress will adopt it, but merely to call attention of the Members and more particularly of the various departments of the Government to a situation that to my mind is absolutely unwarranted, unjustifiable, and absolutely unnecessary. The situation to which I refer is typified by the present legislation, wherein it is proposed to turn over to the Treasury Department a portion of the grounds belonging to the military reservation at West Point, where the United States Military Academy is located. Why it should be necessary for the War Department to continually assign to other departments portions of active military reservations is beyond my comprehension. Yet the War Department has repeatedly been called upon to do so, when with but little effort these other departments of the Government could seek out and purchase for themselves suitable sites adjacent to or distant from existing military reservations.

In the present instance, I am confident that property adjoining the Military Academy could have been secured by the Treasury Department for the erection of this silver storage vault. Then the limited grounds of the academy would not have been encroached upon, and yet the proximity of the academy and the troops stationed there would have been just as available to the Treasury Department. That land should be transferred from one department to another is apparently done solely to void an added expense to the benefitting department. Yet the original cost of such procedure is borne by the War Department, and frequently necessitates the addition of millions of dollars in annual appropriations for the War Department.

Although I fail to understand the necessity for this particular location being selected for this silver storage vault, yet I shall interpose no objection to the passage of the bill, as I have been informed that the plans and specifications for this building have already been drawn, and the bids have been asked for looking to the construction of the building. All this has been done without first coming to the Congress and obtaining congressional approval for the project and Congressional consent to the transference of the land involved. Furthermore I do not object because a very large saving in rentals as well as an excellent price through the sale of present storage facilities will accrue to the Federal Government by reason of the erection of this new storage vault.

However, this is not the only instance of this kind that has occurred recently, and it is to some of these that I would particularly direct the attention of the Members. By reason of an Executive order dated October 26, 1935, an exchange of property took place between the Army and the Navy. The Navy received three fields, Ford Island, Hawaii; Rockwell Field, a part of North Island, Calif.; and the old Bolling Field, here in the District of Columbia. In exchange for these lands, all active Army flying fields, the Army received Moffett Field, Calif. Moffett Field is the former base of the ill-fated *Macon*. The War Department had invested large sums of money in these three fields, and received in exchange a field which was totally unsuited to the needs of the Army. Large expenditures will have to be made to make Moffett Field at all practicable and suitable to any flying use by the War Department. In addition, the War Department has already embarked upon a program costing over $7,000,000 to replace the facilities of Rockwell Field at San Diego, which the Navy acquired. This field is being replaced by the new Air Corps Supply Depot, at Sacramento, Calif. Also a large expenditure is necessary to replace old Bolling Field with a new field now under construction, and where hangars, shops, and a suitable operations office are needed before the new field can be put into regular use by the War Department.

In the case of both Rockwell Field and Old Bolling Field, the Navy first encroached thereon by requesting permission to establish a small landing runway for seaplanes, which later developed into the occupation and use of half the flying fields, and ultimately into a complete withdrawal by the Army at the insistence and demand of the Navy. Similarly in 1924 the Navy secured permission to erect a mooring mast at the Fort Lewis Reservation to be used by the *Shenandoah* in connection with its flight along the Pacific coast and into Alaska. Although this portable mooring mast was to have been but a temporary installation, it was, nevertheless, not removed until April 1936—not until the Navy was finally of the opinion that it would not have future use therefor. However, it will be noted that the encroachment in this case was again followed up by the introduction of legislation before Congress looking to the transference of 5,000 acres of the Fort Lewis Reservation to the Navy.

Although I have referred to many instances of the transference of land from the War Department to the Navy, most of which proved very costly and expensive to the War Department, yet the Navy Department is not alone in thus offending. Numerous other departments have benefited in similar fashion. The Treasury Department is not only the recipient of the ground at West Point, but also received a parcel in the center of the Fort Knox Reservation in Kentucky for use as a gold-storage depository. So, also in connection with Coast Guard activities and for quarantine stations, the Treasury has received the right to portions of each of the following military reservations: Fort Hancock, N. J.; Fort Caswell, N. C.; Fort Moultrie, S. C.; Fort Dade, Fla.; Fort San Jacinto, Tex.; and Fort McDowell, Calif.

The Veterans' Administration has been granted authority to erect veterans' hospitals at Camp Custer, Mich.; Jefferson Barracks, Mo.; Fort Harrison, Mont.; Boise Barracks, Idaho; Fort Miley, Calif., as well as on other reservations. However, in a sense, this may appear to be a more fitting transference of the property, since in large measure the Veterans' Administration is aiding former members of the Army personnel, although that of itself does not justify the failure to procure new sites apart from military reservations for such projects.

The Department of Justice has also been accorded the privilege of establishing temporary prison camps on military reservations, which are always in danger of becoming permanent encroachments on the reservation. Permanent establishments of this character have been established at Camp Lee, Va.; the Reno Quartermaster Depot, Okla.; and at Alcatraz Island, Calif. One of the sites occupied temporarily by the Department of Justice is the Army disciplinary barracks at Fort Leavenworth, Kans. This facility is at the present time seriously needed by the War Department for its own use, as I learned when visiting this post during the past year.

The Department of Agriculture has been granted various privileges in connection with the construction of public roads, which in most instances is entirely justifiable. However, the Department conducts an experimental station on land belonging to Chapman Field, Fla., where there is danger of

seriously handicapping the activities of Chapman Field, especially should there be any further encroachment on the property of the reservation. However, there appears to be no desire on the part of the Department of Agriculture to permit a transference or sale of any part of its experimental farm to the Washington Airport in order to assure the safety of that necessary airport facility for the city of Washington.

So likewise the Department of Commerce has been granted numerous sites for the erection of lighthouses. In the same way other departments have made demands upon the War Department for various uses of Army property, sometimes at a saving of unnecessary expense to the Government generally, but more often at an added cost to the Government, which added burden is directly charged against the War Department and not against the Department which receives the benefit. Frequently these demands are made upon the War Department without any regard to the military needs that may be involved. As an illustration of this I need only mention the recent demand for the transference of Battery Cove Reservation, Alexandria, Va., in order that a public park might have been established for the city of Alexandria. A great amount of pressure was brought to bear upon the War Department immediately after the Department had cleaned up and improved the property for use as a radio receiving station. Though this station was vital to the War Department communication system, this fact did not in any way relieve the insistent pressure of this unwarranted demand. The fact that it would have been necessary for the War Department to replace this facility by procurement of a new site at considerable expense to the Department and the cost of constructing new facilities for radio operations had no effect on those making the demand for the park.

Speaking of parks calls to mind a bill introduced in the present Congress authorizing the lease of an "unused portion, useless for military purposes, of Fort Hancock Military Reservation to the State of New Jersey for public-park purposes." For 6 years similar attempts have been made to take over a part of this reservation, although there does not exist any unused portion of the reservation useless for military purposes. The mere fact that this reservation happens to be one of the vital defenses in one of the most important areas of the United States seems to constitute no argument against the proposed legislation.

However, this legislation cannot compare with a bill now pending before the House and which would transfer to the Department of the Interior an entire military reservation actively occupied by Army forces. This in spite of the fact that the War Department has generously approved the transference of historical sites and monuments at such stations as Fort Rosecrans, Calif.; Fort Pulaski, Ga.; Camp Lee, Va.; Front Royal Quartermaster Depot, Va.; Fort Belvoir, Va.; and Fort Wood, New York Harbor. The reservation to which I referred above is the San Juan Military Reservation in Puerto Rico. The bill, H. R. 7487, would transfer this entire reservation over to the Department of the Interior to make a national monument of it. This reservation has been occupied by military forces for four centuries, and what more adequate means of maintaining it as a national monument in keeping with its past history could there be than to have it occupied by troops in active service, just as it has always been, rather than inhabited by uniformed guides to point out rusty sabers and ancient cutlasses hanging on the walls of the empty barracks used as museums solely. In place of the Stars and Stripes we would find the walls adorned with ragged pirate banners displaying the ancient skull and crossbones.

Just in passing, the cost of all improvements existing at the present time on this reservation is $3,626,386.72, of which $865,000 has been expended within the past 10 years for new construction and renovation. The land value of this reservation has been variously estimated from three to nine millions of dollars. The site is healthful and of strategic value and is impossible of duplication, regardless of the amount of money that might be expended in such an effort. The fact that the War Department maintains the post in excellent manner and also provides soldier guides for the benefit of the tourists visiting the reservation, tourists who are delighted to see an active military post four centuries old, and the fact that an unnecessary expenditure of money would ensue in the effort to replace this post did not seem to be facts of sufficient moment to be called to the attention of the committee when the bill was being considered.

In conclusion, I would also remind the Members of the House that frequently when such requests as these are made upon the War Department asking its consent to the transference of a military reservation or a portion thereof, it may be exceedingly embarrassing for the Department to interpose an objection, regardless of the degree to which the Department may object. The Congress should keep that thought in mind; and, although the request for an invasion of the rights and encroachment upon the properties of one department of the Government by another may apparently meet with the approval of the Department, that approval may have been granted to avoid embarrassment or because no other course was available. We should not permit this practice to continue but should insist upon each department looking to its own resources for its activities rather than attempting to invade the possessions of another department.

The pro-forma amendment was withdrawn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL CIRCUIT JUDGE FOR THE SIXTH JUDICIAL CIRCUIT

The Clerk called the next bill, H. R. 6907, to provide for the appointment of one additional circuit judge for the sixth judicial circuit.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, it is rather unusual to report these bills out of the Judiciary Committee authorizing the appointment of new judges without a recommendation from the Judicial Council. I notice this bill does not carry with it a report from the Judicial Council, and for that reason I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PUBLIC PARK AND RECREATIONAL SITE IN THE STATE OF MONTANA

The Clerk called the next bill, S. 1216, authorizing the Secretary of the Interior to convey certain land to the State of Montana to be used for the purposes of a public park and recreational site.

Mr. LAMBERTSON and Mr. RICH rose.

Mr. LAMBERTSON. I object, Mr. Speaker.

Mr. O'CONNOR of Montana. Will the gentleman withhold his objection a moment?

Mr. LAMBERTSON. I withhold it, Mr. Speaker.

Mr. O'CONNOR on Montana. Mr. Speaker, this bill simply provides for the turning over of 1,500 acres of land to the State of Montana for the purpose of a public park and recreational site, where there is a cave. I am not much of a cave man and do not know much about caves, but this is supposed to be one of the largest caves in the United States.

The United States Government has made no appropriation to take care of this territory, but the State of Montana has, and the State of Montana has also assumed the obligation of looking after it and I am pleading with the gentleman to withdraw his objection, because this is a very great attraction to the State of Montana.

Mr. LAMBERTSON. The gentleman does not mean to tell me that he is asking the Government to give something so that the State of Montana may maintain it and take it away from the Government of the United States.

Mr. O'CONNOR of Montana. For park purposes, and if the State within 5 years does not improve it and take care of it for park purposes the land reverts to the United States. This is a very meritorious bill and I ask my distinguished colleague to withdraw his objection.

Mr. LAMBERTSON. And the gentleman will not ask the Government to make an appropriation for this purpose?

Mr. O'CONNOR of Montana. Oh, no. We are simply asking to be allowed to take care of it.

Mr. LAMBERTSON. If that is all, I withdraw my objection.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman assure the Congress that if the United States gives the State of Montana this land he will not in future years, when his State finds it is not able to take care of it, come back here and ask the Government for an appropriation?

Mr. O'CONNOR of Montana. I can absolutely assure the gentleman about that, because the State of Montana wants to take care of this property. It brings thousands of tourists from all over the United States into the State.

Mr. RICH. And the gentleman is not going to ask for any appropriation?

Mr. O'CONNOR of Montana. No.

Mr. RICH. And the gentleman's colleague is not going to do so?

Mr. O'CONNOR of Montana. Oh, no.

Mr. LAMBERTSON. Then, I understand, Montana wants this as a matter of revenue?

Mr. O'CONNOR of Montana. Montana wants it to build up a park.

Mr. LAMBERTSON. Perhaps, we had better keep it and get the revenue for the Government.

Mr. O'CONNOR of Montana. The State is taking care of it and the Federal Government has made no provision for it whatever.

Mr. RICH. Reserving the right to object further, Mr. Speaker, would the gentleman like to take over all the Government lands in Montana?

Mr. O'CONNOR of Montana. Not at this time.

Mr. RICH. I think, perhaps, that would be the wise thing to do.

Mr. O'CONNOR of Montana. That might be a good thing to do sometime but that is not involved in this bill, and I am very grateful to the gentlemen for withdrawing their objections.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the State of Montana, upon the conditions and limitations hereinafter expressed, the following-described land of the United States in the State of Montana, to be held and used by such State for the purposes of a State public park and recreational site:

MONTANA PRINCIPAL MERIDIAN

Township 1 north, range 2 west, section 7, west half; section 8, south half southwest quarter and southwest quarter southeast quarter; section 17, lots 1, 2, 10, 11, and 12, and north half northwest quarter; section 18, northeast quarter northeast quarter, northwest quarter, northeast quarter southwest quarter, lot 3 or northwest quarter southwest quarter, and north half southeast quarter; section 20, northwest quarter northeast quarter northeast quarter and northwest quarter northeast quarter.

Township 1 north, range 3 west, section 12, southeast quarter northeast quarter and east half southeast quarter (lots 7 and 12); section 13, east half northeast quarter (lots 1 and 4), and northwest quarter northeast quarter (lot 2).

In the event the State shall fail to devote such lands to the purposes of a State public park and recreational site within 5 years after the date of enactment of this act, or fail to maintain such land as a public park and recreational site for any period of 5 consecutive years subsequent to its devotion to such use, or devote such lands or any part thereof to another use, such land and all improvements thereon shall revert to the United States; and in such event the Secretary of the Interior is hereby authorized and empowered to declare such a forfeiture of the grant, and to assume jurisdiction of lot 12, section 17, township 1 north, range 2 west, for national-monument purposes under the act of June 8, 1906 (34 Stat. 225). Any patent issued hereunder shall contain a reservation to the United States of all mineral deposits in the land patented: *Provided*, That such minerals so reserved shall be prospected for, mined, and removed only in accordance with regulations to be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SNOQUALMIE NATIONAL FOREST

The Clerk called the bill (S. 1696) to authorize the revision of the boundaries of the Snoqualmie National Forest in the State of Washington.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. I want the gentleman interested in this bill to explain it.

Mr. HILL of Washington. Mr. Speaker, the land that is in question goes up through the national forest, making the boundary line of the forest reserve a good deal longer than is necessary. They want this out of there so that the national boundary would be less and they will not have so much fire protection to cover.

Mr. RICH. What does the gentleman mean by that? Does the gentleman want to give the land back to the National Government?

Mr. HILL of Washington. Yes. It will be within the national forest.

Mr. RICH. But we do not want it to be in the possession of the Federal Government. Your State should own it.

Mr. HILL of Washington. This might be a valid contention if it was not almost surrounded by Federal Government land.

Mr. RICH. We do not want the National Government to own the land. We want the gentleman's State to own it. The gentleman and others have been complaining about the Government owning so much of the land in their States, and that they have not an opportunity to take care of it, that they do not have the taxes on it, and now the gentleman wants us to take the land back. You are turning a back flipper on the ownership of lands. Mr. Speaker, I object.

Mr. HILL of Washington. I ask the gentleman to reserve his objection. These pieces of land run up like a triangle into the national forest, and it causes a great deal more boundary for the Forest Service to patrol. It will take in only a small area of land. Both of the departments are for it, and it will be a smaller boundary for the National Forest Department to cover.

Mr. RICH. Does the Committee on Public Lands favor this bill?

Mr. HILL of Washington. Yes.

Mr. RICH. Unanimously?

Mr. HILL of Washington. Yes; and so does the Agricultural Department.

Mr. RICH. Does the Forestry Bureau want this bill to go through?

Mr. HILL of Washington. Yes; both of the departments—Agriculture and Interior—are for it.

Mr. RICH. Mr. Speaker, I withdraw my objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, subject to any valid existing claim or entry, all lands of the United States within the areas hereafter described are hereby added to and made part of the Snoqualmie National Forest, State of Washington, to be hereafter administered under the laws and regulations relating to the national forests; and the provisions of the act approved March 20, 1922 (42 Stat. 465), as amended, are hereby extended and made applicable to all other lands within said described areas:

T. 21 N., R. 7 E., secs. 1, 12, 13, 24, 25, and 36; all of T. 21 N., R. 8 E.; T. 20 N., R. 7 E., secs. 1 and 12; T. 20 N., R. 8 E., secs. 1 to 18, inclusive, and secs. 20 to 24, inclusive; T. 20 N., R. 9 E., secs. 7 to 15, inclusive; T. 20 N., R. 10 E., secs. 7, 13, 17 to 24, inclusive, 27, 28, and 29; T. 20 N., R. 11 E., secs. 17, 18, and 19.

Also lands not now within the national forest within the following townships:

T. 27 N., R. 10 E.; T. 26 N., R. 10 E.; T. 26 N., R. 11 E.; T. 26 N., R. 12 E.

Part of T. 27 N., R. 9 E., including those portions of the following sections not now within the national forest:

Secs. 10, 11, 12, 13, 14, 15, 22, north half 23, and north half 24.

All Willamette base and meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT DONELSON NATIONAL MILITARY PARK

The Clerk called the bill (S. 2026) to provide for the addition of certain lands to the Fort Donelson National Military Park, in the State of Tennessee, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. LAMBERTSON. Mr. Speaker, I object.

CHOPAWAMSIC RECREATIONAL DEMONSTRATION PROJECT

The Clerk called the bill (H. R. 6351) to provide for the operation of the recreational facilities within the Chopawamsic recreational demonstration project, near Dumfries, Va., by the Secretary of the Interior, through the National Park Service, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I notice that this provides for whatever authorization may be necessary for the purposes of carrying out the provisions of this act. I think that is bad legislation, inasmuch as we do not put any ceiling on the amount required. I may have no objection to the merits of the bill, but until we know how much money is involved I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

GRAND CANYON NATIONAL MONUMENT

The Clerk called the bill (H. R. 7264) to revise the boundary of the Grand Canyon National Park in the State of Arizona, to abolish the Grand Canyon National Monument, to restore certain lands to the public domain, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

USE OF NATIONAL PARKS FOR ELEMENTARY-SCHOOL PURPOSES

The Clerk called the bill (H. R. 7825) to authorize the use of certain facilities of national parks and national monuments for elementary-school purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

ISLE ROYALE NATIONAL PARK

The Clerk called the bill (H. R. 7826) to make available for national-park purposes certain lands within the boundaries of the proposed Isle Royale National Park, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. LAMBERTSON. Mr. Speaker, I object.

POST-OFFICE LEASE AT GROVER, N. C.

The Clerk called the bill (H. R. 4402) to continue in effect a certain lease for the quarters of the post-office at Grover, N. C., and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I would like to have the bill explained.

Mr. ROMJUE. Mr. Speaker, the owner of this building entered into a 10-year contract with the Government for the leasing of the building for the use of a post office. During the period of the depression some of the mills closed down at this place, and that dropped the post-office receipts down until it reduced a third-class post office to a fourth-class post office. Quarters for fourth-class post offices are paid for by the postmaster himself on the basis of 15 percent out of his compensation. Of course, the office going back to fourth class, he still occupied it under the contract and is still occupying it under the contract. In the meantime, before the expiration of the contract business picked up and the office then again rose from fourth class to the third class, that it was when originally contracted for. Meantime, while it was back in the fourth class, the postmaster did like all other fourth-class postmasters—he paid 15 percent on it. The Post Office Department could not do anything more than that under the circumstances, because it had dropped back, although they have been occupying the building all the time under the contract, which provided for $416 per year, and are still occupying it under the contract. Payments of 15 percent that have been made by the fourth-class postmaster are to be applied on the contract.

Mr. RICH. You want to pay this man in full for the use of this building.

Where are you going to get the money?

Mr. ROMJUE. That is exactly right. He should be paid the amount the contract provided for, and the Government desires to do so in full less the amount of 15 percent referred to which the owner has received.

Mr. RICH. Has this post office gone back to a third-class office?

Mr. ROMJUE. That is right.

Mr. RICH. Does the Post Office Department recommend that this be paid?

Mr. ROMJUE. They certainly do.

Mr. RICH. Can you tell me how the Post Office Department is going to balance its budget when they get through paying all of these accounts?

Mr. ROMJUE. I could not undertake to explain that, except to say the Government agreed to pay according to its contract and desires to do so and only wants authority needed by reason of the classification shift.

Mr. RICH. You know Mr. Farley is running that now, and he is running it into the red $88,000,000 a year. If you can tell me how you are going to get rid of 3-cent postage while Mr. Farley runs the Post Office Department, I would like to hear it. If you did not have the income from the 3-cent postage, you would be $180,000,000 in the red. How will you ever get rid of the 3-cent postage under such management, under such enormous increases in the operation of the Post Office Department?

Mr. ROMJUE. The Post Office Department, from a financial standpoint, is being run in a more economical manner than it has ever been run in the history of this country—certainly much more so than has happened in the last 75 years. This case before us presents simply a case of the Government agreeing to pay $416 per year for the use of a building. This agreement was entered into by a written contract. The Government used this building from the date of the execution of the contract down to the present time, and is still occupying it; and if the post office had not shifted from third class to fourth class, the Government would already have authority under the law to have carried that out; but when the class of the post office shifted, the present law provides that the postmaster shall pay out of his own compensation 15 percent, which he has done. Nevertheless, the owner of the building had a written contract with the Government, and the Government wants the authority to lawfully carry it out, notwithstanding the change of classification, but the Government will not be out a single penny more than it agreed to pay and will not pay a single penny more than it desires to pay. Notwithstanding what the gentleman says about Mr. Farley, so far as I am able to learn from the records, the Post Office Department is being more economically run than it has ever been before under any Postmaster General, either Democrat or Republican.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the lease for the quarters of the post office at Grover, N. C., pursuant to which rent was paid prior to the relegation, on July 1, 1934, of such post office to a post office of the fourth class, shall not be held or considered to have terminated or to terminate by reason of the provisions of the act of May 24, 1928, entitled "An act granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes" (U. S. C., 1934 edition, title 39, sec. 60a), but beginning as of July 1, 1934, rent for such quarters shall be paid in accordance with the terms of such lease.

With the following committee amendment:

Page 2, line 3, after the word "lease", insert the following: ", out of the unexpended balances of the appropriation for the fiscal year ending June 30, 1937, for rent, light, and fuel for post offices of the first, second, and third classes, after deducting from the amount of such rent payable any amounts that may have been paid by the

postmaster to the owner of the building for the period that the office was in the fourth class."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT OF CERTAIN ENLISTED MEN OF THE NAVY

The Clerk called the next bill, S. 2647, to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency-relief expeditions during the Ohio Valley flood in January and February 1937.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $545.75, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the word "exceed", strike out "$545.75" and insert "$667.80"

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THREE HUNDREDTH ANNIVERSARY OF FIRST SETTLEMENT IN THE DELAWARE RIVER VALLEY

The Clerk called the next business, Senate Joint Resolution 135, to amend public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes."

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate joint resolution?

Mr. ALLEN of Delaware. I object.

Mr. RICH. Reserving the right to object——

The SPEAKER pro tempore. The Chair has already heard objection.

Mr. RICH. But you are too fast. You have to give us a little time. You are spending Government money, Mr. Speaker. We want to take care of the Treasury.

The SPEAKER pro tempore. The Chair heard objection to the bill. The Clerk will report the next bill.

PER-CAPITA PAYMENTS TO SEMINOLE INDIANS

The Clerk called the next bill, H. R. 6828, providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, let us have some information about this bill. What does this bill provide?

Mr. BOREN. This bill provides for the payment to each individual Indian of the Seminole Tribe from their own funds which the Treasury has on deposit to their credit, that is, an allocation of their funds to them individually.

Mr. RICH. How much do they have in their fund?

Mr. BOREN. They have $152,000, and this calls for the allocation of $108,000, or approximately that amount, the balance to be kept in escrow for school purposes.

Mr. RICH. This tribe has $150,000 and this bill calls for $108,000. You want to take it out of their funds and turn it over to them as individuals?

Mr. BOREN. That is right.

Mr. RICH. And when you get through they will only have $42,000 left, and then you will come in here next year and want the Federal Government to make an appropriation to carry these Indians along after they squander their own money, as it were.

Mr. BOREN. The gentleman is presuming too much.

Mr. RICH. We have a Bureau of Indian Affairs to look after the Indians.

Mr. BOREN. Yes. The Republicans set it up about 50 years ago and we have been burdened with it ever since.

Mr. RICH. But if you did not have this set-up here, you would let the Indians spend everything they have, and then we would have to take care of them all the time. Mr. Speaker, I will have to object unless this is approved by the Bureau of Indian Affairs.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield to me for just a minute?

Mr. RICH. I yield.

Mr. NICHOLS. The gentleman surely would not object to this. These are funds which belong to these Indians themselves.

Mr. COCHRAN. The Bureau of the Budget approves this bill.

Mr. NICHOLS. This is not costing the Government anything. The gentleman is entirely wrong when he says the Government will have to support these Indians.

Mr. RICH. Has the Bureau of Indian Affairs approved the bill?

Mr. NICHOLS. I do not know whether they have or not, but this money belongs to these Indians themselves.

Mr. RICH. I appreciate that, but we have been looking after the Indians right along in the Interior Department bill and if we permit them to spend their money because Members of Congress want to give it to them we will soon empty the Treasury. If they are to be looked after, let us do our duty.

Mr. NICHOLS. The gentleman from Pennsylvania is in error if he thinks Congress ever appropriates any money to the Indians; we do not do it.

Mr. RICH. What about the $33,000,000 that was carried in the last appropriation bill for the Department of the Interior, Bureau of Indian Affairs?

Mr. NICHOLS. That was for administrative expenses, that is all.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, the Department of the Interior has no objection to this bill, the Bureau of the Budget has no objection to it.

Mr. RICH. I asked if those departments had objections but my question went unanswered. If the Department of the Interior has no objection then I shall not object to it, although I think it is a bill that may do more harm than it will do good.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2263) be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to pay to the enrolled members of the Seminole Tribe of Indians of Oklahoma entitled under existing law to share in the funds of said tribe, or to their lawful heirs, out of any money belonging to said tribe in the United States Treasury or deposited in any bank or held by an official under the jurisdiction of the Secretary of the Interior, not to exceed $35 per capita: *Provided*, That said payment shall be made under such rules and regulations as the Secretary of the Interior may prescribe: *Provided further*, That in cases where such enrolled members or their heirs are Indians who belong to the restricted

class, the Secretary of the Interior may, in his discretion, withhold such payments and use the same for the benefit of such restricted Indians: *Provided further*, That the money paid to the enrolled members or their heirs as provided herein shall be exempt from any lien for attorneys' fees or other debt contracted prior to the passage of this act: *And provided further*, That the Secretary of the Interior is hereby authorized to use not to exceed $2,000 out of said Seminole tribal funds for the payment of salaries of necessary employees and other expenses for the distribution of said per-capita payments.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 2, line 1, after the colon, strike out the rest of line 1 and all of lines 2, 3, 4, and all of line 5 to and including the colon.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a House bill (H. R. 6828) were laid on the table.

ARROWROCK DAM

The Clerk called the next bill, H. R. 7567, to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TABER and Mr. LAMBERTSON objected.

Mr. WHITE of Idaho. Mr. Speaker, will not the gentlemen withdraw their objection?

Mr. LAMBERTSON. Mr. Speaker, I withhold my objection to permit the gentleman to make a statement.

Mr. WHITE of Idaho. I may say to the gentleman from Kansas that the great Arrowrock Dam supplies water for the irrigation districts of Boise Valley. It was in a poor state of repair. It took $600,000 to make the repairs. It was assumed by the Bureau of Reclamation that the charge for this improvement could be spread out over a period of years, but the Solicitor of the Department of Agriculture ruled that it must be paid as one annual charge, and it places an extremely heavy burden on both the water users and will embarrass the Department to enforce such a ruling. We ask, therefore, that the payment may be spread over 20 years.

Mr. LAMBERTSON. But what does the word "enlargement" mean in the bill?

Mr. WHITE of Idaho. It has been enlarged.

Mr. LAMBERTSON. This is not a new enlargement?

Mr. WHITE of Idaho. No; the work has been done. The structure was faulty, the concrete was poor. It had to be repaired and it cost $600,000.

Mr. LAMBERTSON. I beg the gentleman's pardon, but the bill reads, "Repair, resurfacing, improvement, and enlargement."

Mr. WHITE of Idaho. I think they raised it 5 feet to provide additional water storage sorely needed by the districts.

Mr. LAMBERTSON. How many more hundred acre-feet of water did it add to the capacity of the dam?

Mr. WHITE of Idaho. They are short of water now. It did not add any new acres of land.

Mr. LAMBERTSON. Is this reclamation money?

Mr. WHITE of Idaho. It is a terrible burden to thrust $600,000 on the shoulders of these people to be paid in 1 year in addition to taxes and other maintenance cost when it could just as well be spread out into 20 payments.

Mr. GREEVER. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Idaho. I yield.

Mr. GREEVER. As a matter of fact, this merely provides an orderly method of repaying the reclamation fund.

Mr. WHITE of Idaho. The gentleman is correct.

Mr. LAMBERTSON. Then there is no enlargement contemplated?

Mr. GREEVER. The enlarging has already been made.

Mr. LAMBERTSON. The gentleman assures me there is to be no further enlargement.

Mr. WHITE of Idaho. There is no enlargement to be made; no new ground to be irrigated.

Mr. RICH. Mr. Speaker, reserving the right to object, why was not this item included in the Department of the Interior appropriation bill under the Bureau of Irrigation and Reclamation?

Mr. WHITE of Idaho. It did not appear because the money has been appropriated and is being spent. It is a repayment proposition and the question is whether they will have to pay this $600,000 as one payment or whether we will let them pay it over 20 years.

Mr. RICH. Mr. Speaker, I object.

COOPERATION WITH SCHOOL BOARD AT WORLEY, KOOTENAI, IDAHO

The Clerk called the next bill, H. R. 6701, to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BARDEN. Mr. Speaker, reserving the right to object, in order to ask the gentleman from Idaho (Mr. WHITE) for a little explanation of this bill.

Mr. WHITE of Idaho. Mr. Speaker, this bill has to do with Indian children attending Indian schools, where they have no method of financing the construction of a building. About 47 percent of the land in this district is nontaxable due to the ownership of Indians under trust patents, and the land is tenanted by leasers who have children to educate. Besides providing school facilities for the children of Indians the district must provide for the children on this nontaxable land. As the district has an outstanding bond issue and 47 percent of the land is nontaxable, it is unable to finance the construction of a new school building.

Mr. BARDEN. There is $30,000 appropriated here for only 19 Indian children.

Mr. WHITE of Idaho. I have a letter here from the Indian agency which states that in addition to the 19 Indian children there are 15 to 25 Indian children of high-school age who may be expected next year.

This building is a firetrap and a menace to the children. These people are absolutely unable to finance the building of a school building. They have appealed to Mr. Ickes. They have appealed to the W. P. A. The land is owned by the Federal Government and is nontaxable, and it is inhabited by Indian lessees.

Mr. BARDEN. Is this needed to furnish necessary facilities to take care of those school children?

Mr. WHITE of Idaho. Yes.

Mr. BARDEN. And the property owners in that section are not numerous enough to take care of it?

Mr. WHITE of Idaho. That is right.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill S. 2862 may be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $101,000 for the purpose of cooperating with the public-school board of district no. 57, Kootenai County, Idaho, for the construction and equipment of a public-school building at Worley, Idaho: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by said school district in the said building shall be available to all Indian children of the town of Worley and county of Kootenai, Idaho, on the same terms, except as to payment of tuition, as other school children of said districts: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 1, line 5, strike out "$101,000" and insert in lieu thereof "$30,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6701) was laid on the table.

RELIEF TO WATER USERS ON UNITED STATES RECLAMATION AND INDIAN IRRIGATION PROJECTS

The Clerk called the next bill, H. R. 5853, to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects.

Mr. GREEVER. Mr. Speaker, I ask unanimous consent that this bill, H. R. 5853, be laid on the table, because a similar Senate bill has already been passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

AMENDMENT OF ACT RELATING TO ADMITTANCE TO THE UNION OF THE STATE OF WYOMING

The Clerk called the next bill, H. R. 7867, to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the act approved July 10, 1890 (26 Stat., ch. 664), relating to the admission of the Territory of Wyoming into the Union, be, and the same is hereby, amended by inserting the word "five" in place of the word "ten" in the last line thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIVISION OF FUNDS OF CHIPPEWA INDIANS (MINNESOTA)

The Clerk called the next bill, H. R. 4544, to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the remainder of the Chippewa Indians of Minnesota, organized as the Minnesota Chippewa Tribe.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SERGEANT INSTRUCTORS, NATIONAL GUARD

The Clerk called the next bill, S. 2401, for the relief of sergeant-instructors, National Guard, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, will someone explain this bill?

Mr. SMITH of Connecticut. Mr. Speaker, about 14 years ago a practice was adopted of allowing rental allowances up to $35 a month for sergeant instructors of the National Guard. These are Regular Army sergeants who are assigned to duty as instructors with the National Guard and, therefore, are usually away from the Army posts. A practice grew up which was not in strict accordance with the law under which these allowances were made, in some cases fraudulently and in other cases, according to the War Department and the Comptroller General, innocently. This caused the Comptroller General, when the practices were discovered, to reject all the payments which had been made for these rental allowances, including amounts which were properly due and any surplus which had been paid back to the sergeant instructor, either for the furnishing of light and heat, or, in some cases, fraudulently paid back. In each case at least a portion of the rental should have been paid.

The position of the War Department is that the men who were guilty of fraud may be prosecuted, and, as a matter of fact, they are being prosecuted. Each one of these cases has been gone into individually. There were some 950 in 46 of the 48 States.

It is obvious from the widespread incidence of this practice which grew up that it was considered to be in accordance with the law. In each case when the Comptroller General disallowed the payments he charged back the property and disbursing officer for the amount involved, and also the soldier himself was held responsible for the full amount. The War Department is going ahead collecting from these men any payments which were fraudulently made. They are also taking disciplinary action in those cases where fraud is involved. But there is an amount of about $300,000 altogether which the War Department considers has been paid out for services actually received by the Government, and it thinks this amount ought to be allowed in the accounts of its property and disbursing officers and these sergeant-instructors. The Comptroller General's office agrees.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That payments heretofore made on account of rental of quarters for enlisted men of the Army on duty with the National Guard and authorized by law to be furnished with quarters at Government expense, and payments heretofore made to said enlisted men of monetary allowances in lieu of rations which now stand disallowed, or would hereafter be disallowed but for this act, on the ground of their relation to or connection with the aforesaid rental payments or transactions, are hereby ratified and validated as to the disbursing officers making the same, and the Comptroller General of the United States is hereby directed to allow credit in the accounts of said disbursing officers for and on account of all such payments: *Provided*, That such payments on account of rental of quarters for each enlisted man were not in excess of $35 per month, the maximum rate authorized by law to be paid for rental of such quarters.

SEC. 2. Payments described in the first section hereof shall be, and the same are hereby, ratified and validated as to the military personnel concerned, in such amounts as are approved by the Secretary of War, whose determinations shall be final and conclusive: *Provided*, That nothing herein shall be construed to prevent the collection from military personnel concerned of any amount determined by the Secretary of War to be due to the United States.

SEC. 3. Any amounts collected from any person to reimburse the United States on account of payments which are herein validated shall be refunded to said person upon presentation of a claim, approved by the Secretary of War, to the Comptroller General who is authorized and directed to certify the same to the Congress for an appropriation to pay therefor.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENTS TO THE AMERICAN WAR MOTHERS, INC., ET AL.

The Clerk called the next bill, S. 1516, to authorize certain payments to the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to set aside as a special fund in the Treasury the sum of $294,852.97, representing the unexpended balance of the sum transferred from the funds "Stars and Stripes" and "Other funds" by the act of March 4, 1933 (47 Stat. 1573), to the fund entitled "Recreation fund, Army", which latter fund was covered into the surplus fund of the Treasury by the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1229).

SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to divide said special fund into three as nearly equal parts as is possible and to pay one such part to each of the following organizations: The American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.

SEC. 3. Each such corporation shall use the funds so received to aid and assist disabled, destitute, or unemployed veterans, and/or their dependents; and shall make a full and complete report to the Congress not later than the 1st day of January of each year of the amount so expended during the preceding fiscal year.

With the following committee amendment:

Page 2, beginning in line 3, strike out all of section 2, and at the end of line 11 insert the following:

"SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to divide said special fund into six as nearly

equal parts as is possible and to pay one such part to each of the following organizations: The American Gold Star Mothers of the World War and the American War Mothers, Inc.; and two such parts to each of the following: The Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc."

NATIONAL ANIMAL THEFT ACT

The Clerk called the next bill, S. 1375, to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes.

Mr. CELLER. Mr. Speaker, reserving the right to object, I should like to ask our distinguished friend, the gentleman from Arkansas [Mr. MILLER], a question concerning the bill. I understand the bill has been amended to provide that the Attorney General shall have jurisdiction to prosecute cases of transporting stolen fowl across State lines. Will this have a tendency unduly to harass the Attorney General's office because of small, picayune cases of chicken stealing?

Mr. MILLER. I do not believe so. The demand for the enactment of this bill arises from the operations in the West, in the South, and in all livestock-producing areas, of organized bands which literally clean out a rancher or farmer in one night's operations, and then are gone across State lines. The purpose of the bill is simply to coordinate the operations of Federal officers with those of the State officers.

Mr. CELLER. Therefore any fear the Attorney General might express is more or less unjustified?

Mr. MILLER. I do not believe the Attorney General has any reasonable ground for believing his Department will be at all overworked because of this bill.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I may say to the gentleman from Arkansas that I have great admiration and respect for him and hope he will be promoted to the Senate, but I am very fearful about this bill. It seems to me by this bill you put our courts into the position of handling petty police court cases in many sections of the country. I realize, of course, that there may be some problem out in the West about which I know nothing. However, I hope the gentleman will let this bill be passed over, because if he does not, I am going to be forced to object.

Mr. CELLER. I do not mean to object, but only want some information.

Mr. MILLER. May I say to the gentleman from Georgia that I appreciate what he has said. The demand for the enactment of this bill comes, as I have stated, from practically every community engaged in stock and poultry raising on a large scale. The gentleman can have no idea of this problem unless he has made an investigation of the extent of the operations of organized thieves and their associates.

Mr. HILL of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Oklahoma.

Mr. HILL of Oklahoma. May I say to those who may think they want to object that frequently these thieves go onto a poultry farm, steal $2,000 or $3,000 worth of poultry, and carry them into another State. This amount is two or three times the value of an automobile, for the theft of which we can now prosecute. It is also equal to the value of several hundred gallons of liquor, for the theft of which we can also prosecute. There are also involved cases where the thieves steal horses and cattle worth thousands of dollars and carry them across border lines. The Department of Justice has sufficient thoroughly capable manpower to take care of this problem. There might be one little theft involved, but there are going to be a lot of big thefts which this bill will take care of, and such thefts are much more important to a farming community than the loss of an automobile.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. I may say that the subcommittee of the Judiciary Committee which considered this bill, headed by the distinguished gentleman from Arkansas [Mr. MILLER], who has just made a statement on the bill, considered every objection which has been raised by the gentleman from Georgia, and still felt that under all the circumstances it was justified in recommending this bill for passage, for the reason that the evil is so great and cannot be met in any other way. Therefore unless this bill is passed a great deal of harm and hardship is going to be caused, for which there will be no remedy. There is a great demand throughout the country for this legislation. We believe the method provided in this bill is the only one by which this evil can be properly controlled.

Mr. RAMSPECK. May I call the attention of the gentleman to the fact that the Attorney General states that Federal jurisdiction now attaches where the value of the stolen property is $5,000.

Mr. McLAUGHLIN. The gentleman from Arkansas will explain this thoroughly, but the law to which the Attorney General refers is the National Stolen Property Act, in which it is provided that offenses involving the transportation across State lines of stolen goods, wares, and merchandise may be punished under that act. The Attorney General has not shown the committee that livestock are included within the generic term "goods, wares, and merchandise", and we are very fearful that they are not included in that term. We believe, further, that the law to which the Attorney General refers would hardly meet this situation for the reason that under that law it is necessary that the goods stolen aggregate in value the sum of $5,000, and in many cases the theft of livestock and poultry does not involve this large an amount of money. While we recognize the objection the gentleman has mentioned, that this could possibly impose upon the district attorneys of the country a large amount of business, we believe it is within the discretion of the district attorneys throughout the country to regulate that matter. We seriously believe this bill should pass for the protection of those who are greatly in need of the type of protection afforded by the bill.

Mr. RAMSPECK. Reserving the right to object, Mr. Speaker, I must object unless the gentleman is willing to ask that the bill be passed over without prejudice, because I cannot consent to the passage by unanimous consent of a measure which is going to make police courts out of the district courts of the United States unless the gentleman can give me some better evidence. I served 5 years as a deputy United States marshal in a district which was bordered by three other States. I know something about this problem of State lines. I am in sympathy with the problem the gentlemen have discussed here, but they are overlooking the problem in other States, where you are going to have thousands of cases in the United States district courts involving the theft of one chicken, thus cluttering up dockets which ought to be engaged in more important matters.

Mr. McLAUGHLIN. Will the gentleman yield for a question?

Mr. RAMSPECK. Yes.

Mr. McLAUGHLIN. As deputy United States attorney, did not the gentleman have the experience of exercising his judgment or discretion on the question as to whether or not he would undertake the prosecution of a particular case?

Mr. RAMSPECK. The gentleman misunderstood me. I was not a deputy United States attorney, but a deputy United States marshal helping to enforce the law.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. NICHOLS. I want to say to the gentleman that throughout the southwest at this very moment, and for 2 or 3 years past, the matter of stealing chickens, even though it seems small, has turned into a racket due to the great

growth of international trucking where trucks go through the country loaded and come back from a long haul empty. In many instances farmers are absolutely broke, because everything they have has been taken away from them in one night by the loading up of one of these trucks with their chickens and turkeys and other livestock. This is a much bigger matter than appears on the face of things and when you talk about stealing a chicken, it is really a racket now in the Southwest.

The regular order was demanded.

The SPEAKER pro tempore. Is there objections to the present consideration of the bill?

Mr. RAMSPECK. Mr. Speaker, under the circumstances, I shall have to object.

PALM SPRINGS RESERVATION, CALIF.

The Clerk called the next bill, H. R. 8026, to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes.

The Clerk read the title of the bill.

Mr. SHEPPARD and Mr. LAMBERTSON rose.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2888) may be considered in lieu of the House bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That with the consent of a majority of the adult members of the Agua Caliente or Palm Springs Band of Indians, the Secretary of the Interior be, and he is hereby, authorized in his discretion to lease or sell, under such rules and regulations as he may prescribe, to the Board of Supervisors, Riverside County, Calif., for a public airport and other uses and purposes incidental or appurtenant thereto, all or part of section 18, township 4 south, range 5 east, San Bernardino meridian, California; such lease may be assigned with the consent of the Secretary of the Interior to the city of Palm Springs if and when said city is incorporated.

SEC. 2. Any lease executed pursuant to authority contained in this act shall be for a period of time not to exceed 25 years and may be renewable in the discretion of the Secretary of the Interior upon such terms and for such a period of time as he may prescribe. The renewal period, however, shall not exceed the term of the original lease. The proceeds derived from the leasing of said lands shall be distributed in per-capita payments to the properly enrolled members of the band having rights on the reservation.

SEC. 3. In the event the land is sold as herein authorized, the proceeds from such sale shall be deposited in the Treasury of the United States to the credit of the Agua Caliente or Palm Springs Band of Indians and shall draw interest at the rate of 4 percent per annum which interest shall be distributed in per-capita payments to properly enrolled members of the band.

Mr. LAMBERTSON. Mr. Speaker, I move to strike out the last word to have an explanation of what other purposes than an airport are considered.

Mr. SHEPPARD. It is simply for the purpose of establishing the airport and letting the people who are leasing the property expand on the property in the construction of hangars, gasoline equipment, and so forth, without any cost to the Government.

Mr. LAMBERTSON. The bill says for an airport and for other purposes.

Mr. SHEPPARD. That is the language of the bill, but I have explained the only purpose for which it is to be used.

The pro-forma amendment was withdrawn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The House bill (H. R. 8026) was laid on the table.

WATER STORAGE IN ARID AND SEMIARID AREAS

The Clerk called the next bill, H. R. 7697, to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this is a long, complicated bill providing for operations that are to be financed by such appropriations as Congress may from time to time determine to be necessary. It is a bill which contemplates wide and diverse projects and for that reason I ask unanimous consent that the bill may go over without prejudice.

Mr. JONES. Mr. Speaker, will the gentleman yield before doing that?

Mr. WOLCOTT. I yield.

Mr. JONES. The purpose is to have a basic act for the small individual ponds and lakes for the conservation of the water where it falls in the drought and semiarid areas and in the Great Plains area of the United States. The entire Great Plains region from Texas to Idaho and to Canada is interested and it is really not a complicated matter. The language is broad enough to include that kind of work and it is a matter of importance to have a basic act.

Mr. WOLCOTT. With all due respect to the gentleman's committee, which I think has done a pretty good job on this bill, it is controversial in many of its provisions, one of which is that although it does not bind the Government or provide authorizations, yet establishes the machinery by which authorizations will be asked in the future.

After all, this bill is on the Consent Calendar, and I might see fit to go along with the gentleman because I think there is need for this legislation, but we have a public duty here, as well as a private duty.

Mr. JONES. I understand that.

Mr. WOLCOTT. At least we like to discuss these bills before we pass them. We are embarking now upon a program, the extent of which we do not know, and I think we should at least have time enough under suspension, if not under a rule, to consider this bill. This is my only purpose in asking that it go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan that the bill be passed over without prejudice?

There was no objection.

EFFICIENCY OF THE COAST GUARD

The Clerk called the bill (H. R. 7486) to increase the efficiency of the Coast Guard.

The SPEAKER pro tempore. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object and ask for an explanation of the bill.

Mr. BLAND. Mr. Speaker, the purpose of the bill is to make provision that in the Coast Guard there shall be some weeding-out process of a few who are inefficient. Every safeguard is thrown around a man. It is not a plucking board whereby a man is promoted by selection, but it is to determine whether the man shall remain in the line of promotion.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EASTERN AND WESTERN CHEROKEES

The Clerk called Senate Joint Resolution 64, defining the jurisdiction of the Court of Claims, under the acts approved March 19, 1924 (43 Stat. 27), and April 25, 1932 (47 Stat. 137), and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. NICHOLS. Mr. Speaker, I reserve the right to object.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

Mr. NICHOLS. Mr. Speaker, I ask the gentleman from Missouri whether, if an amendment were proposed to this bill which would provide that all gratuities be charge against any judgments obtained under the bill, that would satisfy him?

Mr. COCHRAN. Mr. Speaker, I have an eight-page letter from the Comptroller General about the bill and I also have requested one from the Attorney General. It has not as yet reached me. The Comptroller General cites various paragraphs in the bill which I feel makes it objectionable. I do not think that one amendment alone would be sufficient. If the gentleman so desires I shall put the letter in the RECORD and if those interested can draw a bill that will meet the

objections of the Comptroller General and the Attorney General, if he has any, I shall be willing to waive my opposition. Ten or twelve bills from the Indian Affairs Committee will pass today which shows that I have been fair in my opposition to Indian legislation, but when I get a report from the departments indicating that bills are drawn in such a way that the interest of the Government is not safeguarded, I am going to try to stop their passage. That is what I am doing in this instance.

Mr. NICHOLS. Then the gentleman would not agree to let the bill pass with this one amendment?

Mr. COCHRAN. I would not.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill go over without projudice.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point the letter I received from the Comptroller General upon this subject.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, May 4, 1937.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of April 20, 1937, which was acknowledged by letter of April 23, 1937, requesting a report on Senate Joint Resolution 64 (75th Cong., 1st sess.), entitled "Joint resolution defining the jurisdiction of the Court of Claims under the act aproved March 19, 1924 (43 Stat. 27), and April 25, 1932 (47 Stat. 137), and for other purposes." The resolution as passed by the Senate and reported to the House of Representatives by the Committee on Indian Affairs, April 2, 1937, provides as follows:

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the act approved March 19, 1924 (43 Stat. 27), and the act approved April 25, 1932 (47 Stat. 137), authorizing the Cherokee Indian Nation or Tribe and the Eastern or Emigrant Cherokees and the Western or Old Settler Cherokees, respectively, to sue the United States in the Court of Claims, are hereby construed and shall be deemed to authorize and direct the Court of Claims to hear, consider, and render judgment on the merits of the claims of said plaintiffs as heretofore filed in said court for alleged indebtedness, after the application of all payments in the manner provided in section 3 of the act approved April 25, 1932, aforesaid, and to give the said court full jurisdiction of the causes of action set forth in said petitions regardless of any alleged claim of previous adjudication in relation to the subject matter thereof; and to entitle the United States to be allowed and to receive full credit for all sums paid such Indians on account of any of such claims, including such gratuities only in money or property, if any, which heretofore have been paid per capita to the parties plaintiff.

"The Court of Claims is hereby authorized and directed to reinstate the said cases heretofore dismissed and to hear and determine the same on their merits notwithstanding any former proceedings had with relation thereto.

"Either party in any of the cases herein referred to shall have the right of appeal to the Supreme Court of the United States, rather than by certiorari."

It appears from the records of this office that nine suits were filed in the Court of Claims pursuant to the act of March 19, 1924, and that five additional suits were filed after the amendment of April 25, 1932, and that the total claimed in the said suits is in excess of $54,000,000, but that amount includes some duplications in amounts. Of the total number of suits filed it appears that eight of the cases have been dismissed by the court and that six are still pending. The language of the resolution appears to be broad enough to be applicable to the pending suits as well as to the suits dismissed by the Court of Claims, it being noted that the first paragraph of the resolution has reference to "the claims of said plaintiffs as heretofore filed in said court for alleged indebtedness", and the second paragraph authorizes and directs the court to reinstate the said cases heretofore dismissed and to hear and determine the same on their merits notwithstanding any former proceedings had with relation thereto. As to this phase of the matter, see *Pocono Pines Assembly Hotels Co.* v. *United States*, (76 Ct. Cls. 334). However, see letter of December 30, 1936, from Hon. Robert L. Owen, attorney for the Eastern Cherokees and the Western Cherokees to the chairman of the Committee on Indian Affairs, United States Senate, included in Report No. 552 of the House of Representatives, Seventy-fifth Congress, first session, at page 7, which refers to only 3 of the said 14 cases, namely, Court of Claims Nos. 42077, 42078, and 42081.

In dismissing the claims of the plaintiffs the Court of Claims appears to have done so on the grounds of prior adjudication and lack of jurisdiction. In its opinion rendered December 2, 1935, 82 Ct. Cls. 180, 209, in case no. 42,077, the court stated:

"It thus appears not only that plaintiffs' claim has heretofore been determined and adjudicated on the merits by this court and the Supreme Court and paid in full, but that such determination and adjudication was made on a correct statement of the account. Congress has the undoubted power to waive the defense of the former adjudication and vest the court with jurisdiction to readjust the account in any manner Congress may deem just and proper, but it has not seen fit to do so. The jurisdictional act in explicit terms confers jurisdiction on the court to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims of plaintiff 'which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States and paid in full' * * *."

The question of whether in these cases there should be waived the defense of the former adjudication and that the court be vested with jurisdiction and given authority to consider the claims in some other manner is, of course, for the determination of the Congress. However, if this is to be done it appears to be desirable to call to your attention certain features of the case as hereinafter set forth.

By the act of March 19, 1924, supra, jurisdiction was conferred upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims arising out of any treaty or agreement between the United States and the Cherokee Indian Nation or Tribe, or arising under or growing out of any act of Congress in relation to Indian Affairs, which said Cherokee Nation or Tribe may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States. Section 3 of said act is as follows:

"In said suit the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against said Indian nation, but any payment which may have been made by the United States upon any claim against the United States shall not operate as an estoppel, but may be pleaded as an offset in such suit."

The said act of March 19, 1924, was amended by joint resolutions of May 19, 1926 (44 Stat. 568), and February 19, 1929 (45 Stat. 1229), but the same are not material here.

By the act of April 25, 1932, supra, the Eastern or Emigrant Cherokees and the Western Cherokees or Old Settler Indians, so-called, who were duly enrolled members of the Cherokee Tribe of Indians in Oklahoma, as classes, were authorized to file suits in the Court of Claims under conditions similar to those contained in the act of March 19, 1924, and in section 3 thereof it was provided that the court should hear, examine, consider, and adjudicate any claims which the United States might have against the said Indians, or any of them, and that the same may be placed as an offset in such suit or suits, and that the United States should be allowed to plead and should be given credit for all sums, including gratuities, paid to or expended for any of said classes of Indians.

The resolution under consideration would authorize and direct the Court of Claims to hear, consider, and render judgment on the merits of the claims of the plaintiffs as heretofore filed in the Court of Claims "after the application of all payments in the manner provided in section 3 of the act approved April 25, 1932 * * * and to entitle the United States to be allowed and to receive full credit for all sums paid such Indians on account of any such claims, including such accounts only in money or property, if any, which heretofore have been paid per capita to the parties plaintiff." Such quoted language—if enacted into law—would constitute a distinct modification of the provisions of the act of April 25, 1932, and is inconsistent therewith in that if the Court of Claims is authorized to render judgment after the application of all payments in the manner provided in section 3 of the act of April 25, 1932, there is no necessity or occasion to include in the resolution a provision that the gratuities to be set off shall only be those in money or property paid per capita to the parties plaintiff. Unless the terms of the said act of April 25, 1932, are to be so limited with respect to these particular suits, there should be stricken from the resolution all of that portion of the first paragraph after the word "thereof", line 6, page 2.

If the resolution is approved with the provision relative to gratuities eliminated there would appear to be no question with respect to the right of the United States to claim credit for all sums, including gratuities, paid to or expended for any of said classes of Indians. Furthermore, the accountings heretofore made by this office in the matter of claims filed by the Cherokee Nation and the Eastern and Western Bands, as such, did not segregate the amounts paid to these Indians as a class. The information contained in the report by this office to the Attorney General is all that can be furnished in view of the fact that the available records do not indicate a segregation of money or property accruing to the separate bands of the Cherokee Nation.

It does not appear that the records here show any instances wherein "gratuities" either in money or property have been paid per capita to this or any other tribe or band of Indians as such. To limit the right of the United States to set off only such claims, including gratuities, as may have been paid in money or property on a per-capita basis is to impose on the United States a burden of proof which would have the effect of nullifying the provisions of section 3 of the said act of April 25, 1932. The difficulty of affirmatively establishing at this late date that the Indians actually received particular money or articles under

gratuity appropriations is obvious. These Indian gratuities extend back a hundred years or more and the persons who actually delivered or received the money or goods have long since died so that with reference to the greater bulk of such gratuities it would not now be possible to obtain direct evidence that the money or goods were delivered to the Indians on a per-capita basis. The Government records show the appropriations and that the money was forwarded to the particular agent. The agent's accounts show the purchase of the goods or articles. The agent who would be the only person able to testify particularly to the actual delivery of the goods or articles to the Indians is now dead, and thus the Government would not be able to prove actual delivery to the Indians.

The reports of the General Accounting Office to the Congress and to the Court of Claims under laws vesting jurisdiction in that court to determine the gratuities to be offset are based upon disbursements as shown by the records of the Government as having been paid for the benefit of the Indians. In many acts conferring jurisdiction upon the Court of Claims to hear and determine this class of claims the court has allowed under acts similar to section 3 of the said act of April 25, 1932, set-offs of payments made under gratuity appropriations based upon such reports of this Office, and such course seems clearly proper in the circumstances.

Unless it be the purpose of the Congress to discriminate as to these particular Indians or to establish a new rule, the benefits of which may be claimed by all other Indians to which the similar rule stated in section 2 of the act of August 12, 1935 (49 Stat. 596), is made applicable, there should be eliminated from the resolution the language proposing to limit the set-offs available to the Government in these cases to only such claims in money or property which heretofore have been paid per capita to the parties plaintiff.

Sincerely yours, R. N. ELLIOTT,
Acting Comptroller General of the United States.

SHOSHONE POWER PLANT

The Clerk called the bill (H. R. 3786) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. Will somebody please explain the bill?

Mr. GREEVER. Mr. Speaker, the bill merely restores to these people the rights they had under the contract in 1928.

Mr. TABER. I supposed the net revenues of this reclamation project went into the reclamation fund.

Mr. GREEVER. They had a contract whereby it was to be distributed in a certain way, and the case went to the court. There is some need for clarifying the law upon the subject, and that is what this is for. It merely gives them the rights under the contract at the time they went into this contract with the Government.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman withhold his objection?

The SPEAKER. Does the gentleman insist upon his request?

Mr. TABER. I do.

The SPEAKER. Is there objection to the request of the gentleman from New York that the bill go over without prejudice?

There was no objection.

NEW CUMBERLAND GENERAL DEPOT, PENNSYLVANIA

The Clerk called the bill (H. R. 7210) to authorize an exchange of lands at the new Cumberland General Depot, Pennsylvania.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to convey to the Commonwealth of Pennsylvania all right, title, and interest of the United States in and to that portion of the New Cumberland General Depot, New Cumberland, Pa., consisting of that portion of the said depot lying in the northwest corner thereof and now occupied by the Commonwealth of Pennsylvania under a lease dated June 2, 1936, and to accept in exchange therefor a conveyance from the Commonwealth of Pennsylvania of the fee-simple title to a tract of land adjoining New Cumberland General Depot of approximately the same area, both conveyances to be under such terms and conditions as may be prescribed by the Secretary of War.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania."

ARAPAHOE AND CHEYENNE INDIANS

The Clerk called the bill (S. 1622) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, I object to the bill.

The SPEAKER. Objection is heard.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a letter stating the objection of the Government Department to this measure.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 30, 1937.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: Your letter of July 24, 1937, acknowledged July 26, requested a report on bill S. 1622, Seventy-fifth Congress, entitled "An act authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes." The bill, as amended and reported to the House of Representatives by the Committee on Indian Affairs July 23, 1937, provides as follows:

"That jurisdiction be, and is hereby, conferred upon the Court of Claims, notwithstanding the lapse of time or statute of limitations, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims, not heretofore finally determined by the Court of Claims or the Supreme Court of the United States, arising under or growing out of any agreement, Executive order, treaty, or act of Congress with or affecting the land or other rights of the Arapahoe and Cheyenne Indian Tribes or Bands thereof residing in the States of Wyoming, Montana, and Oklahoma, against the United States, with the right of appeal by either party to the Supreme Court of the United States, anything in the Judicial Code of the United States to the contrary notwithstanding: *Provided*, That if the said tribes or any band thereof claim any interest in the lands, moneys, or other property involved in any proceedings already instituted and pending in the Court of Claims, except the case or cases of the Sioux Indians against the United States, such tribe or band thereof may file an intervening petition therein and be made parties thereto, with all the rights and privileges as if original parties to such proceedings, including the right to have judgment for any sum or sums found due such intervenors.

"SEC. 2. That if any claim or claims be submitted to the court hereunder, it shall determine the rights hereunder, both legal and equitable, of each and all the parties thereto, as upon a fair arbitration and award, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon such claims shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be entitled and allowed credit for all sums, including gratuities, if properly chargeable in such proceedings, paid to or expended for the benefit of such tribes or bands of said Indians. The claim or claims of each of said tribes or bands of Indians may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party or parties plaintiff and the United States party defendant; and any nation, tribe, or band of Indians the court may deem necessary to the final determination of such suit or suits may be joined therein by order of the court.

"The petitioner shall set forth the facts upon which the said claim or claims are based and the law, treaties, agreements, Executive orders, act of Congress, under and upon which recovery is sought, it being the intent of this act to give the Court of Claims full and complete jurisdiction to determine all legal and equitable rights of the said Indians against the United States: *Provided, however*, That if any claim or claims are asserted against the United States for minerals mined and removed by white persons without authority and in trespass from lands reserved to the said Indians prior to the time the same were ceded to the United States, and the said Indians have not been compensated therefor, the Court of Claims is authorized and empowered to base any judgment entered for such minerals at one-eighth of the value of the minimum amount shown to have been so mined and removed in trespass, and this provision shall not be construed as creating any right of a legal or equitable nature but shall authorize the said Indians to present their claims in this respect to the Court of Claims for adjudication as such claims may exist under treaties or agreements with the United States.

"The petition shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims under contract or contracts with said Indians and approved in accordance with existing law: *Provided*, That any and all such claims against the United States shall be forever barred unless suit be instituted or petition filed herein in the Court of Claims within five years of the date of this act.

"Official letters, papers, documents, or other public records or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys for the said tribes or bands of Indians to such records.

"SEC. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee or fees, not to exceed 10 percent of the amount recovered, to be paid to the attorney or attorneys for the said tribes or bands of Indians, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, and the same shall be included in the decree of the said court and shall be paid out of any sum or sums found to be due the said Indians under such suit or suits.

"SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less the fees and expenses of the attorney or attorneys, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by the said court to be entitled thereto and shall draw interest at the rate of 4 percent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by the Congress for the benefit and uses of the said Indians."

H. R. 4949, a similar though not identical bill, was introduced in the House of Representatives February 9, 1937, and is pending in the House Committee on Indian Affairs.

The pending bill, S. 1622, would confer upon the Court of Claims, with right of either party to appeal to the Supreme Court, jurisdiction to hear and determine all claims, legal and equitable, not heretofore finally determined by the Court of Claims or the Supreme Court of the United States, arising under or growing out of any agreement, Executive order, treaty, or act of Congress with or affecting the land or other rights of the Arapahoe and Cheyenne Indian Tribes or bands thereof residing in the States of Wyoming, Montana, and Oklahoma. The bill provides, among other things, that "the United States shall be entitled and allowed credit for all sums, including gratuities, if properly chargeable in such proceedings, paid to or expended for the benefit of such tribes or bands of said Indians."

The necessity for the enactment of a new jurisdictional bill such as S. 1622 is stated in a memorandum submitted by F. M. Goodwin, attorney for the said Indians (see S. Rept. No. 291, 75th Cong., p. 6), in part as follows:

"These Indians, under jurisdictional bills enacted in 1920 and 1928, are entitled to intervene in the suit brought by the Sioux Indians against the United States in what is known as the Black Hills case in the Court of Claims. Inasmuch, however, as only the Northern Cheyennes are made a party to the treaty or agreement under which the Sioux Indians are entitled to maintain such suit, it is obvious that the claims of the Arapaho and Cheyenne Indians cannot be determined thereunder. This is especially true because of the fact that as yet the reason for including the Northern Cheyennes in the Black Hills treaty or agreement has not been ascertained. The claim of the Arapaho and Cheyenne Indians are predicated on altogether different treaties and grounds and do not involve the Sioux Indians. The necessity for a jurisdictional bill, therefore, is apparent upon an examination of the facts relating to the latter tribes."

On March 28, 1929, the Arapahoe and Cheyenne Tribes of Indians, pursuant to the Sioux Jurisdictional Act of June 3, 1920 (41 Stat. 738), referred to in Mr. Goodwin's memorandum above quoted, as amended by the acts of June 24, 1926 (44 Stat. 764), and March 29, 1928 (45 Stat. 380), filed their petition no. K–103 in the Court of Claims. Stated briefly, the substance of their claims set out in said petition was that prior to 1803 the Cheyenne and Arapahoe Tribes of Indians were in occupancy of a vast territory of land lying within what is now the States of Montana, Wyoming, Oklahoma, Colorado, Kansas, Nebraska, North Dakota, and South Dakota, which land they occupied exclusively, maintaining their boundaries by armed forces, until the year 1851 and for some years thereafter; that during the period between 1803 and 1851 there came into a portion of this territory certain bands of Sioux Indians, who, with the consent of the plaintiffs, acquired a common interest in said portion of said territory; that during the period above mentioned the plaintiffs' rights of permanent occupancy in and exclusive control over said territory were not disputed, and, in fact, were recognized by the neighboring tribes of Indians; that in 1851, 1861, 1865, 1867, 1868, and 1877 the United States negotiated treaties and agreements with certain parties purporting to represent the Cheyenne and Arapahoe Tribes of Indians, which parties were, in fact, not authorized so to do, purporting to designate boundaries of lands claimed by the plaintiffs and other tribes and purporting to cede and relinquish to the United States certain portions of said territory; that nothing contained in said treaties or agreements, or under or by virtue of any other treaty, agreement, act of Congress, or Executive order, constituted any cession or relinquishment of any right or interest of the plaintiffs in or to any of said territory; that to the extent the plaintiffs had received any compensation for the deprivation of said territory, said compensation had been wholly inadequate, and in many instances, as to particular tracts of land, no compensation whatever had been paid to the plaintiffs; that in many instances compensation to which the plaintiffs were entitled for lands within said territory had been paid to Indians other than the plaintiffs; and that lands have similarly been reserved to other Indians to which they were not entitled and to the fair value of which the plaintiffs were entitled.

In addition to the lands claimed by the plaintiffs, as stated in the preceding paragraph, they also claimed that under and by virtue of the treaties of October 14, 1865 (14 Stat. 703), and October 28, 1867 (15 Stat. 593), and the Executive order of August 10, 1869, there were set apart for the plaintiffs' bands certain other lands within what is now the States of Kansas and Oklahoma; that portions of these lands were ceded to the United States by the agreement of October 1890, ratified by the act of March 3, 1891 (26 Stat. 1022), but that the consideration received by the plaintiffs for said cession was wholly inadequate; that the plaintiffs were entitled to the rental value of certain portions of said lands from certain specified dates to October 1890, and to certain rents alleged to have been collected by the defendant for the rental of certain portions of said lands; and that the plaintiffs had never ceded or relinquished their title in or to certain other portions of said lands, but had been deprived of and excluded from the occupation of the same without compensation.

In addition to the claims referred to in the preceding paragraphs, the plaintiffs also set forth various and sundry other claims, to wit, that of their lands within the Black Hills, at least 2,000,000 acres were extremely valuable for the gold, silver, and other mineral deposits underlying such lands and the timber growing thereon, which were removed by and with the consent of the defendant and without compensation to the plaintiffs or to those bands of Sioux Indians entitled to share jointly with the plaintiffs in such compensation; that large sums of the plaintiffs' money and other property were misappropriated by the defendant and devoted to the benefit of the Apache Tribe of Indians; that the United States had improperly deducted and paid from the plaintiffs' tribal funds large sums of money for attorneys' fees and other purposes; that the defendant had failed to compensate the plaintiffs adequately for depredations committed against them as stipulated in the treaty of October 14, 1865; that the defendant had permitted its citizens to enter upon the Wind River Reservation and to share in the benefits of irrigation projects and in other benefits and rights of use and occupancy in and to said reservation without compensation to the plaintiffs; that the defendant purchased herds of cattle which were distributed among the Northern Cheyenne Indians, and the defendant negligently failed to provide for their care so that large numbers of them were permitted to die; that the defendant permitted judgments to be rendered against the plaintiffs in the Court of Claims on account of certain alleged depredations said to have been committed by the plaintiffs' bands, many of which were entered in cases where there was no liability on the part of the plaintiffs, and the amounts of which were charged against the plaintiffs' funds; that the defendant's citizens were permitted to destroy the plaintiffs' game, and to take their furs and fish, to the plaintiffs' great damage; and that the plaintiffs were entitled to have added to their tribal funds large sums of money properly due them under the several treaties, agreements, and acts of Congress.

It appears that the said litigation has, in effect, been abandoned by these Indians, and it is assumed that claims similar to those set out above will be asserted by them if S. 1622 or similar legislation is enacted.

Pursuant to a request from the Attorney General, this office prepared and transmitted to the Department of Justice under date of December 13, 1934, a report on the said petition No. K–103, which report covers the period from January 1, 1828, to June 30, 1930, and contains a detailed accounting of disbursements made by the United States for the benefit of the Arapahoe and Cheyenne Indians in amounts aggregating $12,243,535.39 under treaties, agreements, acts of Congress, etc., and $15,937,037.76 under other than treaty appropriations. If S. 1622 or similar legislation is enacted, it probably will necessitate a further examination and report by this office to the Department of Justice covering the period subsequent to June 30, 1930.

It is suggested, if the bill is to be favorably considered for enactment, that on page 3, line 14, thereof, immediately preceding the word "act", there be inserted the word "or."

Sincerely yours,

R. N. ELLIOTT,
Acting Comptroller General of the United States.

LOSS OF TITLE ON CERTAIN INDIAN LANDS

The Clerk called the bill (H. R. 2534) to authorize the Secretary of the Interior to investigate and report on the loss of title to or the encumbrance of lands allotted to Indians.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, this bill provides for an appropriation of $50,000. The Department says it could not make the investigation for less than $100,000. I have asked for reports upon the bill, but as the bill was reported only a few days ago I have not yet received them. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PAYMENT ON DELINQUENT HOMESTEAD ENTRIES ON CERTAIN INDIAN RESERVATIONS

The Clerk called the next bill, H. R. 5753, to authorize payment of the amounts due on delinquent homestead entries on certain Indian reservations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated an amount equal to the amount of the unpaid balance of principal and interest which the Secretary of the Interior may find to be due on homestead and other entries on opened lands of the Cheyenne River, Colville, Fort Berthold, Fort Totten, Fort Peck, Pine Ridge, Rosebud, Shoshone, and Standing Rock Reservations, and the Chippewa lands in Minnesota opened in accordance with the act of January 14, 1889 (25 Stat. L. 642), on the date of the enactment of this act, less an amount equal to the amount of payments made on such homestead entries after the enactment of this act and before the appropriation herein authorized has been made. Such an amount when appropriated shall be placed to the credit of the Indian tribes of such reservations in the Treasury of the United States, and shall be available upon the recommendation of the Indian tribe or tribes concerned for making permanent improvements on lands of the Indians, including the development of irrigation and the granting of aid to individual Indians in establishing permanent homes, and for the purchase of lands on said reservations from individual Indians or from white owners, in the discretion of the Secretary of the Interior, and under such regulations as he may prescribe. Title to any lands so purchased shall be taken in the name of the United States in trust for the respective Indian tribes and such lands shall not be allotted in severalty.

SEC. 2. The provisions of this act shall in no way affect the liability of entrymen on such opened lands in the said Indian reservations to complete payments on their entries. Any payments made by said homesteaders after the appropriation authorized by this act has been made shall be covered into the general fund of the Treasury of the United States. If any entry shall be relinquished or canceled on which the United States shall have advanced payments to the Indians of the reservation involved, said payments shall be reimbursed to the United States out of any funds on deposit in the Treasury of the United States to the credit of the said Indians.

With the following committee amendments:

Page 1, line 6, after the word "be", insert the word "due", and after the word "entries" insert "or purchases."

Page 1, line 8, strike out "Fort Totten" and insert "Coeur d'Alene."

Page 3, after line 6, insert the following:

"SEC. 3. Any homestead entryman or purchaser of ceded Indian land, who is delinquent in the payment of the purchase money or interest, or both, due on the land embraced in his entry, entries, purchase, or purchases, and who is unable to make payment thereof in accordance with existing laws, shall be accorded the privilege of relinquishing any subdivision, or subdivisions, as shown on the approved plat, of his entry, entries, purchase, or purchases, so that the purchase money paid on the whole of such entry, entries, purchase, or purchases, will be sufficient to complete payment on the lands retained, which retained lands shall be in reasonably compact form. Relinquishments heretofore made may be accepted under the provisions of this section."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill to authorize advance of the amounts due on delinquent homestead entries on certain Indian reservations."

PAN AMERICAN EXPOSITION, TAMPA, FLA.

The Clerk called Senate Joint Resolution 166, providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RICH. Reserving the right to object, Mr. Speaker, I understand they are having a fair in New York in 1939 and a fair in San Francisco in 1939. There was four and a half million dollars contained in an appropriation passed this morning for fairs. This carries $100,000 additional for another fair in Florida. That is enough for one day at the fair. I appeal to the Speaker of the House and to the membership of the House that we are going ahead with too many fairs. When will it stop? Where will you get the money?

The SPEAKER. Is there objection?

Mr. RICH. I will have to object to this expenditure of $100,000.

Mr. PETERSON of Florida. Will the gentleman reserve his objection and give me an opportunity to explain the bill?

Mr. RICH. Yes; I will reserve the objection.

Mr. PETERSON of Florida. Will the gentleman yield to me for the purpose of explaining the bill?

Mr. RICH. Yes.

Mr. PETERSON of Florida. We have carefully worked out a plan by which we will not conflict with the dates of the other expositions. We are to have our exposition in the spring. This particular bill has been approved by the De Soto Commission and it likewise has been approved by the State Department, the Department of Commerce, and the Bureau of the Budget. We had originally hoped to ask for $500,000, but this bill only asks for $100,000 because the Budget approved this amount.

There is no great commission set up; no salaries for the commission, but we merely ask the United States to participate as any other nation would participate, with an exhibit. Those exhibits can then be used in the other expositions in that year. Frankly, in the interest of economy, we have worked out a very wise bill that might be used as a model in other cases. We have the plant already. Some foreign countries are already participating. Our request is modest and the amount expended can be used to good advantage. The landing of De Soto is an important event in American history. I hope the gentleman will not object.

The SPEAKER. Is there objection?

Mr. LAMBERTSON. Reserving the right to object, this is in commemoration of De Soto. He was up and down the Mississippi River. We have started on a memorial at St. Louis for historical purposes, to cost $30,000,000. Why will that not catch De Soto?

Mr. PETERSON of Florida. The De Soto Commission has worked out a rather comprehensive outline of the journey of De Soto, which will be very interesting to the gentleman.

Mr. RICH. Mr. Speaker, I will have to object.

The SPEAKER. Objection is heard.

INTER-AMERICAN RADIO CONFERENCE

The Clerk called the next business, House Joint Resolution 476, authorizing participation by the United States in the Inter-American Radio Conference to convene at Habana, Cuba, November 1, 1937.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. TABER. Mr. Speaker, reserving the right to object, is there anyone present from the Committee on Foreign Affairs? I shall have to ask that this be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

EIGHTH INTERNATIONAL ROAD CONGRESS

The Clerk called the next business, House Joint Resolution 481, authorizing participation by the United States in the Eighth International Road Congress, to be held at The Hague in June 1938.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. HOLMES. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BANKHEAD-JONES ACT AS APPLIED TO PUERTO RICO

The Clerk called the next bill, H. R. 7908, to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, is this the farm-tenancy bill?

Mr. IGLESIAS. Yes, sir.

Mr. TABER. Mr. Speaker, I must ask that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

VALIDATING SETTLEMENT CLAIMS IN ALASKA

The Clerk called the next bill, H. R. 7436, to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska Settlement project in Alaska, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That where settlement claims with a view to making homestead entry have been established on lands in sections 16 and 36, reserved for the support of schools in the Territory of Alaska by the act of March 4, 1915 (38 Stat. 1214), within the area withdrawn by Executive Order No. 6957, dated February 4, 1935, as modified by Executive order of May 20, 1935, which temporarily withdrew from disposal under the public-land laws certain lands within the Matanuska Valley in Alaska, and reserved them for classification and in aid of legislation, such claims be, and they are hereby, validated, subject to compliance with the applicable provisions of the homestead laws; and other lands in lieu thereof may be designated by the Territory of Alaska, to be reserved for the support of schools in said Territory, in the manner provided by the act of Congress approved February 28, 1891 (26 Stat. 796).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHOCTAW-CHICKASAW INDIANS

The Clerk called the next bill, H. R. 8027, to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2851) be substituted for the House bill.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will the gentleman from California inform the House as to whether section 2 which was stricken from the House bill has also been stricken from the Senate bill?

Mr. COSTELLO. I may state to the gentleman from Michigan that the Senate bill is identical with the House bill as amended. Section 2 is stricken from the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter, in all sales of tribal lands of the Choctaw and Chickasaw Indians in Oklahoma provided for by existing law, the Secretary of the Interior is hereby authorized to offer such lands for sale subject to a reservation of the mineral rights therein, including oil and gas, for the benefit of said Indians, whenever in his judgment the interests of the Indians will best be served thereby.

Mr. CARTWRIGHT. Mr. Speaker, I move to strike out the last word so that I may briefly explain H. R. 8027 by Mr. ROGERS of Oklahoma and S. 2851 by Senator THOMAS of Oklahoma. They are identical bills.

The Choctaw and Chickasaw Indians in my Congressional district, still own some 40,000 acres of lands, in scattered tracts throughout the two nations, which lands have been left over after allotments, and which have not yet been sold by the Secretary of the Interior, under existing laws.

These lands are being advertised and sold, from time to time, by the Secretary of the Interior, but under existing law, he has no power and authority to reserve minerals, including oil and gas, but must pass full title when such lands are sold.

It now appears, because of oil and gas development and exploitation, that practically the whole areas of the Choctaw and Chickasaw Nations are potential oil and gas territory.

The Indians wish to enjoy, and to share in, any oil and gas values that may attach to these lands, but that is impossible unless the Secretary of the Interior is given the power and authority to reserve oil and gas rights in future sales.

The Indians have held meetings throughout the Choctaw and Chickasaw Nations, and have made their wishes known to the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation.

These views and wishes have in turn been presented by the chief executives of the nations to the Interior Department, and the present bill has been drawn by the Department, and its passage has been recommended by the Secretary of the Interior, in communications to the President of the Senate and the Speaker of the House.

The sole purpose of the pending Senate bill is to confer upon the Secretary of the Interior the added power and authority to reserve the oil and gas rights in these lands in future sales, for the benefit of all the members of the tribes, where in his judgment, the best interests of the Indians would be served thereby.

In short it merely carries out the wishes of the Indians to share in whatever oil and gas values that may attach to their remaining common lands.

I sincerely hope there will be no objection to its passage.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider and a similar House bill (H. R. 8027) were laid on the table.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill just passed and that those remarks may be inserted in the proceedings before the passage of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

TRANSFER BY THE UNITED STATES OF CERTAIN LANDS TO THE STATE OF NEW MEXICO

The Clerk called the next bill, S. 1889, authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the State of New Mexico all the right, title, and interest, legal and equitable, of the United States in and to all lands patented to such State under patent no. 854989, issued March 17, 1922, under the provisions of volume 28, United States Statutes, page 422, commonly known as the Carey Act: *Provided*, That such quitclaim deed shall contain a reservation of a right-of-way for ditches and canals as required by the act of August 30, 1890 (26 Stat. 391).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN APPLICANTS FOR OIL AND GAS PERMITS AND LEASES

The Clerk called the next bill, S. 2613, for the relief of certain applicants for oil and gas permits and leases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue oil and gas prospecting permits pursuant to applications filed therefor under section 13 of the act of February 25, 1920 (41 Stat. 437), 90 days or more prior to the date of the amendatory act of August 21, 1935 (49 Stat. 674), by Blanche S. Trigg, attorney in fact for the respective applicants, said applications bearing serial nos. Las Cruces 050186, 050589, 050590, 050591, 050592, 050595, 050607, 050903, 050911, 050912, 050913, 050914, 050916, 050917, 050918, 050922, 051017, 051018, 051052, 051053, 051054, 051055, 051056, 051125, 051127, 051128, 051129, 051160, 051161, 051162, 051163, 051173, 051201, 051202, 051203, 051204, 051205, 051206, 051207, 051208, 051209, 051210, 051211, 051239, 051241, 051242, 051243, 051244, 051245, 051246, 051247, 051248, 051249, 051250, 051251, 051252, 051255, 051256, 051257, 051258, 051259, 051260, 051262, 051264, 051266, Sante Fe 069715, 069716, 069799, 069800, 069801, 069803, 069805, 069806, 069807, 070093, 070094, and to issue oil and gas leases under the ninth and tenth provisos of section 13 of the act of February 25, 1920, as amended by the act of August 21, 1935, pursuant to applications for prospecting permits filed after 90 days prior to the effective date of the amendatory act by said attorney in fact, said applications bearing serial nos. Las Cruces 051275, 051301, 051302, 051303, 051304, 051305, 051321, 051322, 051323, 051324, 051325, 052231, 052232, 052233, 052234, 052235, 052236, 052237, notwithstanding that the proof of qualifications submitted by each applicant in connection with his application was not under oath although acknowledged before a notary public, and notwithstanding that a curative qualifying affidavit was not filed until after the passage of the amendatory act of August 21, 1935, the delay in furnishing said curative qualifying affidavit being attributable to the suspension in the General Land Office of action on all ap-

plications for prospecting permits pending the enactment of the aforesaid amendatory act and the promulgation of regulations thereunder: *Provided*, That the lands applied for and described in said applications are unreserved and unappropriated public lands not subject to prior claims and that the applications are otherwise regular and allowable.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENTS TO CERTAIN NEW MEXICO LANDS

The Clerk called the next bill, S. 2614, authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue, without requiring the payment of any fees or charges whatsoever, (1) to the State of New Mexico a patent for lot 13, sec. 4, T. 14 S., R. 4 W., New Mexico principal meridian, such land to be subject to a reservation of a sufficient right-of-way and easement for the maintenance of any part of the sewer lines and sewage-disposal plant of the city of Hot Springs now maintained upon such tract; (2) to Cordy Bramblet, of Hot Springs, N. Mex., a patent for lot 14, sec. 4, T. 14 S., R. 4 W., New Mexico principal meridian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENTS TO CERTAIN LANDS

The Clerk called the next bill, S. 2682, to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior in adjudicating State exchanges, under section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), involving lands embraced in outstanding leases under section 15 of said act issued prior to the filing of the State exchange application, is hereby authorized upon the request of any State to issue patent to the State, subject to such outstanding lease: *Provided*, That the United States shall not by reason of the issuance of any such patents be required to account to the State for any money due and collected prior thereto as rent for any part of the then-current annual rental period except as is now provided by law.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAPATO IRRIGATION PROJECT, YAKIMA, WASH.

The Clerk called the next bill, S. 558, amending acts fixing the rate of payment of irrigation construction costs on the Wapato Indian irrigation project, Yakima, Wash., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. HILL of Washington. Mr. Speaker, will the gentleman withhold his request to permit me to make an explanation?

Mr. WOLCOTT. Mr. Speaker, I withhold the request.

Mr. HILL of Washington. With all due respect, the provisions of the bill H. R. 5853, which I think the gentleman has in mind, and the bill S. 558 are different. The bill H. R. 5853 provides for a commission to investigate the necessity for a moratorium on yearly payments the same as in the years 1931 to 1936. These moratoriums were made necessary because of economic conditions in irrigated sections the same as elsewhere which made it impossible because of low prices for farm products for farmers to meet their obligations. In the fall of 1935 an unusual and early frost in central Washington destroyed both the fruit and potato crops. This aggravated the situation, already deplorable.

The bill under consideration (S. 558) does not ask for a moratorium; it simply asks that the Wapato project be placed on the same basis as the projects all over the West. For example, the project under which I own land has a 40-year period over which to pay out. We are asking that this Wapato project be placed on the same basis—that is, a 40-year-period basis—the same as the Sunnyside project, for instance.

I may say further that the bill comes to the floor with the unanimous report of the committee. Commissioner Page, of the Reclamation Bureau, and Commissioner Collier, of the Indian Bureau, both approve this bill in justice to the people on the Wapato project.

Mr. WOLCOTT. I understand that the Commission which was set up to make a survey of all these projects will make a report to Congress. They can recommend with reference to a moratorium favorable to the gentleman's proposition with respect to this project notwithstanding any of the wording of the act which we have already passed as a substitute for H. R. 5853. It seems to me that, having passed an act setting up this Commission for the purpose of making a survey of all these projects, that we should understand now that we are going to wait until that Commission's report comes in before we take any more affirmative action.

The gentlemen who are interested in these projects were very much interested in having these surveys made. Surely we cannot have our cake and eat it, too. We cannot set up a commission for the purpose of studying these projects and at the same time pass innumerable bills exempting projects from consideration by this Commission. I know the gentleman will bear with me in my thought that henceforth all of these bills should be submitted to this Commission which we have established.

Mr. HILL of Washington. Will not the gentleman admit the bill we passed had reference to moratoriums?

Mr. WOLCOTT. I understand the bill has reference not only to moratoriums but to everything pertaining to this matter.

Mr. HILL of Washington. It had reference to moratoriums. This bill places the Wapato project on the same basis as the rest who are paying on a 40-year basis.

Mr. WOLCOTT. I think we should defer action on this bill until we have a report from the Commission.

Mr. HILL of Washington. That is denying the Wapato project the same rights that the rest of them have.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ACQUISITION OF A CERTAIN BUILDING, ETC., IN CRATER LAKE NATIONAL PARK

The Clerk called the next bill, H. R. 3021, to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to acquire from Kisers, Inc., a corporation organized under the laws of the State of Oregon, free of all encumbrances and at a price of $1,000, (1) the building in the Crater Lake National Park formerly used by such corporation as a photographic studio and now used by the United States in connection with the administration of such national park, and (2) all furniture and equipment, including a Kohler lighting plant, located in or belonging to such building. The sum of $1,000 is hereby authorized to be appropriated for carrying out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF PUBLIC LANDS TO CERTAIN LANDS IN THE RED RIVER, OKLA.

The Clerk called the next bill, H. R. 3418, to extend the public-land laws of the United States to certain lands, consisting of islands, situated in the Red River in Oklahoma.

Mr. MASSINGALE. Mr. Speaker, I ask that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMENDING AN ACT LIMITING THE COST OF CONSTRUCTION OF BUILDINGS IN NATIONAL PARKS

The Clerk called the next bill, H. R. 6350, to amend the act of August 24, 1912 (37 Stat. 460), as amended, with regard to the limitation of cost upon the construction of buildings in national parks.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. TABER. Mr. Speaker, reserving the right to object, may I have an explanation of this bill, because it calls for a considerable sum of money.

Mr. DEROUEN. May I explain the bill?

Mr. TABER. What does this bill do?

Mr. DEROUEN. It does not require any more money at all.

Mr. TABER. It raises the limitation of cost?

Mr. DEROUEN. Yes; from $1,500 to a little higher.

Mr. TABER. I do not think we ought to do that at this time.

Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

WITHDRAWAL OF CERTAIN LANDS FROM ENTRY IN LOS PADRES NATIONAL FOREST, CALIF.

The Clerk called the next bill, H. R. 6589, to conserve the watersheds and water resources of portions of Santa Barbara and San Luis Obispo Counties, Calif., by the withdrawal of certain public lands, included within the Los Padres National Forest, Calif., from location and entry under the mining laws.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the public lands of the United States, within the boundaries of Los Padres National Forest, located in the State of California, and hereinafter described, are hereby withdrawn from location or entry under the mining laws of the United States:

All Government lands in secs. 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34, 35, T. 9 N., R. 22 W., San Bernardino meridian.

All Government lands in T. 8 N., R. 22 W., San Bernardino meridian, with the exception of secs. 1, 12, 13, 24, and 25.

All Government lands in T. 7 N., R. 22 W., San Bernardino meridian, with the exception of secs. 25, 34, 35, and 36.

All Government lands in secs. 4, 5, 6, 7, and 8, T. 6 N., R. 22 W., San Bernardino meridian.

All Government lands in T. 9 N., R. 23 W., San Bernardino meridian, with the exception of secs. 1, 2, 3, 4, 10, 11, and 12.

All Government lands in T. 8 N., R. 23 W., San Bernardino meridian.

All Government lands in T. 7 N., R. 23 W., San Bernardino meridian.

All Government lands in secs. 1, 2, 3, 4, 5, 6, and 12, T. 6 N., R. 23 W., San Bernardino meridian.

All Government lands within the boundaries of the Los Padres National Forest within T. 9 N., R. 24 W., San Bernardino meridian.

All Government lands within the Los Padres National Forest within T. 8 N., R. 24 W., San Bernardino meridian.

All Government lands excepting secs. 29, 30, 31, 32, and 33, T. 7 N., R. 24 W., San Bernardino meridian.

All Government lands within Los Padres National Forest boundaries in T. 9 N., R. 25 W., San Bernardino meridian.

All Government lands within T. 8 N., R. 25 W., San Bernardino meridian.

All Government lands within Cuyama River watershed in T. 7 N., R. 25 W., San Bernardino meridian.

All Government lands within Los Padres National Forest within T. 9 N., R. 26 W., San Bernardino meridian.

All Government lands within T. 8 N., R. 26 W., San Bernardino meridian.

All Government lands in secs. 1, 2, 3, 4, 5, and 6, T. 7 N., R. 26 W., San Bernardino meridian.

All Government lands in secs. 30, 31, 32, and 33, T. 10 N., R. 27 W., San Bernardino meridian.

All Government lands within T. 9 N., R. 27 W., San Bernardino meridian, with the exception of sec. 1 and N½ sec. 2.

All Government lands within T. 8 N., R. 27 W., San Bernardino meridian.

All Government lands within Los Padres National Forest in T. 10 N., R. 28 W., San Bernardino meridian.

All Government lands in T. 9 N., R. 28 W., San Bernardino meridian.

All Government lands within the fractional T. 8 N., R. 28 W., San Bernardino meridian.

All Government lands within the west half of T. 7 N., R. 28 W., within Los Padres National Forest.

All Government lands within sec. 31 of T. 11 N., R. 29 W., San Bernardino meridian.

All Government lands within the fractional T. 10 N., R. 29 W., within Los Padres National Forest.

All Government lands within the fractional T. 9 N., R. 29 W., San Bernardino meridian.

All Government lands in T. 8 N., R. 29 W., San Bernardino meridian.

All Government lands in T. 7 N., R. 29 W., San Bernardino meridian, within the boundaries of Los Padres National Forest.

All Government lands in secs. 5, 6, 7, 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and portions of 32, 33, 34, and 35, T. 32 S., R. 18 E., Mount Diablo meridian.

All Government lands within the fractional T. 12 N., R. 30 W., San Bernardino meridian, within Los Padres National Forest.

All Government lands within Los Padres National Forest in T. 11 N., R. 30 W., San Bernardino meridian.

All Government lands in T. 10 N., R. 30 W., San Bernardino meridian.

All Government lands in T. 9 N., R. 30 W., within Los Padres National Forest.

All Government lands within Alamo Creek watershed in T. 31 S., R. 17 E., Mount Diablo meridian.

All Government lands in T. 8 N., R. 30 W., San Bernardino meridian, within Los Padres Forest.

All Government lands in secs. 31 and 32, T. 30 S., R. 15 E., Mount Diablo meridian.

All Government lands in secs. 1, 2, 3, 4, 5, 6, 10, 11, 12, 13, T. 31 S., R. 15 E., Mount Diablo meridian.

All Government lands in T. 3 S., R. 17 E., Mount Diablo meridian.

All Government lands in fractional T. 12 N., R. 31 W., San Bernardino meridian.

All Government lands in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, T. 11 N., R. 31 W., San Bernardino meridian.

All Government lands in T. 10 N., R. 31 W., San Bernardino meridian.

All Government lands within T. 9 N., R. 31 W., San Bernardino meridian, within Los Padres National Forest.

All Governments lands in sections 7, 8, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, T. 31 S., R. 16 E., Mount Diablo meridian.

All Government lands in sections 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, T. 32 S., R. 16 E., Mount Diablo meridian.

All Government lands within Los Padres National Forest in fractional T. 12 N., R. 32 W., San Bernardino meridian.

Provided, That this act shall not defeat or affect any lawful right which has already attached under the mining laws and which is hereinafter maintained in accordance with such laws: *Provided further*, That the President upon recommendation of the Secretary of the Interior and the Secretary of Agriculture, may, by Executive order, when in his judgment the public interest would best be served thereby, and after reasonable notice has been given through the Department of the Interior, restore to location and entry under the mining laws, any of the lands hereby withdrawn therefrom: *Provided further*, That any person desiring to locate and enter upon any such withdrawn lands under the mineral land laws may make such location and entry upon a showing satisfactory to the Secretary of the Interior and the Secretary of Agriculture that the lands to be entered are chiefly valuable for minerals.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF SECTION 24 OF THE JUDICIAL CODE AS AMENDED

The Clerk called the next bill, S. 1551, to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 24 of the Judicial Code, as amended, is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this paragraph, no district court shall have jurisdiction of any suit to enjoin, suspend, or restrain the assessment, levy, or collection of any tax imposed by or pursuant to the laws of any State where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State."

SEC. 2. The provisions of this act shall not affect suits commenced in the district courts, either originally or by removal, prior to its passage; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed.

The bill was ordered to be read a third time, was read the third time and passed and a motion to reconsider was laid on the table.

LAND WITHIN THE BOUNDARIES OF THE CROW RESERVATION, MONT.

The Clerk called the next bill, H. R. 7649, relating to certain lands within the boundaries of the Crow Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, Mr. West, Acting Secretary of the Interior, has recommended that the bill be not enacted and gives certain reasons. I wonder if the gentleman will explain why this bill should be passed, notwithstanding the recommendations of the Department of the Interior to the contrary?

Mr. O'CONNOR of Montana. I may say to the gentleman and the Members of the House the city of Hardin is a town of about 2,000 people, located within the confines of the Crow Indian Reservation. There is not an Indian living in this city. There is not an acre of ground in the city owned by an Indian.

The city wants the right to conduct its own affairs the same as any other city in the United States. The basis of the adverse report is that liquor is being given to the Indians. It is not being given to the Indians in the town of Hardin, however, but outside the town some little distance, where are located some bootleg joints. Those are the places at which the Indians get the whisky, and then in going between the bootleg places and the town of Hardin they have wrecks, people are killed, and all that sort of thing.

Mr. WOLCOTT. I notice the United States attorney says in his report:

I cannot see how the exclusion of Hardin from the reservation would affect the rights of the Indians at all, because there is not an acre of Indian land excluded.

Mr. O'CONNOR of Montana. That answers the question of the gentleman. I may say the United States district attorney is very anxious that this legislation be passed to the end that law enforcement may be had, not only in the city of Hardin but in the territory surrounding it. I sincerely wish the gentleman will not object, as this is a very much needed piece of legislation. This bill received the unanimous support of the Committee on Indian Affairs, and I might add that Mr. Collier, the Commissioner of the Bureau of Indian Affairs, after he heard my statement before the committee, which was about the same as made here today, told me that the conditions were just about as I had stated them and that he thought the passage of this legislation would be all right.

A meeting was held at Billings on the 5th of June, 1937, at which the situation existing at Hardin, and especially on the highway about a mile and a half to the west of Hardin, was gone into. This meeting was attended by Mr. Nash, acting chief enforcement officer, by representatives of the State liquor department; by county and city officials at Hardin, and members of the State highway patrol, and the United States district attorney. Mr. Robert Yellowtail, superintendent of the Crow Indian Agency, was asked to be present, but was not there owing to a previous engagement.

After considerable discussion concerning the closing of saloons and beer parlors and the State liquor store at Hardin, and their reopening out on the highway about a mile and a half west but off the reservation, the consensus of opinion was that no good effects to any considerable extent had been produced, and that apparently there had been an increase in accidents, reckless and drunken driving, and a general state of disorder, as the result of the change. I am informed that the members of the highway patrol present said that that was the most dangerous section of the road in the State of Montana.

The United States district attorney stated in his letter to me that, at the termination of the hearing, he concluded an incorporated city of 2,000 people or more could more easily regulate the abuse of the laws caused by excessive drinking of whisky than could be done on the outside of the city.

All present at that meeting agreed to give hearty cooperation to prevent the Indians from securing whisky in the event the city of Hardin was taken out of the jurisdiction of the reservation.

I am supporting and asking for the passage of this bill, because, first, I think the Indians will be benefited thereby, in that they will not be able to secure liquor in the bootleg fashion they have in the past; and, second, I am of the opinion that the people of the city of Hardin will be able to control the evils of whisky much better than is done under present conditions. I sincerely thank the gentleman for withdrawing his objection upon this explanation.

Mr. WOLCOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all of that area within the Crow Indian Reservation, Mont., described as: "Beginning at the northwest corner of the northeast quarter of the northwest quarter of section 10, thence east along the northern boundary line of the Crow Indian Reservation to where said north line meets the Big Horn River; thence following the meandar line of said Big Horn River southeasterly to the center line of section 12; thence south along said center line of section 12 to the intersection of the center line of section 13; thence west to the northwest corner of the northeast quarter of the southwest quarter of said section 13; thence south to the southeast corner of the northwest quarter of the northwest quarter of section 25; thence due west to the section lines common to sections 27 and 28; thence due north along the east line of sections 21, 16, and 9 to the place of beginning, all in township 1 south, range 33 east, Montana principal meridian", be, and the same is hereby, eliminated and excluded from the Crow Indian Reservation in the State of Montana.

SEC. 2. Nothing contained in this act shall be construed to discontinue or repeal the provisions of the Indian liquor laws which prohibit the sale, gift, barter, exchange, or other disposition of beer, wine, and other liquors to Indians of the classes set forth in the act of January 30, 1897 (29 Stat. L. 506; U. S. C., title 25, sec. 241).

SEC. 3. All acts or parts of acts in conflict herewith are hereby repealed.

Mr. O'CONNOR of Montana. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR of Montana: Page 1, strike out lines 5 to 11, and on page 2, beginning with line 1, strike out all matter down to and including the word "meridian" in line 8, and insert in lieu thereof the following: "of lot 11, sec. 3; thence east along the north boundary line of the Crow Indian Reservation to the west meander line of the Big Horn River; thence southeasterly along the west meander line of the said Big Horn River to its intersection with the north and south center line of section 12; thence south along the said center line of sections 12 and 13 to the center of section 13; thence west to the northwest corner of the northeast quarter of the southwest quarter of said section 13; thence south to the southeast corner of the northwest quarter of the northwest quarter of section 25; thence west to the northwest corner of lot 2, section 27; thence north along the boundary line of the Crow Indian Reservation to the point of beginning, all in T. 1 S., R. 33 E., principal meridian, Montana."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICAN CHEMICAL SOCIETY

The Clerk called the next bill, H. R. 7709, to incorporate the American Chemical Society.

Mr. MICHENER. Mr. Speaker, reserving the right to object, this is another one of those bills to grant a Federal charter of incorporation. These charters should not be granted, and everybody knows it. I do not know why I should carry this responsibility alone. Simply because some Members who have organizations they want to please bring in these bills and Members in a like spirit report them, and put them on the calendar. This bill was introduced by my

good friend the gentleman from Tennessee [Mr. CHANDLER] and was reported by my good friend the gentleman from New Jersey [Mr. TOWEY], both of these gentlemen are irresistible. Both of these gentlemen know better. They are usually right. They are usually sound legislators. I am as a rule ready to cooperate with either. They are leaders on the Judiciary Committee, and I am going to yield to their leadership in this matter this time. The President vetoed a similar bill incorporating the military order of the Purple Heart. I shall therefore be interested in his attitude toward this group of chemists. If Congress is going to grant Federal charters to any group of citizens, then it should not play favorites. If the Congress wants to let down the bars, well and good. Every Member here who knows anything about this thing knows these charters should not be given unless there is some agency of visitation or regulation set up.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the persons following: Robert T. Baldwin, Edward Bartow, Erle M. Billings, E. K. Bolton, Willard H. Dow, Gustavus J. Esselen, Arthur J. Hill, Townes R. Leigh, Thomas Midgely, Jr., Charles L. Parsons, R. E. Swain, E. R. Weidlein, Frank C. Whitmore, H. H. Willard, and R. E. Wilson, being persons who are now directors of the American Chemical Society, a corporation existing under the laws of the State of New York, their associates and successors duly chosen, and such other persons as now are or may hereafter be associated with them as officers or members of said American Chemical Society, are hereby incorporated and constituted and declared to be a body corporate by the name of American Chemical Society.

SEC. 2. That the objects of the incorporation shall be to encourage in the broadest and most liberal manner the advancement of chemistry in all its branches; the promotion of research in chemical science and industry; the improvement of the qualifications and usefulness of chemists through high standards of professional ethics, education, and attainments; the increase and diffusion of chemical knowledge; and by its meetings, professional contacts, reports, papers, discussions, and publications, to promote scientific interests and inquiry, thereby fostering public welfare and education, aiding the development of our country's industries, and adding to the material prosperity and happiness of our people.

SEC. 3. That the American Chemical Society shall have power to make its own organization, including its constitution, bylaws, rules, and regulations; to fill all vacancies created by death, resignation, or otherwise; to provide for the election of members, their division into classes, and all other matters needful and useful to promote the objects of the society. It shall hold an annual meeting at such place in the United States as may from time to time be designated.

SEC. 4. That the American Chemical Society shall, whenever called upon by the War or Navy Department, investigate, examine, experiment, and report upon any subject in pure or applied chemistry connected with the national defense, the actual expense of such investigations, examinations, experiments, and reports to be paid from appropriations which may have been made for that purpose by Congress, but the society shall receive no compensation whatever for any services to the Government of the United States.

SEC. 5. That the American Chemical Society be, and the same is hereby, authorized and empowered to receive, by devise, bequest, donation, or otherwise, either real or personal property and to hold the same absolutely or in trust, and to invest, reinvest, and manage the same and to apply said property and the income arising therefrom to the objects of its creation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the directors hereinbefore named shall be held at the city of Washington in the District of Columbia by notice served in person or by mail addressed to each director at his place of residence by the secretary of the American Chemical Society, a New York corporation, and the said directors, or a majority thereof, being assembled, shall organize and proceed to adopt bylaws, to elect officers and appoint committees, and generally to organize the said corporation; and said directors herein named, on behalf of the corporation hereby incorporated, shall thereupon receive, take over, and enter into possession, custody, and management of all property, real or personal, of the corporation heretofore known as the American Chemical Society, incorporated as hereinbefore set out under the laws of the State of New York on November 9, 1877, and to all its rights, contracts, claims, and property of any kind or nature; and the several officers of such corporation, or any other person having charge of any of the securities, funds, real or personal, books or property thereof, shall, on demand, deliver the same to the said directors appointed by this act or to the persons appointed by them to receive the same; and the directors of the existing corporation and the directors herein named shall and may take such other steps as shall be necessary to carry out the purposes of this act.

SEC. 7. That the rights of the creditors of the said existing New York corporation known as the American Chemical Society shall not in any manner be impaired by the passage of this act, or the transfer of the property hereinbefore mentioned, nor shall any liability or obligation for the payment of any sums due or to become due, or any claim or demand, in any manner or for any cause existing against the said New York corporation, be released or impaired; but such corporation hereby incorporated is declared to succeed to the obligations and liabilities and to be held liable to pay and discharge all of the debts, liabilities, and contracts of the said New York corporation so existing to the same effect as if such new corporation had itself incurred the obligation or liability to pay such debt or damages, and no such action or proceeding before any court or tribunal shall be deemed to have abated or been discontinued by reason of the passage of this act.

SEC. 8. That the right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 9. That this act shall date from the 1st day of January 1938.

With the following committee amendment:

Page 3, line 10, insert the following: "*Provided*, That, the title to any and all inventions and discoveries made in the course of such investigations, examinations, and experiments that, in the opinion of the Secretary of the Navy or the Secretary of War, involve the national denfense, shall vest in the Government of the United States, and the Government of the United States shall have unlimited license under all other inventions and discoveries.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF THE TARIFF ACT OF 1930

The Clerk called the next bill, H. R. 8099, to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes.

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I understand this bill is coming up later in the day under a motion to suspend the rules?

Mr. CULLEN. Not today.

Mr. WOLCOTT. I have no objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONSTRUCTION OF BRIDGES IN CADDO PARISH, LA.

The Clerk called the next bill, H. R. 8068, to authorize the construction of bridges in Caddo Parish, La.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the similar Senate bill (S. 2882), to authorize the construction of bridges in Caddo Parish, La., which is on the Speaker's desk, may be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Louisiana, the Louisiana Highway Commission, and/or to the Parish of Caddo, La., and they are jointly and severally authorized to construct, maintain, and operate a free highway bridge and approaches thereto over each of the following-named streams at the following places in the Parish of Caddo, La., to wit:

1. A bridge across Cross Bayou at Shreveport, La.;

2. A bridge across Twelve Mile Bayou approximately 3 miles north of Shreveport, La.;

3. A bridge across Caddo Lake at or near Mooringsport, La.;

all to be located along the proposed relocation of the State highway route no. 8 between Shreveport, La., and Rodessa, La., at a point suitable to the interests of navigation, and according to the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to all conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 8068) was laid on the table.

DELAWARE RIVER BRIDGE BETWEEN BARRYVILLE, N. Y., AND SHOHOLA, PA.

The Clerk called the next bill, H. R. 8167, to extend the times for commencing and completing the construction of a

bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the highway bridge across the Delaware River between points in the village of Barryville, Sullivan County, N. Y., and the village of Shohola, Pike County, Pa., authorized to be built by the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania, by an act of Congress approved June 19, 1936, are hereby extended 1 and 3 years, respectively, from June 19, 1937.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF CERTAIN BRIDGES IN MARYLAND

The Clerk called the next bill, S. 2761, authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FUNDS OF THE METLAKAHTLA INDIANS OF ALASKA

The Clerk called the next bill, H. R. 6042, making further provision with respect to the funds of the Metlakahtla Indians of Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That revenue derived from leases or other contracts negotiated by the Secretary of the Interior for the benefit of the Metlakahtla Indians and such other persons occupying the Annette Islands Reserve, Alaska, as come within the purview of the act of March 3, 1891 (26 Stat. 1101), shall be deposited into the Treasury as trust funds pursuant to the provisions of section 20 of the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1224), shall bear interest at the rate of 4 percent per annum, and shall be subject to expenditure under such rules and regulations as the said Secretary may prescribe.

SEC. 2. There shall be credited to the trust-fund account so established the unexpended balances of appropriated receipts, and all unappropriated receipts derived from the Annette Islands Reserve, Alaska, which have been heretofore covered into the Treasury pursuant to section 4 of the Permanent Appropriation Repeal Act, 1934, and such receipts shall be subject to expenditure as prescribed in section 1 hereof.

SEC. 3. Interest accruing on said trust-fund account shall be available for the same purposes as the principal.

With the following committee amendment:

Page 2, strike out all of section 2 and insert the following:

"SEC. 2. There shall be credited to the trust-fund account so established the excess, if any, of (1) the unexpended balance of the repealed special fund appropriation '5S740 Annette Islands Reserve, Alaska, fund from leases' and (2) the amount of receipts derived from the Annette Islands Reserve, Alaska, covered into the Treasury pursuant to section 4 of the Permanent Appropriation Repeal Act, 1934, over expenditures from appropriations provided for 'Expenses, Annette Islands Reserve, Alaska (receipt limitation)', and the amount so credited shall be subject to expenditure as prescribed in section 1 hereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERMS OF COURT AT BRUNSWICK, GA.

The Clerk called the next bill, H. R. 8125, to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DEEN. Mr. Speaker, I ask unanimous consent that the similar Senate bill (S. 1816) to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick, may be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That subsections (f) and (g) of section 77 of the Judicial Code, as amended, are amended to read as follows:

"(f) The southern district shall include five divisions, to be constituted as follows: The Augusta division, which shall include the territory embraced on January 1, 1925, in the counties of Burke, Columbia, Glascock, Jefferson, Lincoln, McDuffie, Richmond, Taliaferro, Warren, and Wilkes; the Dublin division, which shall include the territory embraced on such date in the counties of Dodge, Emanuel, Johnson, Laurens, Montgomery, Telfair, Toombs, Treutlen, and Wheeler; the Savannah division, which shall include the territory embraced on such date in the counties of Bryan, Bulloch, Candler, Chatham, Effingham, Evans, Jenkins, Liberty, Screven, and Tattnall; the Waycross division, which shall include the territory embraced on such date in the counties of Atkinson, Bacon, Ben Hill, Brantley, Charlton, Coffee, Pierce, and Ware; and the Brunswick division, which shall include the territory embraced on such date in the counties of Appling, Camden, Glynn, Jeff Davis, Long, McIntosh, and Wayne.

"(g) The terms of the district court for the Augusta division shall be held at Augusta on the first Monday in April and the third Monday in November; for the Dublin division at Dublin on the third Mondays in January and June: *Provided*, That suitable rooms and accommodations are furnished for holding court at Dublin, free of cost to the Government, until a public building shall have been erected or put into proper condition for such purpose in said city; for the Savannah division at Savannah on the second Tuesdays in February, May, August, and November; for the Waycross division at Waycross on the second Mondays in June and December; for the Brunswick division at Brunswick on the second Mondays in March and October: *Provided*, That no cost shall be incurred by the Government in furnishing quarters for holding court at Brunswick."

SEC. 2. Subsection (d) of section 77 of the Judicial Code, as amended, is amended by inserting after the name "Berrien" a comma and the name "Clinch."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 8125) was laid on the table.

AMENDMENT OF ARTICLES OF WAR 50½ AND 70

The Clerk called the next bill, S. 1282, to amend Articles of War 50½ and 70.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the third and fifth paragraphs of Article of War 50½ (41 Stat. 797–799) be amended by adding to each of said paragraphs the following: "*Provided*, That the functions prescribed in this paragraph to be performed by the President may be performed by the Secretary of War or Acting Secretary of War."

SEC. 2. That Article of War 70 (41 Stat. 802) is hereby amended by inserting in the first line of the second paragraph after the word "referred" the words "to a general court martial", so that the first sentence of said paragraph will read as follows: "No charge will be referred to a general court martial for trial until after a thorough and impartial investigation thereof shall have been made."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAY OF ENLISTED MEN FOR REPORTING

The Clerk called the next bill, S. 1283, to increase the extra pay to enlisted men for reporting.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter enlisted men of the Army detailed to serve as stenographic reporters for general courts martial, courts of inquiry, military commissions, and retiring boards, while so serving, shall receive extra pay at the rate of not exceeding 10 cents for each 100 words taken in shorthand and transcribed, such extra pay to be met from the annual appropriation for expenses of courts martial, and so forth.

With the following committee amendment:

In line 3, after the word "men", insert "of the Army."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COSTELLO. Mr. Speaker, this concludes the call of bills that are eligible under the call of the calendar.

PAYMENTS OF COSTS OF REPAIRS, ETC., OF ARROWROCK DAM

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 7567) to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes, which is No. 407 on the Consent Calendar.

Mr. SNELL. Mr. Speaker, we cannot go back now and take up bills that have been reached on the calendar, and I therefore object.

SAFETY OF EMPLOYEES AND TRAVELERS ON RAILROADS

Mr. CROSSER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 29) to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking, automatic train-stop, train-control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation, as amended.

The Clerk read the bill, as follows:

Be it enacted etc., That section 26 of the Interstate Commerce Act, as amended (U. S. C., 1934 ed., title 49, sec 26), is hereby amended to read as follows:

"SEC. 26. (a) The term 'carrier' as used in this section includes any carrier by railroad subject to this part (including any terminal or station company), and any receiver or any other individual or body, judicial or otherwise, when in the possession of the business of a carrier subject to this section: *Provided, however,* That the term 'carrier' shall not include any street, interurban, or suburban electric railway unless such railway is operated as a part of a general steam-railroad system of transportation, but shall not exclude any part of a general steam-railroad system of transportation now or hereafter operated by any other motive power.

"(b) That the Commission may, after investigation, if found necessary in the public interest, order any carrier within a time specified in the order, to install the block-signal system, interlocking, automatic train-stop, train-control, and/or cab-signal devices, and/or other similar appliances, methods, and systems intended to promote the safety of railroad operation, which comply with specifications and requirements prescribed by the Commission, upon the whole or any part of its railroad, such order to be issued and published a reasonable time (as determined by the Commission) in advance of the date for its fulfillment: *Provided,* That block-signal systems, interlocking, automatic train-stop, train-control, and cab-signal devices in use on the date of the enactment of this amendatory provision or such systems or devices hereinafter installed may not be discontinued or materially modified by carriers without the approval of the Commission: *Provided further,* That a carrier shall not be held to be negligent because of its failure to install such systems, devices, appliances, or methods upon a portion of its railroad not included in the order, and any action arising because of an accident occurring upon such portion of its railroad shall be determined without consideration of the use of such systems, devices, appliances, or methods upon another portion of its railroad.

"(c) Each carrier by railroad shall file with the Commission its rules, standards, and instructions for the installation, inspection, maintenance, and repair of the systems, devices, and appliances covered by this section within 6 months after the enactment of this amendatory provision, and, after approval by the Commission, such rules, standards, and instructions, with such modifications as the Commission may require, shall become obligatory upon the carrier: *Provided, however,* That if any such carrier shall fail to file its rules, standards, and instructions the Commission shall prepare rules, standards, and instructions for the installation, inspection, maintenance, and repair of such systems, devices, and appliances to be observed by such carrier, which rules, standards, and instructions, a copy thereof having been served on the president, chief operating officer, trustee, or receiver, of such carrier, shall be obligatory: *Provided further,* That such carrier may from time to time change the rules, standards, and instructions herein provided for, but such change shall not take effect and the new rules, standards, and instructions be enforced until they shall have been filed with and approved by the Commission: *And provided further,* That the Commission may on its own motion, upon good cause shown, revise, amend, or modify the rules, standards, and instructions prescribed by it under this subsection, and as revised, amended, or modified they shall be obligatory upon the carrier after a copy thereof shall have been served as above provided.

"(d) The Commission is authorized to inspect and test any systems, devices, and appliances referred to in this section used by any such carrier and to determine whether such systems, devices, and appliances are in proper condition to operate and provide adequate safety. For these purposes the Commission is authorized to employ persons familiar with the subject. Such persons shall be in the classified service and shall be appointed after competitive examination according to the law and the rules of the Civil Service Commission governing the classified service. No person interested, either directly or indirectly, in any patented article required to be used on or in connection with any of such systems, devices, and appliances or who has any financial interest in any carrier or in any concern dealing in railway supplies shall be used for such purpose.

"(e) It shall be unlawful for any carrier to use or permit to be used on its line any system, device, or appliance covered by this section unless such apparatus, with its controlling and operating appurtenances, is in proper condition and safe to operate in the service to which it is put, so that the same may be used without unnecessary peril to life and limb, and unless such apparatus, with its controlling and operating appurtenances, has been inspected from time to time in accordance with the provisions of this section and is able to meet the requirements of such test or tests as may be prescribed in the rules and regulations hereinbefore provided.

"(f) Each carrier shall report to the Commission in such manner and to such extent as may be required by the Commission, failures of such systems, devices, or appliances to indicate or function as intended; and in case of accident resulting from failure of any such system, device, or appliance to indicate or function as intended, and resulting in injury to person or property which is reportable under the rules of the Commission, a statement forthwith must be made in writing of the fact of such accident by the carrier owning or maintaining such system, device, or appliance to the Commission; whereupon the facts concerning such accident shall be subject to investigation as provided in sections 3, 4, and 5 of the act entitled 'An act requiring common carriers engaged in interstate and foreign commerce to make full reports of all accidents to the Interstate Commerce Commission, and authorizing investigations thereof by said Commission', approved May 6, 1910 (U. S. C., 1934 ed., title 45, secs. 40, 41, and 42).

"(g) It shall be the duty of the Commission to see that the requirements of this section and the orders, rules, regulations, standards, and instructions made, prescribed, or approved hereunder are observed by carriers, and all powers heretofore granted to the Commission are hereby extended to it in the execution of this section.

"(h) Any carrier which violates any provisions of this section, or which fails to comply with any of the orders, rules, regulations, standards, or instructions made, prescribed, or approved hereunder shall be liable to a penalty of $100 for each such violation and $100 for each and every day such violation, refusal, or neglect continues, to be recovered in a suit or suits to be brought by the United States attorney in the district court of the United States having jurisdiction in the locality where such violations shall have been committed. It shall be the duty of such attorneys to bring such suits upon duly verified information being lodged with them showing such violations having occurred; and it shall be the duty of the Commission to lodge with the proper United States attorneys information of any violations of this section coming to its knowledge."

Amend the title so as to read: "An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes."

The SPEAKER. Is a second demanded?

Mr. HOLMES. Mr. Speaker, I demand a second.

Mr. CROSSER. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CROSSER. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, something less than 1 minute is a rather short time within which to receive notification that you are to pack the white man's burden and open the argument for a bill. I was not aware this honor would be conferred on me until about 45 seconds ago, when I was so informed by the gentleman from Ohio [Mr. CROSSER], although I thank him for it. So what I have to say for this bill will be a rather rambling statement.

This is a bill to promote the safety of employees and travelers on railroads, briefly, by placing certain train safety devices and signals under the control of the Interstate Commerce Commission, giving the Commission power to require the installation of these devices, if, after hearing, it is deemed to be in the public interest, and to inspect them after they are installed, and also to see that they are properly maintained.

As I understand the legislation, it involves principally what is known as the block-signal system, which operates and controls train movements over the railways by signals instead of by telegraphic orders, delivered to trainmen. The principal thing is the block-signal system. There is also an interlocking provision of the bill, and that simply refers to interlocking railway crossings where railways cross each other. Also

the bill refers to cab-signal devices, but the main thing, so far as any opposition on the part of the railways to the bill is concerned, is that it involves placing the block-signal system, by means of which train movements are directed and controlled both out on the road and at terminals, under the control of the Interstate Commerce Commission.

Hearings were held on the bill, first by the subcommittee of the Interstate Commerce Committee, and then subsequent hearings were held by the full committee. There was one point in connection with the legislation that was much more fully brought out and stressed in the full committee which had greater weight with my mind in favor of the necessity of the legislation than anything else, and that is the tremendous development of train speeds, the injection within the past few years of what is known as the streamline trains, augmenting the speed of passenger trains from 50 and 60 miles an hour up to 100 or more miles per hour.

It was stated before our committee that it required 7,000 feet, more than a mile and a quarter, to bring a passenger train to a stop that was going at a speed of 90 to 100 miles an hour. That speed development has served to practically antiquate the present block-signal system, the distance arrangements of it, and so forth. I said to one representative of the railways opposing the bill that it looked to me as if they would have to have the signals just about a town apart in order to bring these trains under control and stop them in a safe distance.

There are already many safety devices under the Interstate Commerce Commission. They have locomotive boiler inspection passed by this House more than 25 years ago, the first railway safety inspection bill passed by Congress, and which I had the honor to present on this floor. They already have the automatic train stop and train control, although these are mentioned in the bill; they have the braking system, the automatic couplers, the stepladders, and the running boards. They have many features of railway engine and train equipment already under the control and regulation of the Interstate Commerce Commission. In my judgment, the directing and signaling systems in the operation of railway trains ought to be put in the same place. The Commission now has jurisdiction of all train equipment, but no jurisdiction of the equally important field of train movement by signal systems.

We are having no difficulties now, the railroads are under no hardships, in my judgment, but are benefited by the fact that such a body as the Interstate Commerce Commission has jurisdiction of train equipment and safety devices. I can see no good argument whatever, especially in view of the enormous changes now being made in train speeds, and the great and growing congestion of traffic caused by other forms of transportation, why the block signal, interlocking crossings, and cab signals should not likewise be under the control of the Interstate Commerce Commission. [Applause.]

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. HOLMES. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, it is no easy task to present a proposition before this body that is at least apparently opposed by some sincere labor leaders, but I do not believe that before this body it is necessary for me to apologize in any way for my stand in behalf of the laboring class in this country. If there were any evidence before me that there is a real movement upon the part of the railway labor group in favor of this bill I am sure that I would give it much more consideration than I have before presenting the other side of the question. Probably the Members here have received a letter from me and probably did not read it, if they are like I am, setting forth some of the reasons why the bill is not acceptable, and by unanimous consent I shall put that letter into my argument:

MY DEAR COLLEAGUE: I am imposing on your overworked eyesight to present some reasons justifying the rejection of S. 29, which will come before the House under suspension of rules, Monday afternoon, August 16.

This bill will change the present powers of the Interstate Commerce Commission in two respects. It authorizes that Commission to demand the installation and specify the character of block and interlocking signals and similar devices; and it also directs the Commission to employ a new group of inspectors at a minimum annual expense to the Government of $100,000.

Briefly, my opposition to this bill is that it is not necessary and that it will open avenues to create useless and extravagant railroad expenditures, which will be added to the public living costs.

As to the necessity of this bill, the report of the Interstate Commerce Commission contains this illuminating statement: "As for the general need for such provisions, we assume that evidence pro and con either has been or will be fully presented to your committee * * * there is no reason why it (the Interstate Commerce Commission) should object." If there ever was damnation by faint praise, or an exhibition of indifference, that is it.

The bill is not needed as a safety measure. From 1923 to 1935, out of 189,000 accidents less than three one-hundredths of 1 percent were due to defective signal and interlocking devices; and during the last 2 years of that period, with trains traveling over 1,600,000,000 miles, there were no such accidents at all. Could any human device be more foolproof or less needful of a gang of governmental inspectors at $100,000 a year?

I have recently interrogated railway employees while riding on trains, without disclosing my nefarious occupation as a Congressman, concerning this bill. In each case I received nothing but a sarcastic smile and a shrug of the shoulders. The membership of the railway brotherhoods are not at all fooled by this bill. Some of their leaders are nominally for it, but the men themselves make no pretense.

Common sense indicates that the railroads are just as anxious to protect their property and the lives of their passengers and employees from injury as are the members of the signalmen's organization.

The bill itself shows the motive back of it. In the original bill it was provided that the Interstate Commerce Commission could use "its regular employees." After the signalman's lobby had been in full operation the bill was changed so that only members of their organizatioin could fill the requirements.

When a signal gets out of condition, it is so made that gravity at once shows the danger and stops the train. The only result of a defective signal is that a train is stopped. We might just as well have a bill before us authorizing bureaucratic inspection of telegraph wires.

As to the expense which this bill will entail to the railroads and indirectly to the public, your imagination is the only guide. The newly appointed bureaucrats can tell the railroads just when they must tear out all of their present signal systems and install any kind of a new system that their cupidity may fancy. When that door is opened, the sky is the limit, and John Q. Public is the man who pays the bill. I earnestly ask that you give this bill, the report, and the testimony your careful consideration before voting for it.

There is no employing group in this country that has the fine relationship with their employees that our railroads have. There is no industry that even approaches the railroads in the proportion of income that goes to wages. This body ought to encourage the continuance of this relationship and protect not only the railroads but the public at large from a group of lobbyists that are trying to create work and open avenues, wherein they will at least have the power, if they are so inclined, to shake down the railroads to their very great personal profit.

This bill covers two propositions. First, there is the inspection of the present signaling devices, and, second, there is the installation of new signaling devices. In my letter I call attention to the objections to the inspection part of the bill. At the present time, of all of the accidents that have happened in the period from 1923 to 1935, less than three-hundredths of 1 percent of the accidents have been due to defective block-signal devices, and those signals are so arranged by gravity that when they get out of order for any cause they show danger and stop the train. In other words, they are self-inspecting. If you have anything so perfect that out of 189,000 accidents less than three-hundredths of 1 percent are due to defective signal devices you have something so foolproof and perfect that the human equation in your inspectors would cause probably more confusion than at present exists. As to the installation of new devices, it is true that more accidents have been due to the fact that these block signals have not been installed. There is apparently more merit to this proposition, but here is a phase of that that is interesting. The railroads are constantly conducting laboratories, constantly trying out new devices at different times and places to get the highest degree of safety they can possibly get. They have more interest in this thing than any one group of employees, except those whose lives are at stake, and certainly more than the signalmen's organization that is back of the bill. Nominally some of the other lobbyists are here from the railway-employee groups,

but the brotherhood of railwaymen, the people who operate the trains, have taken no real, vital interest in it. Theirs are the lives that are at stake—the engineers, the motorman, the fireman—but they have not taken the lead in this; it has always been the signalmen, and why? Because there is a proposition in this bill that there are to be a lot of inspector jobs created, and the provision of the bill is such that nobody but those employees can occupy those jobs. All I ask you to do is to put this bill off until you have had an opportunity to go on some of these trains. Do not tell them who you are, but just ask those men what they think about this inspection bill. They will shrug their shoulders and tell you, "Oh, somebody has to be doing something all the time."

Now, who is back of this bill? The Interstate Commerce Commission is not advising it. They simply say they have no reason to object to it. The people who operate the trains are not aggressive. They are simply nominal in their endorsement. The railroads, who have the burden of protecting the lives of the people, are not saying anything about this bill. The people who carry the investment in the railroads are not. No. It is a group of 11,000 signalmen in this country who hope to become big shots and get some of these jobs. That is the way it looks to me. I cannot be anything but frank in telling you so. Why should we let this remain in the hands of the railroads? In 1920 we passed the present bill, providing for train-stopping devices. From 1920 to 1935, $38,000,000 worth of equipment was installed at the request of the Interstate Commerce Commission, under the present law. From 1925 on, the Interstate Commerce Commission has not required the installation of a single piece of equipment under the present law. Why? Because they have found that the railroads in their experimentation know much more about where this equipment is needed and when it is needed and what is the best type of equipment, than the Interstate Commerce Commission itself. They have done this, further: They have permitted the railroads to take out 37 percent of the equipment that has already been installed under their orders.

Now, we are in a great period of change. New speeds, new equipment, new signal systems, are all being developed by the railroads themselves. Are you going to turn the proposition over to a bunch of signalmen who will step out and tell these railroads that they shall tear out their present equipment, without any experimentation, and try anything new that they deem advisable, blow in all the money the railroads have? The sky is the limit, and you and the farmers of this country and John Q. Public will pay the bill, and nobody can tell how much it will cost.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. SHORT. Is it not to the railroads' own selfish interest to do everything possible to prevent accidents?

Mr. HARLAN. It is far more to the railroads' salvation to stop accidents than it is to this group of signalmen, because they are not on the trains. They do not have anything at stake and the railroads have.

Mr. SHORT. Could the gentleman tell us how much additional cost this would be to the railroads?

Mr. HARLAN. Nobody, in the wildest imagination, can tell, because it will depend upon the whim of these former signalmen who think they know everything about the subject and will require limitless installation, and nobody can tell. It will run into the hundreds of millions of dollars.

Mr. SHORT. But the general public will have to pay the bill?

Mr. HARLAN. Yes.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MARTIN of Colorado. If the railroads are so interested in making these improvements themselves, why did they oppose the airbrake, and why did they oppose the automatic coupler, and why did they oppose legislation to empower the Interstate Commerce Commission to regulate those things?

Mr. HARLAN. The record of the railroads prior to the World War was not the most enviable. Nobody would say that. In the early days they did oppose reasonable regulation of those things because they thought it was expensive. They thought it was costing them too much. But since the World War, since 1920, at any rate, nobody can honestly say that the railroads have not done everything they can to promote safety. It is safer to travel on the railroads than it is to be at home in your own rocking chair. There are less accidents. Why do we want to branch off into something that nobody can tell what the cost will be? The bill itself injures itself. When the bill was originally drawn it said that the Interstate Commerce Commission should use their present employees for inspector jobs. "Present employees" was stricken out and specifications put in so that only signalmen can hold these jobs. [Applause.]

[Here the gavel fell.]

Mr. CROSSER. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, one of the most unfair arguments, in my opinion, that could possibly be offered against this legislation has been made by the gentleman from Ohio [Mr. HARLAN]. The gentleman said this bill is a signalmen's bill; that it was introduced by the signalmen, and that they are selfish in their desire to have it written into law. I cite you to the hearings, in which all of the 21 standard railroad organizations are wholeheartedly supporting this legislation, and in which the 4 brotherhoods, namely, the engineers, the trainmen, the conductors, and the firemen, are likewise wholehearted in their support of the legislation.

As a matter of fact, if the gentleman from Ohio was so intent in his opposition to this bill, why did he not appear before the committee when hearings were held and voice his opposition to it? He was conspicuous by his absence at that time; but now almost out of a clear sky he comes before the House and tells us just exactly who is opposed to the legislation and who is not opposed to it. I say to the gentleman from Ohio that, if he had any complaint, if he had any argument to offer against this legislation, that argument should have been made before the Interstate and Foreign Commerce Committee of the House. That committee considered this legislation upon its merits. They reported it out, and it is before you now for your consideration with their recommendation.

Mr. Speaker, all we are doing under this legislation is extending the authority of the Interstate Commerce Commission to inspect signal equipment and to coordinate the different signal apparatus that are now being used by the standard railroads throughout the United States. At the present time it is the duty of the Interstate Commerce Commission to investigate when there have been accidents. I say that the constructive thing to do is to make the investigation prior to the accident, to supervise the proper maintenance, and to coordinate signal equipment throughout the United States so the innumerable accidents will not occur.

We are exploring a field about which very few of us know anything. You cannot tell what is going to happen in the advancement of signal equipment. They are now experimenting with short-wave signal systems. We must have Federal participation in order to coordinate in a constructive way the various signal systems in order to properly protect the traveling public.

I come now, Mr. Speaker, to the question of cost. If the railroads are operating as safely as the gentleman from Ohio would lead us to believe they are, then this legislation and the supervision of the Interstate Commerce Commission will not cost the railroads one single solitary cent; as a matter of fact, the cost of this legislation to the Federal Government, as estimated by the Interstate Commerce Commission, will be $43,000 the first year, and in following years may reach a maximum of $67,000 per annum. [Applause.]

[Here the gavel fell.]

Mr. HOLMES. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, it seems we are always accused of having ulterior motives when we discuss critically legislation pertaining to labor. If there is one thing in which I am particularly interested, it is in providing safety for men working in industry. I think it is one of the finest things we can do. I am interested in all men who work, whether they work on the railroad, in the woolen mill, or in any other industry. I am interested also, however, in having these industries operate. I am interested in having the railroads of the country operate under private management. The railroads, as you all know, pay taxes to the Federal Government to the extent of almost $1,000,000 a day, yet these same railroads are having a very difficult time trying to continue operation. How many of them have gone to the Reconstruction Finance Corporation and borrowed money to keep in operation because they could not get it from private sources? This is because their income is not sufficient for normal operation.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. TAYLOR of South Carolina. Is it not a fact that in some counties the railroads pay about the sole tax that supports schools?

Mr. RICH. I so understand. If we are not careful in the burdens we pile onto the railroads, if we pass legislation just because it comes before the House of Representatives at the request of, or bearing the endorsement of, signalmen or some other group, if we continue to add to the cost of the operation of the railroads, we shall find that we shall have to take the railroads over and operate them by the Federal Government. This many socialistically inclined want to happen. Should that day come the income now received in the form of taxation of these carriers will be lost, and politics will enter into the operation of the railroads. It will be a sorry day for the people of this country when the railroads are taken over and operated by the Federal Government. Politics and business do not mix; they are entirely different.

The serious question about the pending legislation is that no one, either in the hearings or at any time or any place, has given us any estimate of what its cost is going to be to the Government or to the railroads. There is not a man in the House of Representatives who can tell us what the cost of the installation of this equipment is going to be, and can the railroads of the country stand the extra burden of cost.

Every Member of the House knows that the operation of our railroad trains in this country has been on a very safe basis. The number of wrecks today are few, indeed; when compared to the wrecks of 15 or 20 years ago they are almost negligible. When we compare the loss of life from automobile traffic on the highway with loss of life through wrecks on the railroads we find the highways to be 100 times more hazardous than the railroads. The few lives lost on the railroads does not begin to compare with the 50,000 people killed last year on the highways of the Nation. Why should we saddle a cost of millions of dollars onto the railroads just because a few men want the legislation? When the expense is not justifiable. When the hazards are nominal, just because a few people demand such expenditures for their own personal gain. It is not right, it is not just, it is not honest, and it certainly is not necessary. If it were, the railroads would install it as a matter of economy, because wrecks are costly to the railroads.

Mr. HOLMES. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. MAY. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman realize that in the year 1936 there was not a single fatal accident on the railroads of this country?

Mr. RICH. If there was not a fatal accident on the railroads in 1936, can the gentleman tell me why the Members of Congress want to put through a bill which will cost the railroads of this country millions and millions of dollars to install the equipment called for eventually by this bill?

Mr. MAY. I take it they think it is needed or they would not be offering it, although I think it is a mistake not to pass this bill.

Mr. RICH. It is a misapprehension to believe that cost is necessary under the conditions suggested by the gentleman from Kentucky.

Mr. GRISWOLD. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Indiana.

Mr. GRISWOLD. The gentleman has talked considerably about the signalmen wanting this. I wonder if the gentleman realizes that the traveling public has a vast interest to the extent that no matter what happened in 1936, in 1934 up in New Jersey, due to the failure of signal devices, there was a train wreck which killed 48, as I recall.

Mr. RICH. Even if this bill is enacted into law, that does not mean that you are never going to have a wreck on a railroad. We have had more wrecks with airplanes, we have had more wrecks with automobiles, we have had more wrecks with every kind of transportation, than the railroads have had, during the past several years.

Mr. GRISWOLD. But it gives them the opportunity to check some of this obsolete equipment.

Mr. HARLAN. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Ohio.

Mr. HARLAN. The statement that the gentleman from Indiana [Mr. GRISWOLD] just made about that wreck being due to a defect in a signal device is not borne out by the records of the Interstate Commerce Commission.

Mr. RICH. The gentleman is correct. Why then this legislation? It should not pass.

[Here the gavel fell.]

Mr. CROSSER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, the gentlemen who have occupied the time in opposition to this bill have made very interesting speeches, but, if I may be permitted to say so with great respect, it seems to me that what they have said has had very little pertinency so far as the legislation before us is concerned.

This bill is a very simple one. If anyone will take the trouble to read it, he will readily see how wide of the mark some of the discussion in regard to it has been. It merely provides that the Interstate Commerce Commission may, after investigation, "if found necessary in the public interest", order any carrier—

> To install the block-signal system, interlocking, automatic train stop, train control, and/or cab-signal devices, and/or other similar appliances, methods, and systems intended to promote the safety of railroad operation.

That is all it does. Before the Commission can issue any order it must find, after investigation, that it is in the public interest to do so.

As a matter of fact, the Interstate Commerce Commission now has such authority over certain signal devices and may require the railroads to install them if it sees fit to do so. This bill goes one step further and gives it jurisdiction over all signal devices and the authority to order the installation of any signal device it finds, after investigation, necessary, and in the public interest, to have installed.

As the gentleman from Wisconsin [Mr. WITHROW] pointed out, if their devices are as good as the railroads say they are, and I do not doubt but what they are, then this legislation will not affect them materially.

It seems to me that the gentleman from Ohio [Mr. HARLAN], has approached this legislation in a different attitude of mind than he usually takes in considering legislation of a character similar to this. It seems to me that he has drawn on his imagination a good deal in order to make some of the argument which he has made in regard to it. For example, the gentleman stated in the letter which he sent to us in opposition to the bill that—

> After the signalman's lobby had been in full operation, the bill was changed so that only members of their organization could fill the requirements.

In his speech on the floor a few minutes ago he said that—

> Nobody but these employees can occupy these jobs.

Nothing could be further from the fact.

The Interstate and Foreign Commerce Committee wrote into this bill the express provision that these positions should be placed under the civil service and that the salaries should be fixed by the Classification Act. If you will turn to page 4 of the bill, beginning in line 21, you will find this language:

> For these purposes the Commission is authorized to employ persons familiar with the subject.

Personally, I think that sentence is surplusage because the Civil Service Commission must necessarily see to it that applicants for positions, or those who take civil-service examinations, are qualified, or in the language of the bill, familiar with the subject before finding them eligible for appointment. However, to make assurance doubly sure on that point, this language was written into the bill as a committee amendment:

> Such persons shall be in the classified service and shall be appointed after competitive examination according to the law and the rules of the Civil Service Commission governing the classified service.

The Interstate Commerce Commission administers the act, and, if any additional employees are required to administer it they must be selected in accordance with the civil-service laws and regulations, and their salaries will be fixed in accordance with the Classification Act.

What this bill seeks to do is very clearly and concisely stated in the closing paragraph of the statement of the very able president of the Brotherhood of Railroad Signalmen answering the letter of the gentleman from Ohio [Mr. HARLAN].

[Here the gavel fell.]

Mr. CROSSER. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MAPES. That paragraph is as follows:

> The Interstate Commerce Commission now has authority, because of laws enacted many years ago, over the large majority of safety appliances on the railroads. Such authority has been administered with fairness and with much benefit to the railway companies as well as to the employees and the general public. The signal devices that are now being used are rapidly becoming the most important safety equipment in use in modern railroading with its high-speed operation and the need for the provisions of this bill is becoming imperative. A condition should no longer be permitted to exist whereby the Bureau of Safety of the Interstate Commerce Commission lacks authority to check up on the maintenance and operation of these important safety devices and to require correction of unsafe conditions when found to exist.

That is all there is to this bill. It seems to me that it is a meritorious piece of legislation and should be passed.

Mr. HOLMES. Mr. Speaker, we have no further requests for time on this side.

Mr. CROSSER. Mr. Speaker, there should be no difficulty at all in understanding the bill now before the House. The only question involved in the measure is whether or not the Interstate Commerce Commission should be given authority to investigate the operating conditions of railroads and to inspect their signaling and safety devices and, if the Commission finds it necessary, then to order the repair of defective apparatus, and, when it is in the public interest, the bill would authorize the Commission to order the installation of safety devices not already in use by the railroad which would be affected.

Certainly that is a reasonable provision of law—nothing extreme or arbitrary. It merely makes the Interstate Commerce Commission the guardian of the public's and the workmen's safety.

For many years, as a member of the House Interstate Commerce Committee, I have listened to representatives of the railroads praise the Interstate Commerce Commission to the skies as a great institution for the regulation of the railroads. Is there any function that the Commission could perform more important than that of safeguarding the lives and limbs of those who travel and of the men who work on the railroads of the country?

Is it unreasonable to insist upon empowering the I. C. C. to inspect the safety and signaling equipment of the railroads and to order them to be put in proper working order if found defective or to order the installation of safety and signaling devices for the protection of the workmen and the public when such devices shall not have been installed already? Such authority and power are all that is involved in this bill now before the House.

Mr. McKEOUGH. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Illinois.

Mr. McKEOUGH. Is it not true that the Interstate Commerce Commission now has jurisdiction over automatic train control, and has had for years?

Mr. CROSSER. Yes.

Mr. McKEOUGH. All in the world this bill means is merely an expansion of the right to order it placed in service after investigation?

Mr. CROSSER. The gentleman is entirely right.

In order to find an excuse for urging defeat of the bill the opponents of the measure intimated before the committee as they do now that it would require a fabulous amount of money to carry out the provisions of the bill if enacted into law. Now the fact is that it would require very little money to administer the proposed law. Commissioner Eastman informed our committee that about $43,000 would be the total additional expense necessary during the first year of the law's operation, and not more than $67,000 per year thereafter.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Is it not true that the remarkable railway safety we have today is largely due to modern signal devices?

Mr. CROSSER. Absolutely.

Mr. MURDOCK of Arizona. Is it not true also that, with the high speeds prevailing now, we must enter the new era with new equipment, using the latest ideas science has given us?

Mr. CROSSER. It is much more important now than ever.

Mr. MURDOCK of Arizona. This is the logical time to do it.

Mr. CROSSER. This is the time.

The argument that a high degree of safety has already been attained and therefore that the Government ought not to concern itself further with precautions for safety is simply too ridiculous to justify an answer. Let the Government relax its vigilance in the interest of public safety and we should soon see a return to the old lax way of doing things which cost the lives and limbs of thousands of people as a result of accidents.

Do not tell me that safety and signaling devices do not frequently fail to function properly and with serious consequences. I hold in my hand a picture of a wreck caused a few months ago out in Chicago by the failure of one of these safety devices to function as it should have functioned. If this device had been inspected by competent officials of the I. C. C. and an appropriate order had been issued, the signaling device would have operated properly, the wreck would not have occurred, and 12 people would not have been hurt, as was the case in this accident. Let us waste no further time in discussing a proposal which is so reasonable and so manifestly in the interest of safety and of the public welfare. Let us pass the bill by an overwhelming vote.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and there were on a division (demanded by Mr. HARLAN)—ayes 110, noes 5.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

APPROPRIATIONS FOR CONSTRUCTION AND REHABILITATION AT MILITARY POSTS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7645) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "$21,460,688" and insert "$25,587,456."

Page 2, after "Total" under station "Fort Crook, Nebr.", insert:

Fort Devens, Mass.	Quarters, officers	$107,400
	Quarters, noncommissioned officers	42,500
	Telephone, telegraph, and radio station	45,000
	Telephone construction	6,000
Total		200,900

Page 3, after "Total" under station "Fort Sam Houston, Tex.", insert:

Fort Huachuca, Ariz.	Hospital (50 beds, 32d Medical Detachment)	$225,000
	Barracks (250 men)	275,000
	Telephone construction	500
Total		500,500

Page 3, strike out—

Fort Knox Ky.	Hospital	200,000

And insert:

Fort Knox, Ky.	Hospital	200,000
	Barracks	550,000
	Quarters	277,200
	Telephone construction	10,000
Total		1,037,200

Page 4, strike out:

Presidio of San Francisco, Calif.	Barracks	137,500
	Quarters (noncommissioned officers), telephone construction and utilities.	38,870
Total		176,370

And insert:

Presidio of San Francisco, Calif.	Barracks (250 men)	275,000
	Barracks, quartermaster and detachments	275,000
	Telephone construction	5,000
	Quarters (noncommissioned officers) telephone construction and utilities.	38,870
Total		593,870

Page 4, after "Total" under station "Fort Thomas, Ky.", insert:

Fort Francis E. Warren, Wyo.	Barracks, medical detachment	$137,500
	Gymnasium	140,000
Total		277,500

Immediately following the foregoing amendment no. 6 insert:

Headquarters Provisional Brigade and Washington Quartermaster Depot, D. C.	Barracks	$1,320,000
	Land, purchase of	573,188
Total		1,893,188

Page 4, strike out:

Total for the United States.	15,090,588

And insert:

Total for the United States.	19,217,356

Page 5, strike out:

Grand total	21,460,688

And insert:

Grand total	25,587,456

Page 5, line 2, strike out "an extension to" and insert "a branch of."

Page 5, line 3, after "School", insert "at Chanute Field, Ill."

Page 6, after line 11, insert:

"SEC. 3. That the military reservation near Little Rock, Ark., now known as Camp Pike, shall be designated and hereafter be known as 'Camp Joseph T. Robinson.'"

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONSTRUCTION OF FLOOD-CONTROL PROJECTS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7646) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WHITTINGTON, GRISWOLD, and ENGLEBRIGHT.

THREE HUNDRED AND FIFTIETH ANNIVERSARY OF THE BIRTH OF VIRGINIA DARE

The SPEAKER laid before the House the following communication:

AUGUST 16, 1937.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: On account of other engagements I am obliged to resign as a member the special committee to attend the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare to be held at Roanoke Island, N. C., on August 18, 1937.

Very respectfully,

B. H. SNELL.

The SPEAKER. The Chair appoints as a member of the joint committee on the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare and the disappearance of Sir Walter Raleigh's colony, to fill the vacancy caused by the resignation of the gentleman from New York, Mr. SNELL, the gentleman from Vermont, Mr. PLUMLEY.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include therein short excerpts from the hearings and the report on the railroad signaling bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE SUGAR BILL

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States and with foreign countries, to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States, to raise revenues, and for other purposes, with Senate amendments, disagree to the Senate amendments and ask for a conference.

Mr. LANZETTA. Mr. Speaker, I shall have to object at this time. I asked the gentleman from Texas [Mr. JONES] to withhold his request until I could get some information.

Mr. JONES. I thought the gentleman had had a chance to check on that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LANZETTA. I object, Mr. Speaker.

Mr. JONES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES. In the event of objection, is it in order to move to suspend the rules and send a bill to conference? I did not want to do that now, but I am asking for information with respect to future procedure.

The SPEAKER. It would be in order on this particular day. Of course, the Chair has not agreed to recognize the gentleman, but the Chair might do so.

THE REVENUE BILL OF 1937

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes; and pending that, I ask unanimous consent that there may be 2 hours of general debate, the debate to be confined to the bill and one-half of the time to be controlled by myself and one-half by the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I understand the agreement is that the time shall be cut down 1 hour on each side from the amount of time originally agreed upon.

Mr. DOUGHTON. That is correct.

Mr. TREADWAY. That is agreeable to this side.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, for the convenience of Members I desire to announce that it is the intention to stay in session this evening until this bill is passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, on June 1 of this year the President, in a message to the Congress, directed attention to the existence of serious evasion and avoidance of our Federal income tax. The message and the accompanying letter of the Secretary of the Treasury pointed out a number of the devices that were being used by some wealthy taxpayers to dodge their proportionate share of the tax burden and requested that there be further investigation and the enactment of remedial legislation at this session of the Congress designed to effectively plug the loopholes that were disclosed.

As a result of this message the Congress enacted Public Resolution No. 40, Seventy-fifth Congress, which established the Joint Committee on Tax Evasion and Avoidance and empowered it to—

> Investigate the methods of tax evasion and avoidance of income, estate, and gift taxes, pointed out in the message of the President, and to report to the Senate and the House at the earliest practicable date, and from time to time thereafter, but not later than February 1, 1938, its recommendations as to remedies for the evils disclosed by such investigation.

In compliance with the direction of the Congress, this committee, composed of six members of the Committee on Finance of the Senate and six members of the Committee on Ways and Means of the House of Representatives, of which I have the honor of serving as chairman, has held open hearings and has conducted an investigation relative to these tax-dodging schemes, and we have reported our findings, along with our recommendations for corrective legislation, to the Congress.

This report was referred to the Committee on Ways and Means where it received the consideration of the full committee and where public hearings were held relative to the subject matter contained therein.

It should be made clear at the outset that the investigation which has been conducted and the report which we have made does not complete the work of the Joint Committee on Tax Evasion and Avoidance. These are merely the first steps which are designed to bar at the earliest practicable date the use of the most glaring of these tax loopholes. The committee will continue in existence until February 1, 1938, and its consideration of the problem of tax avoidance and evasion will by no means cease with the enactment of the pending legislation. It is hoped and believed that the committee, through the cooperation and assistance of the Treasury and congressional committee experts, will have further reports and recommendations for the consideration of the Congress at the next session.

Thus, for the purposes of legislation at this session, attention has been given primarily to the consideration of the following eight devices for the avoidance and evasion of taxes, as they are the most widely used and are considered most important from the revenue point of view:

First. Domestic personal holding companies.

Second. Incorporated yachts, country places, and so forth.

Third. Incorporated talents.

Fourth. Artificial deductions for losses.

Fifth. Artificial deductions for interest and business expense.

Sixth. Multiple trusts.

Seventh. Foreign personal holding companies.

Eighth. Nonresident aliens.

With respect to these loopholes, it is felt that the pending legislation, which has been recommended by the Joint Committee on Tax Evasion and Avoidance, approved by the Treasury and congressional committee experts, and favorably passed upon by the Committee on Ways and Means, will prove an effective bar to their further use.

Time will not permit me to elaborate upon the intricacies of these tax-dodging schemes, nor to go into great detail with regard to the remedies proposed. Other members of the committee desire to be heard and will fill out the picture which I shall endeavor to outline briefly.

The characteristic thread which runs through these devices is the divided and multiple personality of the taxpayer. The Federal tax laws recognize that legal entities are desirable in the proper conduct of legitimate business enterprise and are of great value to our modern economic system. However, many wealthy taxpayers have used and are using these legal entities to pervert and distort their transactions as to accomplish tax evasion or avoidance to an alarmingly increasing degree.

When an individual, in the pursuit of his purely individual activities, ceases to be, for the purposes of the Federal income tax, an individual, but becomes instead a complex maze of personal holding companies or a multiplicity of trusts, it becomes difficult to subject him to his proper proportion of the tax load without, at the same time, doing injustice to legitimate business activities and to proper corporations and trusts.

By the use of these devices an individual, or a closely related group of business associates, becomes a number of legal entities some of whom are earning profits and making gains while others are losing money. These artificial creatures trade and deal with each other, taking losses or making gains at times peculiarly advantageous to the controlling stockholder, and create and utilize deductions and losses that greatly reduce the tax liability of such persons over that which they would have incurred had they done these things in their individual capacities. In practically all of these cases it is obvious that this division and subdivision of individual activities among a number of legal entities is not for the purpose of enabling or expediting legitimate business aims but is done for the purpose of avoiding or evading taxation.

It is astonishing that persons who undoubtedly exercise a high regard for business ethics and honorable dealing in their ordinary transactions, evidence such a callous disregard toward their obligations to their Government in matters of taxation. Such individuals may not stoop to sharp practices nor shady methods in the conduct of their business and financial affairs, yet they apparently consider it entirely proper and even smart to engage in these clever schemes to dodge their proportionate share of the tax burden. Thus, in their persistent desire to escape their just share of the cost of government they employ shrewd lawyers, as unscrupulous as themselves, to construct a maze of purely artificial and fictitious entities that have no other reason for existence except to dodge taxes.

If these practices are allowed to continue it would be extremely unjust to individuals and companies that are acting honestly and fairly in their attitude toward tax matters. Moreover, if taxpayers see their business competitors and other taxpayers successfully avoiding tax liability by use of loopholes which the Congress neglects to close, it presents a strong incentive to such taxpayers to adopt these devices for their own use. In addition, this matter of tax evasion and avoidance is of extreme importance to our

revenues. Already it is costing the Treasury millions of dollars in lost taxes, and if allowed to continue will steadily and seriously decrease our revenue collections.

For the sake of order and clarity in discussing the various devices that have been disclosed and in presenting the remedial measures suggested to bar their further use, it will be best to treat each type of case separately.

1. THE DOMESTIC PERSONAL HOLDING COMPANY

The personal holding company is generally little more than an incorporated pocketbook or portfolio of securities. Its chief reason for existence is to enable the accumulation of profits for the benefit of its stockholders at rates of tax lower than would apply were they to receive such income directly; and in general it is of no value except to those individuals whose net income, if received directly, would subject them to the higher surtax rates.

In the Revenue Act of 1934, pursuant to recommendations made by a subcommittee of the Committee on Ways and Means, section 351 was enacted, which levied a surtax, in addition to the ordinary corporate income tax, upon the undistributed earnings of personal holding companies as defined in that section. This provision has been effective and has resulted in millions of dollars of additional revenue. Nevertheless, it has been clearly demonstrated that section 351 did not go far enough to effectively plug this loophole in the case of taxpayers in the highest surtax brackets.

The graduated rates applicable under section 351 under existing law range from 8 percent on the first $2,000 of undistributed net income to 48 percent on the amount thereof in excess of $1,000,000. To take advantage of the benefits accorded small companies in the lower brackets of this graduated surtax, wealthy persons have organized a great number of such companies and distributed among them their income-producing properties in such manner as to effectuate the lowest possible tax liability. Thus, a cushion which had been inserted for the relief of small taxpayers was perverted to accomplish tax dodging in the case of wealthier ones.

In addition to accumulating income at tax rates lower than those applicable to individuals under the individual surtax, personal holding companies are used to effectuate other reductions in tax liability. Transactions between the stockholders and their personal holding company or between members of the family of, or business associates of stockholders with such company, are used to establish opportune losses or gains for the purpose of stepping up the value of traded assets, without losing substantial control of such assets. Or, an individual may find it advantageous to organize several personal holding companies to be owned by himself, members of his family, or business associates, and to cause trades and exchanges of assets to be made among these companies.

These are but examples of the many uses to which the personal holding company device has been put to avoid tax liability. Other members of the committee will describe these and other methods more fully. It is believed that the proposed legislation will effectively stop these abuses.

The pending measure would raise the rates of surtax applicable to the undistributed income of these corporations from a graduation of from 8 to 48 percent to one of 65 to 75 percent. This increase should place such companies on a par with persons in the top individual surtax brackets and should effectively discourage the further use of this device to avoid taxes. The pending measure would also so limit and control the allowance of deductions and losses to personal holding companies as to bar their effectiveness as a tax-dodging scheme in that regard.

2. INCORPORATED YACHTS, COUNTRY PLACES, ETC.

Personal living expenses may not be deducted by an individual in arriving at his net income for purposes of the income tax. To get around this rule a number of wealthy individuals have organized personal holding companies and have transferred to such companies their houses, yachts, or other property used for their purely personal enjoyment, along with sufficient income-producing assets to produce enough revenue to pay the running expenses of such property. To provide a background of reality to this obviously fictitious transaction the stockholder pays his holding company a normal rental for the use of such estate or yacht.

If this practice were permitted to continue, any taxpayer could incorporate his automobile, for example, and by this device secure a deduction for tax purposes for the cost of operation and maintenance of a car used purely for pleasure.

The provision recommended for the curing of this ill will place personal holding companies on an equal basis with individuals with respect to the deductibility of expenses which are personal in nature, but at the same time it will place no hardship upon ordinary operating companies.

3. INCORPORATED TALENTS

This device is used by persons whose services are of such nature as to command large annual salaries, and is used particularly by screen stars, radio, and concert performers, artists, and the like. Such a person organizes a corporation, the stock of which is held by himself or members of his family. The corporation then hires the individual at a yearly salary much less than that which can then be secured for his services to a third party. The amount paid to such person by his corporation is sufficient for living expenses, and the difference between this sum and that secured from the third party is allowed to accumulate in the company free from the individual surtax which would have been paid had the income gone directly to its real owner.

The pending measure will plug this loophole by classing such a corporation as a personal holding company and subjecting it to the applicable surtax.

4. ARTIFICIAL DEDUCTIONS FOR LOSSES

The evidence submitted to the joint committee disclosed that a considerable loss of revenue was resulting from the artificial taking and establishment of losses where property was shuffled back and forth between various legal entities owned by the same persons or person. These transactions seem to occur at moments remarkably opportune to the real party in interest in reducing his tax liability but, at the same time allowing him to keep substantial control of the assets being traded or exchanged.

To eliminate the taking of these artificial deductions the pending bill would amend section 24 (a) (6) so as to disallow losses where they are incurred in any transactions which are not definitely at arm's length.

5. ARTIFICIAL DEDUCTIONS FOR INTEREST AND BUSINESS EXPENSES

The use of this device is confined to persons who are not dealing at arm's length and arises where one party to the transaction keeps books on the cash receipts basis while the other party uses the accrual method of accounting. For example, an individual takes the note of his personal holding company. The company is on the accrual basis while the individual uses the cash receipts method. The company then accrues interest on the note and deducts it in arriving at its net income. Since the parties are not acting at arm's length the interest is never really paid and the individual consequently pays no tax thereon, but his company takes the deduction nevertheless.

This situation has been remedied by providing in the proposed law that such deductions will not be allowed in the case of such transactions between persons who are members of a family, or between an individual and a company in which he owns over 50 percent of the stock.

6. MULTIPLE TRUSTS

With regard to this loophole the joint committee has not completed its study nor made its final recommendation. The problem brought on by the creation of a number of irrevocable trusts for the same beneficiary where such trusts are designed to accumulate income, is a complex one and should, in the opinion of the committee and the experts, receive more attention before final action is taken.

Under existing law such trust income is taxed severally to the respective trustees and an exemption of $1,000 is allowed in the case of each trust in lieu of the personal exemption which would be allowed were the income to go directly to the beneficiary.

It is recommended that the $1,000 exemption be entirely eliminated and the pending bill so provides. This step will at least do away with the advantages resulting from a distribution of the income-producing property to enough trusts for accumulation so that none of them have an annual income of more than $1,000, and hence pay no income taxes whatever.

7. FOREIGN PERSONAL HOLDING COMPANIES

This device for the avoidance of taxes was not used to any substantial extent until 1935. Since that time, however, its use has become very prevalent. Evidence presented to the joint committee showed that 613 such companies have been formed during the last 2½ years in the Bahamas, Newfoundland, Panama, and Prince Edward Island alone. How many have been established in other foreign countries, we do not yet know. Because of obvious jurisdictional questions it is difficult to obtain definite information with regard to these foreign entities or their shareholders.

The very nature of these companies makes them readily adaptable to the accumulation of income beyond the territorial boundaries of the United States, and to the trading in stocks and securities abroad without payment of the tax on capital gains. In addition, the very nature of these companies makes it difficult to effectively enforce the collection of taxes from them directly because of jurisdictional limitations.

But while the foreign personal holding company as such may be effectively beyond the jurisdiction of the United States, its shareholders who are American citizens or residents are within such jurisdiction. Consequently, the committee's proposal and the pending legislation would deal directly with the shareholder by taxing to him his pro-rata share of the company's income whether actually distributed to him or not. Similar plans to correct similar evils have been adopted in other countries and are apparently proving effective.

The pending legislation also includes a series of provisions designed to produce the necessary data with respect to these companies by requiring American shareholders, corporate officials, and attorneys, or advisers, to file information returns setting out the pertinent data that will be helpful to the Treasury in enforcing this provision. Provisions to encourage the dissolution of such companies and the return of their assets to American territory are also included.

The committee was informed that the State Department, with the cooperation of the Treasury, has entered into discussions with several foreign countries toward the arrangement of treaties providing for the exchange of tax information by the administrations of the respective countries. This step, in addition to the specific provisions in the pending legislation, should do much toward eliminating tax dodging by the use of entities established by Americans in foreign countries, and by the use of trades and transactions carried on abroad.

8. NONRESIDENT ALIENS

Under existing law nonresident aliens who do not have an office or place of business within the United States are taxed upon their income arising here at the flat rate of 10 percent. No allowance is made for the deductions from gross income and credits against net income which are ordinarily permitted to individuals. The tax thus amounts to a flat tax upon gross income and is collected by withholding at the source, and has worked well both from an administrative and revenue point of view.

In the case of very wealthy nonresident aliens, however, with large incomes arising in this country the 10 percent withholding rate is granting substantial reductions in tax. The approximate point at which the effective rate of tax on individuals reaches 10 percent is at a net income of $21,600.

The pending legislation provides that this condition be corrected by requiring nonresidents with incomes from American sources in excess of $21,600 to file returns and pay the tax applicable to Americans with incomes of like size. It is also provided that no nonresident shall pay less tax than he would be obliged to pay under existing law.

A number of other tax problems were considered by the joint committee in addition to the ones I have touched upon. It was felt, however, that it would be best to confine the scope of the legislation now before us to the major loopholes as to which evidence has been fully presented and a satisfactory legislative solution worked out. The fact that these other matters are passed over for the present by no means indicates that the committee is unmindful of their importance.

The Treasury is continuing its investigations with particular reference to the 1936 returns now being audited. The committee expects to present for the consideration of the Congress the results of further inquiry and recommendations for additional corrective legislation at the next session. In the meantime it recommends the adoption of the legislation proposed and now pending before the House.

1934 REVENUE ACT

During the investigation conducted by the Senate Committee on Banking and Currency in 1933, it was disclosed that many of the wealthy taxpayers of the country were avoiding payment of Federal taxes. At that time the Ways and Means Committee, through a subcommittee under the chairmanship of our former colleague, Sam B. Hill, of Washington, conducted an investigation and study of tax loopholes, and they filed their report and recommendations, upon which the Ways and Means Committee conducted extensive hearings early in 1934. The committee reported out the revenue bill of 1934 and the same was passed by this House with only seven votes against it. That measure saved the Treasury $250,000,000 annually, and the present bill is estimated to save $100,000,000. These two tax-loophole measures, therefore, will enrich the Treasury approximately $350,000,000 annually in taxes that Congress intended should be paid, but which certain wealthy taxpayers have by various devices and schemes been able to avoid paying. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, this bill in its appearance is rather formidable. In its text is is very difficult of understanding because it deals with the whole tax structure, which as every Congressman knows is a very complex structure. However complicated the text may be or however formidable the bill may be, we can boil it down easily until it is understandable to everyone by saying of it that it is a bill to prevent those who seek to evade and avoid taxes from carrying out their purposes. I think a brief description will make its purposes understandable to persons of average intelligence. We all know that it is very unfortunate that our tax laws are so complicated that it is almost impossible for the average man to make up his own tax return, even though he has no income except a straight salary. It seems impossible to simplify these tax laws.

I expect to vote for this bill because I think it will call a halt on the tendency of a few wealthy people who are not fair and square with the Government and who do not want to assume to pay the taxes which they really should pay under the law. They take advantage of loopholes and evade their payments. The spirit of the law is plain and indicts them when they attempt to evade the law, but the letter of the law sometimes is such that evasions can be effected without violating the law. As to the amount of money this bill will produce even the experts who testified before the Ways and Means Committee, of which I am a member, were not able to make any definite estimate. The best they could do was to offer a guess. These guesses ran all the way from forty million to one hundred million dollars per year. Probably sixty or seventy million dollars would represent a fair average between them and would probably represent the amount that will be saved to the Government by this legislation. This amount of money in these days of terrific spending is well worth going after. I repeat that I expect to vote for this bill for this reason. As far as I know there is no concerted opposition on the Republican side although I am not attempting to speak for the Republicans.

Heretofore during the present administration I have quite generally voted against tax measures, for the reason that I maintained that it was absolutely unstatesmanlike and unwise for us to pour additional funds into the great spending hand of the present administration, which hand seemed to sow the money to the four winds of the earth in a most unnecessary and unreasonable profligacy. So long as the administration was apparently on every hand wasting the people's money, it was unwise for me to vote more spending money for purposes of that kind. To my mind there is no question but that the present administration has maintained itself in power purely by the simple method of handing out gratuities to great groups and blocs of every kind and in all directions. It is my judgment that the time will soon come when the people will appreciate that there must be an end to extravagance. Generally speaking, economy has always been a virtue not only in private business but in public affairs as well. However, in the last 5 years it would seem economy has been outmoded. It is no longer stylish to be economical. The time will come, however, and its coming is inevitable, when the people will wake up to the fact that the national credit has been expanded to the breaking point. Should any calamity befall us, such as war or great pestilence, and should our public credit be found to have been extended beyond its limit, then we would be confronted with a dire situation. Whether we could ride the storm is very problematical. At the present time we are struggling under a debt of $36,812,000,000. In 1931, when a Democratic Congress assumed power and the Senate functioned as a Democratic Senate, our national debt was $16,185,000,000. Thus it may be seen that during the time when the legislative branch of the Government and the executive branch of the Government were under Democratic domination our national debt has increased $20,627,000,000.

There is no question in my mind but that when the American people become conscious of this terrible burden of debt and of the fact that in spite of increased taxation from every direction, we are still running behind at the rate of $7,000,000 a day, they will wake up and demand an accounting. When they do this they will inevitably, and of necessity, be forced to return the Republicans to power, for the history of the Nation has been that the national debt has always been decreased in the Republican administrations and has been increased in Democratic administrations. As proof of this let me cite you that when the Republican administration came into power following the Woodrow Wilson administration we found ourselves owing what, up to that time, was the greatest debt that had ever been loaded upon not only our country but any country in the world. The Republican administration immediately buckled on the armor of economy and immediately encouraged business and transportation and constructive activities in the country with the result that we entered into an era of 10 years of prosperity the like of which the country had never seen before. The Government inspired confidence by showing the Nation that it was transacting its own business in a businesslike way and was paying the debt off at the rate of approximately $3,000,000 a day. For 10 years, Sundays and workdays, winter and summer, the National Government reduced its indebtedness at the rate of a billion dollars a year. No nation in the history of the world ever paid off its debt at such a tremendous rate as we were paying our debt. On December 31, 1930, the lowest debt for several years prior to that time and ever since that time was $16,026,000,000. Thus it may be seen that for the time when the Democratic majority took charge of the House and Senate up to the present time the national debt has increased $20,627,000,000.

Economically this great debt-paying accomplishment was a very unusual and what might be considered a paradoxical situation. Immediately after the coming into power of the Republican administration in 1920 it proceeded to pass legislation reducing the taxes. We passed four revenue-reduction tax laws between 1921 and 1928 and without exception when we reduced the taxes our national income was increased. The following table will indicate the amount of tax reduction resulting from each act and the total amount of tax reduction during the time that the National Governmen was paying off $10,000,000,000 of the national debt:

Republican tax reductions

Revenue Act of 1921	$663,000,000
Revenue Act of 1924	519,000,000
Revenue Act of 1926	422,000,000
Revenue Act of 1928	222,000,000
Total reductions	1,826,000,000

To explain further I might say that although we reduced the taxes $1,826,000,000 we were still able to reduce the national debt by $10,000,000,000. The reason for this is that the people of the country had confidence in the financial sagacity of the Republican Party and business was encouraged to proceed to produce wealth. From the mines and from the earth by way of minerals, and from the soil by way of crops, we increased the national wealth by many billions of dollars. There is no solution for our present unstable condition that will promise any relief except a solution that will guarantee an increase in the national income and the national wealth. During the Democratic administration our national income went down from $90,000,000,000 to a little over $30,000,000,000. It is now back in something over $60,000,000,000 but under the rules of national economy it should at least be over a hundred billion dollars a year.

Let us contrast the accomplishment of the Republican administration with that of the Democratic administration. I have already told you that we are struggling under the largest national debt that we have ever had by more than $10,000,000,000. We are struggling blindly forward and taking on a national debt of approximately $7,000,000 a day. In other words on the average we are spending $7,000,000 a day more than we take in. You may ask how we do this. The answer is simple—we extend the national credit that much and go into debt that much every day. During the Democratic administration we have passed five or six tax bills including the one we are about to pass today. With the passage of each of these tax bills the taxes were increased greatly. The following table shows the increase of the tax burden under the New Deal by years:

1933	$1,620,000,000
1934	2,672,000,000
1935	3,299,000,000
1936	3,513,000,000
1937	5,140,000,000

There is absolutely no reason why we should not be able to operate this Government with a budget of $5,140,000,000. This year Congress voted the President the sum of $1,500,000,000 to be used as he sees fit. We Republicans made a gallant fight to have that amount reduced by at least $500,000. If we were now able to take that $500,000 from one side of the ledger and transfer it to the other side we could begin to see a ray of hope that we might balance the budget in the next 2 or 3 years. But so long as the money is wasted extravagantly it is unfair to lay the tax burden more heavily upon the backs of the people who are straining under the heaviest tax burden that they have ever been called upon to assume. Only a few years ago it was generally conceded that about 6 percent of the national income went into taxation of various kinds but now about 25 percent is the amount required.

I have heretofore given you some lump-sum figures as to the national income but I wish to break these down more minutely and to a basis that they will be more intelligible to the average individual. For instance, the national receipts as listed by the Bureau of the Budget for the year 1937 were estimated at $5,224,000,000. The following table will show approximately where this money came from on its way into the United States Treasury:

Receipts for 1937

Customs	$465,000,000
Tobacco	552,000,000
Liquor	594,000,000
Income tax	3,140,000,000
Excise-profit tax	25,000,000

Capital State tax	137,000,000
Estate tax	281,000,000
Gift tax	24,000,000
Stamp tax	70,000,000
Manufacturers' excise tax	450,000,000
Miscellaneous excise tax	100,000,000
Social-security tax	250,000,000
Miscellaneous receipts	200,000,000
Total	5,224,000,000

I am sure you would like to know where the money goes. The following table is the Bureau of the Budget's estimate:

Expenditures

Legislative, judicial, and executive	$40,000,000
Civil departments and agencies	650,000,000
General public-works program	300,000,000
National defense	840,000,000
Veterans' pensions and benefits	570,000,000
Adjusted-compensation payments	559,000,000
Agriculture adjustment program	518,000,000
Civilian Conservation Corps	379,000,000
Social security	186,000,000
Old-age reserve account	225,000,000
Interest on public debt	840,000,000
Refunds	44,000,000
Recovery and relief	2,630,000,000
	7,781,000,000

You will note that this table shows a total of $7,781,000,000. These figures show that under these estimates the Government increased its deficit by $2,557,000,000.

Mr. Chairman and Members of Congress, there are only three ways by which this tremendous national debt can be paid. One of these is inflation. Another is repudiation, and the other is taxation. We have been skating on the thin ice of inflation for years. Only the almost inexhaustible supply of our national resources and the indomitable courage of our people have prevented it.

God protect us from repudiation.

Our only means of escape therefore is by taxation.

I repeat again that in due season the people are sure to return the Republican Party to power because they know that that is the only safe way by which we can pay the national debt. We will do it then as we have done it in the past. We will encourage confidence and the national revenue will flow as a constant and abundant stream. The people will pay their taxes gladly when they are permitted to live with a feeling of industrial, social, and economical confidence. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, there is not much that can be said on this bill in 3 minutes. I am in favor of the bill, even though it does not go far enough.

The proposed measure to plug tax loopholes probably will not bring in more than fifty or seventy-five million dollars annually to the Treasury of the United States. If you want to do something to balance the Budget and obtain the taxes to balance it with, then the Ways and Means Committee should report legislation to stop the further issuance of tax-exempt securities. That is the biggest loophole of them all.

You cannot blame the rich people of America for buying tax-exempt securities. The law of diminishing returns applies to the rich men and women of America, when the Federal Government taxes them to the extent of 75 percent of their income to start with and then on top of that they pay State income taxes, such as in California, where it amounts to 20 percent of the Federal-income tax, which means a total of 90 percent, and when you add the real-estate and school taxes, sales tax, gasoline tax, and dog tax, it makes over 100-percent taxation. When you soak the rich above a certain amount you drive their wealth into tax-exempt securities, and that is the biggest tax loophole that exists.

Mr. DISNEY. Will the gentleman yield?

Mr. FISH. I cannot yield now.

Mr. DISNEY. The gentleman understands that is not a matter that can be considered by the Ways and Means Committee? There is such a matter pending before the Judiciary Committee?

Mr. FISH. I think the Ways and Means Committee ought to work out a plan to stop issuing tax-exempt securities. Of course, a constitutional amendment would go to the Judiciary Committee. However, it is a matter for the Congress to act on instead of kicking it around and around and getting nowhere in the last 4 years. From the time of the original proposal of the President to plug income-tax loopholes a few months ago, it has been a camouflage, a red herring, an alibi, and an excuse to show why the estimates of the Treasury Department were wrong, why the administration had failed to balance the Budget, and why the predictions with reference to income had fallen down.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FISH. Mr. Chairman, I want to make a statement which I was not permitted to make before the Ways and Means Committee. My distinguished constituent, the President of the United States, who called the tax avoiders some harsh names in his message to Congress, admitted 3 years ago in a press conference that he had saved by tax loopholes himself, and I quote from the Chicago Tribune of the 14th of February 1934:

> President Roosevelt today admitted he had been one of the thousands of American citizens who ducked through some legal loophole in the income-tax law.

The use of tax loopholes is not a new matter, as stated by the President in his message to Congress. The President is in error when he attempts to claim that it is of recent origin, and his own admission 3 years ago proves it. It has been going on for years and it is the fault of the Ways and Means Committee and the Congress. However, I am glad to stand here and congratulate and commend the committee for bringing in this legislation that will save at least $75,000,000, and I hope in the next Congress it will finish the work which it has begun by stopping the issuance of tax-exempt securities through which the richest potential taxpayers escape paying their share of taxes to support the Government and thereby increase the taxes of those of moderate incomes who have to carry the burden of taxation.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, this bill fails to touch one of the most flagrant forms of tax evasion. I refer to what is known as the system of community property. Under this system, taxpayers in 8 States, namely, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington, escape the payment of $50,000,000 annually in taxes to the Federal Government, a burden which the taxpayers in the other 40 States cannot escape.

This method of tax avoidance and evasion has been used by husbands and wives to their advantage in these 8 community-property States and to the disadvantage of the husbands and wives with similar incomes in the other 40 States. This system of tax evasion practiced in the States having the community-property system places a heavy burden on the 40 States not so favored.

The eight States which escape their just burden of taxation do so under a legal system which provides that all property acquired after marriage by either spouse becomes one-half that of the husband and one-half that of the wife. This enables husband and wife in these 8 States, even though all the income is earned by the husband, to each file a return of one-half of the income and thus escape paying the higher rate imposed upon husband and wife in the 40 States where the community-property system does not prevail. Let me illustrate.

There are 435 Members of Congress in the House. Assume that each Member is married, without dependents, and that each member has a net earned income of $10,000 a year, his annual salary, and assume for the purpose of the illustration that each pays a Federal income tax on this whole amount of net income.

Those Members of Congress who live in one of the eight community property States would file two separate returns, one for himself and one for his wife; therefore each Member in the eight States would pay on his net income of $10,000 a total Federal tax of $260—$130 each.

The Members in the other 40 States not having the community-property system would each be required to file a joint return and pay a tax of $415.

Now then, by this tax evasion, which applies to estate and gift taxes as well, the Federal Government loses, as I have said, $50,000,000 annually, and the taxpayers in the other 40 States are correspondingly penalized.

The following brings out the discrepancy more forcefully:

Business	Net income	Tax in the 40 States	Split tax return in the 8 States	Saving by splitting tax return
Physicians, lawyers, editors, authors	$10,500	$458	$278	$180
Railway presidents	52,500	9,664	6,028	3,616
Presidents, large corporations	102,000	33,944	19,288	14,656
Movie actors	202,500	96,944	67,888	29,056

The table I have read and submitted as part of my remarks is a striking illustration of the gross injustice of the wholesale tax evasion permitted under existing law in 8 States to the detriment of the other 40 States, and a practice that will be permitted and continued under the law now about to be enacted. I shall vote for this bill because it will doubtless prevent many tax evasions, but I regret that I cannot have an opportunity to vote for a provision to close by far the largest loopholes now being used by the tax evaders in eight States.

It must be borne in mind that every year that Congress delays action in closing this loophole of escape for the taxpayers in the 8 community-property States the loss in revenue to the Treasury increases, and the burden of bearing this loss rests upon the taxpayers of the other 40 States. The eight States availing themselves of the community-property system have become havens of refuge for people who wish to escape from their just burden of Federal taxation. I assume this must be so because the President insists that such is the case.

The President, in his message to Congress on June 1, 1937, entitled "Tax Evasions and Evaders", directs the attention of the Congress to this method of tax evasion as one of the major causes of revenue loss and one that is "unjustifiable because obtained at the expense of taxpayers in the 40 States which do not have community-property laws." It will be recalled by the Members that the President submitted with his message to Congress a letter from the Secretary of the Treasury setting forth specifically the loopholes he desired the Congress to close at this session. To refresh the recollection of the Members of the House on this point, I quote from the letter accompanying the President's message on Tax Evasion and Tax Evaders:

"The division of income between husband and wife in the eight community-property States."

"This", said the Secretary of the Treasury, "is another major cause of revenue loss, which is unjustifiable because obtained at the expense of taxpayers in the 40 States which do not have community-property laws."

Continuing, the Secretary of the Treasury points out: "A New York resident with a salary of $100,000 pays about $32,525 Federal income tax; a Californian with the same salary may cause one-half to be reported by his wife and the Federal income taxes payable by the two will be only $18,626."

Further stressing the point, the Secretary of the Treasury asserts: "The total loss of revenue due to this unjustifiable discrimination against the residents of 40 States runs into the millions."

It must be remembered that this loss of $50,000,000 annually in revenue to the Federal Treasury and which will increase from year to year as more and more taxpayers seek refuge in the eight favored States to escape taxation is no small item even in these days of prolific governmental spending and ever-increasing taxation. The oversight in collecting this annual loss in revenue of $50,000,000 especially in view of the President's urgent demand that it be done is difficult to understand. I admit that in these days of astronomic figures in which annual expenditures are computed, the item may seem too small to consider, but in view of the fact that the closing of the other loopholes will yield in revenue not much more than $50,000,000 annually, why not close the loophole as requested by the President and save $50,000,000 more?

The answer, that time is too short to formulate legislation to accomplish the purpose is an excuse and not a reason, because the Joint Committee on Internal Revenue Taxation has long since, after careful study and investigation, submitted proposed methods by which this "unjustifiable discrimination" can be obviated.

There is another point I wish to stress, especially in view of the language used in this proposed tax legislation. We have heard much from high sources about simplification of the tax laws. I believe that any fair-minded person, even a trained lawyer, will find anything but simplification in this proposed law. The time has come when the Government, in view of the inevitable new taxes to be imposed to meet ever-increasing governmental expenditures, will have to simplify the Federal tax law or its complexity will become unbearable.

I say unbearable because the taxpayer cannot understand its provisions without retaining one of the relatively few experts who devote all of their time to keeping abreast of the many complicated changes. Yet unless the taxpayer does retain such an expert to guide him safely through the maze of the present law, he may, without any intention of violating the law, be subject to criminal prosecution on the part of his Government. There are many taxpayers today who would gladly pay even a higher rate of tax to be relieved of the present uncertainty, expense, and annoyance to which they are now subjected under the present complexity of the tax statutes.

The fees now required to be paid by taxpayers to tax experts not infrequently equals the amount of the taxes involved, and sometimes exceeds the taxes imposed. I feel certain that the great mass of taxpaying citizens would welcome a tax policy on the part of the Government that would enable them to determine the amount of taxes they owe the Government without resort to technical experts other than an ordinary attorney or accountant, available to them in the community in which they are located or in which they do business. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield myself such part of the balance of the time as I may desire to use.

Mr. Chairman, I am reliably informed that in one of the papers published yesterday there appeared a perfect description of this meeting here today, namely, that very little time would be consumed in the consideration of the pending measure, for two reasons: First, that the bill was so complicated that no Member of the House could ask intelligent questions about it; and, secondly, that probably no member of the committee could answer intelligently, either.

This is one of the most complicated bills ever written, insofar as the language of the man who wrote it is concerned. I quote no less a person than Mr. Beaman himself, our legislative counsel, who has informed us several times that in all his experience this is the most complex bill with which he has had any dealings.

Mr. Chairman, I am heartily in favor of the measure, as little as I know about it, and as little as my colleagues on the Committee on Ways and Means know about it. I strongly favor the plugging of every single loophole in our tax laws whereby any of our citizens can avoid their fair share of the tax burden. No right-thinking person could possibly take a contrary position on this matter.

Accordingly I shall vote for the pending measure, which purports, to a certain extent, at least, to do away with some of the more serious tax-avoidance opportunities that have developed over a period of years.

But, Mr. Chairman, in so doing I am not for one minute deluding myself by thinking that this bill will accomplish very much in the way of loophole plugging or the raising of

additional revenue from those who are now using these tax-avoidance devices.

This bill is all right so far as it goes, Mr. Chairman, but the trouble is that it is only a partial remedy. While we are making it more difficult or impossible to use certain types of tax-avoidance devices, we are leaving the greatest loophole of all—tax-exempt securities—completely untouched. How the President, in his message on tax evasion and avoidance, could have failed to refer to this tremendous loophole, beside which all others pale into insignificance, I am at a loss to understand.

Some of you gentlemen who are farmers raise sheep. It is very necessary to have a well-protected lot where you pasture your sheep. Otherwise they are going to get out, and you are just out of luck when you come to shear them. If you do not touch on tax-exempt securities in an effort to avoid escape from taxation, it is like building a fence around a sheep pasture and enclosing only three sides, for the sheep can walk out the fourth side. People who want to avoid taxation today can still, under this bill, indulge in the pleasant experience of buying tax-exempt securities. For this reason the passage of the bill, which fails to do a complete job in the way of fence building, is a futile effort.

There is no doubt that this bill effectively passes a "death sentence" on all personal holding companies, including legitimate business enterprises which happen to come within the statutory definition but which are not, in fact, "incorporated pocketbooks." There will be no more of these personal holding companies after this bill becomes a law. Likewise it may be conceded that other provisions of the bill will be more or less effective in discouraging the various tax-avoiding devices at which they are aimed.

But, Mr. Chairman, of what use is it, may I ask, to destroy one type of tax avoidance if wealthy persons can still take advantage of another type? This bill will merely drive tax dodgers into the lush field of tax-exempt securities.

According to a statement of the Acting Secretary of the Treasury, Mr. Magill, published in the Senate proceedings of June 14, 1937, there are now nearly sixty-four billions of tax-exempt securities in existence. This represents from 20 to 25 percent of our national wealth. Of this total, the net outstanding tax exempts available for investment, excluding those held by the Treasury, amount to $53,613,000,000. Some $37,611,000,000 of these are wholly tax exempt. They include some Federal bonds and all State and municipal bonds. The balance is composed of Federal bonds which are exempt from the normal tax but not the surtax.

When we consider that nearly thirty-eight billions of wholly tax-exempt securities are available for tax-avoidance purposes, it becomes apparent that the base of our Federal revenue system is in jeopardy. We are told that the effective rate on personal holding companies under this bill, including the rates under the regular corporate income tax and the undistributed-profits tax, is 83 percent. I ask in all seriousness if any taxpayer is going to pay 83 cents out of every dollar to the Government when he can keep 100 cents out of every dollar for himself by the simple expedient of investing his capital in State or municipal bonds or in wholly tax-exempt Federal bonds. The answer is, Not one. It is for that reason that I say this bill will not raise any great amount of additional revenue.

While it is true that investors will not receive as much interest on these tax-exempt securities as they would from other investments, it should be kept in mind that under the operation of this bill a 3-percent return from tax exempts would yield the investor a net earning three times as great as a 6-percent return on a taxable investment held by a personal holding company.

The Acting Secretary of the Treasury, Mr. Magill, in his statement before the Ways and Means Committee, attempted to minimize the effect of this tax-exempt reservoir by stating that a large part of these bonds are held by universities, charities, and so forth, which would not be taxable in any event. Even so, there are still billions upon billions left for investment by tax dodgers, and there is nothing to prevent tax dodgers from buying up those held by these nontaxable organizations.

Mr. Magill further endeavored to minimize the revenue loss by stating that even if we taxed these tax-exempt securities we would only do so with respect to those issued in the future, and hence we would not be able to reach those now outstanding. However, these bonds are being reissued from time to time, and they could be refunded on a taxable basis. Likewise the billions upon billions of new bonds being issued by the present administration could be made taxable without any constitutional change. If we do not make a beginning sometime, we will never close this field of tax avoidance.

I realize that it would require a constitutional amendment before these securities could be taxed on a reciprocal basis by the States and the Federal Government. For many years I have had pending such a proposed amendment, but I have never been able to get any action upon it. The Secretary of the Treasury keeps on emphasizing that he is in favor of such an amendment, but every time a congressional committee indicates an intention of considering the subject the Department steps in and says "Not now! Not now!"

Of course we know the reason for that. With the administration spending $2 for every $1 it collects in revenue it must continue to finance itself on borrowed money, and the Secretary of the Treasury wants to have a ready market for Government bonds.

Everyone with any sense at all knows that there will never be any action taken on a constitutional amendment to tax these tax-exempt securities until the President puts such a measure on the "must" list. To date he has not done so. Therefore the responsibility for the failure to plug this gigantic loophole must rest upon his shoulders. Meanwhile he is guilty of giving aid and comfort to the tax dodgers.

In voting for this halfway measure I am not insensible to the fact that it is going to work a hardship in some cases where, in trying to reach the guilty ones, we are going to hit a lot of innocent people. But we were told by the experts that the only way to reach the loopholes covered by the bill was to plug them completely. There was no way they could devise which would effectively close these tax-avoidance opportunities and still not hurt some people whom there was no intention of catching. While not all of the possible hardships were known to the committee, I simply want to point out that the fact that such hardships might exist was not overlooked. The Treasury is willing to have the innocent suffer with the guilty.

I believe I should also call to the attention of the House the fact that, with respect to some of the provisions, there is some question of the constitutional power of the Congress to do what has been found necessary in order to reach some of the cases of tax avoidance. I refer particularly to the provision requiring stockholders in foreign personal holding companies to take up in their individual income reports their distributive share of the undistributed earnings of such foreign personal holding companies. Under previous decisions of the Court, notably the Stock Dividend case, there is no realization of income by a corporate stockholder until there is a distribution. However, we were told by the experts that there was a strong possibility that the Court would uphold these various loophole-plugging provisions on the ground of protecting the revenue. I hope such is the case, for I have no sympathy for these foreign personal holding companies.

Mr. Chairman, I am not going to take any time to try to explain the provisions of the bill. I do not profess to understand the complicated language which Mr. Beaman and his associates have written in order to carry out the recommendations of the Treasury Department and the joint committee. Even if I could explain the bill, I would not take the time of the Members of the House to do so, as interested as I see they are in this dull subject, judging by the attendance on the floor here and the empty galleries. Why take the time to discuss these various items under such circumstances?

Mr. Chairman, there are some matters touched upon by the President which the joint committee did not consider at this time, but postponed action until next session. I refer particularly to the subject of community-property income, which the gentleman from New York [Mr. REED] has

so ably discussed. It will be recalled that the President referred to the community-property system that obtains in eight States as one form of tax avoidance. These eight States are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

Under the laws of these States each spouse is deemed to be the owner of one-half the income and property of the other spouse. This, of course, is simply a legal fiction, which results in a tremendous saving in Federal income, estate, and gift taxes by persons residing in those States.

Let me repeat the example given by the Secretary of the Treasury as to how this community property system works out in practice. A man living in one of the eight community-property States has an income of $100,000. He and his wife file separate returns of $50,000, on which they each pay a tax of $9,313, or a total of $18,626. A man with the same income living in one of the 40 non-community-property States would pay a tax of $32,525. Thus the man living in the community-property State would have a tax advantage of $13,899, or nearly 43 percent.

This, to my mind, is an absolutely unjustifiable situation. For several years I have had pending before the Ways and Means Committee a bill which would correct it. However, I have been unable to get any action on the measure. Now that the President and the Secretary of the Treasury have indicated a desire to put taxpayers in all States on the same basis, I am in hopes that some action may be taken in connection with the general revenue revision which is contemplated next session.

There has been some suggestion that the Federal Government is powerless to deal with the community-property situation due to constitutional difficulties. It has been said that the property rights of an individual are defined by the laws of the State and that the Federal Government cannot upset them. However, there are numerous decisions of the Supreme Court which indicate that in taxing incomes the Federal Government is not absolutely bound by State laws defining property rights.

To those who say it is unconstitutional to try to make persons living in the community-property States pay the same taxes as persons living in other States I say it is unconstitutional not to do so. Taxes should be uniform throughout the country, and the Representatives from those States which are now being discriminated against should see to it that the law is amended so that this form of tax avoidance can no longer be enjoyed. It is one of the big loopholes that remain unplugged.

Now, I want to ask permission at this time both to revise my remarks and to also insert in the RECORD a letter written by the tax commissioner of New York State, Mr. Graves, in connection with community property.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The letter referred to is as follows:

STATE OF NEW YORK,
DEPARTMENT OF TAXATION AND FINANCE,
Albany, August 6, 1937.

MY DEAR CONGRESSMAN: In connection with the President's June 1 message to the Congress relative to the closing of loopholes in the Federal income-tax laws, I venture to call to your attention one important feature, namely, that of the discrimination against the taxpayers of 40 States on account of the method permitted of reporting family income in the 8 community-property States. The existing Federal law recognizes the principle of community-property laws and allows, for the purpose of reporting taxable income to the Federal Government, a division of income, even though, in fact, the entire family income is produced through the effort of the husband or the wife. It follows that if part of the income is reported by the husband and the remainder by the wife, the higher surtax brackets are avoided. A husband and wife, residents of New York, having taxable income of $5,000, pay a 21 percent higher Federal tax than they would if they resided in California. Should their taxable income be $10,000, their Federal tax, if residents of New York, is 33⅓ percent higher than it would be if they were domiciled in California.

A personal-income tax is based on ability to pay. By providing family and dependency exemptions, the family is recognized as an economic taxable unit. A family living in a community-property State, having an income of a certain size, should, in all fairness, contribute as much to the support of the Federal Government as does a like family with the same income in any other State.

May I therefore urge that you give this matter thoughtful consideration and use your influence to secure the correction of this serious and important discrimination?

Very truly yours,

MARK GRAVES, *Commissioner.*

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. ANDREWS. May I ask the gentleman from Massachusetts one or two questions having to do with the effect of the passage of this act now, as against its passage in January, on the income-tax returns as of March 15? Is there any real reason why we should pass this bill, assuming it is all right, today rather than in January?

Mr. TREADWAY. The answer is, No. But I think I can give the gentleman the reason we are passing it. It is because the President has demanded that it be passed. That is the only reason.

Mr. ANDREWS. Is there any reason why this bill, assuming it is a good bill, in which case I am for it, would not be just as valuable in January with respect to plugging up loopholes?

Mr. TREADWAY. It will only be effective with respect to returns filed next March and could just as well be passed in January. Of course, our chief authority in the preparation of this bill was the Acting Secretary of the Treasury, Dr. Roswell Magill, than whom there is no greater tax expert in the country probably. When he leaves the Treasury Department I anticipate he will be able to render invaluable service to people who are looking for methods of escaping taxes. However, Dr. Magill's theory is that we will have another bill in January, as prepared by the Treasury from November until January, when the next session opens, and that unless we pass this bill now these items would have to be retroactive. This is the excuse Dr. Magill has given.

However, I will tell the gentleman why this measure is now before us. The Members of the House heard and read with great interest the address of the President of the United States on this subject in which he quoted verbatim at great length a letter from the Secretary of the Treasury to the effect that they had discovered something last March when the revenues failed to come up to their estimates.

They were too optimistic in making up their estimates last March with respect to the result of the taxing acts then on the statute books; so, being short, and knowing that they would be criticized by the American people for overexpending, as they have been doing now for nearly 5 years, they laid down a smoke screen, putting it right up in front of your eyes, to the effect that they had found something new in the way of tax avoidance.

Had it not been for the fact that the revenues last March failed to come up to the President's Budget estimates, we might never have had this bill at all, and tax dodging would have continued unabated. It was only at that time that the President gave any consideration to the subject. He was trying to find some excuse for the failure of his overoptimistic estimates. He had to blame someone, so he blamed it on the "malefactors of great wealth."

If tax avoidance was anything new, there might have been some basis for the President's effort to blame this practice for the deficiency in revenues. But, as a matter of actual fact, it has been going on ever since the first income-tax law was written, and there was no tax-avoidance device pointed out in the President's message that had not been known to the Treasury Department for years. Hence the failure to collect all taxes due was not a condition peculiar to the 1936 returns, as the President tried to intimate.

Among other things mentioned were the incorporated yachts. I wonder if the gentleman knows how many of these yachts are actually in existence, as shown by the testimony before our committee? There are two incorporated yachts, both of which have been incorporated for some years. Still the President of the United States and the Secretary of the Treasury will tell you they have found something new.

When the Treasury witnesses came before the joint committee to present their evidence of tax evasion and avoidance, it was all with respect to devices which had been known about

for some time. The Acting Secretary of the Treasury, Mr. Magill, honest man that he is, admitted on the witness stand that the major avoidance devices (I quote) "were not particularly new." Again and again this was brought out during the hearings.

This fact corroborates the opinion of many that the President's message was intended for purposes other than a sincere effort to close tax loopholes. One eminent news commentator, Mr. Walter Lippmann, is reported to have said:

> Unhappily, it is only too evident that this message is another example, like the one on judicial reform, of misleading argument employed indirectly to achieve an unavowed purpose.

Its other purpose, Mr. Lippman pointed out, was to create popular prejudice and strengthen the administration's weakened political position.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Certainly; I yield to the gentleman from Oklahoma.

Mr. DISNEY. If this is just a mere smoke screen——

Mr. TREADWAY. That is all it is.

Mr. DISNEY. Then the gentleman is not going to vote for just a smoke screen?

Mr. TREADWAY. Oh, yes; but it serves a useful purpose also, and we might as well vote for it as have you gentlemen put it over on us and say we did not do our part in plugging tax loopholes. We have done our part in listening to the testimony all through on this measure. We have attended the hearings and attended the meetings of the joint committee. We are with you now in any effort which may be made to eliminate tax avoidance and evasion. I am going to give the gentleman a little history about that.

Mr. DISNEY. But the gentleman is recommending that the House pass this bill.

Mr. TREADWAY. Why, certainly. Why not? I cannot help it if the bill serves as a smoke screen in addition to partially putting an end to tax avoidance.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield further?

Mr. TREADWAY. Yes; but we are trying to save time.

Mr. ANDREWS. I would like to know from one of the majority members of the committee——

Mr. TREADWAY. Oh, no; not in my time. This is my time. Wait until they get the floor and ask the gentleman from Kentucky [Mr. FRED M. VINSON], who, I am sure, is going to try to explain this bill.

Mr. ANDREWS. I am not attacking the bill; I am merely trying to find out about the period of time when——

Mr. TREADWAY. Wait until the gentleman from Kentucky [Mr. FRED M. VINSON] takes the floor.

Now, I was talking about the lack of sincerity on the part of the administration in presenting the question of tax avoidance at this particular time. Further evidence of the administration's insincerity lies in the use of names. I hold no brief for tax dodgers, but evidence against them could just as well have been presented to the Ways and Means Committee without smearing people against whom no charge was made and who did only what the law allowed. If an entire list of those who had engaged in tax-avoidance practices had been presented instead of a hand-picked group consisting mostly of Republicans and anti new dealers, no criticism could perhaps be made except on the ground that it was unnecessary for the purpose of formulating remedial legislation. The Ways and Means Committee brought out a very good loophole-plugging bill in 1934 without smearing anyone, and the present bill would have been just as good or better if so much attention had not been paid by the Treasury Department to making sure that the newspaper boys got a complete list of all the names that were divulged. The whole emphasis was on the names and not on loophole plugging. The hearing before the joint committee was more like a Roman holiday than a serious attempt to deal with an important legislative problem. Accommodations were made at the hearing for nearly a hundred representatives of the press and a dozen or so telegraph instruments were set up in the halls so that the names of the "malefactors" could be flashed to a waiting world. When the Secretary of the Treasury and his assistant, Mr. Magill, began their presentation by making general statements, without mentioning any names, one of the members of the committee got impatient and he was led to ask:

> Some of us are curious and want to get those names. You are going to give them to us?

By presenting evidence of tax-avoidance practices that have been going on for years, the Treasury laid itself open to criticism for not having called these matters to the attention of Congress before. Moreover, some of the cases presented amounted to downright fraud on the part of the taxpayer and could have been prosecuted by the Treasury under existing law.

With the exception of these fraud cases, practically all of the examples presented by the Treasury were what might be called legal avoidance rather than illegal evasion. So far as these loopholes are concerned, there were no charges of wrongdoing against any of the taxpayers whose names were presented. They were simply doing what the law allowed, and if there is to be any criticism on account of the existence of these loopholes the fault lies with the Treasury and Congress and not with the taxpayer.

In this connection let me call attention to two decisions of the Supreme Court regarding legal avoidance of taxes. In the recent case of *Gregory* v. *Helvering* (293 U. S. 464) the Court said:

> The legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them, by means which the law permits, cannot be doubted.

In a previous case, *Bullen* v. *Wisconsin* (240 U. S. 625), the Court, speaking through Mr. Justice Holmes, said:

> We do not speak of evasion, because, when the law draws a line, a case is one side of it or the other, and if on the safe side it is none the worse legally that a person has availed himself to the full extent of what the law permits. When an act is condemned as an evasion, what is meant is that it is on the wrong side of the line indicated by the policy, if not by the mere letter of the law.

The case of personal holding companies is a good example of legal tax avoidance which Congress definitely permitted by law. In fact, it may be fairly said that section 351 of the present law holds out a clear-cut invitation to wealthy individuals to form a personal holding company and pay a rate of 8 to 48 percent rather than the ordinary normal and surtax rates on the income if distributed, which run up to 79 percent. Congress has even exempted personal holding companies from the provisions of section 102, which impose a penalty tax on persons forming corporations for the purpose of avoiding the surtax. Having created this haven of refuge, and tacitly invited wealthy persons to take advantage of it, Congress is not in a very good position to criticize people for accepting the invitation. I cite this example not in defense of personal holding companies but simply to point out where the blame for this particular type of tax avoidance lies. The same may be said with respect to tax-exempt securities. People cannot be justly criticized for availing themselves of this form of tax avoidance which Congress and the President generously provide.

Mr. Chairman, I suppose it may be safely assumed that no one, from the President of the United States down, pays any more taxes than the law requires of him. There is, of course, no reason why a citizen should so arrange his affairs as to put himself in the position of having to pay the highest amount of taxes possible.

If the minimizing of a person's taxes is unethical and immoral, as the President seems to feel, and everyone should contribute the highest amount of taxes possible, then I submit that every person who owns any tax-exempt bonds ought to pay into the Treasury conscience fund the amount of tax which he legally escapes. Likewise, all Federal officers and employees ought to pay income tax to the States on their salaries, which they are now exempt from paying because of a strained and technical construction of the Constitution.

I now want to take up the case of two or three people who have been prominently mentioned and, to make sure

that I am not misquoted, I want to read that portion of my remarks in reference to the returns of Mr. James Roosevelt. His name was mentioned and he appeared before the joint committee and denied being connected with any foreign personal holding companies, which denial, of course, was accepted by the committee. I asked him some questions and was choked off. So I want to read my remarks definitely about that matter, so that there may be no misunderstanding.

Among returns offered us voluntarily were those of Mr. James Roosevelt. I desired to have them examined by an impartial tax expert in order definitely to learn whether reports that have been common in Massachusetts for several years were correct. These reports have come from trustworthy sources showing that Mr. Roosevelt had a very large income from the sale of various kinds of insurance to corporations, the officers of which were anxious to be in the good graces of the administration.

While refused this examination by vote of the committee, I saw enough of them to know that Mr. Roosevelt's income was very much larger than any young insurance agent would ordinarily have in the natural flow of business, such income being derived both from insurance premiums and from the earnings of corporations which he organized to carry on the insurance business.

I also asked for the returns of the Secretary of the Treasury, Mr. Henry Morgenthau, and received the same treatment with respect to those returns as the returns of Mr. James Roosevelt. The Secretary, in his letter to the President, referred to tax-avoidance devices as being used to "defeat the income taxes which would normally be payable." When he testified before the joint committee he called attention to the loophole which formerly existed with respect to transfers of stock between two persons for the purpose of establishing "paper losses." He said:

> Prior to 1934 the provisions permitting deductions for losses resulting from stock sales had become one of the largest loopholes in our tax administration. Ingenious use of these deduction provisions permitted individuals to establish losses by exchanging stocks with each other and calling the transaction a sale. However, it was the kind of a sale which would never have taken place had it not been for the desire to avoid taxes. That loophole was plugged in 1934.

It will be recalled that the gentleman from New York [Mr. FISH] charged before the joint committee that Secretary Morgenthau had done this very thing himself in 1929 and 1930 in transactions between himself and his wife, and possibly his father. The Secretary came before the committee later and volunteered to submit his returns for examination but did not specifically deny the charges. I asked to have the Secretary's returns submitted to the joint committee for examination, and while this request was granted, it was impossible to make heads or tails of the returns, because a majority of the committee present at the time refused to permit one of our staff of experts to assist in the examination. Anyone who has ever had any experience with tax returns knows that it takes an expert to make anything out of them, especially when many supplementary papers are filed in connection in explanation of various items.

One majority member of the joint committee practically admitted that there might be something to the charges against the Secretary when he pointed out during the hearings that at the time when the Secretary was alleged to have made the stock sales to his wife for the purpose of setting up a "paper loss" the law did not specifically prohibit such a transaction. Nevertheless, the Secretary would have been guilty of defeating the income tax which would normally be payable by him—a practice which he now condemns as "unethical."

We did have before the joint committee Mr. Robert H. Jackson, who at one time was the counsel of the Internal Revenue Bureau, and I believe is now an Assistant Attorney General of the United States. He advised Mrs. Roosevelt that her earning capacity of $3,000 per broadcast was not taxable because under her contract with the radio sponsor the money was to be donated to charity. I want at the outset to say that Mrs. Roosevelt is to be complimented for her charitable instincts and for the way she is using the publicity she is able to secure from her position as First Lady of the land. [Applause.]

However, I do charge that the Treasury Department, through Mr. Jackson, gave her very bad advice, which was directly contrary to the law and to the established rulings of the Bureau. I also charge that Mr. Jackson favored Mrs. Roosevelt with a ruling that an ordinary taxpayer would have been unable to secure.

In the first place, it is not the practice of the Bureau to give rulings on incompleted transactions. At the time Mrs. Roosevelt's contract was submitted to Mr. Jackson for a ruling it had not been consummated. Mrs. Roosevelt would never have signed the contract without first being assured that she would not be taxable on the income assigned by her to the charity, and I do not blame her for that. Hence, by issuing a ruling in Mrs. Roosevelt's case, Mr. Jackson was breaking an established practice of the Bureau and favoring one taxpayer over another.

In the second place, the ruling violates the law, as I read it. Under section 23 (o) taxpayers are allowed a deduction for contributions to charity up to 15 percent of their net income. Mr. Jackson allowed Mrs. Roosevelt a 100-percent exemption.

Mr. Jackson contends that Mrs. Roosevelt never received the income. That is true to the extent that she did not put her hands on it. However, she contracted to broadcast weekly for 10 weeks, and one of the provisions of the contract was that after each broadcast a check for $3,000 was to be sent to a certain charity which she named. Now, under rulings of the Bureau of Internal Revenue, which I cited to the joint committee, it is held that where there is a contract for the benefit of a third party—in this case, the charity—the receipt of the income by the third party is deemed to be a constructive receipt by the person performing the services. This would make the $3,000 taxable to Mrs. Roosevelt, except to the extent of the 15-percent deduction allowed by law for charitable gifts. Moreover, the Supreme Court has held in the case of *Lucas* v. *Earl* (281 U. S. 111) that the income tax cannot be escaped by "anticipatory arrangements, however skillfully devised, to prevent the salary when paid from vesting even for a second in the man who earned it."

If the ruling given by Mr. Jackson is followed in other cases, it will result in a great loss of revenue to the Government, and, of course, it absolutely defeats the 15-percent limitation on deductions for charitable gifts which supposedly is still the law of the land.

What is proper law for Mrs. Roosevelt is proper law for every other charitably inclined person, and there will be this result, Mr. Chairman, if the ruling is to be followed, namely, that charitable institutions and those who make charitable donations ought to greatly benefit.

Mr. Chairman, both the President and the Secretary of the Treasury expressed their disdain of tax lawyers who make their living by showing people how to pay the least possible taxes. There is no question but what this business has grown to considerable proportions. During the course of the hearings, the Commissioner of Internal Revenue inserted in the record a document published by an enterprising tax service which was entitled "Forty-seven Ways to Save Taxes."

There have been numerous books published which show the taxpayer how to minimize his tax payments. Two books of this character have been written by the present Under Secretary of the Treasury, who was in charge of the presentation of the Treasury's testimony on tax evasion and avoidance before the committee. This, of course, brings Mr. Magill under the indictment laid down by the President and the Secretary of the Treasury.

However, I do not feel that Mr. Magill is guilty of any crime in having written these two books. Certainly there is no more honorable man in the country than Mr. Magill. I have a very high regard for him. I wish we had more like him in the public service, but, unfortunately, we do not.

In Mr. Magill's book on Taxable Income, I note in the index a number of references under the subject of Tax, Income, Avoidance or Reduction of. Then in his book on Federal Taxation of Estates, Trusts, and Gifts, which he wrote in collaboration with another noted tax attorney, there is considerable discussion of various ways and means to minimize taxes.

Let me quote some passages from this latter book, not in criticism of Mr. Magill, but simply to show that many of the so-called tax dodgers were only following his advice in taking advantage of means which the law permits to reduce taxes. For instance, multiple trusts are one of the tax-avoidance devices which the pending bill seeks to reach in a half-way manner. Of this form of tax avoidance, Mr. Magill says:

> The principal tax considerations in the creation of inter vivos trusts are those outlined above in other connections: (1) to spread income-tax liability among several taxpayers, and thereby to reduce the total sum of taxes due; and (2) to reduce the total of transfer taxes payable.

The advantages of creating more than one trust are further pointed out as follows:

> If a testator contemplates the accumulation of income by a trustee for the ultimate benefit of several beneficiaries, as for example an accumulation for minor children until they reach 21, he will frequently lighten the tax burden for the trustee by providing for a separate trust for each beneficiary, rather than a single trust for several beneficiaries. In this way, the personal exemption is increased and the trust income is kept out of the higher surtax brackets.

It is just an extension of this principal to create several trusts for each child, as was done by some of the persons whom the Treasury smeared as tax evaders. They were simply following the idea which Mr. Magill points out in his book.

Mr. FRED M. VINSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. FRED M. VINSON. And the withdrawal in this bill of the exemption of $1,000 per person meets in part the matter to which the gentleman has referred.

Mr. TREADWAY. A small part. The bill leaves undisturbed the advantage that still accrues by reason of dividing the income up among several taxable entities. In this case the Treasury has called attention to a loophole, advertised it throughout the country, and then failed to plug it. Of course, it will be said that the problem is being given further consideration and study, and that an attempt will be made to plug this loophole in the next session. But there is grave doubt whether it can be plugged, due to constitutional difficulties. That is the reason no remedy is offered at this time.

While Dr. Magill has been very clever in the way that he has written books to show people how it is possible to avoid taxation, now he is very clever in the Government service in trying to stop them from doing it.

I could cite many other examples of tax-avoidance methods described in Mr. Magill's book, but the one I have given is sufficient to make clear the point I am trying to make; namely, that many of these people who have been pilloried by the Treasury Department were doing nothing more than the law allowed and were simply following the advice given them by honorable men. I make no defense, however, of those whose actions constituted clear-cut evasion of the law, or, in other words, those who were guilty of actual fraud.

Mr. Chairman, I cannot refrain from commenting on the following statement in the President's message to Congress:

> The example of successful tax dodging by a minority of very rich individuals breeds efforts by other people to dodge other laws as well as tax laws.

I suppose we may assume, then, that the fact that a few people suceeded in dodging the income-tax law gave the Democratic National Committee the idea for its device for getting around the prohibition contained in the Corrupt Practices Act against the soliciting of campaign funds from corporations, whereby it sells them $2.50 campaign books at $250 per copy. This is a clear case of evasion of the law—not just avoidance.

The President speaks of the "decency of American morals" being involved in the problem of tax avoidance. It is also involved in respect of the sale of these campaign books. Moreover, I have not seen any returns being made by the Democratic National Committee in the way of tax payments for the huge profit that they are making from the sale of these campaign books.

In concluding, Mr. Chairman, I want to refer to the haste with which this bill, and indeed all tax bills for the last several years, have been considered. In 1935, 1936, and again this year, we have been forced to consider tax bills in the closing hours of the session. Good tax bills cannot be written under the pressure of adjournment. There is never enough time to give questions the thorough consideration which they deserve. The undistributed profits tax which was passed last year under extreme pressure from the White House is a good example of a thoroughly bad, ill-considered bill. The minority members of the Ways and Means Committee warned that this measure would ruin legitimate business, particularly the small, inadequately financed, and debt-ridden corporations. Now the members of the majority are beginning to find out that we were right. We are assured that consideration will be given at the next session to making some needed adjustments in this iniquitous law. I sincerely hope that is the case.

One would be perfectly justified in voting against the present bill, not because of the objectives which it seeks, but because it is half-baked and ill-considered. There is no necessity of passing this bill before next March in any event, because it will only be effective with respect to returns filed at that time, and the Ways and Means Committee or the joint committee would in the meantime be able to work out a more nearly perfected bill. I have already referred to the hardships that will result as a consequence of the application of some of the drastic provisions to persons whom it is not intended to include. The experts say that they are unable to work out any provisions in the short time available, which would exempt the innocent without also leaving a hole through which the guilty may escape. They say that if given more time they might be able to work out something.

While I shall vote for the pending bill, I should prefer to postpone action until early in the next session, when we would be able to act more intelligently on the matters in question. As it is, we are making a blind stab. I started out by saying that nobody understands the bill we are considering. It is just a maze of technicalities. If there is any doubt about it, let me quote just one provision, and I read from section 334:

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. REED of New York. Is the gentleman going to read that bedtime story?

Mr. TREADWAY. I think it would be a bedtime story, for it would put anyone to sleep. But, first, let me give you the railway-express methods of getting the bill before us. It was placed in the hands of the Ways and Means Committee of this House on Thursday morning at 10 o'clock. That is the first time I ever saw a line of it in print, and I think it is the first time any member of the committee ever did.

We had suggestions that had been offered by the Treasury Department, but this actual document was first presented to us on Thursday morning. On Friday afternoon we voted it out, and the chairman of the committee obtained permission to file his report up to 12 o'clock on Saturday night, the 14th. The bill came out on Friday the 13th. There may be a little significance in that. He filed his report Saturday night, up to 12 o'clock. He is an early-to-bed man and I hope that he finished a little before that hour. The first we saw of it was this morning, Monday, on our desks,

and included in this document is the following, and it is just as well to pass it quickly, Mr. Chairman, because I believe, as my colleague has just said, that this is a sleep-producing item, so that one can read it indefinitely but for the benefit of the Members present I am going to actually read the thing. I read from page 19, section 334:

"SEC. 334. Gross income of foreign personal holding companies.

"(a) General rule: As used in this supplement with respect to a foreign corporation the term 'gross income' means gross income computed (without regard to the provisions of Supplement I) as if the foreign corporation were a domestic corporation.

"(b) Additions to gross income: In the case of a foreign personal holding company (whether or not a United States group, as defined in sec. 331 (a) (2), existed with respect to such company on the last day of its taxable year) which was a shareholder in another foreign personal holding company on the day in the taxable year of the second company which was the last day on which a United States group existed with respect to the second company, there shall be included, as a dividend, in the gross income of the first company, for the taxable year in which or with which the taxable year of the second company ends, the amount the first company would have received as a dividend if on such last day there had been distributed by the second company, and received by the first company, an amount which bears the same ratio to the undistributed Supplement P net income of the second company for its taxable year as the portion of such taxable year up to and including such last day bears to the entire taxable year.

What does it mean? Can anyone explain it? Does every Member who is going to be called upon to vote for or against this bill know what he is voting on when he reads this provision?

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. So many apparently want to explain it, I will yield; yes.

Mr. MICHENER. No. I wanted to ask a question. I wonder if this particular section just read was written by the same man who wrote a bill in one of the other pieces of legislation which provided a rule of logarithms for the control of the birth of pigs. [Laughter.]

Mr. TREADWAY. I think it must have been the same author.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. ASHBROOK. The gentleman has served on this committee a great many years and I have great confidence in him. I would therefore appreciate it very much if he would explain this to me. [Laughter.]

Mr. TREADWAY. I am going to yield the floor in just a few moments to the gentleman from Kentucky [Mr. FRED M. VINSON], who I am sure will be competent to explain it, but in the meantime I would like to make this comment, that of course we are plugging these loopholes and doing pretty well at it, but we are doing another thing. We are granting the greatest opportunity for tax lawyers to make big fees of any legislation that I ever knew to come before this House in my long experience here. That is what we are doing. I met a gentleman only this afternoon and I congratulated him on being a practicing attorney in the city of Washington, to think what a great chance, if he can find out what is in that bill, he has to make a tremendous fortune and not avoid taxation at the same time.

Mr. FRED M. VINSON. Does the gentleman from Massachusetts want an explanation of that section?

Mr. TREADWAY. I am going to yield the floor in just a moment and I hope the gentleman will be able to explain that language. If so, I want to add my word to those of others who have stated that he is a man well qualified to be a Justice of the Supreme Court of the United States. [Laughter and applause.]

As I have said before, I shall vote for this bill, but not without some misgivings. I feel that we could do a better job if we were given more time. We could possibly eliminate some of the hardships which will inevitably result from the bill as drawn, and we could plug the remaining loopholes which this bill does not even touch. However, the responsibility is on the Democratic majority and on the administration. They have chosen to do the job in a half-way, slipshod manner, and we of the minority are forced into the position of having to vote for the measure with a full realization of its deficiencies.

Mr. Chairman, I yield back the balance of my time except 3 minutes which I now yield to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I want to address a few questions to some Member on the majority side in order to get some information. Am I correct in understanding there were loopholes in our income-tax laws previous to this time?

Mr. FRED M. VINSON. There never has been a time and there will never be a time when there will not be loopholes in tax provisions, as long as people are avaricious and do not want to pay their just share of the expenses of government.

Mr. ANDREWS. Following the President's message, the gentleman from Wisconsin [Mr. BOILEAU] brought in a resolution under which it became mandatory——

Mr. FRED M. VINSON. If the gentleman will pardon me, the gentleman has it wrong. The President's message came down on June 1, asking for expeditious action. Then there was a resolution offered by the gentleman from North Carolina [Mr. DOUGHTON] in which it directed studies to plug these loopholes. While that resolution was under debate on the floor of the House the gentleman from Wisconsin [Mr. BOILEAU] offered an amendment requiring the joint committee to report back by July 15. In the joint resolution, the last date to report was February 1, 1938, but the language of the resolution itself said that the joint committee was to report back just as quickly as practicable. Now, that amendment was debated. It was not thought the joint committee should be so circumscribed and limited in making final report to July 15. As a matter of fact, if the motion had carried it would have circumscribed the action of the committee. The vote on the Boileau amendment was 55 for and 84 against, as I recall.

So when the joint committee reports to the Ways and Means Committee of the House and the Finance Committee of the Senate, and the Ways and Means Committee brings this resolution in here now, we are doing it under the solemn mandate of the Congress of the United States to bring legislation of this kind as quickly as possible. Furthermore, it is pursuant to promises that were made on the floor of the House and promises that were made in the Senate that we would bring legislation back to Congress at this session if it were possible to do so.

Mr. ANDREWS. That answers that question. We will assume you brought in a bill here today which, insofar as you are able, will plug up these loopholes. I want to ask the gentleman what difference does it make if we pass this bill today or on January 15?

Mr. FRED M. VINSON. There is a very practical reason, and I am certain the gentleman from New York will get it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANDREWS. Will the gentleman yield me 2 more minutes?

Mr. TREADWAY. I yield 2 minutes to the gentleman from New York [Mr. ANDREWS] for his own use.

Mr. FRED M. VINSON. If we pass this resolution——

Mr. TREADWAY. I beg the gentleman's pardon. Unless the gentleman from New York uses the time himself, I yield it back to the House.

Mr. ANDREWS. The gentleman is answering my question.

Mr. TREADWAY. I am yielding time to the gentleman from New York.

Mr. ANDREWS. I have asked the gentleman from Kentucky a question and he is answering me as well as he can.

Mr. TREADWAY. All right.

Mr. FRED M. VINSON. I say that if we were to postpone this legislation until after January 1, 1938, it would have to be wholly retroactive. We felt that the sooner the

taxpayers affected knew that this was the law of the land, they could that much sooner put their house in order.

Mr. ANDREWS. Does not the gentleman think it would be just as well to say to the public that here is the bill as well as we have been able to get it in shape, that it is the general bill that will be passed in January, give it publicity in the meantime, and then come in here the first of the year and pass the bill you want?

Mr. FRED M. VINSON. There is no trouble about this bill being needed at this time. The reason I am sure that this is right is because we had the unanimous support of the joint committee of the House of Representatives and the Senate; furthermore, we have received the unanimous support from the members of the Committee on Ways and Means. So I feel sure we are right when we show such unanimity.

Mr. ANDREWS. Mr. Chairman, I thank the gentleman and yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I regret to note the failure on the part of the Ways and Means Committee to afford relief to small-loan or personal-finance companies. The exceptions of banks, life-insurance companies, and surety companies included in section 352 (b) of H. R. 8234 does not include many other recognized lending agencies that are as closely regulated and which conduct extensive businesses with the general public. These companies are in no sense incorporated "pocketbooks" and are anything except "personalized" corporations for individual indulgences and pleasures. They are not "incorporated yachts" nor "race tracks" nor "art collections" for personal enjoyment. They are engaged in the business of adjusting financial emergencies and of aiding many individuals and families to make progress and to take advantage of small opportunities that come their way. The small-loan companies or personal-finance companies are regulated under State supervision.

These companies conduct probably the most regulated business in this Nation. They are subject to many detailed examinations in behalf of the public interest and welfare and the convenience and advantage of the particular communities in which they propose to do business before they are granted licenses. These companies must keep detailed records and preserve them for regulatory inspection for 2 years after the last payment. They post ample bonds with the State for the public. They give detailed accounting of all charges and strictly comply with the statutory mandate under which they work.

In New York City they have done much to lift the burden of the illegal lender. They have not only carried on their business in a straightforward manner and to the complete satisfaction of the superintendent of banking, but when he has been faced with problems of administration they have given him full cooperation. The statute of New York was made possible by a special message to the legislature by Governor Roosevelt. He sent the message as a result of the recommendations of numerous social agencies. Their investigations disclosed the failure of the New York usury statutes and their administration among hundreds of thousands of borrowers of small sums. The effect of the enactment has brought much relief and elimination of many nefarious practices.

Many of these companies are strictly local in character, and as a result their stock ownership falls within the definition of a personal holding company. Since they are in the business of lending small sums, the bulk of their gross income is often from interest. Every such company has literally hundreds and thousands of such customers and deal with thousands of persons. They are not holding companies, nor are they "personalized" indulgences, nor are they "incorporated pocketbooks." They are out-and-out operating companies doing a vast business with the public. My attention has been directed to one company with 15 branches, 60,000 patrons, and substantial bank loans, but more than 50 per cent is owned by five persons. They met the spirit of the small-loan statute, made loans to the worthy applicants for their needs during troubled times.

Those borrowers are now paying their loans; the company wishes to pay off their bank loans. They find that they will be penalized 70 percent upon a payment from earnings that is used to pay off the bank loan. Surely such a situation is not intended for the successful small operator who wants only the rights other small-business men already have. He has shown he was a public-spirited man when he took the risks in the depression, and he has supported the Government in aiding these borrowers during times of trouble. He wishes to pay just taxes like other business, but it is unfair to hamstring him by making him liquidate part of his business to pay off his bank loan.

I am advised that there are literally thousands of similar situations, and I think these personal finance operators who comply with the laws of their respective States should be taxed in the same manner as other small-business men. There are more than 3,000 such operators.

These companies serve more than 70 percent of the population of the Nation, especially vast groups of urban people. Their charges are reasonable and only on unpaid balances, and the reports filed with the numerous State authorities show their earnings reasonable and less than such earnings by many banks.

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. FRED M. VINSON. Mr. Chairman, I do not know whether, if I felt toward this bill as my personal friend, ALLEN TREADWAY, says he feels about it, I would vote for it or not; I do not know whether I would want to take such a chance. Really, however, I do not take his statements seriously. He is one of the best fellows in the House, but he has to hold up his end of the singletree politically just as every other Member on his side of the aisle must do.

This is a bill every one should support. In the first place, it comes to the House with the unanimous vote of the Ways and Means Committee, and I want to say to you here and now that, in the consideration of this bill, as is the case with most of the bills prepared by this committee, the question of politics, so far as getting down to patriotic effort is concerned does not enter into it.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. COOPER. I am sure the gentleman from Kentucky will recall the statement made by our distinguished colleague and friend, the gentleman from Massachusetts; and with the indulgence of the gentleman from Kentucky, I shall read it at this point.

Mr. FRED M. VINSON. I yield to the gentleman.

Mr. COOPER. This is a statement made by the gentleman from Massachusetts [Mr. TREADWAY] in the hearings on this bill:

> I think it is no more than fair, Mr. Chairman, to say for my own part, and I am speaking for nobody but myself, that in my experience on this committee without expressing any views, of course, as to the merits of the case, I have never known of a more completely studied or better prepared case presented to this committee by any group, either of Government officials or outside interests. I think the gentlemen who have worked so hard on this preparation are entitled to have that much said by me in their behalf.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. Yes; I yield to my friend from Massachusetts.

Mr. TREADWAY. I have not said a word this afternoon contrary to that statement that was made in praise of Dr. McGill and Mr. Kent. Certainly there never was a better prepared case than they presented. I do not see exactly the point of reading the extract, although I do not take back a single line.

Mr. FRED M. VINSON. Any statement that the gentleman from Massachusetts makes is a good statement and I am certain that it will adorn the RECORD.

Just a word or two in regard to the extraneous matters that came before the Ways and Means Committee, and I am now referring to the James Roosevelt, to the Mrs. Roosevelt, and the Morgenthau returns. Certainly after time has elapsed, after the charges were made and found their way to the front pages of the papers, and then those charges, each and every one of them, fell as flat as a pancake, it seems to me that the curtain could be rung down upon that particular chapter.

THE JAMES ROOSEVELT RETURNS

There is not a word in the record showing that James Roosevelt evaded or avoided any taxes.

On the other hand, James Roosevelt said that he had never had any connection with any foreign corporation. There is not a single word in this record that indicates that he did not speak truly. His income-tax returns were presented to the gentleman from Massachusetts; and you know, capable as he is, he would bring to the floor of the House anything that would contradict the statement of James Roosevelt. It may be that James Roosevelt made money in the insurance business, but did you know, Mr. Chairman, the record shows that he went into the insurance business in 1930 just after he got out of law school? And if I recall it, his testimony showed that the dean of the school which he attended helped him to make his insurance connection; that he went into this business to make an honest living for himself and family before his distinguished father was elevated to the highest place in the gift of the American people?

I repeat that the income-tax returns of James Roosevelt were presented for the inspection of the distinguished gentleman from Massachusetts who has a longer period of service on the Ways and Means Committee than any other member on it. Certainly if there was anything that had the appearance of being irregular he would have called it to the attention of the joint committee, the Ways and Means Committee or the Membership of the House. James Roosevelt is a very active, energetic, capable young man. He has a most pleasing personality and certainly it is no mystery to me that from the first day of his entry in this legitimate business that his success in it was assured. Frankly there was never any proof of wrongdoing—no charge of wrongdoing. A certain gentleman in newspapers and before the committee, insinuated that there might be something irregular in his returns. Repeatedly did the gentleman from New York [Mr. FISH] admit that the information he had was hearsay—"pure and unadulterated hearsay." The nearest he got to a statement of fact in connection with James Roosevelt's return was a statement of some gentleman claiming that he had certain photostatic copies that would show an attempt on the part of James Roosevelt to avoid payment of taxes. Immediately upon the making of this statement, the record shows that the gentleman disavowed the making of any such statement to Mr. FISH and stated emphatically that he did not have any such photostatic copies and emphatically denied making the statement attributed to him.

In other words, this record should forever close the mouths of persons who would intimate that James Roosevelt had been guilty of any act looking toward tax avoidance or evasion.

We submit that when all the proof shows that there was no tax avoidance or evasion and no proof to indicate that there was, that the episode so far as fair minds are concerned is closed.

THE MORGENTHAU RETURNS

The committee was asked to investigate certain features of the returns of Mr. Henry Morgenthau, Sr., and his son, Mr. Henry Morgenthau, Jr., now Secretary of the Treasury. The gentleman making the request for the investigation specifically said that he made no question as to the returns of Mr. Henry Morgenthau, Jr., during the years that he had been Secretary of the Treasury. He based his request upon "hearsay evidence", refusing to divulge the name of his informant, stating that he "understood" back in 1929 and 1930 there was something that smacked of tax avoidance. He referred to some interfamily transactions.

As a matter of fact, such transactions, if they were made, were strictly within the law, but there was no proof whatever that there ever had been any such transactions. These returns were made available to the joint committee and were inspected by the gentleman from Massachusetts, and certainly no one should carp about the far-fetched hearsay charges relative to the Morgenthaus, because not one iota of information was offered relative thereto. No criticism or blame should attach in respect of either of these distinguished American citizens because of the remote references which were not supported by any facts. I feel certain that the distinguished gentleman from Massachusetts, the ranking minority leader, would have performed the duty of transmitting any facts to the joint committee or to the Ways and Means Committee if such returns justified it. I can conceive of no one having a cleaner bill of health than the Morgenthaus, upon whom such remote aspersions were cast.

MRS. ROOSEVELT'S RETURN

Now, in regard to the tax status of Mrs. Roosevelt: The trouble with our friends over here is that they are unwilling or unable to differentiate between giving money, or assigning salary, and donating services to charity. May I say to you as a lawyer, that anyone who will read the prepared statement of Robert H. Jackson, supplemented by the cross-examination before the Joint Committee on Tax Evasion and Avoidance, upon Mrs. Roosevelt's donation of services to charity, can see in a moment that Mrs. Roosevelt's contribution of her services to charity was not a taxable item.

What is taxed under the income laws of this country? It is income; not services.

They are unable to differentiate between a man working for a salary who assigns the income from services under a contract in which he is personally benefited to charity to lessen his tax burden and a donation of services to charity where the donor gets no tax benefit. Mrs. Roosevelt's act was a donation of services which could not be taxed as income. It was not income to her. It was services performed out of the goodness of her heart in order that unfortunate men, women, and children might receive a benefit from the charitable organization involved. She donated no income. She donated her services. That is the distinction in Mrs. Roosevelt's case. She was advised in the usual, normal way by the Bureau of Internal Revenue that her services were not taxable. It is a general attitude of the Bureau and not a special one for her particular case, as some folks have insinuated.

THE BILL

Mr. Chairman, I do not want to appear immodest. Some of our friends over here state that there is no one who knows anything about this bill. It is a complicated bill. We meet a most complicated situation. There are a number of members of the committee who do understand this bill. There are a number of gentlemen on this side of the aisle who can explain the various sections of the bill. I propose to take it up in detail as much as I can, but I do not want my time to expire before I get down to page 19 of this bill so that I may give you a very clear explanation of the language which is so soporific in effect that it lulls our friend from Massachusetts into the arms of Morpheus.

THE 1932 REVENUE ACT

In the first place, we had some experience with loopholes when our Republican friends lost the House in 1930 and even before we gained control of the executive branch of this Government. There was a 1932 tax bill. I served upon the subcommittee which dealt with the administrative features of that act.

Under the language of that act as it passed the House we would have saved $80,000,000 a year in plugging loopholes.

This was done by a superficial glance at the existing laws. The Senate cut that substantially in two. But under the administrative changes the Treasury admitted we saved, roughly, $40,000,000 a year by the closing of those loopholes.

THE 1934 REVENUE ACT

In 1933 the Ways and Means Committee undertook a real study of the loopholes in the revenue laws. A subcommittee was appointed, headed by our friend, Samuel B. Hill. The gentleman from New York, Mr. Cullen; the gentleman from Tennessee, Mr. Cooper; and myself, on the Democratic side, served on that subcommittee, as well as the gentleman from Massachusetts, Mr. Treadway; the gentleman from New York, Mr. Crowther; and the gentleman from Wisconsin, Mr. Frear. We sat here during the summer months of 1933. We were here during the fall months. We took off our coats, rolled up our sleeves, and went after the job. There was never a partisan vote in our subcommittee. When the tax bill of 1934, which dealt with the loopholes, came to the floor of this House for consideration there were only 7 votes cast against it. The Treasury Department admitted that we saved annually because of the plugging of those loopholes $260,000,000. That many added dollars went into the Treasury annually because of that work. I should add here that no loopholes considered at this time was caused by this Revenue Act of 1934.

This bill under discussion is estimated to save between fifty and seventy-five million dollars annually. We will not only save that much annually but we will prevent, in years to come, much more money from escaping by virtue of the increased use of these various loopholes.

To illustrate that statement, I may merely mention that in 1935 and 1936 there were formed in four countries—Bahamas, Panama, Newfoundland, and Prince Edward Island—613 foreign personal holding companies, which could only be formed for the purpose, in the main, of escaping their just burden of taxation due this Government. If they can get by evading taxes, there easily could be 6,000 such corporations set up. So we should operate on them now.

SECTION 102

What presented itself in 1934? The only provision of law, and I weigh my words, that sought to get to the unreasonable accumulation of surpluses, which prevented earnings from being distributed to the shareholders whereby that income would be subject to the higher surtax rates, was a section known as 102. Prior to 1934 the rate under that section was 50 percent. The Treasury of the United States told us then they had not sought to enforce section 102 because of the high rate, 50-percent penalty statute, punitive in nature, and because it was almost impossible to prove that the surpluses that were being piled up and accumulated were unreasonable in connection with the future demands of the corporation. Practically nothing collected under it to 1927, and very little since.

SECTION 351

We placed upon the statute books in the 1934 act section 351, the personal holding corporation section. We did that in order to tax money that people had in a corporation and which they were using as an incorporated pocketbook.

There has been some criticism of that statute. Some folks have gotten the idea it was a device to avoid the payment of taxes, but when you read the record you will find the experts stated it was a splendid addition to the tax law. You will read the record and find that in 1934 the Treasury officials estimate $35,000,000 of added revenue came into the Treasury of the United States because of that section. You will read in the testimony that in 1935 they estimate $49,000,000 added revenue went into the Treasury because of that statute. It is estimated that for the taxable year 1936 some sixty-five to seventy-five million dollars of added revenue has come into the Treasury because of that statute. I submit, Mr. Chairman, that section 351 has meant much, and so admitted by the Treasury of the United States, in protecting the revenues of our Government.

THE PRESENT BILL—SECTION 351

Now, getting down to the bill itself. In this section the rates are increased to 65 percent on the first $2,000, then 75 percent on the excess.

The rates in the 1934 act were 30 percent and 40 percent, then amended to run from 20 percent to 60 percent in the 1935 act. Then, when we enacted the undistributed-profits tax of 1936, they were lowered so they ran from 8 percent to 48 percent.

PERSONAL HOLDING COMPANIES UNDER EXISTING LAW

After certain exemptions, it is defined as a corporation at least 80 percent of its gross income for a taxable year is derived from royalties, dividends, interest, annuities, and certain gains from the sale of stocks and securities; when said corporation at any time during the last one-half of its taxable year has more than 50 percent of the value of its stock owned directly or indirectly by not more than five individuals.

PERSONAL HOLDING COMPANIES UNDER THIS ACT

The personal holding company status will be retained once it attaches in the event its personal holding income is more than 70 percent instead of 80 percent until a year in which the stock ownership test is not met, or for each of 3 consecutive years less than 70 percent of the gross income is personal holding company income.

SECTION 353—PERSONAL HOLDING COMPANY INCOME

(b) To gains from the sale of stocks and securities is added "or exchange" of stocks or securities. It is fair to say that the Treasury is interpreting the present language to include the change thereof but the question is being raised that it is not inclusive of such transactions.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Referring to the definition on page 3 of personal holding companies, and referring especially to royalties, I may state that in my part of the country there are many royalty companies. As I understand it, the definition relating to dividends, interest, royalties, and annuities is in the present law?

Mr. FRED M. VINSON. The gentleman is correct.

Mr. DISNEY. Do I correctly understand that any company, even if it is now a holding company, is not affected by this if it distributes its earnings under the 1936 statute?

Mr. FRED M. VINSON. That is correct. This is a tax upon the undistributed net income of the personal holding company. There has been no change in the law so far as it affects royalty companies per se.

Mr. DISNEY. Yes; and if there are more than five stockholders and the 80-percent test is made, they are not affected?

Mr. FRED M. VINSON. The gentleman is correct. If less than 80 percent of the income of the personal holding company comes from income other than the sources enumerated, then it is not a personal holding company. In other words, it has to pass the income test and the ownership test.

Mr. DISNEY. Royalties in this connection are distinguished from trading in royalties or royalty interest. These must be actual royalties paid from production?

Mr. FRED M. VINSON. The gentleman is correct.

Mr. DISNEY. As distinguished from deals in leases or operations?

Mr. FRED M. VINSON. Royalties received from patents or copyrights are included.

Mr. DISNEY. Yes. I understand they are included.

Mr. FRED M. VINSON. Yes.

Mr. DISNEY. Royalties per se are what is meant?

Mr. FRED M. VINSON. Trading in royalties or gains made in transactions of that kind would not be the royalty income referred to herein.

Mr. DISNEY. No; that is what I am getting at, that there must be actual royalties from actual production from property producing oil.

Mr. FRED M. VINSON. That is correct as it affects oil.

Under (c) gains on futures transactions are included. It is not in the existing law.

Under (e) there is covered the personal-service contract. This is new law. We had instances presented to us where a moving-picture star or a radio star had a large income and wanted to avoid the payment of the high surtax rates on that income. He formed a personal holding corporation of which he owned 100 percent. Then the personal holding company would make a contract with the motion-picture people or the sponsor of a program on the radio for the sum of money the star's services were worth. The personal holding corporation owned 100 percent by the star would then hire the services of this star for a much smaller sum of money than the corporation was actually getting for his services.

Therefore, when income tax return day came around, the star reported the money he had received from his own 100-percent-owned holding corporation as his salary, and, of course, got off with the rates in the low brackets. The income of the personal holding corporation, even though it was 100 percent owned by the star, was not subject to be included under personal holding companies under section 351 of the act. This provision brings such income under the law.

In subsection (f) you have the same sort of a situation in regard to the use of corporate property by shareholders. There you have the illustration of the yacht. The fellow who has securities forms this personal holding company and transfers the securities to it. Nobody has a personal holding company unless he has lots of money and wants to evade the payment of taxes. The situation I am describing is for the purpose of illustration. You cannot only incorporate a yacht, but you can incorporate any property which costs much to operate and maintain.

Mr. KNUTSON. A trailer.

Mr. FRED M. VINSON. As my friend the gentleman from Minnesota states, you can incorporate a trailer.

The point is that the cost of the operation and maintenance of this yacht would amount to a very considerable sum to the personal holding company. This company would rent the yacht to the shareholder, to the man who has created the personal holding company, at a price much less than the cost of the operation and maintenance. The income from this rent would be small, so far as the personal holding company report was concerned, but then the operation and maintenance expense of the yacht would be subtracted from the total net income of the personal holding company, and this would pull down the income of the personal holding company. It could also be worked where the rental income would be sufficient to bring the other gross income of the personal holding company below 80 percent.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield to the gentleman from New York.

Mr. ANDREWS. There have been some statements on the floor regarding these yachts. Just how many incorporated yachts are there?

Mr. FRED M. VINSON. I do not know, but as I stated previously, and I am certain that the gentleman heard because he is sitting in the front row, I am merely stating the case of the yacht for the purpose of illustration. You could ramify it into many other things, but I am giving this illustration because it is very easily understood.

Mr. ANDREWS. As I recall it, the gentleman from Massachusetts [Mr. TREADWAY] stated there were only two incorporated yachts. Can the gentleman inform me on this point?

Mr. FRED M. VINSON. I have been under the impression that there were more, but the gentleman from Massachusetts may be correct in regard to that. But at least there could be more unless we stop the racket.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman merely used the case of the yacht as an illustration of the means of evasion?

Mr. FRED M. VINSON. The gentleman is correct.

It should be stated at this point both as to personal service contracts and the use of corporation property by shareholders that these provisions only apply in the event that 25 percent or more in value of the outstanding stock of the corporation is owned directly or indirectly by the "star" in the case of personal-service contracts and the owners of the property or an individual entitled to its use in the case of the use of corporation property by shareholders.

RENTS

This bill includes rents. The House bill in 1934 included rents, but this provision was stricken out in the Senate. Consequently income from rent was not included in the income which determines what was or was not a personal holding corporation. However, in the bill we limit the amount of rent included.

In other words, if all of the income or more than 50 percent of the income is from rents, then it is not included in personal holding company income. If less than 50 percent comes from rents, then it is included in the personal holding company income.

Now, it is very easy to understand, if you had a personal-holding company and you would put in some properties that would bring in a substantial amount of rent, you could have more than 20 percent of the income of the personal holding company in nonpersonal holding company income and thereby defeat the purpose of the statute, because if you bring it down where the income from dividends, interests, annuities, and royalties, and that sort of thing was only 79 percent, or in other words, if you had 21 percent in rents, then it would not be a personal holding company under the old statute. Such would come under this bill.

CONSTRUCTIVE OWNERSHIP

Now, in section 354, we set out language in regard to constructive ownership. Under (a) (1), we look through corporations to see that the stock is owned by the shareholders. We look through partnerships to see that the interests are owned by the partners proportionately.

Under (a) (2) we add a partner to the family-relation definition. In other words, under existing law a husband, a wife, a brother, a sister, and lineal descendents for purposes of determining whether it is a personal holding corporation, are one individual. Because of the close relationship between partners, we add partner to that family group. We had certain instances where partners were being used to make more than five persons in the corporation and thereby fall without the definition of a personal holding company; or hold stock which brought family ownership below the required percentage to meet stock-ownership test.

Under (a) (3) we include stock where a person has an option to buy.

Under (b) we include securities that can be converted into stocks in making up the stock-ownership test.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. KNUTSON. As I understand it, the relationship does not extend to nephews and nieces?

Mr. FRED M. VINSON. No.

AMOUNTS USED TO RETIRE INDEBTEDNESS

This is one section where we did not follow the joint committee's report. Mention is made of it in the report of the Ways and Means Committee. This is on page 5, section 355, subsection (b). We keep the same language that is in existing law in regard to the amounts used or set aside to retire indebtedness incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness. We did this because we felt there were certain cases where real hardships would be worked and we believed it was fair so to do.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. DISNEY. The question might arise, Why not fix the date at January 1, 1936?

Mr. FRED M. VINSON. The only reason I can give the gentleman is that we want to limit it just as much as possible. January 1, 1934, was the date in the old act, and we did not want to open the doors to other amounts of debt that could be retired, because when the debt included in the existing law was retired, there would be no debt provision in the bill.

Mr. KELLER. What is the difference between the law as you keep it and what was recommended by the joint committee?

Mr. FRED M. VINSON. We put in this debt cushion. That is the only difference. Everything else recommended by the joint committee was put in and a number of other things, tightening the law, that the joint committee did not recommend. I feel certain that when the gentleman investigates the matter he will agree that this is a fair proposition.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. BUCK. As a matter of fact, these debts will constantly be reduced so that the opportunity for tax evasion or avoidance by this means will entirely disappear in the course of a few years.

Mr. FRED M. VINSON. That is right. There are a number of items I would like to discuss. One of them is the question of charitable donations. We put a 15-percent limit there, the same as in the case of individuals.

We retain substantially the same language that is in existing law with reference to corporations organized prior to January 1, 1936, to take over assets and liabilities of the estate of a decedent where the said estate had a definite legal liability to make contributions or gifts. We limit it to a corporation organized prior to January 1, 1936, and in case of liabilities which existed prior to January 1, 1934. This applies particularly to Western Reserve University. However, this corporation is not permitted to avail itself of the 15-percent limitation as effecting other contributions or gifts.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. DISNEY. Before the gentleman passes to that, what about the matter of liquidation of domestic holding companies?

Mr. FRED M. VINSON. The liquidation of domestic holding corporations in this bill is just the same as in existing law. If there is complete liquidation, they liquidate under the graduated brackets on capital gains and losses. If it has been held 1 year, you take the 100-percent gain and use that as a base on which to apply the tax. If it has been 10 years, you take 30 percent of the gain and apply the tax rate.

Personally, I feel that if we could work out some sort of plan whereby we could induce the foreign corporations to liquidate and get the money back here, and if we could get the domestic personal holding corporations to liquidate, with all their ramifications of corporations within corporations, we would not have such a complex picture when we seek to impose a fair burden of tax. We will continue the study relative to liquidations.

Mr. DISNEY. Suppose the holding company has securities, suppose there is a liquidation in kind, what would be the tax rate there?

Mr. FRED M. VINSON. My recollection about liquidation in kind is that you take the value of the property at the time of the liquidation and the value of the property at the time acquired to arrive at the capital gains, just the same as if it were converted into cash.

Under section 356 (b) there is language effecting deductions not allowed which I desire to discuss. The section relates to deductions relating to expenses for operations, maintenance, and depreciation. I direct my remarks to the legal status of deductions for operation and maintenance of properties. This is the section that is referred to as effecting country estates, racing stables, and so forth. It is very definite that this makes no change in the law relating to deductions for the operation of country estates or racing stables held by an individual or by a corporation which is not within the personal holding company definition, or, in fact, by a personal holding company itself. There is no change whatever in the situation as it affects them. If it be a personal holding company as defined herein, it can only apply to them under its express terms, if the country estate or racing stable was not held in the course of business carried on bona fide for profit and that there was no reasonable expectation that the operation of the property would result in profit or that the property was necessary in the conduct of the business.

This language does not change the situation that country estates and racing stables occupy at the present time. The report of the committee is very specific in this respect, and to thoroughly clarify this matter for the record we insert herewith that portion of the report of the committee dealing with the subject:

Under subsection (b) of section 356 of new title IA there is disallowed as a deduction from gross income, the expenses of operation and maintenance (including depreciation) of property owned or operated by a personal holding company to the extent that the expenses exceed the rent or other compensation for the use of such property, unless it is established to the satisfaction of the Commissioner—

(A) That the rent or other compensation received is the highest obtainable or if none was obtained that none was obtainable;

(B) That the property was held in the course of business carried on bona fide for profit; and

(C) That there was reasonable expectation that the operation of the property would result in a profit, or that such property was necessary to the conduct of the business.

To prevent a personal holding company from charging expenses in excess of its income from the operation and maintenance of property, such as yachts, city residences, country estates, etc., against its investment income, such expenses should be disallowed unless the corporation can meet the conditions outlined above. This has the effect of placing the personal holding company on the same basis in this respect as an individual who cannot offset his personal (as contrasted with business) expenses against his income. If the corporation establishes to the satisfaction of the Commissioner that the second test is satisfied and that the property was necessary to the conduct of such business, it will not be necessary to prove there was reasonable expectation that the operation of the property would result in a profit in order to obtain a full deduction.

This provision would not apply to an enterprise such as a farm or a racing stable operated by the corporation itself, where more than 20 percent of the gross income of such corporation came from such operations. This is because the corporation must first be a personal holding company before this provision will apply. Moreover, even if such a corporation might be a personal holding company because more than 80 percent of its income came from investment sources, it would still have the opportunity of escaping this provision by establishing that the property was held in the course of a bona-fide business carried on for profit and that such property was necessary for the conduct of the business. The situation of the corporation in such cases remains essentially the same as that of taxpayers under existing law, who are required to prove that expenses for which deductions are claimed are ordinary and necessary and paid or incurred in carrying on a trade or business for a profit. Even where an investment corporation is running a yacht, city residence, or country estate on the side, it is, nevertheless, recognized that certain property may be necessary for the conduct of its investment business, such as typewriters, office furniture, automobile, and the like. Expenses attributable to such property would satisfy the third test.

FOREIGN PERSONAL HOLDING COMPANIES

But before my time expires I want to tell you something about this language on page 19. To start with, we predicate our action on this philosophy in regard to foreign personal holding corporations. We look through the corporate structure. We take up the undistributed share that would go to the American shareholder if dividends were declared. If you had only one foreign personal holding corporation, there would not be any trouble about that at all, and you would not have this soporific language on page 19. Of course, all moneys paid out in dividends by the foreign personal holding company is added to the gross income of the American taxpayer. What we are trying to do is to get at the undistributed part, because it is the nondistribution in the foreign personal holding company that the ultrawealthy taxpayers want so that they will not have this money in their income to pay the high surtax brackets.

If it were one corporation, it would be simple. Assume there is 20 percent distributed. There is 80 percent left. Under this bill we pick up that 80 percent net income, cal-

culated like net income in domestic corporations, and add it to the individual's gross income tax. But the trouble is that they do not start or end with one corporation. A group, one or more of American citizens, will form a foreign holding corporation. That foreign holding corporation will own the stock in another foreign holding corporation and this one will own the stock in a third foreign personal holding corporation. What we have to do is to look down through this chain and bring under this law to the American taxpayer the undistributed money that would come to him if he did not have these foreign personal holding companies.

Subsection (b) of section 334 reads as follows:

"SEC. 334. GROSS INCOME OF FOREIGN PERSONAL HOLDING COMPANIES

"(a) General rule: As used in this supplement with respect to a foreign corporation the term 'gross income' means gross income computed (without regard to the provisions of Supplement I) as if the foreign corporation were a domestic corporation.

"(b) Additions to gross income: In the case of a foreign personal holding company (whether or not a United States group, as defined in section 331 (a) (2), existed with respect to such company on the last day of its taxable year) which was a shareholder in another foreign personal holding company on the day in the taxable year of the second company which was the last day on which a United States group existed with respect to the second company, there shall be included, as a dividend, in the gross income of the first company, for the taxable year in which or with which the taxable year of the second company ends, the amount the first company would have received as a dividend if on such last day there had been distributed by the second company, and received by the first company, an amount which bears the same ratio to the undistributed Supplement P net income of the second company for its taxable year as the portion of such taxable year up to and including such last day bears to the entire taxable year.

We want for taxation the undistributed share of all of the income that belongs to the first foreign personal holding company. We will use two of them for the sake of illustration. X is a foreign personal holding company. X owns the stock in Y, a foreign personal holding company. Y does not distribute. We take the income in the personal holding company Y and bring it up to X; and if X is still a foreign personal holding company you just reach out and get that income and place it with the income of the American shareholders. Say, foreign corporation Y runs along for 8 months and the American shareholders have their interest in that for 8 months, then assume they sell their interest in the personal holding company and for the last 4 months of the year they do not own any interest in X. Subsection (b) of section 334 says that you will take two-thirds of the undistributed net income of corporation Y for the entire taxable year and bring it up into corporation X as the income that we will consider to be distributed to the American shareholder.

That is what subsection (b) of section 334 does. I await word of my distinguished friend from Massachusetts, and he is my friend, to say me nay.

Mr. TREADWAY. Mr. Chairman, it would be most difficult to say nay to anything such a convincing orator as the gentleman from Kentucky says. The only criticism I would make of his remarks is that he refers to the section as sophormoric——

Mr. FRED M. VINSON. Oh, no; I said soporific—sleep producing.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. Yes.

Mr. MASON. The gentleman has given a very clear illustration of this difficult language found on page 19. I have followed through his illustration, but I still have to take his word for it that the words here in the bill actually will do what he has said in his illustration.

Mr. FRED M. VINSON. The gentleman has a very keen intellect, if he will take my speech tomorrow and read it or take the language of the report and then apply it to the language here, and if he does this in the morning, particularly before dinner, before sleep-coming time, he will not have any trouble in understanding it.

Mr. MASON. Mr. Chairman, I deeply appreciate and thank the gentleman for that assurance.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. Yes.

Mr. MILLARD. The gentleman knows that I am his neighbor and am very fond of him. Did he not hear the chairman of the Ways and Means Committee say a little while ago that he did not understand this bill?

Mr. FRED M. VINSON. Oh, well, he is just modest, as all of the rest of us are. The reason I took the floor is because I thought somebody might say—and it is easy to do that—that here is something being rushed through without consideration that nobody understands.

The gentleman from Massachusetts said that they had even printed it in the newspapers yesterday. There are many Members on the floor who understand the provisions of this bill and can explain them. I did not want that indictment to go unchallenged. We plead not guilty to that indictment. It is difficult of understanding, but in this body there are men who do understand it.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. FRED M. VINSON. I yield.

Mr. TREADWAY. The gentleman has just pleaded not guilty. Are not persons sometimes found guilty by the court, even though they plead not guilty?

Mr. FRED M. VINSON. That may be; but if they have satisfaction in their own hearts that they are not guilty, it is all right. [Laughter.]

Now, there is one further statement I would like to make. The philosophy in regard to foreign personal holding companies is based upon the inherent power in the Government to protect itself from devices to avoid and evade its law. The Supreme Court has said that the Congress has the power to regulate interstate rates, and that it can regulate intrastate rates when such exercise of power is to protect the plenary power over interstate rates. We feel certain that the jurisdiction over American taxpayers and income to our citizens, together with the power to protect our revenues are ample legal support for our position.

I submit for the RECORD a short excerpt from a decision by the Supreme Court in the case of *Helvering* v. *City Bank Farmers Trust Co.* (296 U. S. 85), which deals with an analogous situation with reference to the power that we exercise in treating the foreign personal holding corporation as we do. We have jurisdiction over the taxpayer and his income, and, further, we need this legislation in order to protect the revenues, and it is not without due process of law.

This excerpt is as follows:

The purpose of Congress in adding clause (d) to the section as it stood in an earlier act was to prevent avoidance of the tax by the device of joining with the grantor in the exercise of the power of revocation someone whom he believed would comply with his wishes. Congress may well have thought that a beneficiary who was of the grantor's immediate family might be amenable to persuasion or be induced to consent to a revocation in consideration of other expected benefits from the grantor's estate. Congress may adopt a measure reasonably calculated to prevent avoidance of a tax. The test of validity in respect of due process of law is whether the means adopted is appropriate to the end. A legislative declaration that a status of the taxpayer's creation shall, in the application of the tax, be deemed the equivalent of another status falling normally within the scope of the taxing power, if reasonably requisite to prevent evasion, does not take property without due process.

The gross income requirement for such companies is 60 percent of the specified income in lieu of 80 percent for domestic personal holding companies, and 50 percent in lieu of 70 percent for domestic personal holding companies. The same 3 years' test is applied with the rates of 60 percent and 50 percent used.

The stock ownership requirement for such companies is the owning of more than 50 percent in value of the outstanding stock by or for five individuals or less who are citizens or residents of the United States.

Foreign personal holding companies income is calculated in the same way as domestic personal holding companies' income in section 353 of the bill.

Likewise the same provisions apply to foreign personal holding companies in respect to stock ownership as applies to the domestic personal holding companies in section 354 of the bill.

The additional deductions as well as deductions not allowed are the same as contained in provisions applicable in the domestic personal holding companies in section 356 (a) (1), (a) (2), and 356 (b), except the provisions with reference to taxes and pension trusts found on page 22 of the bill.

We do not feel that it is necessary to discuss at length the sections of the bill relating to information returns by officers, directors, and shareholders, as well as the information relative to the formation, organization, and reorganization of any foreign corporation. With reference to the latter provisions, we would call your attention to the fact that the privileged communication status between attorney and client is preserved.

LIQUIDATION OF FOREIGN PERSONAL HOLDING COMPANIES

In the event liquidation occurs prior to January 1, 1938, it will take the same rates provided for domestic personal holding companies in section 115 (c) of the Revenue Act of 1936. If such liquidation cannot be completed before January 1, 1938, due to the laws of such foreign country under which such corporation is incorporated, or for other reason, the Commissioner may defer the liquidation date under this section up to, but not later than, June 30, 1938.

PERIOD OF LIMITATION

Period of limitation upon assessment and collection is fixed at 7 years after return is filed.

DISALLOWED DEDUCTIONS

We will not discuss all these items in detail. We will point out one that is easy of application and certainly available for increased tax avoidance. It is the question of unpaid expense and interest found on page 40 of the bill. This is what happened:

An individual set up a personal holding company. He placed a considerable amount of securities in the personal holding company. He borrowed practically all of its annual net income with the agreement to pay interest to the personal holding company for the use of this money. In this case, the debtor made his tax return upon the accrual basis and claimed as a deduction the accrued interest; and the creditor, the personal holding company, was on the cash-receipts basis and, of course, did not report the interest payments because such had not been actually received and, under existing law, there was no need to report them until actually received. Thus, the individual was able to deduct the interest charge against his gross income upon what amounted to his own money without the corporation paying any tax upon the interest which was supposed to be paid.

Under this bill the creditor, the personal holding company, not being required to include in its gross income the amount of the interest until received, no deduction would be allowed to the individual taxpayer for the interest not paid by him during the taxable year or within 2½ months after the close of such taxable year. This same device could, and has been, used by members of the same family as well as between an individual and personal holding company.

TRUSTS

We refuse the personal exemptions of $1,000 for trusts which are for accumulation. This will reduce the incentive to have multiple trusts for the purpose of securing $1,000 exemption for each trust. We report to the House that further studies of proper treatment for tax purposes for multiple trusts accumulating income will be continued.

NONRESIDENT ALIEN INDIVIDUALS

Prior to the Revenue Act of 1936 there was no withholding tax on income from interest, rents, dividends, salaries, and annuities imposed on nonresident individuals not engaged in trade or business within the United States and not having an office or place of trade or business within the United States. There were very few of them who made tax returns, consequently the amount of tax derived from such sources was not considerable. It is stated in the record that the total revenue derived from such taxpayers was something like $4,000,000 annually.

In the consideration of the Revenue Act of 1936, the Ways and Means Committee had tentatively agreed upon a tax of 22 percent as a withholding tax rate on such taxpayers, but the State Department insisted that the rate should be lower and finally the Treasury agreed to a 10-percent withholding rate upon all income from such taxpayers. At that time it was suggested that tax returns might be the proper way to handle it, but it was thought that the administrative difficulties would be insurmountable and such suggestion was discarded.

Under the Revenue Act of 1936 the Treasury estimates that additional revenue derived over that produced under prior revenue acts from such source to be not less than $15,000,000 per annum. This is a very material gain, without any changed status in the revenue law as it affects such nonresident aliens. However, it is stated that there are some 1,000 such nonresident alien taxpayers who should pay additional taxes based upon the income produced. This bill provides that the 10-percent withholding tax shall be retained. This 10-percent tax is the effective rate upon income of $21,600. There are some 1,000 such taxpayers with an income in excess of that amount. This bill requires such taxpayers, with incomes in excess of $21,600, to file an income-tax return and pay taxes at the domestic rate, giving them credit for the 10-percent withholding tax. This will add some six or seven million dollars to the revenue, and certainly is a fair way in which to handle this problem.

CONCLUSION

We submit that this bill serves a good purpose. It is not intended to be the final answer to tax the dodger. It is felt certain that many avenues used by him will be closed. But we are not unmindful that he will seek other means of escaping proper tax responsibility. There will be necessity of keeping close check upon his methods even until the dawn of eternity.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. FRED M. VINSON] has expired.

All time has expired.

The Clerk will read.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with and that it be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Revenue Act of 1937."

TITLE I—PERSONAL HOLDING COMPANIES

SEC. 1. AMENDMENT OF 1936 ACT

Title IA of the Revenue Act of 1936 is amended to read as follows:

"TITLE IA—ADDITIONAL INCOME TAXES

"SEC. 351. SURTAX ON PERSONAL HOLDING COMPANIES

"There shall be levied, collected, and paid, for each taxable year (in addition to the taxes imposed by title I), upon the undistributed adjusted net income of every personal holding company a surtax equal to the sum of the following:

"(1) 65 percent of the amount thereof not in excess of $2,000; plus

"(2) 75 percent of the amount thereof in excess of $2,000.

"SEC. 352. DEFINITION OF PERSONAL HOLDING COMPANY

"(a) General rule: For the purposes of this title and of title I the term 'personal holding company' means any corporation if—

"(1) Gross income requirement: At least 80 percent of its gross income for the taxable year is personal holding company income as defined in section 353; but if the corporation is a personal holding company with respect to any taxable year, then, for each subsequent taxable year, the minimum percentage shall be 70 percent in lieu of 80 percent, until a taxable year during the whole of the last half of which the stock ownership required by paragraph (2) does not exist, or until the expiration of 3 consecutive taxable years in each of which less than 70 percent of the gross income is personal holding company income; and

"(2) Stock ownership requirements: At any time during the last half of the taxable year more than 50 percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals.

"(b) Exceptions: The term 'personal holding company' does not include a corporation exempt from taxation under section 101, a

bank as defined in section 104, a life-insurance company, a surety company, or, except with respect to a taxable year ending on or before the date of the enactment of the Revenue Act of 1937, a foreign personal holding company as defined in section 331.

"SEC. 353. PERSONAL HOLDING COMPANY INCOME

"For the purposes of this title the term 'personal holding company income' means the portion of the gross income which consists of—

"(a) Dividends, interest, royalties, annuities.

"(b) Stock and securities transactions: Except in the case of regular dealers in stock or securities, gains from the sale or exchange of stock or securities.

"(c) Commodities transactions: Gains from futures transactions in any commodity on or subject to the rules of a board of trade or commodity exchange. This subsection shall not apply to gains by a producer, processor, merchant, or handler of the commodity which arise out of bona-fide hedging transactions reasonably necessary to the conduct of its business in the manner in which such business is customarily and usually conducted by others.

"(d) Estates and trusts: Amounts includible in computing the net income of the corporation under supplement E of title I; and gains from the sale or other disposition of any interest in an estate or trust.

"(e) Personal service contracts: (1) Amounts received under a contract under which the corporation is to furnish personal services; if some person other than the corporation has the right to designate (by name or by description) the individual who is to perform the services, or if the individual who is to perform the services is designated (by name or by description) in the contract; and (2) amounts received from the sale or other disposition of such a contract. This subsection shall apply with respect to services under a particular contract only if at some time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services.

"(f) Use of corporation property by shareholder: Amounts received as compensation (however designated and from whomsoever received) for the use of, or right to use, property of the corporation in any case where, at any time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for an individual entitled to the use of the property; whether such right is obtained directly from the corporation or by means of a sublease or other arrangement.

"(g) Rents: Rents, unless constituting 5 percent or more of the gross income. For the purposes of this subsection the term 'rents' means compensation, however designated, for the use of, or right to use, property; but does not include amounts constituting personal holding company income under subsection (f).

"SEC. 354. STOCK OWNERSHIP

"(a) Constructive ownership: For the purpose of determining whether a corporation is a personal holding company, insofar as such determination is based on stock ownership under section 352 (a) (2), section 353 (e), or section 353 (f)—

"(1) Stock not owned by individual: Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries.

"(2) Family and partnership ownership: An individual shall be considered as owning the stock owned, directly or indirectly, by or for his family or by or for his partner. For the purposes of this paragraph the family of an individual includes only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

"(3) Options: If any person has an option to acquire stock such stock shall be considered as owned by such person. For the purposes of this paragraph an option to acquire such an option, and each one of a series of such options, shall be considered as an option to acquire such stock.

"(4) Application of family-partnership and option rules: Paragraphs (2) and (3) shall be applied—

"(A) For the purposes of the stock ownership requirement provided in section 352 (a) (2), if, but only if, the effect is to make the corporation a personal holding company;

"(B) For the purposes of section 353 (e) (relating to personal service contracts), or of section 353 (f) (relating to the use of property by shareholders), if, but only if, the effect is to make the amounts therein referred to includible under such subsection as personal holding company income.

"(5) Constructive ownership as actual ownership: Stock constructively owned by a person by reason of the application of paragraph (1) or (3) shall, for the purpose of applying paragraph (1) or (2), be treated as actually owned by such person; but stock constructively owned by an individual by reason of the application of paragraph (2) shall not be treated as owned by him for the purpose of again applying such paragraph in order to make another the constructive owner of such stock.

"(6) Option rule in lieu of family and partnership rule: If stock may be considered as owned by an individual under either paragraph (2) or (3) it shall be considered as owned by him under paragraph (3).

"(b) Convertible securities: Outstanding securities convertible into stock (whether or not convertible during the taxable year) shall be considered as outstanding stock—

"(1) For the purpose of the stock ownership requirement provided in section 352 (a) (2), but only if the effect of the inclusion of all such securities is to make the corporation a personal holding company;

"(2) For the purpose of section 353 (e) (relating to personal service contracts), but only if the effect of the inclusion of all such securities is to make the amounts therein referred to includible under such subsection as personal holding company income; and

"(3) For the purpose of section 353 (f) (relating to the use of property by shareholders), but only if the effect of the inclusion of all such securities is to make the amounts therein referred to includible under such subsection as personal holding company income.

"The requirement in paragraphs (1), (2), and (3) that all convertible securities must be included if any are to be included shall be subject to the exception that, where some of the outstanding securities are convertible only after a later date than in the case of others, the class having the earlier conversion date may be included although the others are not included, but no convertible securities shall be included unless all outstanding securities having a prior conversion date are also included.

"SEC. 355. UNDISTRIBUTED ADJUSTED NET INCOME

"For the purposes of this title the term 'undistributed adjusted net income' means the adjusted net income (as defined in section 356) minus—

"(a) The amount of the dividends paid credit provided in section 27, computed without the benefit of subsection (b) thereof (relating to the dividend carry-over); and

"(b) Amounts used or set aside to retire indebtedness incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness.

"SEC. 356. ADJUSTED NET INCOME

"For the purposes of this title the term 'adjusted net income' means the net income with the following adjustments:

"(a) Additional deductions: There shall be allowed as deductions—

"(1) Federal income, war-profits, and excess-profits taxes paid or accrued during the taxable year to the extent not allowed as a deduction under section 23; but not including the tax imposed by section 102, section 351 (either before or after its amendment by the Revenue Act of 1937), or a section of a prior income-tax law corresponding to either of such sections.

"(2) In lieu of the deduction allowed by section 23 (q), contributions or gifts made within the taxable year to or for the use of donees described in section 23 (q) for the purposes therein specified, to an amount which does not exceed 15 percent of the taxpayer's net income, computed without the benefit of this paragraph and sections 23 (q), and without the deduction of the amount disallowed under subsection (b) of this section.

"(3) In the case of a corporation organized prior to January 1, 1936, to take over the assets and liabilities of the estate of a decedent, amounts paid in liquidation of any liability of the corporation based on the liability of the decedent to make contributions or gifts to or for the use of donees described in section 23 (o) for the purposes therein specified, to the extent such liability of the decedent existed prior to January 1, 1934. No deduction shall be allowed under paragraph (2) of this subsection for a taxable year for which a deduction is allowed under this paragraph.

"(b) Deductions not allowed: The aggregate of the deductions allowed under section 23 (a), relating to expenses, and section 23 (l), relating to depreciation, which are allocable to the operation and maintenance of property owned or operated by the corporation, shall be allowed only in an amount equal to the rent or other compensation received for the use or right to use the property, unless it is established (under regulations prescribed by the Commissioner with the approval of the Secretary) to the satisfaction of the Commissioner:

"(1) That the rent or other compensation received was the highest obtainable, or, if none was received, that none was obtainable;

"(2) That the property was held in the course of a business carried on bona fide for profit; and

"(3) Either that there was reasonable expectation that the operation of the property would result in a profit or that the property was necessary to the conduct of the business.

"SEC. 357. MEANING OF TERMS USED

"The terms used in this title shall have the same meaning as when used in title I.

"SEC. 358. ADMINISTRATIVE PROVISIONS

"All provisions of law (including penalties) applicable in respect of the taxes imposed by title I of this act shall, insofar as not inconsistent with this title, be applicable in respect of the tax imposed by this title, except that the provisions of section 131 of that title shall not be applicable.

"SEC. 359. IMPROPER ACCUMULATION OF SURPLUS

"For surtax on corporations which accumulate surplus to avoid surtax on stockholders, see section 102.

"SEC. 360. FOREIGN PERSONAL HOLDING COMPANIES

"For provisions relating to foreign personal holding companies and their shareholders, see supplement P of title I."

SEC. 2. CHANGES IN CROSS-REFERENCES

Section 12 (c), section 14 (f), and section 102 (e) of the Revenue Act of 1936 are amended by striking out "section 351" and inserting in lieu thereof "title IA."

SEC. 3. EFFECTIVE DATES

The amendment made by section 1 shall apply only with respect to taxable years beginning after December 31, 1936; and title IA of the Revenue Act of 1936, as it existed prior to such amendment, shall not apply to a foreign personal holding company (as defined in sec. 331 of the Revenue Act of 1936, added to such act by sec. 201 of this act) with respect to any taxable year ending after the date of the enactment of this act.

TITLE II—FOREIGN PERSONAL HOLDING COMPANIES

SEC. 201. INCLUSION IN INCOME OF UNITED STATES SHAREHOLDERS OF INCOME OF FOREIGN PERSONAL HOLDING COMPANIES

The Revenue Act of 1936 is amended by adding, after supplement O of title I, a new supplement, to read as follows:

"Supplement P—Foreign personal holding companies

"SEC. 331. DEFINITION OF FOREIGN PERSONAL HOLDING COMPANY

"(a) General rule: For the purposes of this title and of title IA, the term 'foreign personal holding company' means any foreign corporation if—

"(1) Gross income requirement: At least 60 percent of its gross income (as defined in section 334 (a)) for the taxable year is foreign personal holding company income as defined in section 332; but if the corporation is a foreign personal holding company with respect to any taxable year, then, for each subsequent taxable year, the minimum percentage shall be 50 percent in lieu of 60 percent, until a taxable year during the whole of which the stock ownership required by paragraph (2) does not exist, or until the expiration of 3 consecutive taxable years in each of which less than 50 percent of the gross income is foreign personal holding company income. For the purposes of this paragraph there shall be included in the gross income the amount includible therein as a dividend by reason of the application of section 334 (c) (2); and

"(2) Stock ownership requirement: At any time during the taxable year more than 50 percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals who are citizens or residents of the United States, hereinafter called 'United States group.'

"(b) Exceptions: The term 'foreign personal holding company' does not include a corporation exempt from taxation under section 101.

"SEC. 332. FOREIGN PERSONAL HOLDING COMPANY INCOME

"For the purposes of this title the term 'foreign personal holding company income' means the portion of the gross income determined for the purposes of section 331 (a) (1), which consists of:

"(a) Dividends, interest, royalities, annuities.

"(b) Stock and securities transactions: Except in the case of regular dealers in stock or securities, gains from the sale or exchange of stock or securities.

"(c) Commodities transactions: Gains from futures transactions in any commodity on or subject to the rules of a board of trade or commodity exchange. This subsection shall not apply to gains by a producer, processor, merchant, or handler of the commodity which arise out of bona fide hedging transactions reasonably necessary to the conduct of its business in the manner in which such business is customarily and usually conducted by others.

"(d) Estates and trusts: Amounts includible in computing the net income of the corporation under supplement E; and gains from the sale or other disposition of any interest in an estate or trust.

"(e) Personal service contracts: (1) Amounts received under a contract under which the corporation is to furnish personal services; if some person other than the corporation has the right to designate (by name or by description) the individual who is to perform the services, or if the individual who is to perform the services is designated (by name or by description) in the contract; and (2) amounts received from the sale or other disposition of such a contract. This subsection shall apply with respect to services under a particular contract only if at some time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for an individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services.

"(f) Use of corporation property by shareholder: Amounts received as compensation (however designated and from whomsoever received) for the use of, or right to use, property of the corporation in any case where, at any time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual entitled to the use of the property; whether such right is obtained directly from the corporation or by means of a sublease or other arrangement.

"(g) Rents: Rents, unless constituting 50 percent or more of the gross income. For the purposes of this subsection the term 'rents' means compensation, however designated, for the use of, or right to use, property; but does not include amounts constituting foreign personal holding company income under subsection (f).

"SEC. 333. STOCK OWNERSHIP

"(a) Constructive ownership: For the purpose of determining whether a foreign corporation is a foreign personal holding company, insofar as such determination is based on stock ownership under section 331 (a) (2), section 332 (c), or section 332 (f)—

"(1) Stock not owned by individual: Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries.

"(2) Family and partnership ownership: An individual shall be considered as owning the stock owned, directly or indirectly, by or for his family or by or for his partner. For the purposes of this paragraph the family of an individual includes only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

"(3) Options: If any person has an option to acquire stock, such stock shall be considered as owned by such person. For the purposes of this paragraph an option to acquire such an option, and each one of a series of such options, shall be considered as an option to acquire such stock.

"(4) Application of family partnership and option rules: Paragraphs (2) and (3) shall be applied—

"(A) For the purposes of the stock-ownership requirement provided in section 331 (a) (2), if, but only if, the effect is to make the corporation a foreign personal holding company;

"(B) For the purposes of section 332 (e) (relating to personal-service contracts), or of section 332 (f) (relating to the use of property by shareholders), if, but only if, the effect is to make the amounts therein referred to includible under such subsection as foreign personal holding company income.

"(5) Constructive ownership as actual ownership: Stock constructively owned by a person by reason of the application of paragraph (1) or (3) shall, for the purpose of applying paragraph (1) or (2), be treated as actually owned by such person; but stock constructively owned by an individual by reason of the application of paragraph (2) shall not be treated as owned by him for the purpose of again applying such paragraph in order to make another the constructive owner of such stock.

"(6) Option rule in lieu of family and partnership rule: If stock may be considered as owned by an individual under either paragraph (2) or (3), it shall be considered as owned by him under paragraph (3).

"(b) Convertible securities: Outstanding securities convertible into stock (whether or not convertible during the taxable year) shall be considered as outstanding stock—

"(1) For the purpose of the stock-ownership requirement provided in section 331 (a) (2), but only if the effect of the inclusion of all such securities is to make the corporation a foreign personal holding company;

"(2) For the purpose of section 332 (e) (relating to personal-service contracts), but only if the effect of the inclusion of all such securities is to make the amounts therein referred to includible under such subsection as foreign personal holding company income; and

"(3) For the purpose of section 332 (f) (relating to the use of property by shareholders), but only if the effect of the inclusion of all such securities is to make the amounts therein referred to includible under such subsection as foreign personal holding company income.

"The requirement in paragraphs (1), (2), and (3) that all convertible securities must be included if any are to be included shall be subject to the exception that, where some of the outstanding securities are convertible only after a later date than in the case of others, the class having the earlier conversion date may be included although the others are not included, but no convertible securities shall be included unless all outstanding securities having a prior conversion date are also included.

"SEC. 334. GROSS INCOME OF FOREIGN PERSONAL HOLDING COMPANIES

"(a) General rule: As used in this Supplement with respect to a foreign corporation the term 'gross income' means gross income computed (without regard to the provisions of Supplement I) as if the foreign corporation were a domestic corporation.

"(b) Addition to gross income: In the case of a foreign personal holding company (whether or not a United States group, as defined in section 331 (a) (2), existed with respect to such company on the last day of its taxable year) which was a shareholder in another foreign personal holding company on the day in the taxable year of the second company which was the last day on which a United States group existed with respect to the second company, there shall be included, as a dividend, in the gross income of the first company, for the taxable year in which or with which the taxable year of the second company ends, the amount the first company would have received as a dividend if on such last day there had been distributed by the second company, and received by the first company, an amount which bears the same ratio to the undistributed Supplement P net income of the second company for its taxable year as the portion of such taxable year up to and including such last day bears to the entire taxable year.

"(c) Application of subsection (b): The rule provided in subsection (b)—

"(1) shall be applied in the case of a foreign personal holding company for the purpose of determining its undistributed Supplement P net income which, or a part of which, is to be included in the gross income of its shareholders, whether United States shareholders or other foreign personal holding companies;

"(2) shall be applied in the case of every foreign corporation with respect to which a United States group exists on some day

of its taxable year, for the purpose of determining whether such corporation meets the gross income requirements of section 331 (a) (1).

"SEC. 335. UNDISTRIBUTED SUPPLEMENT P NET INCOME

"For the purposes of this title the term 'undistributed Supplement P net income' means the Supplement P net income (as defined in section 336) minus the amount of the dividends paid credit provided in section 27, computed without the benefit of subsection (b) thereof (relating to the dividend carry-over).

"SEC. 336. SUPPLEMENT P NET INCOME

"For the purposes of this title the term 'Supplement P net income' means the net income with the following adjustments:

"(a) Additional deductions: There shall be allowed as deductions—

"(1) Federal income, war-profits, and excess-profits taxes paid or accrued during the taxable year to the extent not allowed as a deduction under section 23; but not including the tax imposed by section 102, section 351 (either before or after its amendment by the Revenue Act of 1937), or a section of a prior income-tax law corresponding to either of such sections.

"(2) In lieu of the deduction allowed by section 23 (q), contributions or gifts made within the taxable year to or for the use of donees described in section 23 (q) for the purposes therein specified, to an amount which does not exceed 15 percent of the company's net income, computed without the benefit of this paragraph and section 23 (q), and without the deduction of the amount disallowed under subsection (b) of this section, and without the inclusion in gross income of the amounts includible therein as dividends by reason of the application of the provisions of section 334 (b) (relating to the inclusion in the gross income of a foreign personal holding company of its distributive share of the undistributed Supplement P net income of another foreign personal holding company in which it is a shareholder).

"(b) Deductions not allowed:

"(1) Taxes and pension trusts: The deductions provided in section 23 (d), relating to taxes of a shareholder paid by the corporation, and in section 23 (p), relating to pension trusts, shall not be allowed.

"(2) Expenses and depreciation: The aggregate of the deductions allowed under section 23 (a), relating to expenses, and section 23 (l), relating to depreciation, which are allocable to the operation and maintenance of property owned or operated by the company, shall be allowed only in an amount equal to the rent or other compensation received for the use or right to use the property, unless it is established (under regulations prescribed by the Commissioner with the approval of the Secretary) to the satisfaction of the Commissioner:

"(A) That the rent or other compensation received was the highest obtainable, or, if none was received, that none was obtainable;

"(B) That the property was held in the course of a business carried on bona fide for profit; and

"(C) Either that there was reasonable expectation that the operation of the property would result in a profit, or that the property was necessary to the conduct of the business.

"SEC. 337. CORPORATION INCOME TAXED TO UNITED STATES SHAREHOLDERS

"(a) General rule: The undistributed Supplement P net income of a foreign personal holding company shall be included in the gross income of the citizens or residents of the United States, domestic corporations, domestic partnerships, and estates or trusts (other than estates or trusts the gross income of which under this title includes only income from sources within the United States), who are shareholders in such foreign personal holding company (hereinafter called 'United States shareholders') in the manner and to the extent set forth in this supplement.

"(b) Amount included in gross income: Each United States shareholder, who was a shareholder on the day in the taxable year of the company which was the last day on which a United States group (as defined in section 331 (a) (2)) existed with respect to the company, shall include in his gross income, as a dividend, for the taxable year in which or with which the taxable year of the company ends, the amount he would have received as a dividend if on such last day there had been distributed by the company, and received by the shareholders, an amount which bears the same ratio to the undistributed Supplement P net income of the company for the taxable year as the portion of such taxable year up to and including such last day bears to the entire taxable year.

"(c) Credit against normal tax: Each United States shareholder shall be allowed a credit against net income, for the purpose of the tax imposed by sections 11, 13, 14, 201, or 204, of his proportionate share of the interest specified in section 25 (a) (1) or (2) which is included in the gross income of the company otherwise than by the application of the provisions of section 334 (b) (relating to the inclusion in the gross income of a foreign personal holding company of its distributive share of the undistributed Supplement P net income of another foreign personal holding company in which it is a shareholder).

"(d) Information in return: Every United States shareholder who is required under subsection (b) to include in his gross income any amount with respect to the undistributed Supplement P net income of a foreign personal holding company and who, on the last day on which a United States group existed with respect to the company, owned 5 percent or more in value of the outstanding stock of such company, shall set forth in his return in complete detail the gross income, deductions and credits, net income, Supplement P net income, and undistributed Supplement P net income of such company.

"(e) Effect on capital account of foreign personal holding company: An amount which bears the same ratio to the undistributed Supplement P net income of the foreign personal holding company for its taxable year as the portion of such taxable year up to and including the last day on which a United States group existed with respect to the company bears to the entire taxable year, shall, for the purpose of determining the effect of distributions in subsequent taxable years by the corporation, be considered as a contribution to capital.

"(f) Basis of stock in hands of shareholders: The amount required to be included in the gross income of a United States shareholder under subsection (b) shall, for the purpose of adjusting the basis of his stock with respect to which the distribution would have been made (if it had been made), be treated as having been reinvested by the shareholder as a contribution to the capital of the corporation; but only to the extent to which such amount is included in his gross income in his return, increased or decreased by any adjustment of such amount in the last determination of the shareholder's tax liability, made before the expiration of 7 years after the date prescribed by law for filing the return.

"(g) Basis of stock in case of death: For basis of stock or securities in a foreign personal holding company acquired from a decedent, see section 113 (a) (5).

"(h) Liquidation: For amount of gain taken into account on liquidation of foreign personal holding company, see section 115 (c).

"(i) Period of limitation on assessment and collection: For period of limitation on assessment and collection without assessment, in case of failure to include in gross income the amount properly includible therein under subsection (b), see section 275 (d).

"SEC. 338. INFORMATION RETURNS BY OFFICERS AND DIRECTORS

"(a) Monthly returns: On the 15th day of each month each individual who on such day is an officer or a director of a foreign corporation which, with respect to its taxable year (if not beginning more than 12 months before the date of the enactment of the Revenue Act of 1937) preceding the taxable year in which such month occurs, was a foreign personal holding company, shall file with the Commissioner a return setting forth with respect to the preceding calendar month the name and address of each shareholder, the class and number of shares held by each, together with any changes in stockholdings during such period, the name and address of any holder of securities convertible into stock of such corporation, and such other information with respect to the stock and securities of the corporation as the Commissioner with the approval of the Secretary shall by regulations prescribe as necessary for carrying out the provisions of this Act. The Commissioner, with the approval of the Secretary, may by regulations prescribe, as the period with respect to which returns shall be filed, a longer period than a month. In such case the return shall be due on the 15th day of the succeeding period, and shall be filed by the individuals who on such day are officers and directors of the corporation.

"(b) Annual returns: On the sixtieth day after the close of the taxable year of a foreign personal holding company each individual who on such sixtieth day is an officer or director of the corporation shall file with the Commissioner a return setting forth—

"(1) In complete detail the gross income, deductions, and credits, net income, Supplement P net income, and undistributed Supplement P net income of such foreign personal holding company for such taxable year; and

"(2) The same information with respect to such preceding taxable year as is required in subsection (a); except that if all the required reports with respect to such year have been filed under subsection (a) no information under this paragraph need be set forth in the annual report.

"SEC. 339. INFORMATION RETURNS BY SHAREHOLDERS

"(a) Monthly returns: On the 15th day of each month each United States shareholder by or for whom 50 percent of more in value of the outstanding stock of a foreign corporation is owned directly or indirectly (including in the case of an individual, stock owned by the members of his family as defined in sec. 333 (a) (2)), if such foreign corporation with respect to its taxable year (if not beginning more than 12 months before the date of the enactment of the Revenue Act of 1937) preceding the taxable year in which such month occurs was a foreign personal holding company, shall file with the Commission a return setting forth with respect to the preceding calendar month the name and address of each shareholder, the class and number of shares held by each, together with any changes in stockholdings during such period, the name and address of any holder of securities convertible into stock of such corporation, and such other information with respect to the stock and securities of the corporation as the Commissioner with the approval of the Secretary shall by regulations prescribe as necessary for carrying out the provisions of this act. The Commissioner, with the approval of the Secretary, may by regulations prescribe, as the period with respect to which returns shall be

filed, a longer period than a month. In such case the return shall be due on the fifteenth day of the succeeding period, and shall be filed by the persons who on such day are United States shareholders.

"(b) Annual returns: On the sixtieth day after the close of the taxable year of a foreign personal holding company each United States shareholder by or for whom on such sixtieth day more than 50 percent of the outstanding stock of such company is owned directly or indirectly (including in the case of an individual, stock owned by members of his family as defined in sec. 333 (a) (2)), shall file with the Commissioner a return setting forth the same information with respect to such preceding taxable year as is required in subsection (a); except that if all the required reports with respect to such year have been filed under subsection (a) no information under this subsection need be set forth in the annual report.

"SEC. 340. RETURNS AS TO FORMATION, ETC., OF FOREIGN CORPORATIONS

"(a) Requirement: Under regulations prescribed by the Commissioner with the approval of the Secretary, any attorney, accountant, fiduciary, bank, trust company, financial institution, or other person—

"(1) Who, on or after the date of the enactment of the Revenue Act of 1937, aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of any foreign corporation, shall, within 30 days thereafter, file with the Commissioner a return; or

"(2) Who, since December 31, 1933, and prior to 90 days after the date of the enactment of the Revenue Act of 1937, has aided, assisted, counselled, or advised in the formation, organization, or reorganization of any foreign corporation shall, within 90 days after the date of the enactment of such act, file with the Commissioner a return.

"(b) Form and contents of return: Such return shall be in such form, and shall set forth, under oath, in respect of each such corporation, to the full extent of the information within the possession or knowledge or under the control of the person required to file the return, such information as the Commissioner with the approval of the Secretary prescribes by regulations as necessary for carrying out the provisions of this act. Nothing in this section shall be construed to require the divulging of privileged communications between attorney and client.

"SEC. 341. PENALTIES

"Any person required under section 338, 339, or 340 to file a return, or to supply any information, who willfully fails to file such return, or supply such information, at the time or times required by law or regulation, shall, in lieu of the penalties provided in section 145 (a) for such offense, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than $2,000 or imprisoned for not more than 1 year, or both."

SEC. 202. EFFECTIVE DATE

Supplement P of title I of the Revenue Act of 1936, added to such act by section 201 of this act, shall not apply to a taxable year (either of a shareholder or of a foreign corporation) ending on or before the date of the enactment of this act; and in no case shall the stock ownership requirement provided in section 331 (a) (2) of such supplement be satisfied unless a United States group (as therein defined) existed with respect to the corporation after the date of the enactment of this act. If under section 338 or 339 of such supplement the date on which a return is required to be filed occurs prior to November 1, 1937, the return shall be considered as filed on time if filed prior to December 1, 1937.

SEC. 203. ADJUSTED BASIS OF STOCK OF FOREIGN PERSONAL HOLDING COMPANY

Section 113 (b) (1) of the Revenue Act of 1936 is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:

"and

"(E) to the extent provided in section 337 (f) in the case of the stock of United States shareholders in a foreign personal holding company."

SEC. 204. BASIS OF STOCK IN FOREIGN PERSONAL HOLDING COMPANY ACQUIRED FROM DECEDENT

Section 113 (a) (5) of the Revenue Act of 1936 is amended by adding at the end thereof a new sentence to read as follows:

"If the property was acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent, and if the decedent died after the date of the enactment of the Revenue Act of 1937, and if the property consists of stock or securities of a foreign corporation, which with respect to its taxable year next preceding the date of the decedent's death was a foreign personal holding company, then the basis shall be the fair market value of such property at the time of such acquisition or the basis in the hands of the decedent, whichever is lower."

SEC. 205. LIQUIDATION OF FOREIGN PERSONAL HOLDING COMPANIES

Section 115 (c) of the Revenue Act of 1936 is amended by adding at the end thereof a new sentence to read as follows:

"If any distribution in complete liquidation (including any one of a series of distributions made by the corporation in complete cancelation or redemption of all its stock) is made by a foreign corporation which with respect to any taxable year beginning on or before, and ending after, the date of the enactment of the Revenue Act of 1937 was a foreign personal holding company, and with respect to which a United States group (as defined in sec. 331 (a) (2)) existed after the date of the enactment of the Revenue Act of 1937 and before January 1, 1938, then, despite the foregoing provisions of this subsection, 100 percent of the gain recognized resulting from such distribution shall be taken into account in computing net income—

"(1) Unless such liquidation is completed before January 1, 1938; or

"(2) Unless (if it is established to the satisfaction of the Commissioner by evidence submitted before January 1, 1938, that due to the laws of the foreign country in which such corporation is incorporated, or for other reason, it is or will be impossible to complete the liquidation of such company before such date) the liquidation is completed on or before such date as the Commissioner may find reasonable, but not later than June 30, 1938."

SEC. 206. PERIOD OF LIMITATION UPON ASSESSMENT AND COLLECTION

(a) Section 275 of the Revenue Act of 1936 is amended by inserting after subsection (c) thereof a new subsection to read as follows:

"(d) Shareholders of foreign personal holding companies: If the taxpayer omits from gross income an amount properly includible therein under section 337 (b) (relating to the inclusion in the gross income of United States shareholders of their distributive shares of the undistributed Supplement P net income of a foreign personal holding company) the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within 7 years after the return was filed."

(b) Subsection (d) of such section 275, before its amendment by subsection (a) of this section, is amended to read as follows:

"(e) For the purposes of subsections (a), (b), (c), and (d), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day."

(c) Subsection (e) of such section 275, before its amendment by subsections (a) and (b) of this section, is amended by striking out "(e)" and inserting in lieu thereof "(f)."

SEC. 207. MINOR AMENDMENTS TO TITLE I OF 1936 ACT

(a) Section 4 of the Revenue Act of 1936 is amended by adding at the end thereof a new subsection to read as follows:

"(i) Foreign personal holding companies and their shareholders—Supplement P."

(b) Section 22 of such act is amended by adding at the end thereof a new subsection to read as follows:

"(g) Foreign personal holding companies: For provisions relating to gross income of foreign personal holding companies and of their shareholders, see section 334."

(c) Section 54 of such act is amended by adding at the end thereof a new subsection to read as follows:

"(e) Foreign personal holding companies: For information returns by officers, directors, and large shareholders, with respect to foreign personal holding companies, see sections 338, 339, and 341. For information returns by attorneys, accountants, etc., as to formation, etc., of foreign corporations, see sections 340, and 341."

(d) Such act is amended by adding after section 150 a new section to read as follows:

"SEC. 151. FOREIGN PERSONAL HOLDING COMPANIES

"For information returns by officers, directors, and large shareholders, with respect to foreign personal holding companies, see sections 338, 339, and 341. For information returns by attorneys, accountants, etc., as to formation, etc., of foreign corporations, see sections 340 and 341."

(e) Section 145 of such act is amended by adding at the end thereof a new subsection to read as follows:

"(d) For penalties for failure to file information returns with respect to foreign personal holding companies and foreign corporations, see section 341."

TITLE III—DISALLOWED DEDUCTIONS

SEC. 301. DISALLOWED DEDUCTIONS

(a) Section 24 (a) of the Revenue Act of 1936 is amended to read as follows:

"(a) General rule: In computing net income no deduction shall in any case be allowed in respect of—

"(1) Personal, living, or family expenses;

"(2) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate;

"(3) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;

"(4) Premiums paid on any life-insurance policy covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the taxpayer, when the taxpayer is directly or indirectly a beneficiary under such policy; or

"(5) Any amount otherwise allowable as a deduction which is allocable to one or more classes of income other than interest (whether or not any amount of income of that class or classes is received or accrued) wholly exempt from the taxes imposed by this title.

"(b) Losses from sales or exchanges of property—

"(1) Losses disallowed: In computing net income no deduction shall in any case be allowed in respect of losses from sales or exchanges of property, directly or indirectly—

"(A) Between members of a family, as defined in paragraph (2) (D);

"(B) Except in the case of distributions in liquidation, between an individual and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual;

"(C) Except in the case of distributions in liquidation, between two corporations more than 50 percent in value of the outstanding stock of each of which is owned by or for the same individual, if—

"(i) Either one of such corporations, with respect to the taxable year (if beginning after Dec. 31, 1935) of the corporation preceding the date of the sale or exchange, was a personal holding company as defined in section 352, or

"(ii) Either one of such corporations, with respect to the taxable year (if not beginning more than 12 months before the date of the enactment of the Revenue Act of 1937) of the corporation preceding the date of the sale or exchange, was a foreign personal holding company as defined in section 331;

"(D) Between a grantor and a fiduciary of any trust;

"(E) Between the fiduciary of a trust and the fiduciary of another trust, if the same person is a grantor with respect to each trust; or

"(F) Between a fiduciary of a trust and a beneficiary of such trust.

"(2) Stock ownership, family, and partnership rule: For the purposes of determining, in applying paragraph (1), the ownership of stock—

"(A) Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries;

"(B) An individual shall be considered as owning the stock owned, directly or indirectly, by or for his family;

"(C) An individual owning (otherwise than by the application of subparagraph (B)) any stock in a corporation shall be considered as owning the stock owned, directly or indirectly, by or for his partner;

"(D) The family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants; and

"(E) Constructive ownership as actual ownership: Stock constructively owned by a person by reason of the application of subparagraph (A) shall, for the purpose of applying subparagraph (A), (B), or (C), be treated as actually owned by such person, but stock constructively owned by an individual by reason of the application of subparagraph (B) or (C) shall not be treated as owned by him for the purpose of again applying either of such subparagraphs in order to make another the constructive owner of such stock.

"(3) Special rule for year 1936: In applying paragraph (1) (C) (i) in a case where the preceding taxable year therein referred to began in the calendar year 1936, the determination as to whether the corporation was a foreign personal holding company shall be made under section 351 (b) (1) before the amendment of Title IA made by section 1 of the Revenue Act of 1937.

"(c) Unpaid expenses and interest: In computing net income no deduction shall be allowed in respect of expenses incurred under section 23 (a) or interest accrued under section 23 (b)—

"(1) If not paid within the taxable year or within 2½ months after the close thereof; and

"(2) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and

"(3) If, at the close of the taxable year of the taxpayer or at any time within 2½ months thereafter, both the taxpayer and the person to whom the payment is to be made are persons between whom losses would be disallowed under section 24 (b)."

(b) Section 24 (b) and section 24 (c) of the Revenue Act of 1936, as in force prior to the amendment to section 24 made by subsection (a) of this section, are amended by striking out "(b)" and "(c)" and inserting in lieu thereof "(d)" and "(e)."

SEC. 302. EFFECTIVE DATES

The amendments made by this title shall apply only with respect to taxable years beginning after December 31, 1936.

TITLE IV—TRUSTS

SEC. 401. DENIAL OF PERSONAL EXEMPTION TO TRUSTS

Section 163 (a) of the Revenue Act of 1936 is amended to read as follows:

"(a) Credits of estate or trust: For the purpose of the normal tax and the surtax an estate, but not a trust, shall be allowed the same personal exemption as is allowed to a single person under section 25 (b) (1). If no part of the income of the estate or trust is included in computing the net income of any legatee, heir, or beneficiary, then the estate or trust shall be allowed the same credits against net income for interest as are allowed by section 25 (a)."

SEC. 402. FIDUCIARY RETURNS

Section 142 (a) of the Revenue Act of 1936 is amended to read as follows:

"(a) Requirement of return: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for any of the following individuals, estates, or trusts for which he acts, stating specifically the items of gross income thereof and the deductions and credits allowed under this title and such other information for the purpose of carrying out the provisions of this title as the Commissioner with the approval of the Secretary may by regulations prescribe—

"(1) Every individual having a net income for the taxable year of $1,000 or over, if single, or if married and not living with husband or wife;

"(2) Every individual having a net income for the taxable year of $2,500 or over, if married and living with husband or wife;

"(3) Every individual having a gross income for the taxable year of $5,000 or over, regardless of the amount of his net income;

"(4) Every estate the net income of which for the taxable year is $1,000 or over;

"(5) Every estate or trust the gross income of which for the taxable year is $5,000 or over, regardless of the amount of the net income;

"(6) Every estate or trust of which any beneficiary is a nonresident alien; and

"(7) Regardless of the amount of the gross or net income of the trust:

"(A) Every trust having a net income; and

"(B) Every trust, though having no net income, which would have a net income if distributions had not been made which under the terms of the trust instrument were in the discretion of the trustee or conditioned upon a contingency."

SEC. 403. EFFECTIVE DATES

The amendments made by this title shall apply only with respect to taxable years beginning after December 31, 1936.

TITLE V—NONRESIDENT ALIEN INDIVIDUALS

SEC. 501. TAX ON NONRESIDENT ALIEN INDIVIDUALS

(a) Section 211 (a) of the Revenue Act of 1936 is amended by adding at the end thereof a new sentence to read as follows: "The tax imposed by this subsection shall not apply to any individual if the aggregate amount received during the taxable year from the sources above specified is more than $21,600."

(b) Section 211 of the Revenue Act of 1936 is further amended by adding at the end thereof a new subsection to read as follows:

"(c) No United States business or office and gross income of more than $21,600: A nonresident alien individual not engaged in trade or business within the United States and not having an office or place of business therein who has a gross income for any taxable year of more than $21,600 from the sources specified in subsection (a), shall be taxable without regard to the provisions of subsection (a), except that—

"(1) The gross income shall include only income from the sources specified in subsection (a); and

"(2) The deductions (other than the so-called charitable deduction provided in section 213 (c) shall be allowed only if and to the extent that they are properly allocable to the gross income from the sources specified in subsection (a); and

"(3) The aggregate of the normal and surtax under sections 11 and 12 shall, in no case, be less than 10 percent of the gross income from the sources specified in subsection (a)."

(c) The amendments made by subsections (a) and (b)—

(1) Shall apply only to taxable years beginning after December 31, 1936; and

(2) Shall not apply to a resident of a contiguous country so long as there is in effect a treaty with such country (ratified prior to the date of the enactment of this act) under which rates of tax under section 211 (a), prior to its amendment by subsection (a), were reduced.

TITLE VI—MISCELLANEOUS

SEC. 601. CORPORATIONS EXCEPTED FROM SECTION 102

(a) Section 102 (a) of the Revenue Act of 1936 is amended by striking out "(other than a personal holding company as defined in section 351)" and inserting in lieu thereof "(except as provided in subsection (f))."

(b) Such section 102 is further amended by adding at the end thereof a new subsection to read as follows:

"(f) Corporations excepted: This section shall not apply to any corporation—

"(1) With respect to a taxable year beginning after December 31, 1936, if the corporation is with respect to such year a personal holding company as defined in section 352.

"(2) With respect to a taxable year beginning before January 1, 1937, if the corporation is with respect to such year a personal holding company as defined in section 351 (b) (1) before the amendment of title IA by section 1 of the Revenue Act of 1937.

"(3) With respect to a taxable year ending after the date of the enactment of the Revenue Act of 1937, if the corporation is with respect to such year a foreign personal holding company as defined in section 331."

SEC. 602. MUTUAL INVESTMENT COMPANIES

(a) Section 48 (e) (1) of the Revenue Act of 1936 is amended by striking out "other than a personal holding company as defined in section 351" and inserting in lieu thereof "except as provided in paragraph (3)."

(b) Such section 48 (e) is further amended by adding at the end of such subsection a new paragraph to read as follows:

"(3) Corporations excepted: This section shall not apply to any corporation—

"(A) With respect to a taxable year beginning after December 31, 1936, if the corporation is with respect to such year a personal holding company as defined in section 352.

"(B) With respect to a taxable year beginning before January 1, 1937, if the corporation is with respect to such year a personal holding company as defined in section 351 (b) (1) before the amendment of title IA by section 1 of the Revenue Act of 1937.

"(C) With respect to a taxable year ending after the date of the enactment of the Revenue Act of 1937, if the corporation is with respect to such year a foreign personal holding company as defined in section 331."

SEC. 603. SEPARABILITY CLAUSE

If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Mr. DOUGHTON. Mr. Chairman, I have several committee amendments which are simply clarifying amendments and I ask unanimous consent that they may be considered together.

Mr. TREADWAY. Mr. Chairman, the amendments have been submitted to us and they are perfectly agreeable to this side.

The CHAIRMAN. Without objection, the Clerk will report the amendments offered by the gentleman from North Carolina.

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. DOUGHTON: Page 4, line 18, at the beginning of the line, insert "amounts received for."

Page 15, line 7, after "to", insert "amounts received for."

Page 20, line 6, strike out "first company" and insert "shareholders."

Page 24, line 15, strike out "Against Normal Tax" and insert "for Obligations of United States and its Instrumentalities."

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Carolina.

The amendments were agreed to.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8234, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. FRED M. VINSON) there were—ayes 173 and noes 0.

So the bill was passed.

On motion by Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. The Chair will state to the gentleman from North Carolina that, under a previous order of the House made this morning, all Members have that privilege.

THE SUGAR BILL OF 1937

Mr. JONES. Mr. Speaker, I renew my request for unanimous consent to take from the Speaker's table the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of the consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference on the disagreeing votes of the two Houses.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I offer the following motion.

The Clerk read as follows:

Mr. MCCORMACK moves that the House conferees be instructed to agree to the Senate amendment relating to the quotas of refined sugar.

Mr. McCORMACK. Mr. Speaker, I desire recognition on my motion.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I did not object to the unanimous-consent request submitted by the gentleman from Texas. I felt that the bill should go to conference. This is a matter, however, which the House debated when the bill was pending in the Committee of the Whole, and a very substantial number of Members expressed themselves in favor of the bill as it was pending in the committee. The bill went to the Senate and an amendment was adopted with reference to refined quotas providing a quota for the continental United States, a quota for Hawaii, a quota for Cuba, and a quota for Puerto Rico on refined sugar. It is an amendment that is satisfactory to those who favored the House bill.

My motion is simply to instruct the House conferees to concur in that particular Senate amendment without in any way binding the hands of the conferees on any other amendments that the Senate has adopted.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. O'CONNOR of New York. We want to get a sugar bill, there is no question about that. From an agricultural standpoint, the beet-sugar growers are entitled to a continuance of the present bill; but a lot has been said about a possible veto of the bill, and if this motion should prevail it might jeopardize every chance there was of getting a sugar bill this year. Instead of having a free conference and working out the entire situation, this motion might destroy any chance of getting a bill.

Mr. McCORMACK. It is fair to ask the gentleman from Texas if he will permit the House to have a vote on the question of accepting or rejecting the Senate amendment.

Mr. KNUTSON. We will have that, of course.

Mr. JONES. The gentleman, of course, will have a vote on accepting or rejecting the conference report, and there will not be very many matters in controversy in it; so, for all practical purposes a vote on adopting or rejecting the conference report will give the gentleman the kind of a vote he is talking about.

I hope the gentleman will not insist on this motion. When this matter was up in the House I did not insist on a roll call; I did not offer the amendment in the House. I think the only sensible thing to do is to have a free conference. There will not be much at issue except the one point, as brought out by the gentleman from New York—as I stated, whether or not the beet and cane growers and the other interests in the industry all along the line shall have a bill or whether there shall be no bill.

I hope the gentleman will wait and not undertake to insist on his motion now. We might just as well not have a conference because there is nothing else involved except the settlement of this particular issue and one or two minor issues. I think the gentleman should in all fairness refrain from undertaking to instruct the conferees on the only thing we are going to conference on.

Mr. McCORMACK. Suppose the gentleman comes in with a provision that will apply to the refiners for one year and continue so far as the others are concerned until 1940 or 1941, as contained in the present bill. Has the gentleman that intention in mind?

Mr. JONES. I may say to the gentleman that I am one of a group of conferees, 11 in number, and I cannot bind them nor commit myself. I think the whole field will be open. I am going into the conference with the single thought in mind of securing a bill that will finally become law and will do the best I can.

Mr. KNUTSON. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman from Texas, I think, has correctly stated the proposition. There is only one serious matter of difference between the two Houses. If the gentleman from Massachusetts seeks to extract from the gentleman from Texas a promise that we will recede from our disagreement with the other body, we might just as well not have any conference, as I see it. I think the conferees should be permitted to go into conference and work out the best possible compromise and when it comes to the House the gentleman from Massachusetts and myself will have an opportunity to vote on it. We may reject it or vote for it.

Mr. McCORMACK. I appreciate the contribution of the gentleman, but I have seen conference reports brought in here before and we never had an opportunity to vote on the real question.

Mr. KNUTSON. We are going to have in this case.

Mr. McCORMACK. All I am asking the gentleman from Texas is if he will permit a vote on the refining quota amendment put in by the Senate, because when you bring in a conference report you bring in a number of items. There may be Members on the floor who may agree with some and disagree with others, but they have to either vote it up or down. If we have a separate vote on a particular matter, then an entirely different situation is presented.

Mr. O'MALLEY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Suppose the conferees were to change the length of time in the bill that the quotas apply. If we are not permitted to vote upon whether or not we want that time changed, many of us are not in position to register our opinion.

Mr. LANZETTA. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. LANZETTA. Mr. Speaker, on two occasions today I objected to the unanimous-consent request of the gentleman from Texas [Mr. JONES] to take from the Speaker's table bill H. R. 7661, for the purpose of appointing conferees. Shortly after my last objection the House went into the Committee of the Whole for the consideration of bill H. R. 8234, and I was then given to understand that the Committee would sit at least until 6 p. m., since there were 2 hours' general debate, plus the time it would take to read the bill under the 5-minute rule.

Mr. Speaker, I intended to continue my objection to the unanimous-consent request of the gentleman from Texas for the reasons which I have already stated on the floor of this House, and that is that the bill is highly discriminatory against American citizens who reside in Hawaii, Puerto Rico, and the Virgin Islands. As all of us well know, the President of the United States also has taken the stand that the bill in its present form discriminates against American citizens who reside in Hawaii and Puerto Rico and that he has threatened to veto it.

After making my last objection I told the gentleman from Texas that I would communicate with him and let him know whether or not I intended to continue my objection to his unanimous-consent request.

Mr. Speaker, I intended to renew my objection to the unanimous-consent request of the gentleman from Texas, and I am very much surprised that the request was made in my absence, inasmuch as everyone, including the gentleman from Texas, knew of my deep interest in this legislation.

Mr. JONES. I may say to the gentleman that he told me he would probably phone my office in a half hour. That was 1½ hours ago. I called my office before I came over here and I was told the gentleman had not left any word. I looked around for him when I came in. The consideration of the other bill had been concluded a little sooner than I expected. I do not think I have taken any advantage of the gentleman.

The other issue is up at the present time.

Mr. McCORMACK. If the gentleman from Texas wants to give the gentleman from New York the opportunity to protect himself, he may withdraw his request so far as I am concerned. The gentleman from New York has made a statement and we all realize that at times certain conditions surround us. If the gentleman from Texas wants to ask unanimous consent to vacate the proceedings and then propound another unanimous-consent request for a conference so that the gentleman from New York may protect his rights, I have no objection.

Mr. HEALEY. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. HEALEY. May I ask the gentleman if he knows if there is an identical provision in any part of his bill, whether that particular section of the bill would be subject to change in the conference, where the provisions are identical?

Mr. McCORMACK. I do not want to pass upon that. I do not want to give an answer which I at the present time do not have any confidence in myself. I want to look over the Senate bill and analyze it to see whether there are such differences between the two branches as will permit an amendment to come in reducing the present 3- or 4-year proposition to 1 year.

Mr. JONES. I think we can settle the parliamentary situation when we come back. The amendments differ considerably in some respects. I think we would go into an endless discussion if we discussed all the phases of what might or might not have to be done in conference.

The direct issue may be voted on when we come back and have the conference report in its final form. There will be practically no other issue than the adoption or rejection of whatever conference may be worked out in reference to the specific amendment to which the gentleman refers. There will be a vote one way or the other and I hope the gentleman will not insist.

Mr. McCORMACK. In view of the position of the gentleman from New York [Mr. LANZETTA] I want to give him as much opportunity as I can.

Mr. LANZETTA. Will the gentleman from Texas withdraw his unanimous consent to take from the Speaker's table the bill H. R. 7661?

Mr. JONES. I have stayed here all afternoon. I am busy with other things.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Massachusetts [Mr. McCORMACK] yield for a parliamentary inquiry?

Mr. McCORMACK. Mr. Speaker, I do not yield for a parliamentary inquiry. As I understand it, I am recognized for 1 hour under the rules.

Mr. LANZETTA. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. (After counting.) One hundred and sixty-two Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

The SPEAKER. The question is on ordering a call of the House.

The question was taken, and on a division (demanded by Mr. ANDREWS) there were—ayes 153, noes 11.

So a call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 145]

Allen, La.	Eaton	Kleberg	Rogers, Okla.
Amlie	Engel	Kloeb	Scrugham
Binderup	Faddis	Kramer	Sirovich
Boyer	Fernandez	Lambeth	Smith, Maine
Buckley, N. Y.	Fitzpatrick	Lamneck	Smith, Va.
Bulwinkle	Flannagan	Lemke	Smith, W. Va.
Burch	Fulmer	Lewis, Md.	Somers, N. Y.
Burdick	Gasque	Lord	Sullivan
Cannon, Wis.	Gavagan	McGrath	Taylor, Colo.
Carlson	Gifford	McGroarty	Taylor, Tenn.
Carter	Gilchrist	McLean	Thom
Chapman	Gildea	Maas	Thomas, N. J.
Clark, Idaho	Gingery	Meeks	Thomason, Tex.
Cluett	Goldsborough	Mosier, Ohio	Tinkham
Culkin	Gray, Ind.	Nelson	Tobey
Cummings	Gray, Pa.	O'Connell, R. I.	Vinson, Ga.
Dempsey	Hancock, N. C.	O'Neal, Ky.	Wadsworth
Dirksen	Harlan	Palmisano	Weaver
Dixon	Harrington	Pierce	Welch
Dondero	Hartley	Reece, Tenn.	White, Idaho
Douglas	Hildebrandt	Reilly	Woodruff
Drewry, Va.	Hill, Ala.	Rich	
Driver	Johnson, W. Va.	Richards	

The SPEAKER. Three hundred and thirty-nine Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. McCORMACK. Mr. Speaker, I want this situation understood. All I ask of the chairman of the Committee on Agriculture is that before the conferees bring in any change in the time with reference to refiners that an opportunity be given us to vote on it. I have no objection to this bill going to a free conference if we may have that understanding. This is a fair request to make. I have my suspicions, however, that what they are going to try to do is to confine the operation of the law, so far as the refineries are concerned, to 1 year, and let the law continue for the 3 or 4 years provided therein as far as the beet and cane production is concerned. This is nothing but a move to divide the cane and beet producers and the workers of the refineries in this country, if my suspicions are correct.

All I ask is that before the House conferees bring in a conference report they give the House an opportunity to pass upon the question of whether or not the provisions of the bill with reference to the refineries shall run for 1 or 2 years, or whatever they agree upon. This is less than the period provided in the bill as it passed the House with reference to the producers and the refineries. If the gentleman from Texas will agree to this now, insofar as he is able to, I shall take his word. The gentleman cannot answer for the rest of the conferees, I know, but if he will give me his individual promise that he will do everything within his power to have the House conferees bring the question back for a separate vote so far as section 207 is concerned, I am willing to withdraw my motion at the present time and let the bill go to a free conference.

The gentleman from Texas does not indicate any willingness to do this. What is wrong with this request?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. DINGELL. Have we not expressed ourselves in the Committee of the Whole on the question of striking out section 207, so that the conferees may well follow the sentiment of the House in this regard?

Mr. McCORMACK. Exactly.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. MAY. Section 207 is the section of the bill which regulates the quotas of sugar that is imported?

Mr. McCORMACK. Refined sugar.

Mr. MAY. Refined sugar?

Mr. McCORMACK. Yes; quotas of sugar.

Mr. MAY. Did the Senate strike out that provision?

Mr. McCORMACK. The Senate struck out section 207 and substituted a new section, which reads as follows:

SEC. 207. Quotas for direct-consumption sugar for distribution in continental United States for each calendar year are hereby established as follows:

(a) For the Commonwealth of the Philippine Islands not to exceed 80,214 short tons, raw value; for Cuba, not to exceed 375,000 short tons, raw value.

(b) The remainder of the amount of direct-consumption sugar needed to meet the requirements of consumers as determined by the Secretary pursuant to the provisions of section 201 shall be allocated by the Secretary on the following basis for each calendar year:

	Area and percent
Hawaii	0.4756
Puerto Rico	2.024
Mainland	97.5004

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. KELLER. What does that figure of 2.024 represent?

Mr. McCORMACK. In the House the argument was made with reference to discrimination that no quota was established on refined sugar for continental United States. When the bill went over to the Senate an amendment was adopted specifically providing by percentage what quota of refined sugar could come in from Hawaii, what could come in from Puerto Rico, what could come in from Cuba, and what could be refined in continental United States. So far as the percentage is concerned, this is substantially the same in tons as the provisions of the bill as it passed the House. The House bill simply provided the number of tons of refined sugar that could come in from Cuba, Puerto Rico, and Hawaii, but the Senate bill provided by percentage the amount of sugar that could be refined in continental United States and in the islands.

Mr. KELLER. To what is the gentleman objecting?

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Is it not true that unless the gentleman's motion prevails the conferees can go into conference and change the quotas and the time for which those quotas shall apply?

Mr. McCORMACK. I am not going to anticipate a ruling by the Chair. The attempt is going to be made, in my opinion, but whether or not they can do it remains to be seen. I do not want to say anything which would preclude my arguing on the point of order.

The attempt, as I believe, is going to be made, and all I ask of the gentleman from Texas is to permit us to have a straight vote on whether the House will accept the Senate amendment before he undertakes to change the time limit in the bill with reference to the refineries, and I ask my friend from Texas if he will not give us a frank answer to this inquiry.

Mr. JONES. Mr. Speaker, I think we can have such a direct vote right now or as soon as the gentleman gets through talking and I say four or five words.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOOK. Does not this seem to the gentleman, as well as to the rest of us, as legislation by a minority instead of a majority?

Mr. McCORMACK. Well, I am not going into that now. I do not want to go into any charges or countercharges.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LANZETTA. Does the gentleman think that the discriminations complained of in the House bill have now been removed in the Senate bill?

Mr. McCORMACK. So far as I am concerned, they have, but I did not concede that there were any discriminations.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Are not the provisions of the Senate bill at the present time practically the same as the House bill with the exception that they have frozen the re-

fining capacity in the United States as well as in Puerto Rico and Hawaii?

Mr. McCORMACK. The statement of the gentleman is absolutely correct and my motion is simply to have the House instruct the conferees to accept the Senate amendment which is equivalent to what the House did when the bill was pending in the House.

Mr. COFFEE of Nebraska. If the gentleman will yield further, I would like to make this observation. It might be advantageous for the conferees to accept the House provision which spells out the quotas in tons rather than in percentages, and it might be advantageous to lift those restrictions from the domestic refiners, which provision, no doubt, was put in the Senate amendment in order to take out any discriminatory language in the bill.

Mr. McCORMACK. In conclusion, let me say that my motion, if adopted, carries out what the House itself did. The Senate amendment simply puts in percentage form what the House in fact did when it passed the sugar bill.

My amendment will give the workers in the refineries of this country that which the House gave them when the bill was pending in the House.

What they will try to do, in my opinion, and I predict this, is to drive a wedge between those who represent industrial areas and those who represent agricultural districts. All I ask is that you look at this question from the national viewpoint as we have looked at the agricultural problems and as we have looked at the other problems of the South and West. All we ask is that you give the workers of the industrial sections the consideration you have asked of us with respect to your problems and which favorable considerations in the past we have so freely given you. If my motion does not carry and the conferees, as I predict, bring in a report limiting the bill so far as the refineries are concerned, to 1 or 2 years, a wedge has been driven between us.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield for a brief question.

Mr. MAY. If the Senate amendments in percentages are practically the same as the House provisions in tonnage, what difference does it make and how does the Senate amendment of the House provision freeze the production in the United States?

Mr. McCORMACK. Oh, it makes a great difference as to time. If they bring in a conference report allowing the quotas on production to continue for the life of the bill, which is substantially 3 years, and they bring in a time limit on the refineries of 1 year, I do not have to argue what the effect of that is going to be.

You might as well not give us a time limit as to give us 1 year, because it will take at least a year for Hawaii and Puerto Rico to build the refineries they intend to build, and for this reason a time limit of 1 year will not mean anything insofar as the refineries of continental United States are concerned. One year is just a mockery. It is a joke. That is all it is, if the conferees bring in a year or 2 years. All I ask is, and all I have asked is, to give us a straight vote—the conferees to give us a straight vote. They would not do it. I asked the chairman not to speak for the conferees, but to speak for himself, and he said we might just as well decide the question here today. The inference to draw from that is that we have got to decide the question today, because they will bring in a conference report of either 1 or 2 years. But either one of them means that there is a wedge driven between the representatives of agriculture and the representatives of the industrial section. You fought for your people in the past and we came to your assistance. Today we are fighting for our people, for the workers in the refineries of America, located in the industrial sections of America, and I ask you to vote as you voted several days ago, and in this case my motion means to instruct the conferees to accept the provisions of section 207.

I ask unanimous consent, Mr. Speaker, to have that included in my motion, that the conferees on the part of the House agree to the Senate amendment, section 207.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. LANZETTA. Mr. Speaker, I object.

Mr. McCORMACK. Well, that is the meaning of my motion, for the conferees to accept section 207. I have inserted it in the RECORD so that the conferees will have a distinct understanding as to the effect of my motion. I do not go beyond that, because there are some other amendments and I did not want to tie their hands on, but in this case there is no controversy. We all understand what we are voting for. We, in the House, who voted several days ago to give the workers of the refineries the consideration they are entitled to, by voting for my amendment are simply continuing to vote the same as they did several days ago. I hope that you from the agricultural areas will vote to adopt my motion, because if you do not we will have 1 or 2 years' provision for the refineries, and you will have 3 years for the producers. We will have that happy feeling that has always existed between representatives of the agricultural districts and representatives of the industrial sections continued. [Applause.]

Mr. JONES. Mr. Speaker, I ask for recognition.

The SPEAKER. The gentleman from Texas [Mr. JONES] is recognized.

Mr. JONES. Mr. Speaker, I have a very high regard for the gentleman from Massachusetts [Mr. McCORMACK] and I want to express appreciation for the fine way in which he has cooperated in welding together all parts of this common country, and for his support of the farm programs. He has done so, and done so loyally. I do not think that is the issue involved here. The House adopted a bill which was just as the committee reported it. I am trying to do an impartial job here, and I am trying to get a sugar bill that will be finally enacted into law. The Senate struck out all of section 207. They put back certain features, that are included in subdivision (a) of the new section 207. We will have no choice if we take the Senate amendment, but to agree to subdivision (a), substantially as it is, but subdivision (b) takes out the fixed quotas in the House bill, which are fixed in definite numbers of tons, and puts in an entirely new provision, which puts refining matters all over continental United States as well as in the islands, on a percentage basis, and that percentage is not based on fixed tonnage, but on the amount of consumption, which sometimes has varied hundreds of thousands of tons in a year.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. DINGELL. As a matter of fact, do not the Senate provisions figure 104 pounds per capita when as a matter of fact the per capita consumption in this country is about 101 pounds?

Mr. JONES. Yes.

Mr. DINGELL. Therefore it will permit of greater importation?

Mr. JONES. Yes.

Mr. DINGELL. Now, citing that, I want to be in a position to actually vote on that, because I am not in agreement with stretching the per-capita consumption to 104, when the actual consumption is 101. In that relation I am absolutely in agreement with the gentleman from Massachusetts. I want to be in a position to vote on that, and I want to be in a position to vote on that position which the House said was its desire to retain section 207. That is the controversy.

Mr. JONES. If the gentleman will listen, I will state to him that that is practically the only issue now involved, and it is practically the only issue that will be involved in the conference report. So why march up the hill and march back down again? If you want to stand pat on instructing the conferees, take this matter as it is and thus take the chance of having no legislation at all; that is your privilege. Why wait 3 or 4 days from now and come back in and vote on the same issue? That is the reason I say, let us vote on it now. If it is voted on now and we are instructed, we might just as well have no conference and probably will

have no bill. I have no interest in it; I am just trying to work out a piece of sugar legislation.

The gentleman speaks of farm and industry walking hand in hand. I hope they may continue to, but the gentleman knows that is not the issue here. The issue here is whether or not we are going to have a sugar bill; and if you tie the hands of the conferees, probably you will not have one.

Mr. KNIFFIN. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. KNIFFIN. I agree with the distinguished chairman of the Committee on Agriculture that failure to enact sugar legislation at this session would be tragic. I voted for the House bill as reported by the committee, believed in that bill, and had hoped it would be enacted into law. I hope, as I believe, that the chairman will do his very best to bring about its acceptance by the conference committee, and I am willing to vote on this question to give him a free conference, because I confidently believe that the chairman will make some progress in that direction. The hour is late, and I do not believe that the sugar-beet producing sections in the eastern part of the country can afford to take any chance on failure to have definite sugar legislation at this section.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. COFFEE of Nebraska. I just wanted to make the observation that if we have sugar legislation at this session it will be largely due to the efforts of the chairman of the Committee on Agriculture, and I, for one, am willing and want him and the other conferees to go into that conference with their hands untied.

The gentleman from Massachusetts knows that I was one of those who went with them in a united effort to try to get the best bill through that we could. I have every confidence that the chairman of the Committee on Agriculture will try to get a bill and not necessarily accept the Senate amendments, but to get the best compromise possible.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. CRAWFORD. Mr. Speaker, has the gentleman sufficient time so that I may ask the gentleman from Ohio a question?

Mr. JONES. Mr. Speaker, I think we better not go into that. I cannot yield for that purpose.

Mr. HOOK. Mr. Speaker, will the gentleman yield for an observation?

Mr. JONES. I yield.

Mr. HOOK. I understood the gentleman to say that unless a bill comes out of the conference changed from either the House or the Senate bill, that we shall have no legislation. Bearing this in mind, is it not a fact that the conferees on the part of the House will not be following the traditions or the rules to stand by the provisions of the House bill?

Mr. JONES. I may state to the gentleman that the provisions of the two bills are different. We hope to work them out in such a way that the House will have a chance to vote on the direct issue, which it will if we get a conference report if we can agree on any provision; and I may state further to the gentleman from Michigan that I want to get the best provision that I think can be enacted into law. That is as far as I care to make a statement on the matter now.

There is no reason, if the House wants to stand pat on this, why it should not take the opportunity now. If you want to stand firm on this amendment and these provisions, your opportunity is now just as good as if I brought it back for a separate vote. If you vote to instruct us to agree to the Senate amendment as is, of course we shall follow the instructions. You can settle the question now just as well as though it were brought back here for a separate vote.

If you vote against instructing the conferees, which I hope you will, we will try to work out a bill, I will say fairly and frankly, that will be approved and will become law.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to have the motion read again.

The SPEAKER. Without objection, the Clerk will again report the motion of the gentleman from Massachusetts [Mr. MCCORMACK].

There was no objection.

The Clerk read as follows:

Mr. MCCORMACK moves that the House conferees be instructed to agree to the Senate amendment relating to the quotas on refined sugar.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts [Mr. MCCORMACK].

The question was taken, and there were on a division (demanded by Mr. MCCORMACK)—yeas 85, noes 178.

Mr. KENNEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion was rejected.

The Chair appointed the following conferees: Mr. JONES, Mr. DOXEY, Mr. MITCHELL of Tennessee, Mr. HOPE, and Mr. KINZER.

HOUR OF MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON ACCOUNTS

Mr. COCHRAN. Mr. Speaker, at the request of the Committee on Accounts, I ask unanimous consent that the committee may be permitted to meet on Wednesday afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GUYER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, some months ago the country was astonished by the announcement that our Uncle Samuel had become a distiller; that the Government of the United States had embarked in the business of manufacturing rum in the Virgin Islands. Not that the country was surprised. It has ceased to be surprised at anything that is the offspring of this more abundant life. One may blush a little when he remembers that in the very recent past this same Uncle Samuel put men in jail for doing this very thing. But maybe the accolade of the brain trust and the blessing of the New Dealers has sanctified this latest venture in socialistic collectivism.

American rum manufacturers and distributors complain that the Government is disregarding the rules of the Federal Alcohol Administration, and thus Uncle Sam becomes bootlegger no. 1 in competition with American producers who obey the law of the land. It would seem that the fact that our Government was engaged in this discreditable business was disgrace enough without muscling in on private enterprise which observes the law.

Ever since the repeal of the eighteenth amendment the Government has been cautioning the manufacturers of intoxicating liquors against stimulating the drink habit by lurid advertisement of the virtues of this or that liquor; yet the Government advertisements most highly emphasize the superior virtues of Government House Rum. If the Government must engage in this disreputable business, let it take its own medicine and obey its own laws.

What kind of business is this that our Government has embarked upon? Is it something that will aid the unem-

ployed? Is it something that will elevate the home, which is the keystone of our American system of Government? Will it benefit our schools and churches which, with the American home, are the constructive and creative laboratories of national character? Nonsense! Everybody knows that alcohol is both a physical and social poison, and that its destructive force is in direct competition with and opposition to every social and educational institution in the land.

The traffic in intoxicating liquors has been for more than a century one of the most difficult and disturbing problems of our civic and moral life. No one denies the magnitude and malevolence of this unmitigated evil. Intemperance and drunkenness have no defender. They stand before the bar of reason, conscience, and science as indefensible malefactors. His Satanic Majesty himself can only bow in mute and worshipful admiration before this one unchallenged rival.

Christian and pagan, Moslem and Jew, join only in this one harmonious anathema to damn this universal enemy of the human race. The best-known quotation of the greatest Christian statesman of the nineteenth century was that the liquor traffic had caused more misery and suffering than "war, pestilence, and famine combined." No one has ever successfully challenged that blistering indictment and withering incrimination. Catholic and Protestant, Jew and Gentile, join in this devastating arraignment. One wonders how such a universal evil can withstand a judgment so unanimous. Only appetite, greed, and avarice condone it.

While all religions curse it, even those who deny any connection with or allegiance to any religion and those who renounce altogether any belief in religious dogma alike join in everlasting and universal condemnation of this outlaw—this arch enemy of the human race. Bear with me while I quote from the eloquent lips of one who was neither Christian, Moslem, nor Jew. He was no plaster saint, no Clarence True Wilson, no Scott McBride, no John P. St John, no William Jennings Bryan, no follower of the W. C. T. U., not even an honorary member of the Anti-Saloon League.

I am aware that there is a prejudice against any man engaged in the manufacture of alcohol. I believe that from the time it issues from the coiled and poisonous worm in the distillery until it empties into the hell of death, dishonor, and crime it demoralizes everything that touches it from its source to its end. I do not believe that anyone can contemplate the object without prejudice against the liquor crime. All we have to do is to think of the wrecks on either bank of the stream of death, of the suicides, of the insanity, of the poverty, of the ignorance, of the destitution, of the little children tugging at the faded and withered breasts of weeping and despairing mothers, of the wives asking for bread, of the men of genius it has wrecked, and man struggling with imaginary serpents. I believe every thoughtful man is prejudiced against this damned stuff that is called alcohol.

It cuts down youth in its vigor, manhood in its strength, and age in its weakness. It breaks the father's heart, bereaves the doting mother, extinguishes natural affections, erases conjugal love, blots out filial attachments, blights parental hope, and brings down mourning age in sorrow to the grave. It produces weakness, not strength; sickness, not health; death, not life. It makes wives widows, children orphans, fathers fiends, and all of them paupers and beggars. It feeds rheumatism, nurses gout, invites cholera, imparts pestilence, and embraces consumption.

It covers the land with idleness, misery, and crime. It fills our jails, almshouses, and asylums. It engenders controversy, fosters quarrels, and cherishes riots. It crowds our penitentiaries and furnishes victims for the scaffold. It is the lifeblood of the gambler, the element of the burglar, the prop of the highwayman, and the support of the midnight incendiary. It countenances the liar, respects the thief, esteems the blasphemer, it violates obligations, reverences fraud, and honors infamy. It defames benevolence, hates love, scorns virtue, and slanders innocence.

It incites the father to butcher his helpless offspring; helps the husband to massacre his wife and children to grind the patricidal ax. It burns up men, consumes women, detests life, curses God, and despises heaven. It suborns witnesses, nurses perjury, defiles the jury box, and stains the judicial ermine. It degrades the citizen, debases the legislature, dishonors the statesman, and disarms the patriot.

It brings shame, not honor; terror, not safety; despair, not hope; misery, not happiness—and with the malevolence of a fiend it calmly surveys its frightful desolation, and, unsatiated with havoc, it poisons felicity, kills peace, ruins morals, blights confidence, slays reputations, and wipes out the national honor; then curses the world and laughs at its ruin. It does all this and more—it murders the soul. It is the sum of all villanies, the father of all crimes, the mother of abominations, the devil's best friend, and God's worst enemy.

That is what the eloquent agnostic, Robert G. Ingersoll, thought of what he called "this damned stuff that is called alcohol" and the traffic in it. In this only I agree with Ingersoll.

Now, among all the vagaries and absurdities of the New Deal, its flirting with communism, its embrace of socialism, its adoption of collectivism, nothing has better revealed its utter lack of constructive genius than the launching of the Government of the United States into the business of manufacturing, selling, and distributing intoxicating liquor, as illustrated in the manufacturing of rum in the Virgin Islands at the expense of two and a half millions of the people's money. Alcohol, whether in beer, wine, whisky, or rum, is a destructive force when used as a beverage. Why use the people's money in these times of unemployment and destitution to impoverish and degrade them? It is constructive and creative agencies, thoughts, and deeds we must foster and encourage, if we are to recover from this depression. With the people struggling gallantly to rehabilitate the country, why set the Government to work manufacturing rum which can destroy more than their fortitude and sacrifice can produce?

Why is it that after the great war with its aftermath of retrogressive tendencies and let-down in national moral stamina we should not only turn loose the liquor traffic, driven as always by private greed and avarice, but also hook up the Government to help along with the work of destruction with the aid of the taxpayers' money? Why has this administration spent millions for the making of rum in the Virgin Islands but produces only vetoes for pensions to the helpless widows of war veterans and their dependents—millions for rum that damns instead of blesses; rum to sit at the steering wheel to crush the life out of hundreds of men, women, and children. Since the repeal of the eighteenth amendment motor-car fatalities have steadily increased in spite of an intensive campaign to promote safe driving and careful walking. But every day many persons are killed by reason of drunken drivers. A most conservative estimate places the number of such fatalities at 4,000 per year. Last week in Kansas City, Mo., a drunken, beer-sodden driver of a sedan plunging along at terrific speed struck Mrs. Florence G. Burriss, caught her arm in the door handles and tore it from her body at the shoulder, killing her. Without stopping he drove on, causing two wrecks before he was stopped and arrested. This year 40,000 people will be killed by motor cars, many of them driven by drunken drivers. The life of this one good woman was worth more than all the liquor that ever gurgled through all the spigots of hell. Yet our Government under this New Deal gets into the business of producing more liquor to sit at the steering wheels to destroy life instead of protecting it. When a drinking man drives a car death rides at the steering wheel, and drinking men drive cars every day. Heaven knows it is hard enough to drive a car safely when we are sober.

It is also very mystifying why this New Deal administration can find money to make rum in the Virgin Islands, abundant cash for political largess to carry elections, and money for every sort of boondoggling, yet nothing but a Presidential veto for insurance protection for the widow and dependent children of veterans.

This administration can find millions for tropic rum, but not a cent for the helpless dependents of old soldiers—for them only Presidential vetoes. Down in Kansas City, Kans., lives Emma Zane, the widow of a gallant soldier, sick, penniless, with no relatives. The Seventy-fourth Congress granted her a pension—H. R. 2235—of $30. Her reward from this administration was one of those humanitarian pocket vetoes.

And there was Alice Calderhead, whose father was a gallant soldier and a Member of this House from Kansas for nearly 20 years. The invalid daughter is helpless and dependent wholly upon distant relatives. The Seventy-fourth Congress granted her a pension—H. R. 2233—of $20, but a

Presidential pocket veto snatched the bread from the lips of this helpless invalid. But do not forget that millions were found to produce rum on a tropic isle. I could give you scores of cases like this, all blotted out by vetoes.

You will remember the case of Charles Shipley, who was the victim of the grossest injustice at the hands of his Government. As a patriotic duty he built a store at Camp Funston to sell leather goods to the soldiers. He helped build both the water and heating plants. The store building cost him $15,000. His contract was canceled, his building junked and sold by the Government, and the Government has the money yet. He was never paid a thin dime! On April 22 last year, this House voted with a majority of 268 to 63 to pay Shipley about half of what the Government really owes him. It looked like Shipley would be paid after waiting 20 years. But he was not paid. A veto crushed his hopes and Charles Shipley will no doubt lose his home and business building because of that Presidential veto which doubly robbed him. Shipley was cheated by his own Government and this administration could not find money to pay him, but there were millions for the Virgin Island distillery.

In the Philippine Islands, soldiers from 18 States had voluntarily remained in the United States service when the Government was confronted with a critical situation at Manila. These soldiers had not entered any war to fight the Filipinos. The insurgents were about to take the Manila waterworks, and our Government had no soldiers there except these volunteers in the War with Spain. In this desperate situation the War Department, through the Secretary of War and the commanding general, promised these soldiers that if they would stay and defend their Government in this desperate crisis they should have their travel pay. It was long neglected, but last year, after 10 years of effort, I got a bill passed allowing it.

Again the administration had its millions for the Virgin Island rum distillery, but a Presidential veto denied to several thousand soldiers, most of them sorely needing it, a debt the Government has owed them for nearly 40 years. The same hand that shoveled out the millions for rum in our white elephant no. 1, the Virgin Islands, with a Presidential veto struck down the hopes of these patriotic men who thought that at last their Government was to make its promise good. Again, I ask why this administration can find money for this accursed tropic rum and at the same time deny to these patriotic and heroic soldiers who served in the Philippine Insurrection, a just reward, and to these worthy and needy women and children a small pension as a reward for the services of their dead husbands and fathers?

Private colleges, church schools, which have been the very salt of the earth, colleges from which a majority of the Members on this floor graduated, were being decimated by the depression and the stringent times. Hundreds had been closed. Self-sacrificing teachers who, when paid, had to take the vow of poverty, were many months behind in their slender salaries. A bill was introduced in the Senate and House authorizing the R. F. C. to loan to colleges on their physical assets. By myself in the House, and by a Democrat in the Senate. A score of educators from all parts of the country and from the sorely stricken colleges came to a hearing before a subcommittee of the Interstate and Foreign Commerce Committee. I told them that, in my opinion, there was no use to try to pass such a bill without the approval of the White House. An appointment was secured at the White House. The hearing stopped, the educators faded from the scene, and I heard no more of the matter. Later I was told that the President had spoken. Evidently that bill was vetoed before it was passed. It would have cost comparatively little, and every dollar would have come back to the Government. There was not a cent for these Christian colleges, but millions for a gin mill in the Virgin Islands, on which we have already wasted $25,000,000 when we bought them from Denmark.

The credit for the repeal of the eighteenth amendment belongs to the New Deal, to Franklin D. Roosevelt and the more abundant life. I envy neither this doubtful honor, and would not for the world bear upon my conscience the responsibility of again letting loose the liquor traffic upon a country struggling up from the depths of our worst depression. The money spent for liquor jumped from $350,000,000 in 1933 to $5,000,000,000 in 1936. That was almost what the whole agricultural production of the country was worth in 1936. How can a country recover when a load of five billions is taken from the purchasing power of the people and spent for worse than nothing. We have not only turned the traffic loose, but we are spending the people's money in manufacturing rum to further debauch the people.

What are the people of the United States to do about this business? The United States Government is conducting this business, with Hon. Harold L. Ickes wearing the white apron as chairman of the Government corporation. Every citizen of the United States is a partner in this enterprise. "We, the people", are pushing the sale of this most ardent of spirituous liquors. While the Government with one hand issues warnings to private hard-liquor dealers not to use advertisements to stimulate the drinking of high alcoholic content liquors, with the other hand it suggests in its advertisements of Government-house rum through its sales agency that "Experts attribute its appealing flavor to distillation direct from cane juice", and "You'll certainly want to try it", and "Swell" in Washington, "Smooth" in New York, and "Public enthusiastic over flavor of unique Virgin Islands' rum." Yet our Government warns private liquor distributors and vendors against just such advertisements. If this New Deal democracy keeps this up in advertising its rum business, it may earn the appropriate cognomen of "Hypocratic Party."

At any rate, "we the people" are in the liquor business in earnest. I think we can predict that next year there will be 50,000 motor fatalities—which just equals the number of American soldiers who died in battle or from wounds in the World War. No wonder J. Edgar Hoover says that the past 3 years are the worst in criminal history. With girls and women acquiring the habit of drinking hard liquor which is thrust to their lips at almost every public and private function; with young men viewed as out of vogue unless they drink intoxicants, what is the country coming to? If the Government must engage in this sinister business let us at least be honest in our advertisement. Why attempt to deceive the people? Instead of the eagle, as on the bottle of Government House Rum, why not blow a coiled snake around the bottle's neck, and from Holy Writ quote the Almighty's naked truth: "It biteth like a serpent and stingeth like an adder", and if you like, add the blistering indictment of Bob Ingersoll: "The devil's best friend and God's worst enemy."

EXTENSION OF REMARKS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by the Honorable HATTON W. SUMNERS, of Texas, in explanation of the Court bill, which statement was published yesterday in the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HIGGINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. The gentleman has that right and privilege under an order heretofore made. All Members have been granted the right to extend their own remarks in the RECORD until the last publication of the CONGRESSIONAL RECORD after adjournment.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a lesson submitted by Miss Sue L. Miles of Summerville, S. C., a beloved teacher in the public schools of that city for many years, on street and highway safety.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, may I state to the gentleman I am delighted that is going in the RECORD. I am interested in na-

tional safety and I hope the gentleman will help us to get an appropriation in the deficiency appropriation bill to provide for the amount of $35,000 which was authorized in my bill H. R. 7433, signed by the President last Thursday.

Mr. McMILLAN. This is an annual contest and was participated in by 35,000 elementary school teachers of America for the year 1936. Miss Miles' paper won the contest, which was conducted by the Highway Education Board of which Mr. McDonald, head of the bureau of roads, is chairman.

Mrs. ROGERS of Massachusetts. I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1½ minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know it is late, but I want to direct the attention of the Members of the House and the country to the position in which apparently the President finds himself as the result of a so-called, but sadly misnamed, neutrality bill the House passed on the 18th of March. Under the act which was approved May 1, whenever the President shall find that there exists a state of war between or among two or more foreign states, the President shall proclaim that a state of war exists and it shall hereafter be unlawful to ship arms or munitions of war to those countries, and under the cash-and-carry provision of the bill it shall be illegal to ship commodities to Japan or China "until all right, title, and interest therein shall have been transferred to foreign ownership." It is well to realize just how that provision will affect the United States.

It is very important for the people of the country to realize just what the situation is. We know today in Shanghi there is war between Japan and China, and there has been war for days, or certainly what seems terribly like war to the man in the street. Since the Kellogg Pact countries no longer declare war. They fight without declaring war. We have on our statute books a law which clearly states we should declare an embargo on arms in case of war between two or more countries, and we should enforce other provisions of the law, yet we do nothing in the case of China and Japan, Mr. Speaker. It seems as if the President were afraid to enforce the act. He knows, doubtless, that in enforcing the act it would be an unfriendly act to China, in effect an unneutral act. I voted against the present Neutrality Act, as I felt it would lead the United States into trouble.

Mr. Speaker, I wish to do nothing which will be embarassing to the administration in this distressing dilemma. I think we should enact legislation which will take care of the situation if the President will not act. Before Congress adjcurns we should pass legislation that will not be regarded as a scrap of paper. We do not wish to be embroiled in war. Thousands of lives are involved. It is far less costly to give up our trade for the present than to give up these lives and the future trade of our country. [Applause.]

[Here the gavel fell.]

The SPEAKER. Under a previous order of the House, the gentleman from Louisiana [Mr. BROOKS] is recognized for 15 minutes.

Mr. BROOKS. Mr. Speaker, the Members of Congress are now being circularized with an extract from an interview given by ex-Senator James A. Reed at Kansas City during the year 1935 in reference to the distribution of wealth of the Nation among the toilers. This is evidently being done by those who seek by this statement to influence the course of legislation. I quote from this interview:

> A tax levied for the purpose of taking money from one class of citizens for the purpose of transferring that money directly or indirectly to another class of citizens is, to employ the language of Mr. Justice Harlan, none the less robbery because done under the forms of law. The proposition to levy a tax for the purpose of redistributing wealth is open to every criticism which can be levied against the burglar or the highwayman.

In these strong words ex-Senator Reed, sitting in smug complacency and fortified with a large estate derived from big corporate-law practice, condemns the doctrine that a nation should be owned by its citizens. In this manner he defends the concentration of wealth in the hands of the few while the Nation as a whole remains in need and in want.

This doctrine might have been worthy of mention a hundred and fifty years ago; but today when we have considered and passed so much legislation for the relief of those in need and in distress, it is indefensible. In the light of so much of our legislation passed in Congress during the past year, this doctrine can have no place in our consideration. The program of national relief, under the terms of which billions of dollars have been raised and spent in public works to provide work for those of our unemployed, is an instance where funds are being taken from those who have property and being given to those who have nothing. The social-security legislation is all built around the central idea of helping those who have no property by raising money from those that have big estates and are able to put up the money needed. The farm-tenancy program, under the far-reaching terms of which the Government ultimately promises to every farmer an opportunity to own his own farm, thereby eliminating farm tenancy in America, is another instance where public credit and public resources are being used for the purpose of aiding those without means of maintaining a proper American standard of living. The new Federal housing bill is supposed to eliminate the substandard type of dwelling for both the cities and the country. The farm program which has in the past taxed commodities to aid the farmer who is confronted with insurmountable problems of production and distribution, and the rural-electrification program are all projects which give public funds and public credit to those who are in need of help and assistance in the United States of America. To say that such projects are subject to all criticism which can be levied against the burglar or the highwayman is just a plain travesty on the truth. Such a statement has no foundation whatsoever; and those who use such merely seek to hide the weakness of their cause behind the strong language of their speech.

I want to call to your attention a principle of government which, unfortunately, has been too often overlooked in the present session of Congress. It is the principle that a nation should be owned by its citizens; that wealth should be distributed among those who create it; that property should be shared by the people; and that the right to live is superior to the right to own property.

The history of the world is replete with instances and cases where nations and governments have decayed and passed away as a result of concentration of wealth in the hands of the few. In the last days of the Roman Empire, large estates accumulated in the hands of the nobility finally resulted in the downfall of that great empire. The feudal system which brought all of the land into the estates of the wealthy of France helped to cause the bloody French Revolution and the downfall of the Bourbon dynasty of government in France. Concentration of wealth into enormous estates brought on the Russian Revolution, and has to a large extent brought Russia into the unfortunate condition in which we find it today.

In the beginning of the history of this Nation, the pioneers settled on land, cut down the forests to build their homes and their places of business, cleared the land and made it valuable for agriculture and for commerce. At this time, everyone who desired a home was entitled to homestead sufficient land for all needed purposes and by diligent use of forest and quarries upon the homesteaded land, was thus able to build homes and live in them with happiness and independence. As time passed, depressions have come on and bad times have taken the land, the home, and the properties from those who, in many cases, created the wealth which toil has made valuable. Our industrial and financial set-up in this Nation has

been such as to create a concentration of wealth in one section of the Nation. By means of bad laws which are on the statute books certain crafty and designing people have gradually accumulated large amounts of property which has resulted in concentrating it to an increasing extent in and around Wall Street.

Do you doubt that this condition exists? Do you doubt that the big fortunes are getting larger each year and the poor are getting poorer? They tell me that it has reached a point where less than 1 percent of the people own more than 69 percent of the wealth. Only the other day I read in the New York Times that three banks, all located in New York City, now have assets exceeding $2,000,000,000 each. Three banks with totaled combined properties of more than $6,000,000,000! This does not include the financial connections as a result of these assets over which the banks have control; and, were this added, it would increase this figure 10 times, giving these banks control over the stupendous sum of $60,000,000,000, a sum exceeding the entire national income earned during depression years. When we realize that in most instances banks are in reality run by their presidents alone, we find that three men have control of this staggering portion of our national wealth.

Only the other day I studied a chart published in one of our local newspapers showing the concentration of wealth in the large cities of the Nation. This chart showed approximately 70 percent of the wealth of New York State alone comes from the city of New York and throughout the United States a great bulk of the property is controlled from a few places where the wealth is concentrated. One has merely to travel through the rural sections of this Nation to see concrete evidence of the fact that wealth has been concentrated on Wall Street in the hands of the few people and taken away from the farms, villages, and hamlets of the Nation.

Do you doubt that this condition of concentration of wealth continues in spite of the best laws that Congress has heretofore placed upon the statute books?

I merely give you an instance in which these large estates are being held together in the face of the laws previously enacted by Congress. William Rockefeller, one of the original members of that immensely wealthy family and a cousin of the late John D. Rockefeller, died in 1922, and according to the official record of the surrogate's court in the State of New York, since that date his estate has been increased by the sum of $1,000,000 a year, without the effort and the ingenuity of its founder. When it eventually will be delivered to the grandchildren of William Rockefeller, it will be an estate of staggering size.

It is true that Congress has passed income-tax legislation and estate-tax legislation which is supposed to have the effect of breaking up to some extent the multimillion-dollar estates. These laws are very intricate and those who have vast amount of property have been able to obtain skillful lawyers and accountants who have by their efforts and zeal discovered imperfections and loopholes in the laws which they have used to their advantage in holding down the payment of taxes by big estates. For instance, I recently read the news of the death of the late John D. Rockefeller, Sr., as did all of our 130,000,000 people in America. This man died worth only about $25,000,000 in property; but during his lifetime, so I am told, he gave away approximately $2,000,000,000 in money and in property. A large portion of the gifts which he made during his lifetime were transferred to his son, John D. Rockefeller, Jr., and these gifts saved his estate millions and even hundreds of millions in estate taxes. Instead of the estate of John D. Rockefeller, Sr., paying estate taxes to the United States Government on over $2,000,000,000 in property, the Government will collect from his estate merely its return on $25,000,000.

We have recently read of statements indicating that millionaires of this Nation have used many loopholes in avoiding the payment of their just taxes to the Government. For instance, we have the case where a man has incorporated his yacht and his home as a separate business so as to cut down his income-tax payment. Such things as these have been going on for years and have robbed the Government of hundreds of millions of dollars to which it is justly entitled.

Someone may ask what can be done to correct this situation. I answer that at the beginning of this session of Congress I introduced in the House of Representatives the well-known share-our-wealth resolution written by the late Senator Huey P. Long, for which he gave his life. It is fittingly appropriate that this matter should be considered at this time. During the month of August we celebrate the birthday of this great man, and there was nothing closer to his heart than this resolution which he introduced in the United States Senate and for which he fought both day and night until his cowardly assassination.

It is true that we have made steps in the right direction. This Congress, for instance, has passed, largely as an experiment, the farm-tenancy legislation this year. Under the terms of this bill, in the next year, some $10,000,000 will be loaned to the farmers of the Nation in order to help them acquire property of their own. Ten million dollars is a small sum to tackle such a vast proposition and this Congress must move rapidly if it intends to make an impression on a problem which has raised a most critical condition in a great many parts of this Nation.

We may legislate here in Congress on one subject or another, and we may try to solve one problem and another. We are merely scratching the surface, and until we are prepared to pass laws to give food, clothing, and shelter to the thousands of our people who are without food, clothing, and shelter, our problems will constantly increase.

Some of us seem inclined to the belief that all of our troubles may be dissipated by merely restricting production. I am one who believes that restriction of production is not a panacea which may eliminate all of our troubles. Somehow I have always thought that God Almighty gave us the ability to work and to produce, that somehow He gave us the land upon which to produce bountiful crops, and somehow He blessed us with the sunshine and the rain that these crops might be produced, all for the purpose of serving mankind. I have always been taught to believe that for every bushel of wheat that is produced, somewhere, either in this or in foreign lands, a hungry mouth awaits to consume the food produced from it. I have been taught to believe that for every bale of cotton grown, somewhere under the shining sun, there is a half-clad and half-naked body awaiting the clothes manufactured from that bale of cotton. I cannot subscribe to the belief that a bountiful Providence gave us energy, gave us land, and gave us abundance in food and clothing merely for us to waste them and restrict their production. I prefer to believe that our troubles lie mostly in the field of distribution and the lack of purchasing power of the millions of people in this land and in other lands who are underpaid, underfed, underclothed, and without shelter.

Mr. Speaker, I know what it is to sacrifice. I know the struggles of millions of men and women in America who daily are trying to provide themselves with the necessities and a few of the comforts of existence. I know the worries and the cares of millions of fathers and mothers who sit up late at night fretted and vexed with the problem of caring for their children, rearing them in a good, wholesome atmosphere with the ideals and concepts attainable under American institutions, of giving them the proper education and starting them off in life. Millions of fathers and mothers are today denying themselves in order to provide for their children and to give them hope for the future and opportunities in their life which they, themselves, were denied. Our work here is for the unnumbered American people who deserve and are entitled to the opportunity of owning a home, to the opportunity of providing for themselves and their families with some of the comforts of life and who desire and are entitled to give their children hope and opportunity in their lives.

Under the present set-up, this cannot be done. Until the wealth of the Nation is redistributed into the homes of our people, until each family has its "little stake" and little property interest in our Government, our troubles must continue, and our legislation will be patchwork. Until the broad principle that "the right to live is superior to the right to own property" is fully recognized, our Nation is indeed in peril.

EXTENSION OF REMARKS

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a very able address by Dr. O. C. Carmichael, president of Vanderbilt University, recently delivered to the Phi Beta Kappa Society of the University of Alabama, in my district.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ARROWROCK DAM

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, may I call the attention of the House to the fact that today when the bill to authorize the Secretary of the Interior to permit the repayment of the construction charges on the repairs to the Arrowrock Dam in Idaho in 20 annual installments was called on the Consent Calendar, the amount of $600,000 being involved, notwithstanding the explanation made at the time that the legislation was necessary due to a ruling of the Solicitor of the Department of Agriculture, the bill was objected to by the gentleman from Pennsylvania [Mr. RICH], on the Republican side. After the gentleman from Pennsylvania had been informed of what the payment of $600,000 in one assessment meant to the people of the irrigation districts around Boise, Idaho, supplied with water from Arrowrock Dam, permission was sought to return to the bill for further consideration that it might be passed before Congress adjourned, but the request was objected to by the Republican floor leader, the gentleman from New York [Mr. SNELL]. I want this to be made clear in the RECORD, that the water users of the Boise Valley may know who was responsible for the failure to pass legislation to permit them to meet their obligation in an orderly way, which has been approved by the Department of the Interior.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a previous order of the House, the gentleman from Texas [Mr. MCFARLANE] is recognized for 20 minutes.

Mr. MCFARLANE. Mr. Speaker, while I am thankful that the Tax Evasion and Avoidance Committee saw fit to bring forward the bill presented today, I am well aware that this measure is the result of the President's message of June 1, particularly calling to the attention of the Congress the deplorable conditions existing in our tax laws. In his message he said:

> The Secretary of the Treasury has given me a report of a preliminary study of income-tax returns for the calendar year 1936. This report reveals efforts at avoidance and evasion of tax liability so widespread and so amazing both in their boldness and their ingenuity that further action without delay seems imperative.
>
> Methods of escape or intended escape from tax liability are many. Some are instances of avoidance which appear to have the color of legality; others are on the border line of legality; others are plainly contrary even to the letter of the law.
>
> All are alike in that they are definitely contrary to the spirit of the law. All are alike in that they represent a determined effort on the part of those who use them to dodge the payment of taxes which Congress based on ability to pay. All are alike in that failure to pay results in shifting the tax load to the shoulders of others less able to pay, and in mulcting the Treasury of the Government's just due.

TAX EVASIONS—ARE THEY ALL LEGAL?

The hearings before the Joint Committee on Tax Evasion and Avoidance brought to light a mass of information showing the legal tricks and antics which the wealthy citizens of the country employ in an attempt to beat the Federal income tax. Apparently there is no kind of a trick which they will not use, if they have the faintest reason to believe that they can get by with it. What the men and women who have to work for a living cannot understand is why these men of wealth can evade the tax laws so easily.

THE POOR PAY TAXES WHILE THE RICH DODGE THEIRS

The farmer may work in the hot sun all summer and wade through the mud and snow during the autumn and winter, only to find that he has more debts than he had the year before. But when the time comes he has to pay his taxes. There is no way for him to beat the tax collector. He must pay. Throughout the year he must also pay taxes on the clothes he buys, on the gasoline he uses, and on the other necessities of life.

In this respect the farmer is in the same boat with all other workers of the Nation. There may be sickness in the family, few clothes to wear, in fact, he may have no job and no income, and yet this is no ground for relief from paying taxes. His own house, everything he owns in this world, may be sold for taxes. For the poor man there is no escape. He is the one who knows, as no one else does, that taxes, like death, are certain, whether he works on a farm, in the factory, behind the counter in a grocery store, at the filling station, or whether he has no job.

Not so with the man of wealth, who enjoys the luxury of tax evasion. The tax laws contain provisions aimed to tax him, but instead of paying what the law intended he should pay he employs a lawyer with a bag of tricks which he claims entitle him to escape the tax. And it may be noted that the testimony before the investigating committee shows that these tricks are working with much success. Mr. Speaker, this is the situation: The poor man pays; the wealthy escape. Why is that? The poor men of this country are entitled to know the answer.

TREASURY EXPERTS BLAME CONGRESS

The Treasury experts would have us believe that it is because of the way Congress wrote the laws. They would have us believe that Congress, and Congress alone, is to blame for allowing the wealthy citizens to escape tax. That is a serious charge. It cannot go unchallenged. I do not propose that it shall.

In answering the Treasury officials I want it understood that I am in favor of making every change in the tax laws which will improve them. I have long insisted upon that, and the Members of the House know that to be true. But I do not intend to sit silent when so-called Treasury experts testify that ridiculous tricks and devices are permitted under our tax laws. These so-called experts cannot cover up their own inefficiency or ignorance, or both, by pointing a finger at Congress. Yet that is exactly what they have tried to do.

Throughout the hearings before the investigating committee, no matter how ridiculous the tricks were, no matter how fully these tricks plundered the purposes and intent of Congress, no matter how shocking these schemes were to the conscience and good judgment of the people of this country—the so-called Treasury experts kept singing their song that it is all legal. The newspapers took up the refrain, and throughout this country the main theme in every report of the investigation was that such and such person had escaped from paying thousands of dollars in taxes, but "it is all legal."

I quote the following from the hearings before the Joint Committee on Tax Evasion and Avoidance, from the Seventy-fifth Congress, first session:

> Mr. TREADWAY. I would like to see if I understood Mr. Irey correctly in his opening remarks about Mr. Bache. I understood

you to say "if the law is as Mr. Bache interprets it." Did you use some such expression as that?

Mr. IREY. That is correct; yes.

Mr. TREADWAY. Is it not up to the Government officials to interpret the law? How does Mr. Bache come to be the interpreter of our laws?

Mr. IREY. I am not setting him up as an interpreter of our laws for our guidance, but if we find that his interpretation is as we find it, then it was a legal transaction. That was the point I was trying to make.

Senator HARRISON. What has the Treasury Department ascertained? What is their opinion about it?

Under Secretary MAGILL. I think his setting up of these corporations was legal enough, in this sense, that I do not think there is any criminal liability at all from anything he did. He sets up foreign holding companies because they will save him money which he accumulates as income and assets in these companies. He causes those companies to loan him money on which he takes a deduction for interest. It is all legal, in the sense that I take it, it is all disclosed, there is no fraud. It is simply taking advantage of the situation. * * * (Hearings, p. 51.)

Mr. TREADWAY. Then, Mr. Chairman, Dr. Magill considers that while such an example as he is giving us of Mr. Bache is not illegal, you would class it as immoral, would you not?

Under Secretary MAGILL. I feel the same difficulty that was expressed here yesterday in drawing lines between what is evasion and what is avoidance, and what is immoral, etc. Some cases you can classify as clearly fraudulent. I feel certain in my own mind this is not one of those. * * * (Hearings, p. 52.)

Mr. IREY. The conduct of Mr. Laughton in this instance may be perfectly legal. * * * (Hearings, p. 63.)

Senator HARRISON. As I understand, Commissioner Helvering, you are giving us these facts without trying to impute fraud on the part of any of these individuals in organizing them, or a purpose to do anything illegal? (Hearings, p. 171.)

Commissioner HELVERING. No; I do not understand that that is true in any of these cases.

Senator HARRISON. Legally they have a perfect right to do it, but you are stating these facts with a view to the committee doing something legislatively that might cure this situation. Is that right?

Commissioner HELVERING. That is right. * * * (Hearings, p. 172).

This, gentlemen, was the big surprise in the income-tax investigations. This is how the Treasury whitewashed the tax dodgers. This is how the President and the men and women of this country who look to him for a New Deal and a square deal were sold down the river, all for the sake of whitewashing the tax dodgers.

PRESIDENT'S TAX MESSAGE SCARES TAX DODGERS

In this nefarious attempt to defeat the actions of Congress, no one was more surprised at the attitude of the Treasury officials than the tax dodgers themselves. Knowing the aims and ideals of the President and of this Congress, they expected a fight to the last ditch. When the President delivered his tax message to Congress, on June 1, the tax dodgers saw their fancy tricks and schemes going out the window—the jig was up. They were panicky. The President was on the job and it appeared to the tax dodgers that at last the Treasury Department would have to arouse itself from its sleeping sickness. Administrative methods installed during the Mellon regime and continued down to the present time were on the brink of destruction. That is, it so appeared to the tax dodgers when they read the President's tax message.

TREASURY EXPERTS WHITEWASH TAX DODGERS

Then came the great surprise. Day after day schemes and tricks to evade the tax laws were unfolded before the investigating committee. The names and addresses of the guilty parties were given and published before the world. But—and here is the important point—day after day the newspapers carried the headlines assuring the persons named that the Treasury officials said "it is all legal."

What a relief this was to the tax dodgers. They had envisioned a militant administration of the tax laws. They were afraid the tax laws were to be enforced and that they would have to pay. Instead the Treasury officials surrendered without a fight. They deserted their leader. They joined hands with the tax dodgers and with greater vigor than the tax evaders, began stamping upon the laws of Congress. Out of the Treasury files the Treasury officials brought forth case after case of trickery to defeat the laws of Congress. And throughout the investigation these officials solemnly insisted that such trickery was legal. Case after case appeared in which the Treasury had made no attempt to collect the tax which Congress intended should be paid. What a big build-up to an awful let-down this must have been to the President. How can he expect to prevent the evasion of taxes when the Treasury officials forsake his ideals and the laws of Congress to pin ribbons on the coats of tax evaders? How can he secure a fair administration of the tax laws when the Treasury officials scotch him and run out to save the men of tricks, schemes, and devices? Where has the Treasury Department been since this administration took office on March 4, 1933? Where is the New Deal in administering the tax laws of this country? Andy Mellon is out of office but how about the ideas and the personnel he left behind?

SABOTAGED BY EXISTING ADMINISTRATIVE SET-UP

At the beginning of this administration I circulated a petition and we called a Democratic caucus for the purpose of discussing and acting upon the patronage situation under this administration. The Democratic caucus was held, and I was appointed a member of this patronage committee, composed of the late Speaker Joseph W. Byrns; the acting majority leader, EDWARD T. TAYLOR, of Colorado; JOHN J. O'CONNOR, chairman of the Rules Committee; ADOLPH J. SABATH, chairman of the steering committee; and HAMPTON P. FULMER, member of the steering committee, who made a determined effort to place Democrats in the key positions of the Government to insure the carrying out of the New Deal program. We felt that Democrats should hold these key positions in order to keep the administration's program from being sabotaged from within the administrative set-up. Of course, we were confronted with many serious obstacles, the principal one being that most of these administrative positions were under civil service. However, realizing the importance and the responsibilities resting upon this administration to carry out its platform demands, we made every effort to insure a fair administration from within the administrative set-up but frankly with little success.

For example, take the personnel of the Internal Revenue Department under the reign of the past three Presidents who served under the reign of the greatest Secretary since Alexander Hamilton—I refer to Mr. Andrew W. Mellon; the comparison of the personnel under "Andy" Mellon and at the present time may prove of interest to the Congress and may better enable us, the membership, to understand why and how the "swivel-chair artists" have sabotaged the collection of taxes under this administration.

Name	Position prior to Mar. 4, 1933	Present position
George J. Schoeneman	Deputy commissioner	Deputy commissioner.
D. S. Bliss	Division head	Do.
Charles T. Russell	Revenue agent in charge, St. Louis, Mo.	Do.
E. P. King	Division head	Special deputy commissioner.
M. E. Carter	Partner of present Commissioner.	Assistant to Commissioner.
George S. Paull	Head, Appointment Division.	Head, Appointment Division.
Frederick I. Evans	Head, Administrative Division.	Head, Administrative Division.
Thomas J. Gorman	Assistant deputy commissioner, Bureau of Customs.	Deputy commissioner, Bureau of Customs.
H. A. Benner	Head, Administrative Unit, Bureau of Customs.	Do.
H. T. Cardwell	Chief of Audit Section	Chief, Revenue Accounts.
H. G. Nichols	Assistant head, Audit Review Division.	Head, Review Division.
C. C. Haig	Chief, Review Unit	Assistant head, Review Division.
C. P. Suman	Chief, Audit Section	Head, Audit Division A.
F. R. Leary	do	Head, Audit Division B.
P. H. Sherwood	do	Head, Audit Division C.
L. M. Simpson	do	Head, Audit Division D.
F. L. Hudson	do	Head, Audit Division E.
S. P. Hatchett	Head, Valuation Division	Head, Engineering and Valuation Division.
E. L. Lindsey	Assistant head, Valuation Division.	Assistant head, Engineering and Valuation Division.
Frank Madison	Chief, Mining Section	Engineer-conferee, Engineering and Valuation Division.

Name	Position prior to Mar. 4, 1933	Present position
Lewis P. Andersen	Chief, Oil and Gas Section.	Chief, Natural Resources Section.
Ralph S. Gayton	Head, Securities Unit	Chief, Securities Unit.
Dean W. Martin	Chief, Timber Section	Chief, Appraisal Section.
T. C. Mooney	Associate technical adviser of deputy commissioner.	Head, Conference Division.
A. R. Marrs	Assistant to Commissioner	Head, technical staff.
Paul F. Cain	Member, Special Advisory Committee.	Member of technical staff.
Frank T. Eddingfield	do	Do.
Grover C. Hammond	do	Do.
William H. Lawder	do	Do.
Porter Linder	Revenue agent in charge, New Haven, Conn.	Do.
Leonard C. Mitchell	Member, Special Advisory Committee.	Do.
Ferel O. Replogle	Revenue agent	Do.
Perley J. Rose	Member, Special Advisory Committee.	Do.
Wm. J. Steiner	Assistant to Commissioner	Do.
Henry L. Young	Attorney, office of General Counsel for Bureau.	Do.

WHAT WILL CONGRESS DO ABOUT IT?

When are we going to get rid of them? Has the Bureau of Internal Revenue made any great changes since the Mellon days? Could Andrew W. Mellon himself have done a more complete job of pinning medals on the tax dodgers? Could he have given them any greater assurance that they would not be called upon to pay? I do not think so, and I do not stand alone. It is already evident that the men who gather the news of this country see what is happening. Instead of the tax evaders running to cover, they are now coming out in the open. Instead of stopping tax evasion, the testimony of the Treasury officials has opened the eyes of many citizens who did not think they could get away with it.

TREASURY WHITEWASH OPENS ANOTHER BIG LOOPHOLE

According to reports, the tax-evading business is flourishing now as never before. The men who before did not dare to flaunt the tax laws as enacted by Congress are rushing in to claim the benefits of the schemes which the Treasury has advertised as legal. Those who have been abiding by the tax laws as written by Congress now want the benefit of the loopholes opened by the Treasury officials. This situation was described in the magazine Business Week on July 17, 1937, as follows:

TAX-DODGING BLAST BACKFIRED

Hurry-up case to head off publication of names in the tax-dodging exposé has been very gratifying to Treasury heads, but the silver cloud has a very dark lining. It looks as though two or three tax dodgers are about to spring up where only one held out on Uncle Sam before. Tax lawyers report a land-office business with clients who are just waking up to a lot of legal deductions they never took advantage of before.

Why didn't these individuals claim the deductions before? The answer is that there is nothing in the tax laws to allow such fictitious deductions and these persons know it. Now that the Treasury officials have expanded upon the laws and have announced to the whole wide world that trickery and device will be recognized by that Department as a successful means for evading the tax, the persons who knew that Congress never intended that such devices should be permitted, the persons who now see how willingly the Treasury will ignore the laws of Congress, the persons who never before suspected they could get by—these persons are now claiming deductions, allowed only by Treasury officials.

THE REMEDY—GET PERSONNEL THAT WILL ENFORCE THE LAW

In short, the first step toward eliminating the tax loopholes is to turn our attention to the Treasury Department and what it is doing. If the testimony of Treasury officials before the investigating committee is any gage as to what is going on in that Department, the outstanding loophole in our tax laws is the Treasury Department.

This first loophole is the result of the Treasury applying the law contrary to the purpose intended by Congress. Some idea as to the loss of revenue in this respect may be gathered from the following table:

TABLE 1.—*Loss of income-tax revenue due to Treasury interpretations contrary to intent and spirit of the law enacted by Congress*

(a) Fictitious transactions between stockholders and corporation	$40,000,000
(b) Tax evasions through fake gifts from husband to wife and vice versa	32,000,000
(c) Husband and wife partnerships approved by Treasury	20,000,000
(d) Fake assignments of income	18,000,000
(e) Family corporation transactions	25,000,000
(f) Inter-company transactions	30,000,000
(g) Failure to require proper accounting methods	60,000,000
(h) Improper exemptions allowed	30,000,000
Total	255,000,000

FIELD AUDITORS UPHOLD THE LAW

In my remarks of June 8 of this year, I described the methods followed by the Treasury Department in auditing the tax returns. The next opportunity for a loss of revenue comes after the field auditors have audited the returns and their reports are sent to Washington for review.

It is at this point that the personnel of the Washington office, which knows nothing about the cases before them except what is in the files, take it upon themselves to overrule the men who have actually done the audit work and who are familiar with the actual conditions in the field.

It is further well known that the income-tax auditors in the field are just as well qualified and have more knowledge of the background of the taxpayer and the justness of the tax due by them than the "swivel chair men" in the Washington office.

There is a large discrepancy between the amount of deficiency recommended by the field audits and the much smaller amount asserted by the Commissioner, as is shown by the following table:

TABLE 2.—*Deficiencies in income tax as recommended by the field service compared with deficiencies asserted by Commissioner, years 1933–36*

[Figures taken from Commissioner of Internal Revenue annual reports]

Year	Deficiencies recommended by field service	Deficiencies asserted	Reduction in deficiencies occurring in Washington office
1934	$203,510,465	$153,947,276	$49,563,189
1935	276,008,250	203,243,012	72,765,238
1936	355,076,147	152,111,345	202,964,802
Total, 3-year reduction			325,293,229
Average yearly reduction in deficiencies occurring in Washington office			108,431,076

THE BOARD OF TAX APPEALS ONE OF THE TAX DODGERS' BEST FRIENDS

The next step in the loss of revenue comes after the mailing of the deficiency notices from which each year there are thousands of appeals taken from the Board of Tax Appeals. A large majority of these cases are never tried before the Board but are settled with the trial, without making extensive effort to determine the facts and circumstances which justify the field auditors in recommending the deficiency claimed. It must be remembered that the Board of Tax Appeals was created under the reign of Andrew Mellon in 1924. This Board was created with the primary idea in mind of giving the tax dodger a third avenue of escape from tax payment in addition to their right of contesting tax liability in the Federal court and the Court of Claims, and it must be remembered that in contesting a claim before the Board of Tax Appeals the taxpayer is not forced to pay the tax-deficiency claim, but is allowed to come in and file complaint and contest his tax liability with the Government with the knowledge at the time that the Board of Tax Appeals, on the basis of the trial cases the past several years, is several years behind with their tax litigation. The taxpayer therefore knows that he is in a very favorable position to contest his case with the Government before this Board because of the long delay the Government

would have in reaching his case for trial, thus placing the Government at a disadvantage and thus forcing the Government to accept a great reduction in the tax liability in order to settle the claim.

The Government is thus placed under the additional disadvantage of being forced to compromise settlement in this class of cases because of the danger of the taxpayer's insolvency or inability to pay the tax due. As a matter of fact, quite a number of the cases tried by the Board are later found to be insolvent and uncollectable.

The following table shows the loss of revenue in income, estate and gift-tax deficiencies determined but settled without trial before Board of Tax Appeals, years 1932–36:

TABLE 3.—*Loss of revenue in cases never tried before Board of Tax Appeals*

[Figures are from Commissioner of Internal Revenue annual reports]

Year	Tax determined	Net tax agreed to	Loss in revenue
1932	$159,142,525	$35,814,865	$123,327,660
1933	124,670,161	36,933,576	87,736,585
1934	160,187,184	46,585,908	113,601,276
1935	102,466,547	34,354,981	68,111,566
1936	101,167,597	34,091,908	67,075,589
Total 5-year loss in revenue			459,852,676
Average yearly loss in revenue in cases settled without trial before Board			91,970,535

The following table shows:

TABLE 4.—*Loss of revenue in income, estate, and gift tax deficiencies tried before Board of Tax Appeals, years 1932–36*

[Figures from Commissioner of Internal Revenue annual reports]

Year	Tax deficiency	Net deficiency approved by board	Loss in revenue
1932	$24,015,714	$11,859,534	$12,156,180
1933	39,739,327	27,342,570	12,396,757
1934	50,570,010	19,198,665	31,371,345
1935	32,289,161	13,376,821	18,912,340
1936	32,677,797	11,642,011	21,025,786
Total 5-year loss in revenue			95,862,408
Average yearly loss in revenue on cases tried before Board of Tax Appeals			19,172,481

ALL LOSSES FAVOR BIG TAXPAYERS, NOT THE SMALL ONES

Hon. Robert Jackson, Assistant Attorney General, stated before the Senate Finance Committee in 1935 that—

It is stated by a retiring member of the Board of Tax Appeals that since 1925 the Government has lost two-thirds in the amount of its cases before the Board of Tax Appeals, the average tax case involving a deficiency of $28,000.

He further pointed out that the Government has much better success in results obtained in cases tried before the Court of Claims than it does in cases tried in the Court of Tax Appeals. Mr. Jackson stated:

For the year ending June 30, 1935, trials in these two courts showed the following results:

Decisions in favor of the Government, or dismissals on the basis of decisions in favor of the Government, 252; amount claimed, $16,801,896.

Decisions in favor or partly in favor of the taxpayer, or confessions of judgment on the basis of decisions in favor of the taxpayer, 135; amount involved, $555,479.

Almost a complete reversal of the percentage where they pay first and sue for a refund that exists, as against where they do not. In addition to this, 151 cases, involving $9,949,000, were dismissed by the taxpayers without refund.

BOARD OF TAX APPEALS A USELESS LUXURY

It must be remembered it cost the taxpayers $532,000 last year to take care of the operating expenses of the Board of Tax Appeals.

Bearing in mind that the field auditors on the ground are in much better position to charge the tax liability, it is interesting to note how their recommendations are disregarded by the swivel-chair men in Washington.

TAX REFUNDS MADE FAMOUS BY MELLON

It must always be borne in mind that in considering the amount of income taxes collected annually it is not necessarily the net figures, for as you will note from this and the following tables that large sums of money are paid back yearly under this refunding scheme made famous by Andrew Mellon.

TABLE 5.—*Overassessments of income tax recommended by field service compared with total refunds, abatements, and credits allowed, years 1932–36*

[Figures from Commissioner of Internal Revenue annual reports]

Year	Recommended by field service	Refunds, abatements, and credits allowed	Excess over amount recommended by field service
1932	$38,548,871	$208,566,577	$170,017,706
1933	20,395,474	170,499,544	150,104,070
1934	12,961,131	172,304,734	159,343,603
1935	10,040,810	108,298,728	98,257,918
1936	14,004,085	102,320,531	88,316,446
Total	95,950,371	761,990,114	666,039,743

Average yearly amount of refunds, abatements, and credits of income tax allowed ($761,990,114÷5), $152,398,022.

TABLE 6.—*Refunds, abatements, and credits of estate and gift taxes, years 1932–36*

[Figures are from Commissioner of Internal Revenue annual reports]

1932	$116,619,875
1933	93,812,934
1934	64,517,029
1935	19,973,763
1936	14,435,076
Total	309,358,677
Average yearly amount of refunds, abatements, and credits of estate and gift taxes	61,871,735

COSTS OF DELAY IN TAX COLLECTIONS

One of the problems which was only briefly mentioned by the Investigating Committee was the way in which the Internal Revenue Bureau delays the collecting of taxes due. Each year this delay costs the Government millions of dollars due to the bankruptcy of the parties owing the tax. The amount of such losses is shown by the following tables:

TABLE 7.—*Loss of revenue due to delay in collection and bankruptcy of taxpayer, years 1932–36*

[Figures from Commissioner of Internal Revenue annual reports]

Year	Amount of tax	Amount collected	Loss of revenue
1932	$5,901,008	$890,487	$5,010,521
1933	8,770,728	1,561,780	7,208,948
1934	8,672,514	1,848,214	6,824,300
1935	14,550,164	6,402,247	8,147,917
1936	16,428,848	5,214,844	11,214,004
Total			38,405,670
Average yearly loss in bankruptcy			7,681,134

TABLE 8.—*Loss of revenue due to delay in collection and compromise of liability, years 1932–36*

[Figures from Commissioner of Internal Revenue annual reports]

Year	Amount of tax	Amount collected	Loss of revenue
1932	$13,453,493	$4,404,089	$9,049,404
1933	17,018,502	5,637,228	11,381,274
1934	4,589,371	2,730,361	1,859,010
1935	3,482,037	2,747,961	734,076
1936	2,637,934	1,716,215	921,719
Total			23,945,483
Average yearly loss due to compromise			4,789,096

FAIR DEALING WITH TAXPAYERS

In the course of the investigation of the Joint Committee on Tax Evasion and Avoidance, an attempt was made by Senator LA FOLLETTE to learn more about the delays on the

part of the Internal Revenue in collecting taxes. By a tooth-pulling operation, Senator LA FOLLETTE managed to get the figures on six cases, in one of which 2 years and 9 months had elapsed from the dates these revenue agents filed their report of tax, to the date the Commissioner took his action. Further than these six cases the Treasury officials said nothing. This means that if Congress is to get any information as to delay by the Internal Revenue in other cases, they must get it by the same perseverance employed by Senator LA FOLLETTE. This should be done. The honest taxpayers of this country are entitled to know the whole truth. Congress expects the taxpayers to deal fairly with the tax laws. It also demands that the Internal Revenue Bureau deal fairly with the taxpayers and with Congress. This is not a game of hide-and-seek. The Internal Revenue Bureau is not above the law.

Without going into all of the cases of delay, I wish to point out some of the cases in which the Commissioner did not take action and did not mail a notice of deficiency until after January 1, 1937, although the taxes had been due for many years.

TABLE 9.—*Showing cases in which deficiency notice not mailed until after Jan. 1, 1937*

Taxpayer	Year	Amount
A. F. Klink and Marion Klink, Evanston, Ill. (Docket 89691).	1930-31	$27,138.56
Movietonenews, Inc., New York City (Docket 89657)	1930	96,323.49
Benjamin G. Brinkman, Louisville, Ky. (Docket 89592).	1931	52,143.47
Stanton Corporation, 191 Wall Street, New York City (Docket 89796).	1931-32	535,608.82
H. H. Timken et al., Canton, Ohio (Docket 89590)	1931	248,575.55
Helen S. Raskob, Wilmington, Del. (Docket 89543)	1931	33,369.46
Josephine Callahan, Chicago (Docket 89540)	1/31/1932	13,156.67
George D. Hardin, Chicago (Docket 89537)	do	24,362.38
Fannie May Herrscher, San Francisco (Docket 89452)	1931	121,209.25
Rochester Gas & Electric Corporation, Rochester, N. Y. (Docket 89354).	1930-32	140,355.83
M. Thomas Green Trust, Chelsea, Mass. (Docket 89344).	1932-33	13,724.56
Northern Finance Corporation, New York City (Docket 89270).	1934	100,243.52
Lawrence T. Allen, Darwell, Ill. (Docket 89272)	1931	14,537.11
H. A. Seltzer, St. Louis, Mo. (Docket 89081)	1930	7,271.35
Mrs. Amelia Solomon, Pittsburgh (Docket 89079)	1931	911.03
Benjamin Guinness, London, England (Docket 89064)	1928-29	5,344.49
Cord Corporation, Chicago (Docket 89044)	1931	43,400.82
Thomas Logan, Parkersburg, W. Va. (Docket 89055)	1931	5,602.95
George N. Kotin, Chicago (Docket 89047)	1932, 1934	4,591.31
George C. Woodruff, Columbus, Ga. (Docket 89030)	1932	2,637.46
John N. Holder and wife, Jefferson, Ga. (Docket 8900)	1930-32	3,107.25
Thomas C. Pennybacker and wife, Parkersburg, W. Va. (Docket 89002)	1918-35	54,284.48
Morse Dry Dock & Repair Co., Brooklyn, N. Y. (Docket 88989)	1929	40,114.41
Phinley Holding Co., New York City (Docket 88988)	1929	38,981.25
Salt Creek Producers' Association, Inc., Denver (Docket 88952)	1929-31	150,013.86
Robert H. Munson, York Harbor, Maine (Docket 88949)	1932	580,324.16
T. N. McCauley, Los Angeles, Calif. (Docket 88941)	1929-30, 1932-34.	120,510.41
Hind Estate Co., San Francisco (Docket 88914)	1930	2,183.44
Emma A. Bower, Montclair, N. J. (Docket 88909)	1930-32	4,382.97
James K. Trimble, Philadelphia (Docket 88908)	1926-28	123,568.29
Henry Pfeiffer, New York City (Docket 88900)	1932	1,172,253.50
Mrs. Amelia Solomon, executrix, Pittsburgh (Docket 88891).	1931	2,982.41
Mountain Producers Corporation, Denver (Docket 88879).	1929-31	59,928.63
Midwest Oil Co., Denver (Docket 88878)	1929-31	150,013.86
Samuel B. Cohn, New York City (Docket 88873)	1926-33	79,624.22
Abraham Gevirtz and Ida Gevertz, New York City (Docket 88872).	1925, 1927-31, and 1933.	308,879.77
Fairwaist & Dress Co., New York City (Docket 88854)	1927, 1930, 1931	195,738.96
Aktien Trading Corporation, New York City (Docket 88852).	1928, 1929, 1933, and 1934.	88,141.75
Louis J. Litt, New York City (Docket 88850)	1925-33	82,431.73
J. V. Quarles, Hartland, Wis. (Docket 88788)	1928-29	160,202.55
W. C. Bradley, Columbus, Ga. (Docket 88736)	1931-32	286,323.38

NINETEEN YEARS TO SEND DEFICIENCY NOTICE

These cases and thousands like them are typical of the way the Internal Revenue Bureau has for many years been delaying the collection of taxes due. The prize in the above list is the one in which 19 years after the tax was due the Bureau got around to sending the statutory notice of deficiency. However, unless we examine all the cases handled by the Internal Revenue Bureau during the past 10 days we cannot say that this case sets a record. There may be hundreds of others vieing for this dishonor.

MORE AUDITS, MORE DELAYS, MORE LOSS IN TAXES

This brings us to the question as to how much the Government is getting out of maintaining thousands of Treasury employees to audit the income-tax returns, several thousands more to sit at their desks in Washington and review the reports of the field auditors, and finally the expense of maintaining the Board of Tax Appeals.

From the figures available in the annual reports of the Commissioner of Internal Revenue, it would seem that this large force of Treasury employees is being maintained for the purpose of handing money back to the taxpayers rather than catching the tax dodgers. In other words, the figures of the Commissioner show that there are two angles to the manner in which he administers the tax laws. One of these angles is that he attempts to collect additional funds through tax suits, and when claims are made much publicity is given to such action. On the other hand, it appears from the Commissioner's figures that he is also engaged in refunding, rebating, and remitting taxes. As shown by the following table, the refunding and rebating operations of the Commissioner are costing the Government more than it is collecting in the form of deficiencies in tax:

TABLE 10.—*Amount of refunds, abatements, and credits of income, estate, and gift taxes compared with deficiencies asserted, year 1936*

Refunds, abatements, and credits of income tax		$102,320,531
Refunds, abatements, and credits of estate and gift tax		14,435,076
Total refunds, abatements, and credits		116,755,607
Income-tax deficiencies asserted	$152,111,345	
Estate and gift tax additional assessments	30,846,929	
Total	182,958,274	
Less: Loss in settlement (table 3)	67,075,589	
Remainder	115,882,685	
Less: Loss in board cases (table 4)	21,025,786	
	94,856,899	
Less: Loss in bankruptcy and compromise	12,135,723	
		82,721,176
Loss in revenue, upon auditing returns and before making allowance for expenses of audits		34,034,431

COMMISSIONER'S REPORTS FAIL TO GIVE BREAK-DOWN EXPENSES OF COLLECTIONS

Due to the manner in which the Commissioner of Internal Revenue reports the expenses of administration, it is impossible to determine from his annual reports what expenses were incurred in his operations of handing back more money than he collects from the tax dodgers. One job which is done well by the Internal Revenue Bureau is that of concealing from the public eye the expenses of each division of its work. The shotgun method of reporting its expenses is described in Facing the Tax Problem, by the Twentieth Century Fund Committee, of which Mr. Magill was a member until his appointment as Under Secretary of the Treasury, as follows:

> The Federal Government gives only one over-all figure for its internal-revenue costs—except for the agricultural adjustment taxes while they were in force. Similarly, it gives one over-all figure for customs. The 1935 figure for internal revenue other than agricultural-adjustment taxes was 1.54 percent. The processing-tax figure was 0.72 percent. The customs-duties figure was 5.65 percent.
>
> It would be particularly interesting to know the cost of administering the Federal spirits tax. This seems to be the important place in the Federal tax system where a significant amount of revenue is being lost through evasion.

In an article in the New York Times, April 29, 1934, J. H. Choate, Jr., Director of the Federal Alcohol Control Administration, estimated that the consumption of bootleg distilled spirits was greater than the consumption of liquor on which the Federal taxes and duties had been paid. With regard to these evasions of liquor taxes, Mr. Choate said that "The Government is losing more in taxes than it gets."

Dr. Paul Studenski has estimated that bootleg liquor is equal to about 85 percent of the liquor on which taxes are paid. On this basis, the annual loss to the Federal Treasury amounts to $90,000,000.

In the Facing the Tax Problem published by the Twentieth Century Fund Committee, previously referred to, it is said:

> Officials of the Treasury avoid making dollar estimates of the revenue lost through evasion of the liquor taxes and confine themselves to general statements.

The reason for this secrecy on the part of the Treasury may be explained by looking at the estimates of liquor-tax evasions obtained from other reliable sources.

THE 1913 INCOME-TAX AMENDMENT

This 1913 income-tax amendment permits taxation of income from whatever source derived. Despite this broad language the Supreme Court has repeatedly restricted its scope. In the case of *Eisner* v. *Macomber* (125 U. S. 189) the Court held that stock dividends were not subject to income taxation, and over a period of 16 years thus lost to the Government $1,060,000,000 in revenue. In other words, if a person has a net income of $5,000 he must pay an income tax on it unless he is a State, county, or municipal employee, or comes under other exemption. However, a corporation with the same $5,000 net income can issue stock dividends and thus avoid payment of any income tax.

The Court has held that Congress cannot tax interest on bonds issued by State, county, or other local subdivisions. This act created a large field of tax-exempt securities, and this decision rendered despite the fact that Chief Justice Hughes as Governor of New York opposed the amendment, but as Chief Justice of the Supreme Court continues to adhere to the decision that Congress has no power to tax such bonds. The amount of securities from which the income is wholly exempt as a result of the Supreme Court action runs into billions. The figures for the 12 years, 1925–36, are as follows:

TABLE 11.—*Amount of tax-exempt securities*

[Figures from Secretary of Treasury's annual reports]

1925	$16,645,000,000
1926	17,636,000,000
1927	18,846,000,000
1928	19,892,000,000
1929	20,957,000,000
1930	23,785,000,000
1931	25,750,000,000
1932	28,456,000,000
1933	31,804,000,000
1934	34,400,000,000
1935	36,146,000,000
1936	37,611,000,000

REVENUE LOSS ON TAX EXEMPTIONS

There have been various estimates as to the amount of tax evasions due to tax-exempt securities. Recently, Under Secretary Magill was quoted in the papers as saying that the amount of such tax evasions amounts to only $70,000,000 annually. In the book entitled "Facing the Tax Problem", published by the Twentieth Century Fund Committee, of which Mr. Magill was a member prior to his appointment as Under Secretary, it is estimated that the annual tax evasion due to tax-exempt securities amounts to from one hundred million to two hundred million dollars, page 305. In view of the amount of income received from these securities, which amounts to more than a billion five hundred million dollars annually, it is submitted that the latter estimate is a more reasonable one. Since these tax-exempt securities are mainly held by the many wealthy taxpayers and big corporations, it is an easy matter for these taxpayers to escape more than $200,000,000 annually by investing in tax-exempt securities.

When the Revenue Act of 1934 was enacted an attempt was made at that time to plug some of the loopholes in the tax laws, and the people of this country were led to believe that a fairly good job was done at that time. During the hearings on the 1934 bill I appeared before the committee and urged various amendments to stop some of the existing loopholes. It may be well now to look back to the amendments I advocated in 1934, and which have never been made, and make note of the amount of tax charges annually being lost by reason of the failure to make these amendments.

I submitted in the following table an estimate on the amount of revenues which would annually be derived from the amendments which I suggested practically 3 years ago:

TABLE 12.—*Amendments to stop loopholes, advocated by Representative W. D. McFarlane in 1934, but never made*

Husband and wife transactions to evade tax	$195,000,000
Gift- and estate-tax changes, reducing exemption from $5,000 to $500 and combining gift and estate tax	18,000,000
Taxation of undivided profits of corporation, where evasion availed of by big, closed corporations not covered by Revenue Act of 1936	35,000,000
Complete disclosure of income not reported taxable	20,000,000
Total	268,000,000

Prior to the passage of the Revenue Act of 1934, a subcommittee of the Committee on Ways and Means investigated this same problem and submitted a number of recommendations for the problem of tightening up the loopholes in the tax laws. Some of the changes recommended by this committee were enacted into law, but most of them were not, especially the ones which would have been most effective in securing additional revenues.

In the following table there is an estimate of the yearly revenue losses by reason of the failure to make the changes in the income-tax laws which were recommended in the subcommittee in 1934, and which, up to the present time, have not been put into force.

TABLE 13.—*Estimated yearly revenues from changes in income tax recommended by subcommittee in 1934 but never made*

Depreciation and depletion	$85,000,000
Exchanges and reorganizations	18,000,000
Dividends out of pre-Mar. 1, 1913, earnings	6,000,000
Foreign tax credit	10,000,000
Partnership losses	7,000,000
Minor changes	35,000,000
Total	161,000,000

Several of the changes recommended by the subcommittee were opposed by the Treasury Department, with the promise that they would draft better provisions. For example, in connection with the recommendations to eliminate the tax-free exchange and reorganization provisions, Acting Secretary of the Treasury Henry Morgenthau, Jr., who is now the Secretary of Treasury, on vacation in Hawaii, said:

> For these reasons the Treasury believes that it would be wise to eliminate completely the exchange and reorganization provisions at this time. The Department is now working upon a substitute for the present provisions, which will be completed as soon as possible. (Hearings, Revenue Act of 1934, p. 57.)

This statement was made over 3½ years ago and so far there has been no substitute offered by the Treasury Department. Likewise, in connection with the recommendation of the subcommittee with respect to partnership loans, the Treasury Department reported:

> There are various unsatisfactory results flowing from the present partnership provisions, which the Treasury is now making the subject of special study. The Department hopes to be able at an early date to recommend a revision of these provisions, which will be consistent and fair and yet will protect the revenues from reduction by evasion. (Hearings, Revenue Act of 1934, p. 108.)

When is the Treasury Department going to fulfill this promise which was made more than 3½ years ago?

Then came the Revenue Act of 1936. This act was aimed to eliminate the evasion of taxes which had long been possible in the case of corporations which failed to distribute their earnings to their wealthy stockholders.

I was in favor of this step, but while the 1936 bill was pending before Congress I pointed out that we should not shut our eyes to the fact that the experts engaged in draft-

ing the law were also engaged in writing new loopholes into the same law which was supposed to prevent tax avoidance. (See pp. 6714–6715 of the CONGRESSIONAL RECORD, 74th Cong., 2d sess.)

The loopholes which were written into the 1936 act serve in a large measure to offset the additional revenues derived by the good features of that act as I indicated by the following table:

TABLE 14.—*Loopholes written into the income-tax law in 1936*

Tax-free liquidations of corporations	$35,000,000
Exemptions of nonresident aliens and foreign corporations	55,000,000
Exemption of investment companies	10,000,000
Exemption allowed banks	15,000,000
Revival of surtax limitation on sale of oil and gas properties	5,000,000
Change in basis after reorganization	25,000,000
Change in definition of control for purposes of reorganization provisions	20,000,000
Total	165,000,000

THE TAX LOOPHOLE COMMITTEE REPORT

Finally we come to the legislation now proposed at this session of Congress as outlined by the report of the committee on August 5, 1937. This report reminds me of the days at home when I used to go wolf hunting. It was well recognized by us in training our dogs that it was only the dog who stayed in there and stayed on the trail that was worth its keep. Whenever we had a dog that barked off-trail and would chase every rabbit, instead of the wolf, we knew he was not worth having and we disposed of him. So it is in the tax-loophole business.

OFF CHASING RABBITS INSTEAD OF WOLVES

For more than 10 years we have been investigating and discovering different loopholes and making recommendations as to the manner in which such loopholes should be stopped. Now, when the big drive comes and we are supposed to have a real bill to stop tax evasions, we find the tax experts chasing rabbits instead of wolves and forgetting all of the important tax loopholes which have been discussed both pro and con for more than 10 years. This tax-loophole business is very much like Mark Twain's discussion of the weather—"There has been much said about it but little done about it."

JUST A "DROP IN THE BUCKET"

Now, the following table shows what can be done to stop the loopholes if our tax experts would get on the right trail and go to chasing the "wolves of Wall Street", instead of following the rabbit "loopholist." This table also shows what little additional revenue may be expected, as a result of the tax bill proposed in the committee's report of August 5, 1937. It is only a "drop in the bucket."

TABLE 15.—*Showing little revenue to be received from the "drop in the bucket" legislation recommended by committee Aug. 5, 1937, compared to what could be done to stop loopholes*

Class A.—Loopholes pointed out by Representative MCFARLANE:	
(a) Due to inefficiency and laxity in administration:	
1. From table 1	$255,000,000
2. From table 2	108,431,076
3. From table 3	91,177,535
4. From table 4	19,172,481
5. From table 5	152,398,022
6. From table 6	61,871,735
7. From table 7	7,681,134
8. From table 8	4,789,096
9. Evasion of liquor taxes	90,000,000
Total due to inefficiency and laxity in administration	791,321,079
(b) Exempt interest on State and local bonds	200,000,000
(c) Amendments to stop loopholes advocated by me in 1934 (from table 12)	268,000,000
(d) Loopholes written into income-tax law in 1936 (table 14)	165,000,000
Total loopholes pointed out by Representative MCFARLANE from 1934 to date	1,424,321,079
Class B. Changes recommended by subcommittee in 1934 but never made (from table 13)	$161,000,000
Class C. Loopholes pointed out by President in his message of June 1, 1937:	
1. Foreign personal holding corporations	10,000,000
2. Foreign insurance companies	2,000,000
3. Domestic personal holding companies	10,000,000
4. Incorporation of yachts and country estates	1,000,000
5. Artificial deductions	3,000,000
6. Multiple trusts	40,000,000
7. Husband and wife partnerships	30,000,000
8. Pension trusts	1,000,000
9. Percentage depletion	20,000,000
10. Community income	15,000,000
11. Nonresident aliens	30,000,000
Total loopholes pointed out by President	162,000,000
Total loopholes as shown in classes A, B, and C	1,747,321,079
Class D. "Drop-in-the-bucket" legislation recommended in committee report of August 5, 1937:	
1. Domestic personal holding companies	10,000,000
2. Incorporation of yachts and country estates	1,000,000
3. Incorporated talents	500,000
4. Artificial deductions:	
For losses	500,000
For interest and business expenses	250,000
5. Multiple trusts	2,000,000
6. Foreign personal holding companies	10,000,000
7. Nonresident aliens	15,000,000
Total "drop-in-the-bucket" legislation	39,250,000
Loopholes left untouched	1,627,071,079

HASTE CAUSES MORE LOOPHOLES

In conclusion, it seems that this session of Congress could well afford to wait until the next session, which it now seems will be called for October 15, in order to correct the sins of commission and omission of this session, and proper tax loophole legislation can well afford to go over until the next session, if we are to be allowed to consider only the meager legislation today brought forward by the Tax Evasion and Avoidance Committee. It seems that it would be far better to postpone any legislation on this meager program this session in order to cover in the next session the whole tax-loophole condition known to exist and according to recent newspaper reports more fully outlined by Under Secretary Magill for consideration at the next session. Realizing that we have been going to consider correcting these loopholes for more than 10 years, and have never gotten around to it, and in further view of the fact that the Tax Committee of the Congress has not given any serious consideration to this subject on their own volition but only upon the special message of the President sent to Congress demanding it, it seems in all fairness to the taxpayers of the United States who are being burdened with sales taxes because of the loopholes being placed in the laws through which the wealthy of the Nation may escape taxation, that this matter should be given more than passing consideration whenever it is again brought before us for our action and we should be given ample time to debate and amend the bill.

LET US GET DOWN TO FUNDAMENTALS

It is time that we get down to fundamentals; it is time that we put a stop to the Bureau of Internal Revenue and the Board of Tax Appeals playing "tiddlywinks" with our tax laws. We may not be doctors of medicine, doctors of philosophy, or doctors of jurisprudence, but we know when the Internal Revenue Bureau has a chronic case of sleeping sickness. We may not be able to hold high office without being first tried by the voters of the country, but we know when the consciences and good judgments of this country are shocked at the antics of the Treasury tax experts. We may not be able to call all the tax lobbyists by name, but we know the persons whom the tax lobbyists visit when they want special tax dispensations. They do not waste their time with a Congressman who devotes his time to the people

who sent him here. We may not be able to write any tax books telling the wealthy how to evade income-tax laws, but anytime this Congress so desires it can write many volumes on the activities of our tax officials.

The President, fully realizing the loopholes existing in the revenue laws as well as the fight we are making to come out from under the greatest depression in which the Nation has ever found itself, in his loophole message to the Congress, in closing he said:

We are trying harder than ever before to relieve suffering and want, to protect the weak, to curb avarice, to prevent booms and depressions, and to balance the Budget. Taxation necessary to these ends is the foundation of sound governmental finance. When our legitimate revenues are attacked, the whole structure of our Government is attacked. "Clever little schemes" are not admirable when they undermine the foundations of society.

The three great branches of the Government have a joint concern in this situation. First, it is the duty of the Congress to remove new loopholes devised by attorneys for clients willing to take an unethical advantage of society and their own Government. Second, it is the duty of the executive branch of the Government to collect taxes, to investigate fully all questionable cases, to prosecute where wrong has been done, and to make recommendations for closing loopholes. Third, it is the duty of the courts to give full consideration to the intent of the Congress in passing tax laws and to give full consideration to all evidence which points to an objective of evasion on the part of the taxpayer.

Very definitely the issue immediately before us is the single one relating to the evasion or unethical avoidance of existing laws. That should be kept clearly in mind by the Congress and the public. * * *

In this immediate problem the decency of American morals is involved.

The example of successful tax dodging by a minority of very rich individuals breeds efforts by other people to dodge other laws as well as tax laws. * * *

I am confident that the Congress will wish to enact legislation at this session specifically and exclusively aimed at making the present tax structure evasion-proof.

The known existing loopholes in our tax laws should all be considered and corrected at the same time. If the committee is not ready now to bring forward this legislation, it is hoped they will be ready early next session to correct these known existing loopholes not covered by today's bill. If the job is worth doing, it is worth doing well. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent that on Thursday next, after the completion of the legislative program for the day, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REMARKS

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Thomas Jefferson in Pennsylvania, including a very brief address by Dr. Edward Gumbauld, of the Department of Justice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NATIONAL YOUTH ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, when the Emergency Relief Appropriation Act of 1937 was being considered in this House I supported the full $1,500,000,000 requested by the President. As a member of the Committee on Appropriations, I was one of those who helped reverse the action of the subcommittee that handled that bill, which, you will recall, attempted to slash $500,000,000 from that measure. Not only did I make a determined fight in the committee but I helped carry the fight on the floor of this House for the full amount requested by the President.

In making that fight, Mr. Speaker and Members of the House, I was making a fight for youth. In fact, my zeal for and desire to assist the youth of the land was the main factor that impelled me to fight for that bill. When the relief bill was being considered and debated in this body I said, among other things, as shown by the RECORD:

Another reason why I cannot make up my mind to reduce the amount in this bill a half billion dollars at one stroke is the fact I find earmarked in this bill "not to exceed $75,000,000 for the National Youth Administration." That sum is approximately the same amount allocated to the National Youth Administration during the current year. Let me say in this connection that the National Youth Administration has done an outstanding work in the State of Oklahoma and I think in the entire Nation. If you vote today to cut $500,000,000 from this measure, and that should seriously cripple or practically eliminate the splendid, far-reaching, humanitarian work of the National Youth Administration and throw thousands of splendid young men and women back on the bread lines, what is going to be your answer when you go back to your districts? When you strike down these ambitious boys and girls who feel that they have a right to eat, to work, study, and prepare themselves for the future, I am wondering if the fact that you do not like Harry Hopkins, or some Works Progress Administration director, will be an answer that will satisfy your conscience or the hundreds of thousands of worthy young people of America who have had the opportunity to have their lives reshaped with and by the help of National Youth Administration. [Applause.]

Mr. Speaker, when I called attention of Members that "not to exceed $75,000,000' was earmarked in the relief bill for the N. Y. A., I thought I knew that the full $75,000,000 would actually be allocated for that purpose. In fact I had been assured by what I felt was very high authority that the full amount authorized would be allocated to and spent by the N. Y. A. No doubt other members of the Committee on Appropriations had the same assurance and there is no doubt in my mind what the plain intent of Congress was in the matter. Certainly the earmarking of $75,000,000 of the relief appropriation was a mighty factor in its passage. But now we learn that this $75,000,000 has been slashed $35,000,000. There has been allocated only $40,000,000 to the N. Y. A. next year.

In voting for the Emergency Relief Appropriation Act of 1937 I am sure that many of you, like myself, also cast a vote for youth. Under this act you will recall that an amount "not to exceed $75,000,000" was set aside for the National Youth Administration. But there was a proviso in this act permitting transfer of funds which is seriously endangering the future of this worth-while organization, and with it the future of the youth of our Nation. Only $40,000,000 has been authorized for the N. Y. A. during the coming year. What does this mean? It means that during the coming year thousands of boys and girls who have made all arrangements to attend college will be unable to do so. It means that thousands of young men and women will be unable to continue with their college education, and thousands of other young men and women will be deprived of the opportunity of useful work and of gaining a work experience that will help them get jobs in private employment. The situation is serious.

Mr. KELLER. What is the gentleman going to do about it?

Mr. JOHNSON of Oklahoma. I will say to the gentleman that I am going to make every possible effort to see that the wishes of this Congress are carried out in this particular. I am going to take a committee to the White House and if necessary, I am willing to sponsor a resolution in this body directing that the plain wishes of Congress be carried out by those administering the act. No activity of this administration is more popular or is doing more actual good for the money invested than the National Youth Administration. [Applause.]

Possibly some discretion should be used as to whether or not the N. Y. A. should receive the full $75,000,000, even though that was the plain intent of Congress. No one would seriously object to a reasonable reduction. But certainly it should receive at least a sum commensurate with the $65,500,000 that was allocated to it last year. There has been no such decline in the needs of youth that would warrant a reduction of 39 percent in the amount to be expended to create educational and job opportunities for this

group, that up to the hour of the Roosevelt Administration were undoubtedly "the forgotten men and women" of the Nation.

On the basis of the $40,000,000 allocation there will be so I am advised, 65,000 fewer secondary and high-school students than last year earning an average wage of about $5 a month. Five dollars a month may seem small. It may seem to some of you that it would make very little difference whether or not these students receive this wage. But they come from families that have to make every cent go just as far as possible, and $5 a month makes all the difference in the world. With it these young people are enabled to stay in school, as it helps pay for those necessary incidentals of a secondary school education: carfares, school supplies, textbooks, and lunches. Without it they are denied their inalienable right to at least a high school education. To my mind, it is poor economy to be niggardly with an investment in our young people between 16 and 18 in whose hands the fate of the Nation will one day be placed.

Still more obviously in need, because the educational expenses are so much greater, are the college students who come from farms and other low-income families. Under the $40,000,000 which has been authorized, more than 46,000 students will be forced to abandon their hopes of a college degree. This is appalling. Poverty, not lack of scholastic ability, will prevent these thousands of young men and women from obtaining a goal that they have had the right to expect to achieve. Let me remind members of this House that, among the 6,500,000 young persons of college age from families with incomes below $1,700, only 1 out of every 26 has been able to attend college. And yet, among the 3,000,000 young persons from families with incomes of $1,700 and up, 1 out of every 5 has been able to receive a college education.

This situation is wholly unfair. It is alarming. A college education should not be a luxury which only the wealthy can afford. Particularly in a democracy such as ours, based upon the principle of equal opportunity for all, it should be possible for every intelligent young man and woman to secure a college education, regardless of their financial status. The N. Y. A.'s college-aid program has been helping to right this unfortunate and inexcusable situation. Yet this program will now have to be curtailed by over 33 percent in the coming academic year if this arbitrary, unfair, and unreasonable reduction in the National Youth Administration funds is permitted to stand.

As I have said on many occasions, I will say again that I am in full accord with every reasonable and practical effort to balance the Federal Budget, but I am unable to find it in my heart to do so at the expense of the youth of the land. [Applause.]

There is a third large group of young men and women whom the N. Y. A. has been assisting which must suffer because of the drastic curtailment in funds that has been authorized—the 3,500,000 who are out of school and unemployed. In the past fiscal year the N. Y. A. work-projects program employed, on a part-time basis, an average of 171,600 young people at a wage of nearly $17 a month. But under the present $40,000,000 allocation only 90,000 will be so employed—a reduction of over 47 percent. Nor is it simply the fact that some 80,000 young people will be thrown out of work that is so disturbing. The loss of $17 a month from family budgets will, of course, bring serious hardship. But just as important is the slow eating away of newly acquired confidence and skill that must inevitably take place. Eighty thousand young people will once again face the discouraging prospect of seeking a job in competition with millions of more experienced adults. And it is impossible to estimate how many other young people will be deprived of the many valuable services which these N. Y. A. employees have been rendering. Fewer parks and playgrounds will be improved; fewer recreational leaders will be provided; fewer youth centers will be constructed; the personnel of nursery schools will be reduced; and library services will be curtailed.

Because of the reduction in funds, the N. Y. A. is planning, so I am advised, to liquidate entirely its camps for unemployed women on October 1. In fact, such an unofficial announcement was made today by the First Lady. During the past year there were 29 of these camps, with an enrollment of 3,500 girls. Today there are but 16, with an enrollment of only 1,000. The value of these camps cannot be measured in dollars. They have been the means through which several thousand young women have gained new health, new skills, and a better equipment with which to enter into the life of their home communities. Unquestionably, they should be continued.

Again, one of the most important services which the N. Y. A. can render young people is to find them jobs in private employment. To the work experience and training provided on N. Y. A. work projects thousands of young people owe their jobs in private industry. But, in addition, the N. Y. A. has been setting up junior divisions in the State employment offices that give special attention to the youth group which is largely inexperienced and, therefore, particularly difficult to place in suitable jobs. Over a 16-month period junior placement counselors have been gradually assigned to 61 public employment offices in 26 States and the District of Columbia, and in this time they have found jobs for some 59,000 young persons and have interviewed and registered more than 139,000 job applicants. Because of the drastic and too arbitrary reduction in funds, it is going to be necessary to cut these services by 20 percent. Yet, as the United States Employment Service has recently pointed out, "it is never easy to get young men and women their first jobs, and during the past few years the difficulty has been discouragingly increased."

According to the latest statistics, there are over 3,500,000 young people between 16 and 25 who are neither working nor attending school. The N. Y. A. has actually embarked on a practical program to diminish this number. It is doing this in three ways. It is enabling young people to continue their education. It is giving them jobs with vocational training value on work projects. It is helping them find jobs in private employment. Here are some late authentic figures to prove my statement: In the year 1936–37 the N. Y. A. employed on the student aid and work projects an average of 567,500 young persons a month and found jobs in industry for 54,500. Under the $40,000,000 which has now been authorized, the N. Y. A. will be able to employ only 375,000 young people—nearly 200,000 less—and find private jobs for far fewer young people than last year.

Because I believe it would be unfair to thousands of our young people, I have placed myself on record as opposing the extent to which the funds allocated to the National Youth Administration have been reduced. Although this reduction has been made within the letter of the Relief Act, it certainly is not within the spirit of the law. Indeed, it would have been perfectly possible under the act to wipe out the National Youth Administration entirely by transferring its funds within the allowable 15 percent either to the largest classification or among the several other classifications. When I voted for this act, however, I believed the National Youth Administration would be allocated at least an amount in fair proportion to the $65,500,000 it received last year. Unfortunately, it appears now that this is not going to be the case, though it is still possible to have a greater share of the relief funds allocated to the National Youth Administration. I hope, therefore, that in the light of the facts which I have outlined, many of you will join with me in protest against the injustice which may be done to the youth of America.

If Congress can find the money to start a Jefferson Memorial that will ultimately cost up into the millions, and which no one will contend is an emergency; if the Government can afford now to spend nearly a quarter of a billion dollars for additional ships, which program in the Committee on Appropriations endorsed over my protest today; if we can lavish money for the Army and naval forces with the largest peacetime appropriations in history, then I submit in all fairness that we cannot afford to refuse to give the American youth a square deal. [Applause.]

THE LATE HON. WILL S. GOODWIN

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. KITCHENS. Mr. Speaker, last Monday, August 9, Hon. Will S. Goodwin, one of the most distinguished and highly beloved citizens of my congressional district, a man active and prominent in local and National affairs, and a former distinguished Member of this House, departed this life at Warren, Ark. Mr. Goodwin was born in Warren, Ark., May 2, 1866. He was educated in public schools of his home town, at Farmers' Academy near Duluth, Ga., at Moore's Business College of Atlanta, Ga., and the Universities of Mississippi and of Arkansas. He was admitted to the bar in 1894 and engaged in practice of law in his home city. He was elected to the General Assembly of his native State in 1895. In 1900 he was a Presidential elector. In 1905 he was elected to the State Senate and served 4 years. In 1910 he was elected a Representative in Congress from the Seventh District of Arkansas, the district I now have the honor to represent. While here he was a member of the Committee on Foreign Affairs. As such member he was instrumental in protecting and preserving to the American people the great seal herds of the Aleutian and Pribiloff Islands. He also believed in development of our rivers, procured navigation on Ouachita River in my district to Camden, Ark. He served in this Congress from 1910 to 1921 and was here during the hectic period of the World War under the administration of President Woodrow Wilson. Mr. Goodwin was noted for his unswerving devotion to duty. As a friend recently said: "He was a relentless disciple to duty and one of the most sincere and honorable men ever to represent a people in public office."

EXTENSION OF REMARKS

Mr. GARRETT. Mr. Speaker, I have been granted unanimous consent to extend my remarks, but in my endeavor to get certain data which I desire to include in my remarks my time has expired. I now renew that request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PATMAN (at the request of Mr. PATTON), on account of illness in the family.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, the gentleman from New York [Mr. DICKSTEIN] had permission to address the House this afternoon, but he has phoned me that on account of the lateness of the hour he would not exercise this privilege.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof; to the Committee on Rivers and Harbors.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 854. An act for the relief of Robert Coates;

H. R. 1375. An act for the relief of Wayne M. Cotner;

H. R. 1767. An act for the relief of the Rowesville Oil Co.;

H. R. 2014. An act to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

H. R. 3406. An act for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia;

H. R. 3426. An act for the relief of Rose McGirr;

H. R. 4489. An act for the relief of Stella Van Dewerker;

H. R. 4582. An act to amend the act, approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind;

H. R. 5927. An act for the relief of Walter G. Anderson;

H. R. 6167. An act to provide a surcharge on certain air mail carried in Alaska;

H. R. 6762. An act to amend the act known as the Perishable Agricultural Commodities Act, 1930, approved June 10, 1930, as amended;

H. R. 7022. An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes;

H. R. 7127. An act authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938;

H. R. 7172. An act for the relief of Jesse A. LaRue;

H. R. 7430. An act for the relief of Mary Lucia Haven;

H. R. 7949. An act to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits;

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936;

H. J. Res. 171. Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues;

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil Works Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive;

H. J. Res. 406. Joint resolution to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne; and

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties, together with the properties of the bodies politic now existing in each State known as Commissioners of the Palisades Interstate Park, and for the continuance of the Palisades Interstate Park.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 854. An act for the relief of James O. Cook; and

S. 2871. An act for the protection of certain enlisted men of the Army.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

August 14, 1937:

H. R. 7092. An act to provide for the transfer of Scotland County to the middle judicial district of North Carolina;

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; and

H. R. 7642. An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes.

August 16, 1937:

H. R. 7022. An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Tuesday, August 17, 1937, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

There will be a meeting of the committee on Tuesday, August 17, 1937, at 10:30 a. m., to give further consideration to H. R. 8080, a bill "To establish a fund for the insurance of mortgages securing loans for the construction or reconditioning of floating property used for commercial purposes."

The Honorable Stewart McDonald, Federal Housing Administrator, will be present to explain the housing set-up and compare it with the proposed program as outlined in H. R. 8080.

It is hoped that all members of the committee will be present at this meeting.

COMMITTEE ON FLOOD CONTROL

H. J. Res. 482, H. J. Res. 435, H. J. Res. 436, H. J. Res. 430—The Committee on Flood Control will continue hearings on the above State-compact bills introduced by Representatives CASEY, CLASON, TOBEY, and ROGERS, respectively, on Tuesday, August 17, 1937, at 9:30 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

801. A letter from the Acting Secretary of the Interior, transmitting a copy of legislation passed by the Municipal Council of St. Croix, approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

802. A letter from the Acting Secretary of the Interior transmitting a report covering the fiscal year 1937 submitted for the national park trust-fund boards; to the Committee on the Public Lands.

803. A letter from the Secretary of Commerce, transmitting draft of proposed bill to amend section 6 of the act approved May 27, 1936 (49 U. S. Stat. L. 1380), and enclosing memorandum from the Acting Director of the Bureau of Marine Inspection and Navigation; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOODRUM: Committee on Appropriations. H. R. 8245. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes; with amendment (Rept. No. 1547). Referred to the Committee of the Whole House on the state of the Union.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 8014. A bill to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes; without amendment (Rept. No. 1548). Referred to the House Calendar.

Mr. FULLER: Committee on Ways and Means. S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended; without amendment (Rept. No. 1566). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. H. R. 1547. A bill to amend section 42 of the act of Congress entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended; with amendment (Rept. No. 1567). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Washington: Committee on the Public Lands. H. R. 4724. A bill to establish the Mount Olympus National Park in the State of Washington, and for other purposes; without amendment (Rept. No. 1568). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 487. Joint resolution to authorize the painting of "The signing of the Constitution" for placement in the Capitol Building; without amendment (Rept. No. 1569). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. S. 2789. An act to provide for the establishment and maintenance of a regional research laboratory for the development of industrial uses for agricultural products; the first unit to be devoted to the development of industrial uses for cotton and cotton products; additional units to be provided for the study of other crops as additional funds are provided; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCAS: Committee on Agriculture. S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes; with amendment (Rept. No. 1572). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHULTE: Committee on Immigration and Naturalization. H. R. 7546. A bill to clarify the expatriation laws with regard to certain native-born citizens of the United States, and for other purposes; with amendment (Rept. No. 1573). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. S. 2010. An act to authorize the appointment of an additional judge for the southern district of Ohio; without amendment (Rept. No. 1574). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEVERLY M. VINCENT: Committee on Claims. H. R. 1691. A bill for the relief of Mary A. Maher; with amendment (Rept. No. 1549). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 3066. A bill for the relief of Roger Donaldson; with amendment (Rept. No. 1550). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 4221. A bill for the relief of John M. Fuller; with amendment (Rept. No. 1551). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 5449. A bill for the relief of George Jacobson, as father and natural guardian of Harold Jacobson, a minor, of Brooklyn, N. Y.; with amendment (Rept. No. 1552). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 5737. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George

W. Hall against the United States; with amendment (Rept. No. 1553). Referred to the Committee on the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5909. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 1554). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 5910. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 1555). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 5911. A bill for the relief of the Allegheny Forging Co.; with amendment (Rept. No. 1556). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 6826. A bill for the relief of Robert McCoy, a minor; with amendment (Rept. No. 1557). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 6999. A bill for the relief of Artemisia Grant; without amendment (Rept. No. 1558). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. S. 180. An act for the relief of Lula G. Sutton and others; with amendment (Rept. No. 1559). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. S. 410. An act for the relief of the legal guardian of Roy D. Cook, a minor; with amendment (Rept. No. 1560). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 545. An act for the relief of John Mulhern; with amendment (Rept. No. 1561). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 823. An act for the relief of L. J. Powers; without amendment (Rept. No. 1562). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1810. An act for the relief of Carl E. Padgett; with amendment (Rept. No. 1563). Referred to the Committee of the Whole House.

Mr. BEVERLY M. VINCENT: Committee on Claims. S. 2487. An act for the relief of Leah P. Rice; without amendment (Rept. No. 1564). Referred to the Committee of the Whole House.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5916. A bill to authorize the Commissioners of the District of Columbia to reappoint Davis B. Cole in the police department of said District; with amendment (Rept. No. 1565). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 3050. A bill for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually; without amendment (Rept. No. 1571). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUM: A bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes; to the Committee on Appropriations.

By Mr. JONES: A bill (H. R. 8246) to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce, to provide revenue, and for other purposes; to the Committee on Agriculture.

By Mr. CASE of South Dakota: A bill (H. R. 8247) to direct the Secretary of the Interior to develop the Fossil Cycad National Monument by construction of a field museum together with other necessary improvements for preservation and display of cycads, and to authorize an appropriation therefor; to the Committee on the Public Lands.

By Mr. HOFFMAN: A bill (H. R. 8248) to amend the Revenue Act of 1936; to the Committee on Ways and Means.

By Mr. HANCOCK of New York: A bill (H. R. 8249) to authorize the taxation of the compensation of Federal employees in those States which authorize the taxation of State employees by the Federal Government; to the Committee on Ways and Means.

By Mr. SOMERS of New York: A bill (H. R. 8250) to provide for the health and general welfare of the people of the United States by aiding the several States and Territories in the control and eradication of syphilis; to the Committee on Interstate and Foreign Commerce.

By Mr. PETTENGILL: A bill (H. R. 8251) to amend the act entitled "An act to amend the Communications Act of 1934, for the purpose of promoting safety of life and property at sea through the use of wire and radio communications, to make more effective the International Convention for the Safety of Life at Sea, 1929, and for other purposes", approved May 20, 1937; to the Committee on Merchant Marine and Fisheries.

By Mr. SPARKMAN: A bill (H. R. 8252) to quiet title and possession to a certain island in the Tennessee River in the county of Lauderdale, Ala.; to the Committee on the Public Lands.

By Mr. DIES: Resolution (H. Res. 315) apthorizing the Committee on Labor to investigate all the facts and conditions relative to the enactment of a minimum-wage and maximum-hour law; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 8253) for the relief of Maurice D. Pryor; to the Committee on Military Affairs.

By Mr. DIRKSEN: A bill (H. R. 8254) granting a pension to George Brown; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 8255) granting an increase of pension to F. Emma Bates; to the Committee on Invalid Pensions.

By Mr. LANZETTA: A bill (H. R. 8256) for the relief of Giuseppe Bedosti; to the Committee on Immigration and Naturalization.

By Mr. LEWIS of Colorado: A bill (H. R. 8257) for the relief of Mr. and Mrs. Chester A. Smith; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8258) granting an increase of pension to Mary A. Powell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3264. By Mr. ASHBROOK: Petition of 192 citizens of Coshocton County, urging passage of Resolution 440; to the Committee on Appropriations.

3265. By Mr. CLASON: Petition of F. C. Pray and John R. Lannon, selectmen of Amherst, Mass., relative to ratification of the Connecticut River flood compact, entered into by the States of New Hampshire, Vermont, Massachusetts, and Connecticut; to the Committee on Interstate and Foreign Commerce.

3266. By Mr. CURLEY: Petition of the Eastern Broker Division of the Commercial Telegraphers Union, New York City, urging enactment of the wage and hour bill and also the housing bill; to the Committee on Labor.

3267. Also, petition of Local 802, American Federation of Musicians, Associated Musicians of Greater New York, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3268. By Mr. HILDEBRANDT: Petition of the board of directors, the Beresford National Farm Loan Association; to the Committee on Banking and Currency.

3269. By Mr. HOOK: Resolution of the Gogebic County Board of Supervisors at Bessemer, Mich., that the Federal Government adopt some system whereby townships and counties shall be reimbursed for the financial loss created by the removal of tax-paying land from tax roll for Federal reserves; to the Committee on the Public Lands.

3270. Also, resolution of the Board of Supervisors of Keweenaw County, Eagle River, Mich., petitioning the Federal Government to adopt some means whereby the townships and counties in which the United States Government has purchased lands for the purpose of creating Federal forest reserves and national-park purposes, be reimbursed for the financial loss sustained by the removal of said lands from the tax roll; to the Committee on the Public Lands.

3271. By Mr. LUTHER A. JOHNSON: Petition of H. J. Kent, president, and J. C. Parks, secretary, Navarro County Agricultural Association, Navarro County; George H. Wyatt, of Kirven; A. J. Harris, S. H. Lee, T. L. Sherrard, of Streetman; Oscar Johnson, Joe Gillespie, James Davis, P. Baty, Tom Beck, Jim Dunkin, Smith Johnson, Nathaniel Brown, Aaron Dunkin, G. Tatum, Alf Tatum, Hubert Tatum, Tennessee Taylor, D. W. Mims, Virginia Mims, Blaine Brown, Homes Brown, O. C. Brown, Clint Henderson, F. R. Smith, W. W. Moore, R. H. Moore, Marvin Moore, W. V. Geppert, A. B. Geppert, Ellen Victery, E. R. Simmoms, and Clair Clark, of Teague; and A. O. Hagen and A. E. Hagen, of Fairfield, all of the State of Texas, favoring general farm bill this session; to the Committee on Agriculture.

3272. Also, petition of H. B. Walker, of Corsicana, Tex., opposing the Black-Connery wage and hour bill; to the Committee on Rules.

3273. By Mr. SANDERS: Resolution of A. D. Winston and 78 farmers, of Smith County, Tex., urging enactment of House bill 7577 at this session of Congress; to the Committee on Agriculture.

3274. By Mr. KEOGH: Petition of the Brooklyn Merchant Bakers Association, Brooklyn, N. Y., concerning Senate bill 2475 and House bill 7200; to the Committee on Labor.

3275. Also, petition of the Citizens Committee for Support of Works Progress Administration, New York City, concerning the Schwellenbach-Allen resolutions; to the Committee on Appropriations.

3276. By Mr. PFEIFER: Petition of the Brooklyn Merchant Bakers Association, Brooklyn, N. Y., concerning House bill 7200 and Senate bill 2475; to the Committee on Labor.

3277. Also, petition of the Citizens Committee for Support of Works Progress Administration, New York City, urging support of the Schwellenbach-Allen joint resolutions; to the Committee on Appropriations.

3278. Also, petition of the American Federation of State, County, and Municipal Employees, Local 61–2, New York City, urging the passage of the wage and hour bill and the Wagner-Steagall housing bill; to the Committee on Labor.

SENATE

TUESDAY, AUGUST 17, 1937

(Legislative day of Monday, Aug. 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, August 16, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana, to be used for the purposes of a public park and recreational site;

S. 1282. An act to amend Articles of War 50½ and 70;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1696. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington;

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 2249. An act providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma;

S. 2401. An act for the relief of sergeant-instructors, National Guard, and for other purposes;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Brambiet;

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act;

S. 2751. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.; and

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 29. An act to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking, automatic train-stop, train-control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation;

S. 1040. An act placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes; and

S. 1516. An act to authorize certain payments to the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.

The message further announced that the House had passed the following bills, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1283. An act to increase the extra pay to enlisted men for reporting;

S. 2263. An act providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937; and

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7645) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7646) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. GRISWOLD, and Mr. ENGLEBRIGHT were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. DOXEY, Mr. MITCHELL of Tennessee, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1485. An act to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

H. R. 3021. An act to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park;

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 5753. An act to authorize advance of the amounts due on delinquent homestead entries on certain Indian reservations;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 6589. An act to conserve the watersheds and water resources of portions of Santa Barbara and San Luis Obispo Counties, Calif., by the withdrawal of certain public land, included within the Los Padres National Forest, Calif., from location and entry under the mining laws;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania;

H. R. 7436. An act to validate settlement claims, established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes;

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.;

H. R. 7709. An act to incorporate the American Chemical Society;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.; and

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 854. An act for the relief of James O. Cook;

S. 2871. An act for the protection of certain enlisted men of the Army;

H. R. 854. An act for the relief of Robert Coates;

H. R. 1375. An act for the relief of Wayne M. Cotner;

H. R. 1767. An act for the relief of the Rowesville Oil Co.;

H. R. 2014. An act to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

H. R. 3406. An act for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia;

H. R. 3426. An act for the relief of Rose McGirr;

H. R. 4489. An act for the relief of Stella Van Dewerker;

H. R. 4582. An act to amend the act, approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind;

H. R. 5927. An act for the relief of Walter G. Anderson;

H. R. 6167. An act to provide a surcharge on certain air mail carried in Alaska;

H. R. 6762. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended;

H. R. 7127. An act authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938;

H. R. 7172. An act for the relief of Jesse A. LaRue;

H. R. 7430. An act for the relief of Mary Lucia Haven;

H. R. 7949. An act to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits;

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936;

H. J. Res. 171. Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues;

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive;

H. J. Res. 406. Joint resolution to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne; and

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties,

together with the properties of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Lee	Reynolds
Andrews	Copeland	Lewis	Schwartz
Ashurst	Davis	Lodge	Schwellenbach
Austin	Dieterich	Logan	Sheppard
Bankhead	Donahey	Lundeen	Shipstead
Barkley	Ellender	McAdoo	Smathers
Berry	Frazier	McGill	Smith
Bilbo	Gillette	McKellar	Steiwer
Bone	Glass	Minton	Thomas, Okla.
Borah	Green	Moore	Thomas, Utah
Bridges	Hale	Murray	Truman
Brown, N. H.	Hatch	Neely	Tydings
Bulow	Hitchcock	Nye	Van Nuys
Burke	Holt	Overton	Wagner
Byrnes	Hughes	Pepper	Wheeler
Capper	Johnson, Calif.	Pittman	White
Caraway	Johnson, Colo.	Pope	
Chavez	King	Radcliffe	

Mr. BARKLEY. I announce that the following Senators, members of the Committee on Finance, are unavoidably absent from the floor because they are in session considering the tax "loophole" bill: Senators HARRISON, CLARK, BYRD, LONERGAN, GUFFEY, GERRY, BULKLEY, HERRING, BROWN of Michigan, LA FOLLETTE, and TOWNSEND.

Mr. MINTON. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Connecticut [Mr. MALONEY] are absent because of illness.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Seventy Senators have answered to their names. A quorum is present.

VIRGINIA DARE CELEBRATION, ROANOKE ISLAND, N. C.

The VICE PRESIDENT. The Chair has received communications from the Senator from Kentucky [Mr. BARKLEY], the Senator from Massachusetts [Mr. LODGE], and the Senator from North Carolina [Mr. BAILEY] tendering their resignations as members on the part of the Senate of the joint congressional committee appointed to represent the Congress at the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare, to be held at Roanoke Island, N. C., on the 18th instant, and appoints the Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. BILBO], and the Senator from South Dakota [Mr. BULOW] to fill the vacancies.

SUPPLEMENTAL ESTIMATE, NAVY DEPARTMENT (S. DOC. NO. 101)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department (public works, Bureau of Yards and Docks), fiscal year 1938, amounting to $600,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 100)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of the Interior, National Park Service (salaries and general expenses, public buildings and grounds, in the District of Columbia), fiscal year 1938, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES—INTERNATIONAL PRODUCTION CONTROL COMMITTEES (S. DOC. NO. 99)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting two drafts of proposed provisions pertaining to existing appropriations for the Department of Agriculture, namely, "Conservation and use of agricultural land resources, Department of Agriculture", and "International Production Control Committees", which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF LABOR (S. DOC. NO. 102)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Labor, fiscal year 1938, amounting to $53,420, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from the Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, by W. D. Mahon, international president, Detroit, Mich., remonstrating against reduction in the appropriation for the National Labor Relations Board, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from Brooks Whitton, proprietor, etc., Dr. Edward Brannan, and sundry other citizens, engaged in business and in the professions, all of Birmingham, Ala., praying for the confirmation of the nomination of HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States, which was ordered to lie on the table.

Mr. LUNDEEN presented letters in the nature of memorials from Elmer Haugen and G. H. Hubmer, cashier, St. Clair State Bank, both of St. Clair; A. A. Bibus, vice president, etc., Stock Yards National Bank, of South St. Paul; the Little Falls Farmers' Shipping Association, of Little Falls; and members of the Grey Eagle Stock Shipping Association, of Grey Eagle, all in the State of Minnesota, remonstrating against the ratification of the so-called Argentine Sanitary Convention, which were referred to the Committee on Foreign Relations.

Mr. LODGE presented resolutions of the mayors and aldermen of Springfield and Northampton, and the selectmen of Amherst and Blandford, all in the State of Massachusetts, favoring the prompt approval and ratification, without amendment, of the Connecticut River Interstate Flood Control Compact, so that immediate construction of impounding reservoirs may be possible, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 345. A bill for the relief of Genevieve E. Daley (Rept. No. 1220);

H. R. 459. A bill for the relief of the Derby Oil Co. (Rept. No. 1221);

H. R. 518. A bill for the relief of Rosolino Zamito and Maria Zamito (Rept. No. 1222);

H. R. 1233. A bill for the relief of employees of the Indian Service for destruction by fire of personally owned

property in Government quarters at the Pierre Indian School, South Dakota (Rept. No. 1223); and

H. R. 2860. A bill for the relief of Walter W. Johnston (Rept. No. 1240).

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2641. A bill for the relief of John Stevens and the estate of Fred Hausauer, Jr. (Rept. No. 1224);

H. R. 6135. A bill for the relief of R. E. Rainer, R. H. Alderman, and John Harmon (Rept. No. 1225);

H. R. 6155. A bill for the relief of Sadie N. Pike and Edward W. Pike (Rept. No. 1226);

H. R. 6271. A bill conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming (Rept. No. 1227);

H. R. 6316. A bill for the relief of Helen Niehaus (Rept. No. 1228);

H. R. 6469. A bill conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno (Rept. No. 1229); and

H. R. 7458. A bill for the relief of John E. T. Clark (Rept. No. 1230).

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7618) relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon, reported it without amendment and submitted a report (No. 1231) thereon.

He also, from the same committee, to which was referred the bill (S. 2759) authorizing the sale of certain lands to the Regents of the Agricultural College of New Mexico, reported it with an amendment and submitted a report (No. 1232) thereon.

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2953) to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States, reported it with amendments and submitted a report (No. 1233) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the joint resolution (S. J. Res. 208) relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits, reported it without amendment and submitted a report (No. 1234) thereon.

Mrs. CARAWAY, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 206) to authorize the painting of the painting The Signing of the Constitution for placement in the Capitol Building, reported it without amendment and submitted a report (No. 1235) thereon.

Mr. BYRNES, from the Select Committee on Government Organization, to which was referred the bill (S. 2970) to provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes, reported it without amendment and submitted a report (No. 1236) thereon.

Mr. RADCLIFFE, from the Committee on Commerce, to which was referred the bill (H. R. 7806) authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence, reported it with amendments and submitted a report (No. 1237) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1424) to repeal that provision in the act of March 2, 1917 (39 Stat. L. 976), directing the making of allotments to Indians of the Mission Indian Reservations, Calif., reported it with amendments and submitted a report (No. 1238) thereon.

He also, from the same committee, to which was referred the bill (S. 2223) to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah, reported it without amendment and submitted a report (No. 1241) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 2701) relating to certain lands within the boundaries of the Crow Reservation, Mont., reported it with an amendment and submitted a report (No. 1239) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GLASS (by request):

A bill (S. 2974) to revise the code of laws of the District of Columbia relating to building and loan associations; to define associations and to provide for their organization, incorporation, examination, operation, regulation, and supervision; and prescribing penalties for violations of the provisions of the act; to the Committee on the District of Columbia.

By Mr. LUNDEEN:

A bill (S. 2975) for the relief of Joseph Lane; to the Committee on Claims.

A bill (S. 2976) granting a pension to Effie G. Mallon; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 2977) for the relief of Bert Peters; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 2978) requiring that persons holding certain positions under the United States be citizens of the United States; to the Committee on Civil Service.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 1485. An act to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes", and;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat. ch. 664), relating to the admission into the Union of the State of Wyoming; to the Committee on Territories and Insular Affairs.

H. R. 3021. An act to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park;

H. R. 6589. An act to conserve the watersheds and water resources of portions of Santa Barbara and San Luis Obispo Counties, Calif., by the withdrawal of certain public land, included within the Los Padres National Forest, Calif., from location and entry under the mining laws; and

H. R. 7436. An act to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 5753. An act to authorize advance of the amounts due on delinquent homestead entries on certain Indian reservations; and

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska; to the Committee on Indian Affairs.

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes; to the Committee on Post Offices and Post Roads.

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania; to the Committee on Military Affairs.

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.; to the calendar.

H. R. 7709. An act to incorporate the American Chemical Society; to the Committee on the Judiciary.

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.; and

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.; to the Committee on Commerce.

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes; to the Committee on Finance.

AMENDMENTS TO THIRD DEFICIENCY BILL

Mr. PITTMAN submitted an amendment intended to be proposed by him to House bill 8245, the third deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place, to insert the following new paragraph:

"To pay Edward J. Trenwith, as compensation for compiling a revised supplement to the compilation entitled 'Treaties, Conventions, International Acts, and Protocols Between the United States and Other Powers', to include treaties, conventions, important protocols, and international acts to which the United States may have been a party since March 4, 1923, under resolution of the Senate (S. Res. 132, 75th Cong., 1st sess.), $2,500."

Mr. BYRNES submitted an amendment intended to be proposed by him to House bill 8245, the third deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place to insert the following:

"Notwithstanding any other provisions of section 32 of Public, No. 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution 207, Seventy-fifth Congress. Such payments shall be the difference between 12 cents per pound and the average price of cotton on the 10 spot cotton markets for the months of August 1937 to January 1938, inclusive, but in no case shall exceed 3 cents per pound. Such payments with respect to each farm shall be based upon the aggregate normal yield of the cotton base acreage that was or could have been established under the provisions of the 1937 agricultural conservation program less the aggregate normal yield of the maximum acreage for which a diversion payment offer was made under said program. Such payments shall be divided among cotton producers in the proportion that they were entitled to share in the 1937 cotton crop, or the proceeds thereof, under their lease or operating agreement and the facts constituting the bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture."

ASSISTANT CLERK, COMMITTEE ON PATENTS

Mr. McADOO submitted the following resolution (S. Res. 178), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution 14, Seventy-fifth Congress, authorizing the Committee on Patents to employ an assistant clerk during the first session of the Seventy-fifth Congress, to be paid from the contingent fund of the Senate at the rate of $2,400 per annum, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

CONSOLIDATION OF HOME OWNERS' LOAN CORPORATION AND FEDERAL HOUSING ADMINISTRATION

Mr. WAGNER submitted the following resolution (S. Res. 179), which was referred to the Committee on Banking and Currency:

Resolved, That a special committee of five Senators who are members of the Committee on Banking and Currency, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the desirability of consolidating all the functions of the Home Owners' Loan Corporation and the Federal Housing Administration in one agency of the Government. The committee so appointed shall report to the Senate, at the beginning of its next session, the results of its investigation together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fifth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

"BACK ROOSEVELT"—EDITORIAL FROM THE NASHVILLE TENNESSEEAN

Mr. McKELLAR. Mr. President, on July 25, 1937, the Nashville Tennesseean, one of the best and most widely circulated newspapers in the State of Tennessee, contained an editorial entitled "Back Roosevelt." It is one of the best editorials on that subject that has been written, an editorial which I approve, and I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Nashville Tennesseean of July 25, 1937]

BACK ROOSEVELT

On a murky March day 4 years ago a reassuring and vibrant voice came through the air to a hundred million desperate and despairing people. Banks were closed. The stark specter of hunger stalked, pointing its naked finger at the cradle, the tenement, the farm house. Barred doors under idle smokestacks greeted the factory worker. Empty freight cars were rusting to steel rails in every freight yard in the Nation. Empty shelves of stores were unreplenished because the merchant neither had the faith nor funds to buy, nor the customer to serve. Farmers looked skyward by habit only, because to till the soil under favoring weather would be but to plant for a harvest which would bring no return. Brokers fingered ticker tapes that moved slowly to tell a depressing story of values falling to zero levels.

That voice said, "The only thing we have to fear is fear itself."

The voice was that of Franklin Delano Roosevelt.

It was the voice of hope, vital, aggressive, inspiring.

That same voice has been heard many times since. It has always spoken in behalf of the people—the folks—of the Nation Franklin Roosevelt loves so well. Whether it came from the heart of a dust bowl, under a copper sun which for months sent its torrid heat to kill the hope of the soil, or from the farm belt in behalf of the stabilization of the price of the farmer's crops, or to take men from the breadline and put them to work, and after they went to work that they should receive a fair wage for their labor, that voice spoke the conscientious feeling of President Roosevelt for the improvement of the Nation. We have heard it plead for the peace of the world, and have acutely realized that the man who spoke stood against any encroachment which would send the sons of our lands into warfare.

During 4 years, through which the backwash of the depression sent the fretful waves of Huey Long-ism, Townsendism, and Coughlinism against the Government, the financial fidelity of the American dollar has stood, and, despite the howlers, every Government financing issue has been oversubscribed, the best proof of the confidence of the financial world, just as the soaring national income and the steady rise of Treasury receipts is the best proof of the return to health of the Nation's economy under Roosevelt.

It has been predicted that the defeat of his plan for reform of the Supreme Court would be President Roosevelt's "great test"; that his reaction would measure the durability of his powers of leadership; would try anew his qualities as a man.

The President has met that test and has come through it as through so many others, smiling and face forward.

It was prophesied that he would be embittered, petulant, vengeful. Instead, he has been calm, philosophical, undismayed. He has counted his gains in his battle for the people and, with courage undiminished, counts to gain more.

He has been prompt to declare that he will continue to press for the complete establishment of his great program for the improvement of the lot of all citizens and for the lasting economic stability of the Nation.

It has been argued, on no better basis than the wishful thinking of his personal and political enemies, that his defeat on the Court plan "would be the end of Roosevelt."

That was the opium pipe dream of self-deluding Tories. Franklin D. Roosevelt remains head and shoulders above any other political leader of these times, and his continuing leadership is the chief hope of progressive democracy.

The Tennessean newspapers, in the main, steadfastly have supported the cardinal aims of the President throughout the first New Deal and in the second New Deal as far as it has run.

We shall continue to stand behind the President and his program as long as his proposals shall seem to us reasonable and just,

and until some program better calculated to advance the general welfare shall be presented.

We are frank to say that we can discern on the American political scene no potential leader whose figure can compare with that of Roosevelt; nor have any alternative programs been offered which recommend themselves as more constructive or more sensible than the program which has been launched by this administration, and which it actively pursues.

We have seen instead the constant carping of professional political bourbons and economic nabobs who, in face of repeated expressions of the enthusiastic approval of the people of Roosevelt and his New Deal policies, have carried on an unremitting "war of attrition" against the President's prestige, and have sought ceaselessly to block, discredit, and destroy his reforms.

We do not believe that our readers, or the general public anywhere, have been misled by these constant and often picayunish thrusts at their President, or have placed upon the court bill defeat a significance beyond its due. The bill is dead, beyond chance of resurrection. The Senate in the exercise of its judgment rejected it—and Franklin Roosevelt in the exercise of his oft-proven sense of sportsmanship candidly acknowledged the setback, smiled—and went down the Potomac with ALBEN BARKLEY to discuss the furtherance of his plans for the improvement of the economic and social life of the people of the United States. The people realize that after all the reforms proposed were only a corollary to the New Deal program for "the greater good of the greater number", and that those who have sought to make political capital of that fight, by appealing to every prejudice and trotting out every shibboleth to which humanity might be susceptible, are—apart from a few ingrates within his own party—the same superpatriotic gentlemen who in the last Presidential campaign strained to excite those same prejudices and overworked those same shibboleths in a futile effort to whip Roosevelt out of Washington with a sunflower.

But the sunflower wilted, and the Literary Digest went to the wall, and the false prophets were sent to the doghouse—to join the calamity howlers who had been relegated before them by the happy news that was on the financial pages of every newspaper in the land.

And that happy news still is on those pages, and it is a rare and fate-plagued citizen in these United States who does not know of his own personal experience that the Roosevelt drive for recovery has succeeded. And it is a very dull—or very obstinate—citizen indeed who will not perceive that the man who, no later than last November, was elected President of the United States by 46 of the 48 States of the Union is today, as he was on November 4, the chosen leader of the vast majority of the people.

He is that popular leader—as Members of Congress soon, it is likely, to be on their way back to renew acquaintance with the sentiments of their constituencies will discover.

For the time is ripe for 1934 to repeat itself—when the first New Deal Congress in the first lull after the breath-taking introduction to the New Deal wondered "what was to come next?"—and discovered that what was coming was the New Deal extended, more and better, and a President, strong with the confidence and good will of the public, ready to advance and direct the unfolding and interlocking phases of his plan for "recovery and reform."

Congress soon will adjourn, and that is always taken as an auspicious event by the business leaders of the country, and the Members of Congress will find back home where lie the sinews of the President's strength.

For the real measure of President Roosevelt's accomplishment is the simple comparison of the "now" and the "then." It is the sum of the difference between the condition—mental as well as economic—of the citizenry in 1933 and in 1937. Every farmer, businessman, professional man—every stockholder and coupon clipper—has only to look at the trail from red to black in his or her account book for the past 5 years to appreciate what the New Deal has done.

And the test now is not Roosevelt's—he has passed his: the test now is of the gratitude, the loyalty and the intelligence of a people. We believe the people to hold these qualities—but, unfortunately, the people speak only at the intermittent times of election, with years between.

In the meantime the "raucous voices" clamor incessantly their paean of disparagement, and seek to break down the people's trust.

In these times between—at this present time—there is great need that the voiceless masses of the people serry their ranks behind a gallant leader, to uphold his cause and aims to the best of their ability, for his comfort and the protection of the progress that has been made for their own welfare.

In these times the watchword of those who have benefited and whose hopes of a better future are being fulfilled should be:

"Back Roosevelt!"

VIRGINIA DARE CELEBRATION, ROANOKE ISLAND, N. C.

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article on Roanoke Island, published in the Washington Herald of Aug. 17, 1937, which appears in the Appendix.]

PROSPERITY IN INDIANA

[Mr. MINTON asked and obtained leave to have printed in the RECORD articles from the Evansville Press, the Fort Wayne Journal Gazette, and the Indianapolis Star, which appear in the Appendix.]

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

AUTHORITY FOR FINANCE COMMITTEE TO SUBMIT REPORT

Mr. BARKLEY. As in legislative session, I ask unanimous consent that the Committee on Finance be authorized to report during any recess or adjournment of the Senate following today's session the so-called tax loophole bill.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and (at 11 o'clock and 10 minutes a. m.) the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of sundry officers to be surgeons or passed assistant surgeons in the United States Public Health Service.

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Edward G. Dolan, of Connecticut, to be Register of the Treasury, to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the Secretary will state in order the nominations on the calendar.

HUGO L. BLACK

The Chief Clerk read the nomination of HUGO L. BLACK, of Alabama, to be an Associate Justice of the Supreme Court of the United States.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. COPELAND. Mr. President, we are met here today to perform a vital function, to deal with a nomination sent to us by the President of the United States. I can conceive of no more important matter which could be considered by the Senate. I can conceive of a nomination for no other office which ought to be given more careful consideration. Therefore, Mr. President, I venture to say something regarding this nomination and the nominee.

When the delegates to the Constitutional Convention of 1787 drafted our charter of liberty, they sought to drive out of America for all time to come every form of tyranny and intolerance. The absolute independence and impartiality of the judiciary was their aim. They were chartering a new government of human liberties, and to that end placed in the courts of the land the sacred duty of enforcing respect for such liberties. They sought to make certain that the fundamental rights of American citizens might not be trampled under foot by tyrannical officials, intolerant majorities, or narrow-minded judges.

Before the ink was dry upon the original document there was a demand for a more definite guarantee of individual privileges under the new government. To formulate these the first 10 amendments, the Bill of Rights, were added to the Constitution. Then indeed the instrument became and has continued to be the shield of our liberties.

Throughout its history the Supreme Court has independently and fearlessly discharged this duty. The Court's aloofness from partisan politics, bigotry, and popular clamor has heretofore been considered its crowning virtue—a virtue essential to the impartial interpretation and application of constitutional restrictions.

The wisdom of our forefathers has been amply demonstrated. Almost every fundamental liberty guaranteed by the Bill of Rights has been violated at one time or another, by a law of Congress or of some State legislature; the

Supreme Court, in the performance of its duty, has had to extend protection against the enforcement of such laws. The right to labor in the profession of one's calling, the right not to be tried for a capital crime except upon indictment by a grand jury, the right of trial by jury, the right to be secure in one's person and papers, the right not to be twice put in jeopardy for the same offense, freedom from ex post facto laws and bills of attainder, and the right of every person not to be forced to testify against himself—each of these guaranties has on various occasions been violated by an act of Congress.

At the close of the Civil War the State of Missouri attempted to deprive ministers of the right to exercise their divine calling unless they should first take an oath to the effect that they had not aided or even sympathized with the Confederate cause. A Roman Catholic priest who had not taken the oath was convicted and thrown into jail for the high crime of preaching the Gospel in a land boasting of its religious freedom. In those days of passion and prejudice only an independent tribunal of the integrity and character of the Supreme Court could have reached out its protecting arm as the Court did when, in the case of *Cummings v. Missouri* (4 Wall. 277), it declared the law unconstitutional.

In that terrible era Congress reflected popular sentiment, and was itself busily engaged in passing laws establishing military commissions and divesting southerners of their civil and political rights—laws which were also declared unconstitutional by the Supreme Court. It was only recently that the Court, through Justice Brandeis, had to extend protection to the dependents of a disabled veteran because Congress had attempted, by the Economy Act, to forfeit the proceeds of term insurance which the Government had solemnly agreed to pay. The Court, too, protected the parochial schools against closure.

Neither the President nor the nominee can complain if we scan today with greatest care the character, the attitude of mind, and the past record of a man who has been named to the group that determines the destinies of a people presently free. This nomination is an index of what may follow. Our liberties may not be seriously endangered by one doubtful addition to the bench. But if this start at the remanning of the Court is intended to move it in the wrong direction, God help America.

At the moment America is free—free in all matters relating to education and civil rights. In our free America, with the Supreme Court above political dictation, bias, and bigotry, we worship God according to the faith of our fathers. We work for our daily bread without fear of racial discrimination.

We are free here in the United States because we are guarded by the Supreme Court. Catholics, Protestants, Negroes, Jews, gentiles, all of us, are guarded by the Supreme Court. But what would happen if a half dozen men of the mental bias of the nominee should be seated on the bench? Is it likely that the remodeled Court would deal tolerantly and generously with religious and racial questions as the Court has done in the past?

Does the leopard change his spots? Will Mr. Justice BLACK be any different than Candidate BLACK, who, according to the Mobile Register of August 15, 1926, "backed by the Klan, had a walk-away in his race for the senatorial nomination"?

According to Charles Michelson, well known to us, speaking of the Alabama results in the New York World:

> The primary resulted in the nomination of Klan-endorsed men for both the senatorship and governorship.

Likewise, the World said:

> With Alabama's most powerful political organization (the Klan) backing him, HUGO L. BLACK seems to have won the Senate nomination beyond a reasonable doubt. * * * In BLACK the Alabama Klan has a loyal and devoted friend.

During his campaign Candidate BLACK made speeches about and against Alfred E. Smith, a devoted and devout Catholic. The New York Times for August 9, 1926, said:

> BLACK has devoted part of his late campaigning to voicing opposition to Gov. Al Smith in an effort to hold his part of the Klan support.

In the New York Sun for August 16, 1937, appeared an article by David Lawrence from which I quote:

> Senator BLACK is under charges widely made that he either was a member of the Ku Klux Klan or accepted its support for election to the United States Senate in 1926. One of the obligations of the Klan at that time was discrimination against the Negro, against the Catholic, and against the Jew.

I have quoted Lawrence because he boldly recited the obligation of the Klan and of the Klansmen. It corresponds exactly to my own and to the general acception of the Klan's purpose.

What chance would Gov. Al Smith have were he, for some reason, to appeal to a Supreme Court made up of a majority of Klansmen or Klan sympathizers of the modern type? What chance would any Catholic have who sought justice there?

We see Catholics attacked, their churches destroyed, their priests and nuns massacred, their property confiscated. All this occurred in a country where once that great church symbolized the state religion. Whatever constitutional guarantees Catholics possessed in Spain have disappeared like a morning mist.

I need not argue with any Jew as to the significance of unlawful and unconstitutional modification of the Palestinian constitution. Surely it is not necessary to remind loyal Americans of Jewish blood that a violation of the American Constitution by indirection is of the same essence.

The rights of all racial groups and religions, all minorities, in America, are not asserted in the Congress, or our States, or our legislatures. They are asserted in the Constitution and enforced by the courts of justice.

It was just a few months ago that several humble Negro boys without money and without homes, and with very few friends, were convicted of a capital crime in the State of Alabama. All the power of that great State was against them. They were sentenced to death. But they learned about the Constitution of the United States. They filed a petition with the Supreme Court; and, with the Constitution wrapped about them, they appeared there by counsel. They had no influence. They were just poor human beings who asserted that they were entitled to the protection of the Constitution of our country. They could not even read that instrument, and it had never been read to them; but the Court read the instrument, and the Court said in effect to the State of Alabama: "You have not given these poor Negro boys a fair trial. You are about to take their lives without due process of law. You shall try this case again, and you must try it fairly. This is our order: There will be no execution of these boys until they shall have been fairly tried." What the Constitution and the Court meant to those poor Negro boys in Alabama it means to every man and women now in our land, and to every child to be born, so long as the Court and the Constitution are what they are, so long as the Justices are free from bigotry and intolerance.

From the time he came into the Senate Mr. BLACK has been a leader against all efforts to pass an antilynching bill. Within 2 weeks he moved to table my own motion to add this rider to a pending bill.

Naturally, one wonders what Mr. Justice BLACK would do were another Scottsboro case appealed to the Supreme Court. Would he face such a case with impartiality and a sincere desire to do justice to Negroes?

Klansmen, Mr. David Lawrence says, take an obligation to discriminate against the Negro. What would be the reaction of the new Justice, Mr. Justice BLACK, to a case of this sort?

Personally, I feel so outraged by this proposal to put a Klan sympathizer upon the bench that it is difficult to discuss the matter in temperate language.

More than 40 years ago, in 1893, in the city of Detroit, I said of the American Protective Association, the vile ancestor of the Ku Klux Klan, that it was the most unkind,

unjust, un-Christian, and ungodly movement of the generation.

Mr. President, I wish to make it clear that what I am saying today about the Ku Klux Klan is not a new thought of mine with reference to racial and religious intolerance. I was a young doctor in Bay City, Mich., at a time when that congressional district of Michigan sent to the United States House of Representatives Mr. Crump, who was supported and sent there by the A. P. A. In the adjoining district, the Ninth District, in which Saginaw is situated, Mr. Linton was sent to the United States House of Representatives by the A. P. A.

The political activities of that organization and its acts of oppression, discrimination, and social indecency caused indignation in my soul, because of the spirit of tolerance given me by my father. I met and joined a young Catholic priest in Bay City, Father Joseph Schrembs, now Bishop Schrembs, of the Diocese of Cleveland. We reviewed the circumstances of that fight when we happened to meet upon shipboard a year ago.

We organized in Bay City and in Bay County a great movement in opposition to the American Protective Association, which had taken possession of Saginaw, our adjoining city. The A. P. A. confined its attacks to the Catholics. The later organization, the Ku Klux Klan, the unworthy son of the A. P. A., makes its attacks not alone upon the Catholic, but upon the Jew, upon the Negro, upon all of foreign birth. Anyhow, Father Schrembs and I, together with our associates, organized what we called the Christian Union. We had a great meeting in the opera house, overflow meetings, and other meetings throughout that section. We preached the doctrine of tolerance and the importance of neighbors living together in fellowship. We killed the A. P. A. in Bay County.

Let no man say that I am a convert to tolerance, as evidenced by my bitter opposition to the Ku Klux Klan and the spirit of the Ku Klux Klan. While some men now in the Senate were yet boys, I was doing the best I could to put down a similar spirit of intolerance.

I said in a speech in Detroit in 1893, at a great Methodist gathering there, speaking of the A. P. A., that it was the most unkind, unjust, un-Christian, and ungodly movement of that generation. So I say now, Mr. President, of the New Deal, that if it must depend for its validation upon decisions participated in by members or supporters of this un-American, un-Christian, and ungodly organization, the Ku Klux Klan, it must be apparent to the country that the New Deal is founded in iniquity. To say the least, it is as far from the democracy of Jefferson, Jackson, Cleveland, and Wilson as the North Pole is from the South Pole.

When I look over this Senate and see the fine men from the South, numbering several who would have honored the bench and honored the President by their appointment, I can hardly restrain my tears. O Mr. President, I beg of you to withdraw this name and send us another, that of a New Dealer, if you must, but one free from the taint of religious and racial prejudice!

In what I have said there has been no thought in my mind of reflecting upon the great State of Alabama, nor upon Mr. BLACK in his capacity as a United States Senator from that State. Mr. Franklyn Waltman, of the Washington Post, expresses exactly the thought I have about this matter. He says:

> If the people of Alabama wish to be represented in the Senate by a Klansman, that is their privilege. If the Klan dominates the voters of Alabama, it is their right to elect the Senators from that State. None in another State may say nay to them. But placing a representative of the Klan on the Supreme Court is another and entirely different matter.

Since I have mentioned Mr. Waltman, let me quote another paragraph from his statement. It is as follows:

> If Senator BLACK has been a member of the Ku Klux Klan, or if he solicited the support of that organization to win his Senate seat, he is not a fit person to sit in judgment over the rights of minorities against which that organization was directed, or over the rights of any group. Such action goes to the very roots of the question of Senator BLACK'S fitness. A man throughout his life may make mistakes and mend his ways, but he cannot absolve himself of membership or association with the Ku Klux Klan—an organization based on bigotry and intolerance—because that indicates an enduring state of mind.

The New York Sun of August 14 said editorially:

> Senator BLACK'S history is one of intense political prejudice. If he has judicial ability, it has never been shown. He has been the prosecutor, not the judge. His exhibitions in the inquiries he has conducted have been those of bias. Perhaps he knows law; there is no sign that he knows justice. Why should Senators lay the ermine on him merely because he has sat with them? Senatorial courtesy should not become senatorial folly.

Senators, as I see it, our duty is clear. This nominee should be rejected if the Klan relationship charge is accepted as true. If there is a doubt in senatorial minds about his connection with the Klan, the nomination should be recommitted so that the Judiciary Committee may investigate and find the truth.

We have equal responsibility with the President in this matter. It is our duty to preserve the integrity and independence of the Court. For myself I have no doubt of what my action should be. Other Senators will be governed, as they should be, by their convictions. But, Senators, there rests upon us a responsibility in importance second only to the decision we made in the Court packing scheme. Unless the President relieves us from that responsibility by withdrawing the designation, it is our manifest duty, as I see it, to know the whole truth before we act.

Mr. BURKE. Mr. President, I am opposed to the confirmation of this nomination for the Supreme Court and, very briefly, will state the reasons which impel me in opposition.

It has been suggested on the floor of the Senate, and also in the Committee on the Judiciary, that since the nominee whose name is now before us is a Member of this body it is somehow improper and out of place for any examination to be made of his qualifications or, I take it, even of his eligibility. We are referred to an ancient, immemorial rule known as "senatorial courtesy", which, it is said, requires that when a Member of this body receives the honor of having his name suggested for high appointment the entire body should feel that it is honored, and that that of itself should be enough to do away with all examination or inquiry.

It seems to me, Mr. President, that exactly the opposite ought to be the true principle. When one of our colleagues is nominated to any office, particularly to the high office of a Justice of the Supreme Court, when the danger may be present that because of our years of association and the close ties of friendship we may have established with the colleague we may be induced to give our support to one not qualified to hold the office to which he is nominated, it would seem to me we ought to be particularly on our guard.

It has been said that immemorial custom in this body precludes committee study and hearings and requires prompt and favorable action. If there is such a precedent, it seems to me unwise and dangerous, and that it ought not to be followed except within certain definite limits. But, whatever the recent rule may have been, there are precedents to the contrary. I cite only one, although I have little doubt that others could be found.

In January 1853 a vacancy arose on the Supreme Court by the death of Mr. Justice McKinley. President Fillmore sent to the Senate the nomination of one of its members, Senator George E. Badger, of North Carolina. It was freely charged in the press of that day that this was a corrupt effort on the part of the President to capitalize on senatorial courtesy, and to take advantage of the Senate by bringing into play "the kindly sentiments that exist in that body for one of its Members."

Senator Badger was an outstanding lawyer. He had been a judge in North Carolina, and stood at the very top of the legal profession in his State. Yet this body, for reasons, possibly, that were not altogether worthy—there was a good deal of politics being played at that time—put aside senatorial courtesy, debated the matter day after day, postponed action, and never did confirm the nominee. So that

at least there is a precedent for the examination of the qualifications and the eligibility of the present nominee.

Whatever may be said in favor of the doctrine of senatorial courtesy in general, it ought to have no place in determining the action of any Senator when considering a nomination to the great Court which stands as the final bulwark of our liberties, the protector and defender of the rights of minorities, the haven of the oppressed, the final refuge of those fleeing before the lash of the persecutor burning with religious or racial intolerance.

I like this expression found in the constitution of the Commonwealth of Massachusetts:

> It is the right of every citizen to be tried by judges as free, impartial, and independent, as the lot of humanity will admit.

No doctrine of senatorial courtesy, no emphasis upon the kindly sentiment that exists in this body for one of its Members, ought to deter us from examining, with what care we can, the record of the nominee, even though he be our colleague.

We can do no better in considering the qualifications of the nominee before us, the first whose name has been submitted for this exalted office by a Democratic President in almost 20 years, than to quote again the words of President Wilson in his letter to Senator Culberson when the nomination of Mr. Justice Brandeis was pending. Those words, it seems to me, set forth the qualifications which a nominee for Justice of the Supreme Court ought to have, and although Senators undoubtedly have all read these words recently, I take occasion to read again this part of the letter:

> Let me say by way of summing up, my dear Senator, that I nominated Mr. Brandeis for the Supreme Court because it was and is my deliberate judgment that of all the men now at the bar whom it has been my privilege to observe, test, and know, he is exceptionally qualified.
>
> I cannot speak too highly of his impartial—

I call attention to the first qualification:

> I cannot speak too highly of his impartial, impersonal, orderly, and constructive mind, his rare analytical powers, his deep human sympathy, his profound acquaintance with the historical roots of our institutions and insight into their spirit, or of the many evidences he has given of being imbued to the very heart with our American ideals of justice and equality of opportunity; of his knowledge of modern economic conditions and of the way they bear upon the masses of the people, or of his genius in getting persons to unite in common and harmonious action and look with frank and kindly eyes into each other's mind, who had before been heated antagonists.
>
> This friend of justice and of men will ornament the high Court of which we are all so justly proud. I am glad to have had the opportunity to pay him this tribute of admiration and of confidence; and I beg that your committee will accept this nomination as coming from me quick with a sense of public obligation and responsibility.

President Wilson placed the trait of impartiality at the very top of what he considered the essential qualifications of a Justice of the Supreme Court. He emphasized the importance of calling to that position one who has the genius of getting persons to unite in common and harmonious action, and to look with frank and kindly eyes into each other's minds.

The prosecutor has his place, and it is a very important place, but it is not sitting as a Justice of the Supreme Court. The man who can see only one side of a question, and who has trained himself in ways that are shrewd and cunning in developing prejudice against anyone who holds a different view, may accomplish a great deal of good in furthering just causes, but such a man lacks the essential qualifications required to administer even-handed justice as a member of the greatest Court in all the world.

I think each Member of this body should weigh the nominee now before us, and determine whether he possesses the attributes of fairness, tolerance, and impartiality along with judicial poise and temperament which would give promise of a distinguished career on the bench. If those qualities have not been displayed, no amount of zeal, no amount of industry, no amount of sharpness, no record of unwavering and unquestioning support of a political program will make up for their deficiency.

Mr. President, it seemed to me it would be proper at this time to state in this brief way what I would consider, and what I know all Senators would consider, the real qualifications which should be possessed by a nominee for the Supreme Court. We all know this nominee. Some Senators have known him longer than others. I think we may say we all like him and admire many of his splendid qualities. I think we should direct our attention in this matter now before us solely to this one side of his character, his traits, to determine whether he has in him, in his very soul, a desire to administer even-handed justice to all who may come under his influence, regardless of race, of religion, or of anything else, and whether that attribute is accompanied by judicial poise.

I am not going to take up much more of the Senate's time on this point—in fact, very little—before I discuss one other matter that is of interest.

It has seemed to me—and I raise a question which some may consider extraneous—that one incident in the life of the nominee within the past 2 years, which seems not to be subject to dispute, is of such a character as to put the nominee well beyond the line of those who could properly be considered as measuring up to the qualifications required for this office. I refer to an incident with which some of our colleagues are more familiar than am I, in connection with the lobby investigating committee's seizure of telegrams. In order that I may not give my own views on the matter—and I stand subject to be corrected if there is anything wrong in what I am saying here—I should like to read at least a part of the opinion of the court in this matter.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BURKE. Yes, indeed; gladly.

Mr. SCHWELLENBACH. I ask the Senator, before he reads the opinion of the United States Court of Appeals for the District of Columbia, to explain to the Senate the manner in which the case got before the court of appeals, the manner in which it was presented, and the form of pleadings upon which it was presented.

Mr. JOHNSON of California. Mr. President, we cannot hear the Senator on this side of the Chamber.

Mr. SCHWELLENBACH. The Senator from Nebraska has announced that he intends to read from an opinion of the United States Court of Appeals for the District of Columbia in a case in which William Randolph Hearst was the plaintiff, and the Senator from Alabama [Mr. BLACK], the Senator from Indiana [Mr. MINTON], the Senator from North Dakota [Mr. FRAZIER], the Senator from New Hampshire [Mr. GIBSON], and I were the defendants. I asked that he explain to the Senate the way in which the case was presented to the court, and the pleadings under which it was considered, so that the Members of the Senate may know the extent to which the court went out of its way and deviated from its judicial path in an effort last fall to hand down a "political" decision.

The matter was presented to the court upon what we commonly call a demurrer. Under pleadings with which every lawyer in this body is familiar, when one goes into a court and presents a matter on a demurrer he takes part in the legal fiction that he admits that the facts properly pleaded are true. In passing upon this case—in which we went in on a demurrer, and in which, for the purposes of that demurrer, and for the purposes of that demurrer only, we went through the legal fiction of admitting that the facts pleaded were true—the court of appeals assuming those facts to be true, and indulged in a tirade against the Members of this body who were members of that committee, when what they as judges should have done, if there had been the slightest, the most meager evidence of judicial attitude upon their part, was to say, "This matter comes before us on what we may call a demurrer, and these are the facts which for the purposes of the pleadings alone are admitted to be true."

The case was decided upon the question of jurisdiction, and not upon the question of the facts to which the Senator

from Nebraska now refers, and which he is now attempting to use against the Senator from Alabama.

Mr. BURKE. I evidently misunderstood the query of the Senator from Washington, as at first I thought he asked me to explain the circumstances under which the matter arose; but I think the Senator has answered, and I am very glad to have him answer, his own question. In fact, if there is anything more than he would care to say on that point, I shall ask unanimous consent that he may continue on that point without my losing the floor, because I think it is important to have those facts in mind.

Mr. SCHWELLENBACH. I may say to the Senator that the reason I interrupted him——

Mr. BURKE. I was very glad to have the Senator do so.

Mr. SCHWELLENBACH. Was because the Senator said he was going to read a part of the opinion.

Mr. BURKE. I will read it all.

Mr. SCHWELLENBACH. And I do not think it is fair to the Senator from Alabama, I do not think it is fair to those of us who were members of that committee, and I do not think it is fair to the Senate itself to have any statement read from that opinion without first having an explanation of the manner in which the case was considered.

Mr. BURKE. I will read the entire opinion—it is not very long—and I shall be glad to have submitted any further information that ought to be stated in reference to it.

This is a case in the United States Court of Appeals for the District of Columbia.

William Randolph Hearst, appellant, v. *Hugo L. Black, Chairman of the Special Committee of United States Senate to Investigate Lobbying Activities, et al., appellees.*

Appeal from the District Court of the United States for the District of Columbia.

The matter was argued on October 12, 1936, and the decision was rendered November 9, 1936.

Mr. McGILL. November 8.

Mr. BURKE. A day or two after the election.

Mr. SCHWELLENBACH. Does the Senator imply, by his reference to the date, that the courts do not indulge in "political" decisions except at times immediately prior to election?

Mr. BURKE. I was answering only the statement made by the Senator from Washington that this was purely a "political" decision delivered last fall, without having any definite information as to the time; and I was merely interested in knowing now, for the first time, that the decision was rendered the day after election.

The case was argued before Justices Robb, Van Orsdel, Groner, and Stephens, and the decision is by Justice Groner.

Appellant is engaged in the business of publishing daily newspapers and magazines. In March of this year he brought in the court below his bill to enjoin the Special Senate Committee and the Federal Communications Commission from copying and using telegraphic messages in the possession of the telegraph companies sent by him to his employees in the conduct of his business.

The bill alleges that in the month of September 1935 the Senate committee under blanket subpenas duces tecum demanded of the telegraph companies doing business in the city of Washington the delivery to it (the committee) of all communications—i. e., telegraph messages—transmitted through the offices of such companies during the period February 1, 1935, to September 1, 1935; that when the companies expressed reluctance to make delivery of the messages the committee went to the Commission and asked its assistance to compel the production of the communications desired by the committee.

If I may interrupt the quotation right there, I may say that I am advised, on what I consider very reliable authority, that the chairman of the committee, our colleague, Senator BLACK, the present nominee, himself went to the head of the Telegraph Division of the Communications Commission and stated what was under way and that they wanted the cooperation—we might call it by a different term, I think, and still be within legal phraseology—of the Commission——

Mr. MINTON. Mr. President——

Mr. BURKE. Just a moment, and I will be glad to yield—in turning over telegrams, and that as a result the arrangement more fully set forth here will be described.

I say I am told on what I consider reliable authority that our colleague, Senator BLACK, handled that matter in person. He may have been accompanied by the Senator from Indiana or the Senator from Washington; I do not know; but I want to make it certain my information is that at least the other members of the committee, and no one else, put anything over on the nominee. I yield now to the Senator from Indiana.

Mr. MINTON. I just want to say to the Senator from Nebraska, as one of the interested parties in that matter, that his informant is entirely mistaken; that Senator BLACK did nothing of the kind, and neither did any member of the committee. So the Senator's facts are all wrong.

Mr. BURKE. In that connection let me say that yesterday at the meeting of the Judiciary Committee I urged the committe to set this nomination down for hearing before the committee, at least, to the extent of inviting Senator BLACK to come before the committee, my idea being that if he would sit around the table with us and we could ask some of these questions we might be able to straighten the matter out. This was one of the points that I wanted cleared up, because, in spite of what my colleague from Indiana says, I am "of the same opinion still", which I stated a few moments ago, and I think I know whereof I speak.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BURKE. I yield to the Senator.

Mr. SCHWELLENBACH. I simply want to add my statement, as a member of the committee and one fully familiar with the facts, to the statement made by the Senator from Indiana, and say that if the Senator from Nebraska wishes to disbelieve both of us, that is perfectly all right with us.

Mr. BURKE. Will the Senator be kind enough to indicate what part of the statement I made he thinks is not founded on facts, and as to which my informant must have been mistaken?

Mr. SCHWELLENBACH. I refer to all the statements the Senator has made from the point where he said that somebody informed him that Senator BLACK went to the Commission and informed them of what was going on—I believe those were the words the Senator used—and requested the cooperation of the Commission in the seizure of the telegrams.

Mr. BURKE. Does the Senator mean that someone else did that, and that Senator BLACK did not do it, or that it was not done at all?

Mr. SCHWELLENBACH. I think that the Senator from Nebraska knows me well enough to know that I would not quibble about any transaction. What he states did not take place that way to the slightest extent.

Mr. BURKE. I would ask unanimous consent to let the Senator explain, but I presume he can do it in his own time.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. WHITE. If Senator BLACK did not make this request of the Communications Commission, can the Senator from Washington tell by whose authority the request was made of the Commission? I assume that it is not denied by anyone that a request was made of the Communications Commission to enter into these telegraph offices and to examine their files and to make available to the committee thousands upon thousands of copies of telegrams therein found, because that was what, in fact, was done. I assume—I may be wrong, but I assume—that the Commission did not act on its own volition in the matter.

Mr. SCHWELLENBACH. I will answer that question, if I may.

Mr. BURKE. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. The assumption of the Senator from Maine is entirely incorrect. He asked upon what authority the request was made. The request was never made of the Communications Commission by Senator BLACK or any member of the committee or any representative of the committee. There was no such request made.

Mr. WHITE. Then, do I understand the Commission acted on its own initiative in the matter and that no suggestion from the committee or its authorized agent was made? The fact is that in the legal proceedings that was the allegation made, and it was never denied by any pleadings.

Mr. SCHWELLENBACH. I think that the Senator from Maine, if I may interrupt——

Mr. BURKE. I yield to the Senator.

Mr. SCHWELLENBACH. I think the Senator from Maine, on a moment's hesitation and consideration, will appreciate the unfairness of the statement he has made, that it was never denied in the pleadings. The reason, as I have just explained, was that no answer was ever made. The pleadings of the committee raised the question of jurisdiction, and there never was a request to the Commission made by the committee or any of its members or any of its agents.

Mr. BRIDGES. Mr. President, will the Senator from Nebraska yield to me?

Mr. BURKE. I yield.

Mr. BRIDGES. May I ask the Senator from Washington, then, why did the Communications Commission proceed in the manner in which it did as an organization when a request was never made of them by a member of the committee or any one connected with the committee?

Mr. SCHWELLENBACH. I will say to the Senator that I think the suggestion of the Senator from Nebraska that I answer as to this matter in my own time is entirely satisfactory. Certainly there is no desire upon the part of the committee or any of its members to refuse to answer the question submitted, but I do not like to take the time to discuss a complicated transaction in the time of the Senator from Nebraska. I will be very glad to discuss it later.

Mr. WHITE. Mr. President, will the Senator from Nebraska yield further?

Mr. BURKE. I yield.

Mr. WHITE. I wish to read into the RECORD the action that was taken by the Communications Commission on this matter. I quote:

> It was voted "to detail a member of the Commission's staff to work with the examiners from Senator BLACK's investigating committee in an examination of the messages and records in the Washington offices of the telegraph companies, relating to lobbying activities which are being investigated by the Senate committee, the records and messages to be made available in the name of the Federal Communications Commission."

That, according to my understanding, was adopted by the Commission. It is inconceivable to me that it acted on its own volition in the matter.

Mr. BURKE. Mr. President, let me say that, of course, I accept fully the statements of the Senator from Indiana and the Senator from Washington that to the best of their knowledge—and they are stating only what they know themselves—such a request was not made. I assume they are not speaking of anything that they do not know about of their own personal knowledge, and I accept that fully.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. MINTON. I wonder if the Senator from Nebraska would be kind enough to give us the name of his informant or at least tell us whether it was not Elisha Hanson?

Mr. BURKE. I will be very glad, if the Senator from Indiana and the Senator from Washington will join with me in urging that this nomination be sent to the Judiciary Committee for examination, to produce not the witness but the witnesses who gave me the information.

Mr. MINTON. The Senator's informant was Elisha Hanson, who was attorney for the Hearst newspapers, and from whose office yesterday the Senator from Maine had documents.

Mr. BURKE. Is the Senator applying the Lobby Investigation Committee procedure to me now on the floor of the Senate?

Mr. MINTON. No; I have not intimated that the Senator needed investigation, but it could be done. [Laughter in the galleries.]

Mr. LEWIS. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LEWIS. In view of the solemnity and great importance of this matter, I beseech the Chair, at his convenience, to inform the occupants of the galleries that expressions of approval or disapproval are not allowed in this body as in the other House. They greatly interfere with the Senator presenting his views and greatly detract from what should attend such a discussion as is at present taking place before this body.

The PRESIDENT pro tempore. The suggestion of the Senator from Illinois is quite appropriate. Evidently the occupants of the galleries do not know that they are the guests of the Senate and that any talking or laughter or other demonstration results in an increasing noise that is disturbing to those on the floor. The doorkeepers are derelict, for they have been told time and again that they must warn the occupants of the galleries. Our only remedy in the case of disobedience of the rule is to close the galleries.

Mr. BURKE. Mr. President, I proceed with the opinion of the learned Justice in this case.

> The bill alleges that in the month of September 1935 the Senate committee under blanket subpenas duces tecum demanded of the telegraph companies doing business in the city of Washington the delivery to it (the committee) of all communications—i. e., telegraph messages—transmitted through the offices of such companies during the period February 1, 1935, to September 1, 1935—

When my friends, in their own time, make their statement on this point, I hope they will tell us whether that statement also is untrue and that the Senate committee did not make the demand on the telegraph companies in the first instance. I proceed—

> that when the companies expressed reluctance to make delivery of the messages, the committee went to the Commission and asked its assistance to compel the production of the communications desired by the committee; that thereafter the committee and the Commission conspired together to deprive appellant of his constitutional rights and liberties under the first, fourth, and fifth amendments to the Constitution of the United States, in that the Commission by a formal resolution detailed a member of its staff to work with an examiner of the Senate committee in an examination of the messages and records in the offices of the telegraph companies; that pursuant to this arrangement agents of the Commission "made copies of or notes concerning thousands of telegrams" from or to sundry individuals, firms, or corporations, and turned the same over to the Senate committee; that among the telegrams examined and copied were messages from appellant to his associates and employees and messages from his associates and employees to him which had no connection with the subject matter of the investigation—all of which were sent in the regular and orderly conduct of the business in which appellant was engaged; that the use of the messages will result in the disclosure of the contents to the committee and to the general public and will disclose to appellant's business competitors privileged and private information relating to his private business affairs and will result in irreparable injury to appellant.
>
> The bill further alleges that the members of the Senate committee are about to make further search in an effort to gather up additional messages which have passed between appellant and his associates and employees and that the Commission is ready and willing to cooperate in the illegal seizure of such messages unless restrained by the court.
>
> Appellees, who are the members of the Senate committee, filed a special appearance through counsel and a motion to dismiss the bill of complaint for lack of jurisdiction. The Commission neither answered the bill nor moved to dismiss, but filed what is called an "opposition" to the motion for preliminary injunction. This paper appears in the record and in it is a statement that the examination by the Commission of the local telegraph offices had been completed prior to the filing of the bill and that no further investigation or examination was then planned or contemplated.
>
> The district court refused to grant the injunction pendente lite, and for lack of jurisdiction dismissed the bill as to the Senate committee, but took jurisdiction as to the Commission; and the judge stated from the bench that the denial of the motion for preliminary injunction as against the Commission was made solely on its disclaimer of any intention thereafter to make any further examination of the telegraphic messages of appellant or otherwise to change the then status of the case, and was without prejudice to renewal of the motion upon any evidence of further activities in the respects mentioned. Apparently it is agreed that thereafter the Commission by formal resolution rescinded its original order for an investigation and examination of the messages in the telegraph offices. And we assume—as did the lower court—that the Commission's activity in the respects complained

of will not be repeated. But because of the importance of the question raised as to the Senate committee, we granted a special appeal.

Section 1 of the Communications Act of 1934 (48 Stat. 1064) states the purpose of the act to be to regulate interstate and foreign commerce in communications by wire and radio so as to make available to the people of the United States an efficient Nation-wide and world-wide wire and radio communication for the national defense. The act provides for the appointment by the President of a Commission and provides (sec. 220 (c)) that the Commission shall "at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers." And further, that the prohibition in section 605 against disclosure of the contents of messages shall not apply to the provisions just above quoted.

This last provision we think means merely that the Commission shall have complete freedom in the examination and inspection necessary in the discharge of its duty and that the prohibition (sec. 605) against disclosure of the contents of telegraph messages by telegraph companies shall not be so construed as to cripple or destroy the statutory right and duty of examination and inspection of records, etc., necessary in the enforcement of the act.

Section 605 provides:

"No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination", etc., etc., etc.

The Senate committee was appointed pursuant to two resolutions of the Senate, the first July 11, 1935, and the second July 29, 1935. The committee was authorized to investigate "all lobbying activities and all efforts to influence, encourage, promote, or retard legislation, directly or indirectly, in connection with the so-called holding-company bill, or any other matter or proposal affecting legislation"; to investigate also the financial structure of persons, companies, corporations, partnerships, or groups seeking to influence the passage or defeat of legislation; to investigate their political contributions and activities, and their efforts to control the sources and mediums of communication and information. The resolutions permit the committee to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents as it deems advisable.

Appellant's bill does not challenge the power of the committee in any of the respects just mentioned, but rests on the proposition that the Communications Commission was without lawful authority to coerce the telegraph companies, over which it has supervisory control, to make the contents of appellant's telegrams available to the Senate committee or anyone else—and that the committee is now unlawfully in possession of the messages and therefore without legal right to retain, disclose, or in any manner use them. The judge of the lower court, as we assume from his statement from the bench, was of opinion that, though the court would have had jurisdiction to restrain the Commission and its agents from doing an unlawful act, it ought not to grant the prayer for injunction because the things charged—whether lawful or unlawful—had been done before the filing of the bill, and because the Commission had then disclaimed any purpose to give any further assistance to the committee to obtain private telegraph messages. As to the Senate committee, the court held it had no jurisdiction. In dismissing the bill as to it, the judge said:

"If the Senate committee has been proceeding in a way which some people might regard as unlawful, it is better to let them continue to do it and let that be corrected in some other way than it is for me to proceed in the way that seems to me to be unlawful to attempt to correct what they do that I do not agree with."

As the allegations of the bill are not denied, we are obliged to take them as true. And in that view we are of opinion that the resolution adopted by the Commission, under which its agents took possession of the telegraph companies' offices and examined wholesale the thousands of private telegraph messages received and dispatched therefrom over a period of 7 months—for the purpose of securing to the Senate committee knowledge of the contents of the messages—was without authority of law and contrary to the very terms of the act under which the Commission was constituted. And we may, we think, properly go further and say that, even without the express prohibition contained in the act, the disclosure by the Commission of the contents of private telegraph messages—solely—as the bill charges—for the purpose of furnishing to the committee information relevant or irrelevant which might or might not be used for legislative purposes—was unauthorized. And this we think, is true because the property right in private telegrams is in no material respect different from the property right in letters and other writings; nor is there any good reason why the right of privacy in the one should be any greater than in the other. Telegraph messages do not lose their privacy and become public property when the sender communicates them confidentially to the telegraph company. Indeed, in many of the States their publication without authorization—except as a necessary incident in the due administration of justice—is a penal offense; and this is so because of an almost universal recognition of the fact that the exposure of family confidences and business and official secrets would as to telegrams equally with letters, "be subversive of all the comforts of society."

That there is and always has been a property right in letters and other writings which a court of equity will protect is too well settled to discuss. It is one of those rights which antedate the Constitution. It is inherent in a free government (*Pope* v. *Curl*, 2 Atk. 342, 26 English Reports 608). Judge Story, in *Folsom* v. *Marsh* (9 Fed. Cas. 342 (no. 4901)), speaking of the nature and extent of this property interest, said:

"In short, the person to whom letters are addressed has but a limited right, or special property (if I may so call it), in such letters, as a trustee, or bailee, for particular purposes, either of information or of protection, or of support of his own rights and character. The general property, and the general rights incident to property, belong to the writer, whether the letters are literary compositions, or familiar letters, or details of facts, or letters of business. The general property in the manuscripts remains in the writer and his representatives, as well as the general copyright. A fortiori, third persons, standing in no privity with either party, are not entitled to publish them, to subserve their own private purposes of interest, or curiosity, or passion."

And the Supreme Court of Massachusetts, in *Baker* v. *Libbie* (210 Mass. 599, 97 N. E. 109), said:

"The existence of a right in the author over his letters, even though private and without worth as literature, is established on principle and authority. The right is property in its essential features. It is therefore entitled to all the protection which the Constitution and laws give to property."

See also *Ku Klux Klan* v. *International Magazine Co.* (294 Fed. 661); *King* v. *King* (Wyoming), 168 Pac. 730).

In principle, therefore, we think that a dragnet seizure of private telegraph messages as is alleged in the bill, whether made by persons professing to act under color of authority from the Government or by persons acting as individuals, is a trespass which a court of equity has power to enjoin. As the Supreme Court said in *Federal Trade Commission* v. *American Tobacco Co.* (264 U. S. 298), "It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up." And we cannot doubt that the purpose and intent of Congress, in including in the Communications Act a positive prohibition against disclosure, was to recognize this principle and give it effect.

And so we think the law is settled that, if appellant were before the Senate committee as a witness and were questioned as to matters unrelated to the legislative business in hand, as his bill alleges is true of the messages in question, he would be entitled to refuse to answer; and if, for his supposed contumacy, he were imprisoned, he could secure his release on habeas corpus. And so, also, if a Senate committee were to attempt to force a telegraph company to produce telegrams not pertinent to the matters the committee was created to investigate, the company could be restrained at the instance of the sender of the telegrams, for as the Supreme Court said in *McGrain* v. *Daugherty* (273 U. S. 135), the decisions in *Kilbourn* v. *Thompson* and *Marshall* v. *Gordon* point—in such circumstances—to admissible measures of relief. We are, therefore, of opinion that the court below was right in assuming jurisdiction as to the Commission, and if the bill had been filed while the trespass was in process it would have been the duty of the lower court by order on the Commission or the telegraph companies or the agents of the committee to enjoin the acts complained of. But the main question we have to decide is in a different aspect. Here, as appears both from the bill and by admission of parties, the committee has obtained copies of the telegrams and they are now physically in its possession; and this means neither more nor less than that they are in the hands of the Senate, for the committee is a part of the Senate (*McGrain* v. *Daugherty*, 273 U. S. 135) created, as we have seen, by the Senate for the purpose of investigating the subject of lobbying, in aid of proposed legislation.

The prayer of the bill is that the committee be restrained from keeping the messages or making any use of them or disclosing their contents. In other words, that if we find that the method adopted to obtain the telegrams was an invasion of appellant's legal rights, we should say to the committee and to the Senate that the contents could not be disclosed or used in the exercise by the Senate of its legitimate functions. We know of no case in which it has been held that a court of equity has authority to do any of these things. On the contrary, the universal rule, so far as we know it, is that the legislative discretion in discharge of its constitutional functions, whether rightfully or wrongfully exercised, is not a subject for judicial interference.

The Constitution has lodged the legislative power exclusively in the Congress. If a court could say to the Congress that it could use or could not use information in its possession, the independence of the Legislature would be destroyed and the constitutional separation of the powers of government invaded. Nothing is better settled than that each of the three great departments of government shall be independent and not subject to be controlled directly or indirectly by either of the others. "This separation and the consequent exclusive character of the powers conferred upon each of the three departments is basic and vital—not merely a matter of governmental mechanism" (*Springer* v. *Philippine Islands*, 277 U. S. 189, 201). In *McChord* v. *Louisville R. R. Co.* (183 U. S. 483) a somewhat similar question arose. There the

railroad sought to enjoin McChord and others, as railroad commissioners of the State of Kentucky, from acting as directed by the legislature of that State in connection with the establishment of railroad rates. The lower court granted the injunction, but the Supreme Court reversed the decree on the ground that the making of rates was a legislative function and as such could not be controlled by a court. The opinion cites and quotes from *New Orleans Waterworks Co.* v. *New Orleans* (164 U. S. 471) and *Alpers* v. *San Francisco* (32 F. 503).

Both of these cases involve the attempted restraint of a city council by a court. In the latter case, which was decided by Mr. Justice Field, the complainant alleged he had a contract with the city and county of San Francisco, and that the council proposed to pass an ordinance which would impair the obligation of the contract. In other words, the enactment of an unconstitutional law. After recognizing that what complainant said was true, the court said (p. 506): "The difficulty presented in the case before us is that the application to enjoin the passage of any resolution, order, or ordinance, which may tend to impair the obligation of the contract, is an application to enjoin a legislative body from the exercise of legislative power, and to enjoin the exercise of such power is not within the jurisdiction of a court of equity. This no one will question as applied to the power of the legislature of the State. * * * The fact that * * * the legislative action threatened may be in disregard of constitutional restraints, and impair the obligation of a contract, as alleged in this case, does not affect the question. It is legislative discretion which is exercised, and that discretion, whether rightfully or wrongfully exercised, is not subject to interference by the judiciary."

If courts cannot enjoin the enactment of unconstitutional laws—as to which proposition there can be no doubt—then by the same token they cannot enjoin legislative debate or discussion of constitutional measures because of the incidental disclosure or publication of knowledge unconstitutionally acquired. If it be insisted that this is the acknowledgment of a power whose plenitude may become a cataclysm, the answer is that the Congress "is as much the guardian of the liberties and welfare of the people as the courts"; and in this view the assumption may properly be indulged that, attention being called to the unlawful nature of the search, the senate will not use its proceeds in disregard of appellant's rights.

Decree affirmed.

Mr. President, I have taken occasion to go at some length into this matter of the seizure of telegrams. I do not care to go into other matters bearing on the question, as I am sure all Members of the Senate, once they determine to apply a certain test to the qualifications of this nominee, will find plenty of examples in his sayings and in his conduct that will weigh the scales one way or the other in their individual minds. I do think the matters so far mentioned this morning—that mentioned by my colleague, the Senator from New York [Mr. COPELAND] in reference to certain alleged affiliations of the nominee, at least in times past, with organizations not especially noted for their emphasis upon tolerance and impartiality and fair dealing—are worthy of consideration. I believe, also, that the circumstances in reference to the seizure of the telegrams as they may be fully developed, whatever other evidence may be offered on the matter, are worthy of the consideration of the Senate. So I proceed in a moment to another phase of the matter.

We have all heard the views of the nominee expressed on the floor of the Senate and elsewhere at a time when probably no flight of fancy carried our colleague to the heights of imagining himself either a possible or a suitable appointee to the Supreme Court. His attitude toward the Court as an institution, and in respect to individual honored judges, has not been such as to lead me to cast a willing vote in favor of his elevation to that body. I think a decent respect for the Court, carefully observed through the years, and not, it might be said, slipped on as a cloak in an emergency, should be a prerequisite to elevation to membership in that body. I have not observed any such attitude on the part of this nominee. He has been caustic in his criticism. There has been something of a sneer in his references to the judges whose social and economic philosophy the Senator does not share. There has been a rather complete lack of what, it seems to me, ought to be the feeling of every just and fair person toward the body which has such an important function to perform.

I would therefore find it impossible to cast a vote in favor of confirmation even if Senator BLACK were eligible. There is, I realize, a decided difference of opinion on the points which I have mentioned, and I have no doubt that I am in a decided minority in holding those views—at least in expressing them. There ought to be no question of the lack of eligibility of any Member of Congress for appointment to the Supreme Court at this time.

If the emoluments of the office of Justice of the Supreme Court have been increased at this session, then of course there is a clear prohibition against this nominee being confirmed. If a new office has been created which he is to occupy, of course he cannot be confirmed.

The facts are not in dispute. The conclusion is inescapable, to my mind, that Congress by its own act, and the President by placing his signature on the measure and making it a law, raised an insurmountable barrier against the appointment to the Supreme Court of any person who was a Member of Congress on March 1, 1937. That ban will last for the remainder of the present term of each such Member.

The framers of the Constitution wanted to remove from Congress and from the Executive the temptation to create or aid in creating new offices, and then filling them with their own Members. Surely that is a sensible and wise provision. I believe the man on the street would say "Amen" to that. The Constitution says that if any Congress creates an office, no sitting Member shall be eligible to fill such office until the full term has expired for which he was elected.

On this point, which I mention only briefly, honest minds may reach different conclusions. Personally, I feel that the effect of the retirement act was to create a new office of Justice each time that a member of the Court having reached the age of 70, after 10 years of service, should elect to forego further active service on the Supreme Court. Such a Justice by such election does not shed the power with which he became invested upon the confirmation of his nomination by this body. He does not leave the Court; he merely says, "I am willing, in strict compliance with the act of Congress, not to sit with the active members of the Court any longer. I remain a Justice, but I will cooperate to the extent of making it possible for a new, active Justice to be appointed."

There is no constitutional authority for setting up a new class of Supreme Court Justices outside the Court, nor for having two members, one active and the other inactive, filling at the same time the same place. Since the one who has now become inactive is already occupying the place, the legal effect of the retirement act must be that the new active member occupies a new place. It was fully within the power of Congress to create that new place. It must be admitted that more appropriate language might have been selected. I believe the legal effect of the act is to create a new justiceship each time an active Justice, complying with the conditions, signifies his intention to put himself within the provisions of the retirement act.

If this be so, then Congress has effectually prevented the appointment of any of its Members to the Supreme Court at this time, or for the remainder of the term for which each of us has happened to be elected. There may be doubt in the minds of some on that point, but there is none in my mind.

There certainly cannot be any doubt, it seems to me, on the proposition to which I now advert. The framers of the Constitution were not content to say that no Member of Congress should be appointed to an office newly created during his term. They went one step further and applied the same prohibition against appointment to any office the emoluments of which had been increased during the term of any sitting Senator or Representative. If, then, the emoluments of the office of Supreme Court Justice were increased by the Retirement Act of March 1, 1937, this nomination cannot be confirmed, unless we who are sworn to defend and uphold the Constitution are willing to flout it.

We all understand what the act provides. Upon confirmation, a Federal judge holds office during good behavior. Only death or impeachment can remove him, or terminate or reduce his salary against his will. If by reason of advancing age or ill health, or if for any other reason, a justice of

the Supreme Court, prior to the enactment of the law of March 1, 1937, desired to be relieved of his active duties, he could do so only by stepping out of the office altogether, in other words, by resigning. He would then no longer be a Federal judge. Whatever Congress might see fit to allow in the way of a pension would be his to have until some subsequent Congress reduced the amount, or abolished the salary altogether.

Congress, therefore, being desirous of treating with fairness men who had every legal right to continue to hold active office upon full salary for the remainder of their lives, passed the retirement act, under which the Justice, giving up his active duties on the Supreme Court altogether, and on the inferior courts serving only to the extent to which he elects, is still assured of his full salary for life. That salary is not subject to reduction by any subsequent Congress. It is not available to the search of the income-tax collector. That is all there is to it.

Did that act increase the emoluments of the office? To my mind, it did so as clearly as if the salary had been raised by $1,000 or $10,000 per annum. Yet every Member of this body would admit without hesitation that if that were so, no sitting Member of Congress could be appointed to the office the salary of which had been thus increased.

Consider this example: Assume that on February 28, 1937, there was a vacancy on the Supreme Court, and that the nomination of Senator BLACK had been sent to this body and confirmed. Having fixed ideas about the propriety of keeping old men off the Court, the new Justice determines to resign on reaching the age of 70. On that point, if I may interrupt the thread of my illustration, there were indications a couple of months ago, in the matter of the promotion of a district judge to the circuit court of appeals, that the Department of Justice was about ready to declare that they would recommend no one for nomination or promotion to a judgeship unless he filed in writing his intention of resigning at the age of 70. At least the letter of Judge Williams was on file at the time he received his notice.

I return to my illustration. Having fixed ideas about the propriety of keeping old men off the Court, the new Justice determines to resign on reaching the age of 70. But, being a prudent man, he desires to provide for his family and his own old age, so he consults an insurance actuary. He is 51 years of age, we will say, and he wants to know how much it will cost him each month or each year to make provision so that when he reaches the age of 70 he can give up his duties as judge and receive an income equal to his salary, $20,000 a year. With very little figuring any insurance man would tell him just how many hundreds of dollars a year—and all of us realize it would be a very substantial sum—the new Justice would have to pay this year, and next year, and every year, in order to be assured that when he reached the age of 70 and gave up work he would receive $20,000 a year for the remainder of his life.

I have stated what would have been the condition if the vacancy had been filled on February 28. But suppose we skip 1 day, and come to March 2; and, of course, the condition then would have been the same as that which exists now. Under the act the appointee could go on the Supreme Court and live up fully to his determination to give up all his duties on reaching the age of 70, yet he could push the insurance men away from his door and say, "I have nothing to do with you. The Congress—the House of Representatives and my colleagues in the Senate—on March 1 passed a measure under which I can save the five hundred or six hundred or a thousand dollars a year, whatever it might be, that I would have to pay you for the assurance of $20,000 a year after I reach the age of 70. They have taken care of that for me, and now I will serve on the Court until I am 70. Then I will avail myself of the provisions of this act, and so long as I live I will receive $20,000 a year. No subsequent Congress can touch it, no income-tax collector can say anything about it, because the Constitution protects that salary of mine, and it still is a salary and not a pension."

Can anyone seriously say that the act of March 1, 1937, the Retirement Act, does not increase the emoluments of this office? Certainly no one can say it unless he has in mind some very peculiar and unusual definition of the term "emoluments." Even the slightest examination of the books should convince any lawyer in this body and convince anyone else that when the framers of the Constitution used the term "emoluments" they wanted to use a broader and more inclusive term than "salary", or "compensation", or "pay", and so they took that word which covers them all. Any advantage accruing as the result of holding an office is an emolument of the office, and the Constitution says that if a Congress does increase the emoluments of an office, does make an office more attractive by any act, then no Member of either House of Congress can for the term for which he was elected be transplanted into such office and receive the benefit of that increased emolument. It is not a matter of degree. If Congress were to raise the salaries of Supreme Court Justices $1 a year, making the salary $20,001 a year, would anyone doubt that that would be as effective a bar to the appointment of any Senator or Representative during the term for which he was elected as if Congress had doubled the salary?

So, I say that all we have to do is to look with some clearness of vision or intellect upon what the framers of the Constitution had in mind, examine their language and apply common sense to this matter. Certainly, if Senators want to uphold the Constitution and see that it is kept sacred, they cannot, as I see it under these circumstances, reach any other conclusion than that the Retirement Act of March 1, 1937, does increase the emoluments of the office of Justices of the Supreme Court.

In closing I refer to only one case, *McLean* v. *United States* (226 U. S. 374), a case decided about 20 years ago. It is an interesting case. An Army officer of the Civil War—a major, we will say—had left the service and was out of it for some time, and Congress wanted eventually to pass a bill to make him whole, to restore to him what he would have had had he continued in the service. Whether that was a wise act or not is immaterial, but Congress passed a law which provided that this major should have all the pay and emoluments to which he would have been entitled if he had remained in the service. Of course, he was given his pay promptly for the 15 years or so that he had been out of the service, but when it came to the matter of emoluments a dispute arose. The officer eventually died, and in the Court of Claims to which the question was brought, his widow contended that in the rank that he had held he was entitled to forage for two horses and the keep of two servants, and that that was included in the word "emoluments." Possibly it would not have been included had the measure referred simply to pay; certainly it would not have been included had the word "salary" been used, but Congress used the term "pay and emoluments." But the Court of Claims could not see the justification for that contention and the matter went to the Supreme Court, and the Supreme Court said: "Why, of course, when you talk about the emoluments of the office you talk about everything that makes the office attractive."

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. BURKE. I yield.

Mr. MINTON. Does the Senator say that when we built this nice courthouse across the way for the Supreme Court we increased the emoluments of the members of the Court?

Mr. BURKE. I think that may be going a little bit far.

Mr. MINTON. According to the Senator's last statement, if we do anything to make the office more attractive or advantageous we increase the emoluments.

Mr. BURKE. I will let the Senator's query stand along with my statement, and our colleagues can draw their own conclusions.

So the Supreme Court said, "Why, of course, when Congress used the expression 'pay' and then added to it 'emoluments' they meant everything." Well, in the light of what the Senator from Indiana said, I will say, "They meant practically everything that would make the office more attractive." Anyway, they used this expression, and I will read simply one sentence:

> The word "emoluments" is the most adequate that could have been used.

Whether adequate enough to cover the new Supreme Court Building I do not venture an opinion, but the Supreme Court said:

> The word "emoluments" is the most adequate that could have been used. It especially expresses the perquisites of an office.

I have a long list of cases, but I am not going to refer to them. In all of the cases I have been able to find, in which the courts refer to the word "emoluments" they give the word that all-inclusive definition. So, regardless of whether anyone at all shares my view concerning the propriety, advisability, and necessity of examining the qualifications of this nominee, or whether, having made examination, Senators may reach the same conclusion that I have, I conclude merely by stating that while I have the greatest admiration for this nominee in many particulars, I do not consider that he has judicial temperament, poise, training, experience, or anything that would justify me in voting for him, but, regardless of those points, I still say with respect to the matter of eligibility, that a new office was created, and our colleague cannot be boosted into that new office until the term for which he was elected as Senator has expired. But even beyond all that, as clear as the English language can express it, the Retirement Act of March 1, 1937, increases the emoluments of the office of Justice of the Supreme Court, and the provisions of the Constitution prohibit any Senator during the term for which he was elected from ascending to that office.

Mr. McGILL. Mr. President, I do not care to occupy much of the time of the Senate in discussing the matter of the confirmation of Senator BLACK's nomination. I cannot agree with some of the conclusions which have been reached relative to the law governing this matter. In the addresses made on this subject yesterday it appeared that the points made against the nomination of the Senator from Alabama were based entirely upon questions of law, but today we find that some of those who are opposing his nomination seek to prevent confirmation on the theory that under no circumstances is he qualified to fill the position of a Justice of the Supreme Court of the United States. On that score I have no difficulty whatever. It has been my pleasure during the past nearly 7 years to sit on the floor of this body but a short distance removed from the Senator from Alabama. In my judgment every man on the floor of the Senate knows the character, the high standing, and the qualifications of the nominee as well as does any other citizen of this country.

The holding of hearings to determine whether or not the Senator from Alabama is a good lawyer, whether or not he is a man of high standing, high qualification in statesmanship, in learning, and in knowledge of the law, whether or not he is a man above reproach, would be futile indeed, because, in my judgment, every Member of the Senate would be a witness to his character, his standing as a man, and his qualifications as a lawyer. He has demonstrated throughout his career here, since I have known him, that he is tolerant in his views toward his fellow men, that he is possessed of great learning as a lawyer, highly educated, quick in intellect, and capable in every respect to fill the high office to which he has been nominated.

On this occasion today we have heard a few newspaper clippings read with reference to the past career or supposed career of Senator BLACK. I dare say there is not a man on the floor of the Senate relative to whom it would not be possible to say that we could go to his State and find wherein he had been assailed by the newspapers of the community in which he resides. I do not say that disparagingly of the press, but I do not take it as evidence against Senator BLACK.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from New York?

Mr. McGILL. I yield to the Senator from New York.

Mr. COPELAND. If it were definitely proven that Senator BLACK has been a member of the Ku Klux Klan, would the Senator think that that disqualified him from the Supreme Bench?

Mr. McGILL. It might under some circumstances and not under others.

Mr. COPELAND. What would be the circumstances under which it would?

Mr. McGILL. I am not going to go into any speculative proposition to determine with the Senator from New York whether or not a thing might have been true at some time or other. The question is, if it was true, what, if anything, did the nominee do at any time in his career that would disqualify him from holding the high office?

Need I say to the Senator from New York that since I came to this body the Senator from New York has been a Member of the United States Senate and long prior to that time he was a Member of the United States Senate? Did the Senator from New York ever raise a question against Senator BLACK relative to his qualifications to sit as a Member of this body? No, Mr. President, the Senator from New York sat silently in this body and raised no question whatever against the Americanism, against the integrity, against the character, or against the citizenship or statesmanship of Senator BLACK. It ill behooves him here today to come on the floor of the Senate and complain against the appointment of Senator BLACK simply because he is a liberal, and simply because, if you please, his nomination has been sent to the Senate by Franklin Delano Roosevelt, notwithstanding the wishes or the sentiments of the Senator from New York.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield further to the Senator from New York?

Mr. McGILL. I yield for a question.

Mr. COPELAND. Perhaps I can put my interruption in the form of a question. Did the Senator hear me say a little while ago that Senator BLACK's membership in the Klan, whether real or alleged, would have no relationship to his membership in this body?

Mr. McGILL. It would have just as much relationship——

Mr. COPELAND. No.

Mr. McGILL. If the Senator will allow me, it would have just as much relationship to his membership in this body, if there was anything reflecting upon him as a citizen, as it would insofar as filling any other office in the land is concerned.

Mr. COPELAND. Will the Senator please answer my question?

Mr. McGILL. I have answered the Senator's question. That is what is wrong with the Senator from New York. [Laughter in the galleries.]

Mr. COPELAND. Did the Senator hear me say that that would have no relationship, in my opinion, to his membership in the Senate?

Mr. McGILL. I did not take down notes as to just what the Senator from New York may have said. In fact, his speech did not appeal to me, for it was based on prejudice and intended to prejudice the American people against the man who has been nominated for the position of Associate Justice on the Supreme Court of the United States, the highest court of the land.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. SCHWELLENBACH. Does not the Senator from Kansas know that the speech of the Senator from New York was not intended to appeal to him, but to the electorate in a campaign which is in the offing? [Laughter in the galleries.]

The PRESIDING OFFICER. There must be no demonstrations of any kind in the galleries.

Mr. McGILL. I will let the Senator from New York——

Mr. COPELAND. May I answer that?

Mr. McGILL. Mr. President, I do not yield to the Senator from New York to make a political speech or campaign address at this time. He had that opportunity and availed himself of it.

Mr. President, I do not care to occupy the time of the Senate in discussing the nominee. I am not any more qualified to speak relative to his high standing than are other Members of this body. I know nothing about political campaigns in the State of Alabama. I do know that at the time with reference to which the Senator from New York has complained Senator BLACK's opponent in that campaign is now a Member of this body and is able and capable to speak for himself with reference to the standing of Senator BLACK in the State of Alabama and with reference to that campaign or anything that may have occurred during that period.

Mr. President, I rose largely to express myself to the effect that, insofar as I am concerned, I have found Senator BLACK to be a liberal-minded man throughout the period of time in which I have known him. I have found him to be a patriotic citizen, a man of high standing and high motives. I have found him to be a man of strict integrity and strict honesty, in mind and in every other respect. So I can find nothing personal, insofar as my knowledge of him is concerned, which would reflect upon him in the slightest degree or interfere with my voting for the confirmation of his nomination.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. McGILL. I yield to the Senator from Maryland.

Mr. TYDINGS. Does the Senator intend to discuss in his remarks whether or not a new place has been created upon the Supreme Bench by the retirement of Justice Van Devanter?

Mr. McGILL. I shall advert to that in a few moments.

Mr. TYDINGS. Would the Senator be so kind now as to indicate whether or not he feels that a new place has been created by the retirement of Justice Van Devanter?

Mr. McGILL. I do not feel that there has been a new place created on the Supreme Court of the United States. There has been, in my judgment, a new place created by virtue of the act of March 1, 1937, and the voluntary retirement of Justice Van Devanter. It is my judgment that the office to which Senator BLACK has been nominated is one previously occupied by Mr. Justice Van Devanter and that it was created long prior to the time Senator BLACK became a Member of the Congress.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. McGILL. I yield.

Mr. TYDINGS. I am asking the question purely for information, because the Senator is on the committee and I have not had the chance to study the subject that he has had; I am not arguing with him; but does the Senator consider that Justice Van Devanter is a member of the Supreme Court of the United States?

Mr. McGILL. I do not.

Mr. TYDINGS. To what extent could Justice Van Devanter exercise the functions of an Associate Justice of the Supreme Court of the United States?

Mr. McGILL. In my judgment, he cannot exercise any of the functions of a Justice of the Supreme Court of the United States, but he is possessed of some of the qualifications he previously had as a Justice of the Supreme Court, to wit, the right, if called upon, to sit upon a circuit court bench in the United States.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. McGILL. I yield.

Mr. TYDINGS. Does the Senator think that Justice Van Devanter is now a member of the judiciary insofar as he can sit upon the circuit court or the courts of appeals or any other court inferior to the Supreme Court?

Mr. McGILL. He is qualified, if willing and called upon, to sit upon the circuit court of appeals of the United States.

Mr. TYDINGS. Let me ask the Senator one more question. In considering the legality of what is happening, one of the difficulties that has confronted me, and to which I have not yet received an answer in my own thought, is if Justice Van Devanter can sit as a circuit court judge without being appointed and confirmed by the Senate, how he can occupy that category when the Constitution provides that nominees shall be named by the President and confirmed by the Senate. Will the Senator be so kind as to tell me what the committee has found in reference to that paradox, namely, that Justice Van Devanter becomes an associate judge without being named and confirmed by the Senate? Obviously if he is not a circuit judge, a question might arise as to whether or not there is a vacancy. I am asking this question because I have had difficulty in working it out in my own mind, and I thought the Senator might explain it.

Mr. McGILL. Let me say to the Senator from Maryland that when one is nominated by the President, or by a President, to be a member of the Supreme Court of the United States, and is confirmed as a member of that Court, he is likewise appointed and confirmed as having the authority and capacity to sit and act as a judge of the circuit court of the United States. Therefore appointment to the circuit court is included in the appointment to the Supreme Court.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. TYDINGS. Then, as I understand, Justice Van Devanter, having been appointed at one and the same time to both the Supreme Court and the circuit court, insofar as jurisdiction is concerned has surrendered his Supreme Court jurisdiction and still retains his circuit court jurisdiction?

Mr. McGILL. Under and by virtue of the act of March 1, 1937.

Mr. TYDINGS. Was a new place created in the circuit court personnel of the United States circuit court?

Mr. McGILL. No; Justice Van Devanter has been a member of that court all the time.

Mr. TYDINGS. Here is the point I am endeavoring to cover. If Senator BLACK is confirmed and sits upon the Supreme Court, have we not added one new Justice to the Federal judiciary?

Mr. McGILL. We have added one new circuit court judge if it is seen fit to assign a Justice of the Supreme Court to serve on the circuit court bench. It has always been the rule, regardless of the issue now before us, that members of the Supreme Court are vested with authority to serve on the circuit court bench.

Mr. TYDINGS. But Justice Van Devanter is no longer a member of the Supreme Court of the United States and unless he is a member of the Supreme Court of the United States how can he be assigned as a circuit court judge of the United States when he has retired as an Associate Justice of the Supreme Court?

Mr. McGILL. Under and by virtue of the act of Congress of March 1, 1937, which specifically provides that where a Justice retires from the Supreme Court of the United States he may be called by the Chief Justice to serve on the circuit court of the United States and may serve if he so desires. If a new judgeship is created it is not one on the Supreme Court, but on the circuit court.

Mr. TYDINGS. I shall ask the Senator another question. I think his answers to my previous questions have been very elucidating. As I recall, the Senator from Texas [Mr. CONNALLY] yesterday made the statement that a new place had been created on the Supreme Court by making

the membership of that court 10 instead of 9, that Justice Van Devanter occupies the new place, and that Senator BLACK would be appointed to the place vacated by Justice Van Devanter. If that be correct, then what the Senator has just now said would not be true, but if what the Senator from Kansas said is true then the contention of the Senator from Texas would not be well founded.

Mr. McGILL. If that has been the contention of the Senator from Texas, of course he and I are not in agreement on the subject.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BULKLEY in the chair). Does the Senator from Kansas yield to the Senator from Texas?

Mr. McGILL. I yield.

Mr. CONNALLY. I had hoped I would not be dragged into this debate. [Laughter.] What the Senator from Texas said yesterday was that if the position of the Senator from Idaho [Mr. BORAH], to the effect that Justice Van Devanter was not off the Court, is correct, then the effect of the retirement statute which Congress enacted was to create a new position unknown heretofore to the law, and that position is a retired Supreme Court Justice. Up to a recent time a Supreme Court Justice could not retire. That act operated upon the choice of Mr. Van Devanter to accept it as a relinquishment of his duties as a member of the Supreme Court on active service, we will say, and his voluntary assumption of a new status, which is that of a retired Justice of the Supreme Court. The law does not permit him to exercise any of the functions, strictly speaking, of a Justice of the Supreme Court, but provides that he may be assigned to circuit court duty.

Assuming these things to be true, the Senator from Texas asserted yesterday that Senator BLACK is being appointed, not to the new place, but to the old place. Whose place is he taking? He is taking the place of Mr. Justice Van Devanter held by him until Mr. Van Devanter voluntarily relinquished it. So it does not make any difference whether Congress created a new place or not. The place that is being filled is the old place on the Bench in the Supreme Court Building, and not on a farm out in Maryland where Justice Van Devanter is now living. [Laughter.]

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. McGILL. I yield.

Mr. TYDINGS. I think the Senator from Texas has stated the matter accurately, and that brings us back to the point that after Justice Van Devanter retires from the Supreme Court of the United States, the question is how can he act as a circuit judge without being nominated and confirmed by the Senate? After he was nominated and confirmed originally, obviously Justice Van Devanter accepted a place created by an act enacted subsequently. The office did not exist at the time he was originally nominated and confirmed, therefore he could not have been appointed to an office which was created only a few months ago. So, if Justice Van Devanter were relying upon the old law, then it seems to me we have to reach the conclusion that he is still on the Supreme Court Bench or else we have to have him nominated and confirmed as a circuit court judge in order that our logic may be consistent clear down the road to the end.

Mr. McGILL. Let me inquire of the Senator from Maryland if he contends the office of judge of the circuit court did not exist at the time of the Van Devanter appointment?

Mr. TYDINGS. The retirement bill to which the Senator refers, and which gave Justice Van Devanter a right to leave the Supreme Court and still be an Associate Justice of the Supreme Court, was not in existence when Justice Van Devanter was appointed to the Supreme Court.

Mr. McGILL. Does the Senator contend that the office of judge of the circuit court of the United States did not exist at the time Justice Van Devanter was appointed to the Supreme Court?

Mr. TYDINGS. My answer to the Senator is that when Justice Van Devanter retired from the Supreme Court of the United States, having been clothed with authority to sit as a circuit judge while he was sitting as a Supreme Court Justice, by the act of retirement he cannot sit as a circuit judge unless he is renominated and reconfirmed.

Mr. McGILL. That is the Senator's position; but the Senator does agree that the office of circuit judge existed at the time Van Devanter was appointed to the Supreme Court?

Mr. TYDINGS. That is true; but he is no longer a Justice of the Supreme Court, and that is the position that gave Justice Van Devanter the jurisdiction to sit on the circuit court. Having given up the position which gave him jurisdiction, and a new office having been created within the last few months after he was originally appointed to the Supreme Court, then Justice Van Devanter will have to be renominated and reconfirmed as he is no longer a member of the Supreme Court of the United States.

Mr. McGILL. The status of Justice Van Devanter is not the issue with which we are concerned here today. The Senator may be correct, but I think he is entirely in error. However, the status of Justice Van Devanter is not the issue. The issue is whether or not there is a vacancy on the Supreme Court.

Mr. TYDINGS. I think the Senator has stated perhaps what may be true, namely, that Justice Van Devanter is not the issue. The only reason why I raised the point is that I want to approach the situation logically. It has been contended here that Justice Van Devanter could try circuit court cases notwithstanding that he was not a member of the Supreme Court of the United States. The Senator from Maryland was at a loss to know how he could do that when the office for which he is now to perform the duties was created after Justice Van Devanter was nominated and confirmed by the Senate. The Senator from Maryland was trying to get some kind of coordination in his mental processes as the argument seemed most contradictory, even as made by those who are supporting the nomination of Senator BLACK.

Mr. McGILL. I shall be glad to help the Senator from Maryland in any way I can. He thinks one way and I another. The question is not whether Justice Van Devanter can sit on the circuit court. His status is not what we are considering.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. McGILL. I yield.

Mr. BARKLEY. In discussing the subject of a vacancy on the Supreme Court and the status of former Justice Van Devanter, it seems to me we should keep in mind the fact that the Supreme Court is a mandatory constitutional institution, and that appointments to the Supreme Court, when provided for by Congress or when the law was passed governing such appointments, are mandatory because the Constitution requires the establishment of a Supreme Court. It does not require the establishment of any inferior courts. Therefore, whatever duties were conferred upon Justices of the Supreme Court in addition to their membership on the Court itself are statutory and not constitutional.

Therefore, when any man was appointed to the Supreme Court after the law was enacted which placed upon his shoulders circuit duties in the circuit courts, he was confirmed not only as a Justice of the Supreme Court, but he was confirmed in the performance of such incidental duties in the circuit court as the law requires. If the Congress has seen fit to make it possible for a Justice to retire from the Supreme Court, it may do it with the limitation that he may still be required, or at least called upon, to perform duties in a lower court, and therefore when he is confirmed for all the duties he does not have to be reconfirmed for any part of them that may remain with him after he has retired from the high court to which he was primarily appointed.

Mr. McGILL. I thank the Senator from Kentucky. That is the view to which I have held.

Mr. LEWIS. Mr. President——

Mr. McGILL. I yield to the Senator from Illinois.

Mr. LEWIS. I ask the attention of the Senator from Maryland [Mr. TYDINGS].

Apart from any position I may take, or be called on to take, as to the confirmation of the distinguished gentleman who has been nominated to the Supreme Court, I realize that there is a possibility of much confusion, in view of the apparently contradictory state of the statutes, as to whether or not the retiring judge becomes a circuit judge by the act of the Legislature; that is, the act of Congress.

I invite the attention of the able Senator from Maryland—who was not honoring this body at the time—to the fact that Congress some time past enacted a law creating a court known as the commerce court. On that court there were three judges appointed, the head of whom, I believe, was named Mr. Justice Archbald. There were other judges, among whom was one from Illinois, now known as Mr. Justice Julian Mack. There arose situations by reason of which Congress was compelled to abolish that court, and it was abolished by a statute which turned these judges into circuit judges. One has passed, let us hope, to heaven. Two still survive as circuit judges under the act; but the name of neither was ever sent up for separate confirmation in this honorable body.

Does not that parallel the situation of my able friend, and remove from his mind what I may designate as uncertainty as to the necessity of personal confirmation of one already in office?

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. McGILL. I yield to the Senator from Maryland.

Mr. TYDINGS. No; it does not. I do not think the cases are analogous; and I am familiar with the abolition of the commerce court judges. None of them was ever reappointed, as the Senator has rightly stated; but the Senator from Illinois will recall, I am sure, that the Senator from New Mexico [Mr. HATCH], a member of the Judiciary Committee, has contended on this floor with a great deal of force and logic that the Senate, whether it wittingly did so or not, created a new associate justiceship when it passed the retirement bill, and other Senators have so contended.

If that be so, then the argument made by the Senator from Kansas would not lie on a sound foundation. But, of course, if, as he contends—and I am rather inclined to accept his view—that is not so, then we should be proceeding in the right direction; the point being that the members of the Judiciary Committee who are supporting Senator BLACK's nomination are arguing it from two entirely different standpoints which are in conflict with each other, and we who are not on the committee are having a great deal of difficulty in finding out just what the committee as a whole thinks.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McGILL. I yield to the Senator from New Mexico.

Mr. HATCH. The Senator from New Mexico has not as yet argued this particular question on the floor. On yesterday, or a day or two ago, some questions were asked by the Senator from New Mexico. I have not at any time said on the floor of the Senate that the retirement act of March 1, 1937, created an additional office of Justice of the Supreme Court of the United States. I do not think it did. My views are in exact accord with the views expressed by the Senator from Texas [Mr. CONNALLY] on yesterday and this morning, especially the part about the Maryland farm. [Laughter.]

Mr. McGILL. Mr. President, I think probably some difficulties have arisen by reason of a decision of the Supreme Court of the United States and one of the circuit courts of appeal of the United States in construing the act of 1919, which provided for the retirement of district and circuit court judges. That act specifically provided if a district judge or a circuit court judge availed himself of its provisions and retired under and by virtue of the act, that, notwithstanding that fact, such person remained a judge of the court from which he retired; and the language of the Supreme Court in the Booth case and the language of the circuit court of appeals in the Maxwell case, and other decisions which I have had the opportunity to examine, is merely language construing the act of the Congress passed in 1919.

I do not see how the Court could have arrived at any other conclusion than the one it did arrive at in holding that under and by virtue of the statute those men who had retired remained judges of the courts from which they retired because the act specifically so provided. There was no constitutional question before the Court in that case, except the one question that when a man remained a judge of a court from which he was supposed to have retired under and by virtue of the Constitution his salary could not be reduced after the date of retirement. That really was the only issue. We will find in the decision language that is probably, to some, confusing; and I claim no higher degree of capacity to interpret it than may be claimed by any other Member of this body. Nevertheless, other language in the opinion handed down by Mr. Justice Roberts is wholly foreign to the issue which was before the Court, and the issue which the Court, in fact, did decide, and which only was that a judge who had retired still remained a member of the court, and that was determined to be true by virtue of the language of the statute under which he had retired.

So far as I know, we have no precedent to guide us in this particular case. In my judgment, we had the right under the Constitution to enact the act of March 1, 1937. We could not remove anyone from the Supreme Court; but, after having enacted a method by which a Justice of that Court could retire, the voluntary retirement of the Justice created a vacancy and a new position in which he voluntarily placed himself.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McGILL. I yield to the Senator from Montana.

Mr. WHEELER. Does the Senator contend that Mr. Justice Van Devanter is not now a member of the Supreme Court?

Mr. McGILL. I do. Those are questions, however, which were raised just a moment ago.

Mr. WHEELER. Quite frankly, I am not clear about it. If he is still a member of the Supreme Court, then it seems to me without a question of a doubt we have created another judgeship. I do not think there is any question as to that. The question in my mind is as to whether or not he is still a member of the Supreme Court.

Mr. McGILL. Under the act of March 1, 1937, he could not retire and still be a member of the Supreme Court. When he retired, he abandoned all the duties of his office, voluntarily abandoned the office, and ceased to be a member of the Supreme Court of the United States.

Mr. WHEELER. I am not familiar with the statute with reference to the retirement of other judges; but when a district judge, for instance, reaches the age of 70 and retires, he is still a member of the court and may come back and hold court.

Mr. McGILL. That is the point to which I was referring just a moment ago by reason of certain language used by Mr. Justice Roberts in the Booth case. The act of 1919, under and by virtue of which a judge of a district court or a judge of a circuit court may retire, specially provided that the retired judge should remain a member of the court. The act of March 1, 1937, provides that the only duties any retired Justice of the Supreme Court may be called upon to perform are those the Chief Justice may ask him to perform on the circuit court, in which event, he may, if he so desires, perform them. Under the act of March 1, 1937, he does not remain a Justice of the Supreme Court from which he retired.

Mr. WHEELER. What would happen to Mr. Justice Van Devanter in the event the Congress should repeal the Retirement Act?

Mr. McGILL. He would be in the same status of any other circuit judge.

Mr. WHEELER. How would he be a circuit judge? The act does not make him a circuit judge.

Mr. McGILL. The act makes him a circuit judge, and he has been a circuit judge ever since he was confirmed on the Supreme Court.

Mr. WHEELER. But would he not still be a member of the Supreme Court if we should repeal the Retirement Act?

Mr. McGILL. No. He has abandoned the duties of the office of Justice of the Supreme Court. He has so declared himself. He did it voluntarily, and has ceased to be a member of that Court. He did not have formally to resign.

Mr. WHEELER. The Senator will recall that his retirement was exactly in compliance with the terms of the Retirement Act as passed by Congress. He was extremely careful so to specify. If he retired specifically under the act, and the act should be repealed, the Senator thinks he then would not be a member of the Supreme Court and entitled to sit upon it?

Mr. McGILL. I certainly do. He is in the same situation as every member of the Circuit Court of Appeals of the United States. Congress might repeal the acts creating all the courts below the Supreme Court of the United States. Judge Van Devanter in his declaration has availed himself of the privileges of this act, which specifically provides that he may be called upon to perform duties on the circuit court of appeals if he is willing to perform them. It does not authorize him to perform any other public duty in any other public office.

Mr. WHEELER. In the event the Retirement Act did create another place, will the Senator agree that when Justice Van Devanter retired he did not retire to some new place? He retired to the place that he had, and was simply a retired member of the Supreme Court, was he not?

Mr. McGILL. He retired to a new place. I assume the Senator intends to ask me what would be the result should the act of 1937 be held unconstitutional, and I do not think it will be, although there is no precedent. The Court in the Booth case did not rule upon the constitutionality of the act of 1919; it did not pass upon that question. In any event I would say a vacancy exists on the Supreme Court now because Justice Van Devanter by his voluntary act has abandoned every duty of that office.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McGILL. I yield.

Mr. CONNALLY. If the Court should hold the act unconstitutional—and I do not think it will—would it not be likely to hold that Justice Van Devanter, if he has not been retired, resigned, by abandoning the office and going out and taking up other duties?

Mr. McGILL. By abandoning the duties of an office one resigns from that office. That is the law. If the Senator will look up the authorities, he will see that that is the law. One does not need formally to resign. If he abandons the duties of his office, walks out, and has nothing more to do with it, it will be held that he resigned.

Mr. WHEELER. He specifically stated in his letter to the President that he only retired in accordance with the act passed by the Congress of the United States. If we passed an act permitting a judge to retire, and that act should be held unconstitutional, no court, in my judgment, would hold that that was an abandonment of the office, and the Senator cannot find one single authority holding that it would be an abandonment of the office.

Mr. McGILL. And the Senator from Montana cannot find one single authority that holds that would not be the law. There is no authority on the subject, so I can challenge the Senator from Montana just as readily as he can me.

Mr. WHEELER. Does the Senator contend that if the Justice retired under an act passed by Congress, and specifically stated that he was retiring under the provisions of that act, and the act were not upheld, it would deprive him of the office?

Mr. McGILL. He would have taken his chances with reference to the constitutionality of the act, as the Senator from Montana and I in many of our daily acts in the walks of life take our chances on whether an act of the Congress is or is not constitutional. The fact remains that Justice Van Devanter has abandoned every duty of the office of Justice of the Supreme Court of the United States, which in effect constitutes a resignation, under the law.

Mr. President, I do not wish to occupy more of the time of the Senate in discussing this matter. The other cases which are found, cases decided by circuit courts of appeal, are in harmony and in line with what I have said relative to the Booth case. None of them attempt to pass upon the constitutionality of the acts of the Congress granting retirement privileges.

It is my view that Senator BLACK has not been nominated by the President to an office created since the Senator was elected the last time as a Member of the National Congress, but the office to which he has been nominated is the one previously held by Mr. Justice Van Devanter, and was created by the act of Congress in 1869; that the salary of that office, which constitutes the "emoluments", has in no way been increased at any time since Senator BLACK was elected as a Member of this body; that the office was created in 1869, and that by virtue of the retirement of Mr. Justice Van Devanter under the act of March 1, 1937, from the Supreme Court of the United States, a vacancy was left on the Supreme Court to which this nomination is made.

I will not contend whether there was or was not a new office created, but if any new office was created, it was the office of a retired Justice of the Supreme Court of the United States, now held by Mr. Justice Van Devanter.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. McGILL. I was hoping to close, but I yield.

Mr. STEIWER. Does the Senator mind indicating, if his theory is that the new office is that of a retired Justice, by what means Mr. Justice Van Devanter was inducted into that office?

Mr. McGILL. I have discussed that, and I am sorry the Senator was not on the floor at the time. We have been discussing that matter for about 30 minutes, and I have been answering questions in which that problem was involved, questions propounded by the Senator from Maryland, the Senator from Montana, the Senator from Kentucky, the Senator from Illinois, and others. I do not think it would avail us anything to reiterate just exactly what we have been going over for about 30 minutes.

Mr. STEIWER. I withdraw the question. I would not ask the Senator to reiterate anything.

Mr. McGILL. My contention is that the issue before us is not primarily the status of Mr. Justice Van Devanter, except insofar as it is necessary for us to go to determine that he is no longer a member of the Supreme Court of the United States. A vacancy on that bench exists, in my judgment, and it was within the province, the right, and duty of the President to nominate whom he might select to the high office, and unless something can be disclosed to this body showing that the nominee is unfit to fill the position, it is the duty of the Senate to confirm the nomination.

My judgment is that the Members of this body are well advised that the nominee, Mr. BLACK, is one of the best lawyers in the United States, is a man possessed of a high degree of learning, of strict integrity, whose honesty has never been questioned, and that his attitude of mind toward the masses of mankind is that of one of the great liberals of the country.

I thank the Senate.

Mr. CONNALLY. Mr. President, I should like to inquire of the Senator from Vermont and the Senator from Oregon whether they desire to address the Senate at this time.

Mr. AUSTIN. Mr. President, I appreciate the courtesy of the Senator from Texas. I know that he will adorn the situation so much better than I could that I prefer to have him proceed at this time.

Mr. CONNALLY. I regret that the Senator will not speak at this time, because the Senator from Texas feels that he would have so much more information when he should come to discuss this question if he first had the opportunity of listening to the Senator from Vermont, that he approaches the question now with a great deal of trepidation and hesitancy.

Mr. President, the question before the Senate at the moment is whether or not we shall confirm or reject the nomination to be Associate Justice of the Supreme Court of the United States of HUGO L. BLACK, not Senator HUGO L. BLACK, but HUGO L. BLACK, who happens to be a Senator. At the very threshold of the discussion we are told that the Senate cannot properly confirm this nomination because there is no vacancy on the Court. I dare say that when the Supreme Court convenes in October, if this nomination shall not be confirmed, when the spectators and litigants go before the bar of that Court they are going to see a vacant chair, the chair formerly occupied by Mr. Justice Van Devanter, and the question will be, Where is Mr. Justice Van Devanter? Is he on the Bench? Can he ever come back to the Supreme Court Bench? Can he ever hereafter perform any of the duties on the Bench of the Supreme Court? No. The Senator from Texas suggests, then, if those facts be true, no matter how they be true, whether they be true because Mr. Justice Van Devanter shall have died, or whether he shall have fled the realm and gone to foreign countries, or whether he voluntarily surrendered the performance of the duties of a Supreme Court Justice—regardless of how he got off, the question is, Is he off? I submit that he is off that Bench, because I have here his own letter in which he says that he gives up and surrenders the duties of a Justice of the Supreme Court.

Mr. Justice Van Devanter says he accepts the terms of the Retirement Act. The retirement act which the Congress passed provided:

That Justices of the Supreme Court are hereby granted the same rights and privileges with regard to retiring, instead of resigning, granted to judges other than Justices of the Supreme Court by section 260 of the Judicial Code (U. S. C., title 28, sec. 375), and the President shall be authorized—

Who is this speaking? This is the Senate speaking. This is the House also speaking. Senators who voted for this measure now say that the President has no authority or power to appoint a successor. When the bill was before us they said he ought to do it.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McGILL. Not only was that the Senate speaking and passing the bill, but that measure passed through this body by a vote of 76 yeas and only 4 nays.

Mr. CONNALLY. Exactly. The point the Senator from Texas is making is that the same Senators who in March voted in favor of this bill and directed the President of the United States to appoint a successor to any judge of the Supreme Court who might say that he wanted to retire now say that he must not do it and cannot do it because there is no vacancy.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Under that law former Justice Van Devanter cannot voluntarily go back and sit on the Supreme Court in any case.

Mr. CONNALLY. Exactly. I was coming to that.

Mr. BARKLEY. And there is no power in the United States that can compel him to do so.

Mr. CONNALLY. What is that old story about "all of his horses"? What is that old story—the Senator knows it—that "all of his horses" cannot put Humpty Dumpty back again?

Mr. BARKLEY. "All the king's horses and all the king's men", and so forth.

Mr. CONNALLY. Yes.

Humpty Dumpty sat on a wall.
Humpty Dumpty had a great fall.
And all the king's horses and all the king's men
Cannot put him up again.

[Laughter.]

Mr. President, no matter how Justice Van Devanter got off the Bench, he is now off, and nobody can put him back.

So does not that create a vacancy? Does not that create a vacancy in the old job of being a Supreme Court Justice who sits on the Bench and renders decisions in the Supreme Court of the United States?

I had not completed reading the act. I was just coming to that, I shall say to the Senator from Kentucky.

And the President shall be authorized to appoint a successor—

To whom?

to any such Justice of the Supreme Court—

Mr. Van Devanter; yes. Mr. Hughes; yes. Mr. Brandeis; yes. Mr. Anybody else who retires—in his place the President shall appoint a successor. Yet these same Senators now say "No; we did not mean that. We were just playing like. [Laughter.] We did not mean it at all, because there could not be a vacancy; there could not be a successor."

The language of the act continues:

So retiring from regular active service on the Bench, but—

And listen to this language—

but such Justice of the Supreme Court so retired may nevertheless be called upon by the Chief Justice and be by him authorized to perform such judicial duties in any judicial circuit—

Not on the Supreme Court, not over here in this marble palace, but out in some circuit—

including those of a circuit justice in such circuit as such retired Justice may be willing to undertake.

Under the express terms of this statute, Mr. Justice Van Devanter cannot go back on the Supreme Court Bench. No matter how much he may desire to resume the duties which he voluntarily surrendered, they have left him and left him forever, under the solemn provisions of this act of Congress. So is there a vacancy?

Mr. President, I have some law books here. I shall not quote from all of them. I hold in my hand Words and Phrases, which contains syllabi from a number of cases. Without reading these decisions, what do they hold? They hold that an office is vacant when the officeholder resigns, when it is a new office to which no one has been appointed, when the holder of it voluntarily relinquishes its duties, and in fact, they say "vacant" means "empty." [Laughter.] If there is nobody in the office and nobody performs its duties, it is vacant.

So, Mr. President, by no lucubrations or hallucinations, or any other kind of "nations" can I understand how Senators can come to the conclusion that there is no vacancy on the Supreme Bench. Mr. Van Devanter was on that Bench. He is not on it now, and he never expects to return to it, and never can go back on it. It is the old position to which Senator BLACK has been appointed; not to some new one that the Senators speak of. Senator BLACK—and all Senators know this—is being nominated to perform the duties which Mr. Justice Van Devanter did perform while he was on the Bench, and which he has abandoned.

Mr. President, can there be any challenge to that?

Mr. LEWIS rose.

Mr. CONNALLY. I hope the Senator from Illinois is not going to challenge that statement.

Mr. LEWIS. I simply rose to suggest that there be order in the Chamber.

Mr. CONNALLY. Never mind! The Senator from Texas does not care for order. I thank the Senator from Illinois for offering to secure order, but the Senator from Texas is so often in disorder himself he does not mind a little disorder. [Laughter.]

Mr. President, the Constitution created the Supreme Court. It is the only court which the Constitution directly created. As to other courts, the Constitution vests the power in Congress to create them. For the sake of the record, let us put into the RECORD article III, section 1:

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office.

While the Constitution created the Supreme Court, it did not fix the number of justices, leaving that to Congress. I agree that if the office which is to be filled or some new office had been created by the Congress during the life of the term of the Senator from Alabama, he could not accept an appointment to it. I agree that if Congress during that period should have increased the emoluments of the office to which he has been appointed, he would not be eligible. But, Mr. President, the contention of the Senator from Texas is that Senator BLACK is being appointed to one of the nine positions, the nine judgeships on the Supreme Court that have existed since 1869.

I ask the chairman of the Judiciary Committee, Is that correct?

Mr. ASHURST. That is my view of the situation.

Mr. CONNALLY. Mr. President, I thank the Senator, because as to the history of the Supreme Court and the governmental institutions of the United States there is no more learned man in this Chamber than the eminent and attractive Senator from Arizona. [Laughter.]

Mr. President, if there is a vacancy, then the Senator from Alabama is eligible thereto unless the emoluments of the office have been increased. I submit that the emoluments of the office have not been increased. Under the Constitution, Mr. Justice Van Devanter will receive for the rest of his life the same compensation that he received as a member of the Court. Had he remained on the Court he would have received that same compensation. How is there any increase in compensation by reason of the mere decision on the part of a judge to retire in the exercise of the option or election either to stay on the Court and perform such duties as he may desire or of not performing all of those duties but going out on his farm and retiring? No increase in compensation is brought about by such a decision.

Oh, but the Senator from Nebraska said that this hazy sort of thing called the privilege of retiring when a man gets to be 70 years of age is an increase in the emoluments. Let us see. Suppose the Senator from Alabama should be appointed and should die when he is 65 years old; he would then not have received any increase of emolument, would he? Suppose he did not retire; he will not have received any increase in emolument. Suppose he does retire. He does not get a copper cent more when he shall have retired than if he had remained on the Bench. How is that an increase in emolument?

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MINTON. It does not increase his emolument. It just decreases his work.

Mr. CONNALLY. That is all. It just lessens his duties a little bit. Everyone knows that a member of the Supreme Court now works when he wants to work, and no one can make him work unless he wants to. [Laughter.] The Federal judges over the country take longer vacations than do Senators and Representatives. They take them frequently at the rate of $5 and $10 a day, Government expense money. They go when and where they please, except when they leave their State I believe they are obliged to get the consent of someone. The State judges take their vacations when they want to. After all, you have got to rely upon the conscience and the patriotism and the sense of responsibility of judges to perform their duties. The only weapon against that is that of impeachment, which is rarely employed, because, as a rule, over the great average, men do not bring themselves within the terms of impeachment.

Mr. President, it is said that a new office has now been created. If that be true, that office is a new status called a retired Justice of the Supreme Court. Why do I say that? Until the act of Congress providing for retirement was passed there was no such place. There was no such status. A judge could not retire. There were no retired Justices of the Supreme Court. So the effect of what the Congress did when it passed the retirement statute was to create a new status called a retired Justice of the Supreme Court. It did that only on the condition and on the contingency that a judge should retire. If no judge had ever retired or should retire, there would be no filling even of that office, that status.

But since Congress said to the Justices of the Supreme Court "when and if you reach 70 years of age and when you shall have served continuously as a Federal Judge for 10 years you may"—do what? "You may relinquish voluntarily your duties on the Supreme Bench and receive the same compensation that you have been receiving."

Mr. President, we must approach this matter from the viewpoint of the public welfare. What is the public welfare concerned with? It is concerned with having a court over yonder of nine Justices; it is concerned with having every place on that court filled. All these fine-spun legal theories, these legalistic quips and quirks cannot erase the fact that there is a vacancy there now; that Justice Van Devanter has surrendered his place on the Bench or that he has given up his duties on the Bench, and he never expects to return to them. Yet it is said that we cannot fill that vacancy; that it must continue. According to such a theory, the Court would automatically extinguish itself by retirements under the new law, and would get down to where there were only three Justices of the Court, when the law requires that six shall be necessary to constitute a quorum. Of course, the Congress might destroy the Supreme Court; it might refuse ever to confirm any nominations and in the course of time, though the Constitution established the Supreme Court, there would be no Court; but the Senate does not want to and does not expect to do that thing.

Now, Mr. President, I want to quote and put in the RECORD the letter of Mr. Justice Van Devanter. We have in the RECORD the statute, and, in construing the statute, the letter of Mr. Justice Van Devanter should be considered.

WASHINGTON, D. C., *May 18, 1937.*

MY DEAR MR. PRESIDENT: Having held my commission as an Associate Justice of the Supreme Court of the United States and served in that Court for 26 years, and having come to be 78 years of age, I desire to avail myself of the rights, privileges, and judicial service specified in the act of March 1, 1937, entitled "An act to provide for retirement of Justices of the Supreme Court", and to that end I hereby retire—

I hereby retire—

from regular active service on the Bench.

What is meant by retiring from regular active service? It means he never will get on that Bench again. It means that he will never serve as a Justice of the Supreme Court, according to his own language, because he cannot do it under this act; he accepts that act, and shows that he understands it if Senators do not understand it. [Laughter in the galleries.]

The PRESIDENT pro tempore rapped with his gavel.

Mr. CONNALLY. Mr. President, I wish the Chair would not be so careful about restraining applause. The Senator from Texas likes to have a little approval now and then. [Laughter.]

And to that end I—

Who? I—Justice Van Devanter. This is his abdication in favor of whomever the President shall appoint and whomever the Senate shall confirm, because the act, the terms of which he accepts, commands the President to appoint his successor. He says he accepts that act.

"I hereby retire. I accept the command which Congress gives to the President to appoint somebody in my place—not in the new status that I am assuming, in this good easy job where it is not necessary to work", in the retired place out on the Maryland farm, where he can fish and cut hay and have a good time during the summer. He is not giving that place up; but he says, "I hereby retire under this act; and that act says that the President shall appoint my successor, and I invite"—that is the effect of his action—"I invite the President to appoint my successor, and I invite the Senate to confirm his nomination." He was not quite through. What does he say furtermore?—

And to that end I hereby retire from regular active service on the Bench.

What is a Supreme Court judge for except to sit on the Bench and work on the Bench?—

This retirement to be effective on and after the 2d day of June 1937, that being the day next following the adjournment of the present term of Court.

I have the honor to remain,
Very respectfully yours,

WILLIS VAN DEVANTER.

And here is the President's letter accepting his retirement.

Mr. President, those things, the act of Congress, the retirement, the acceptance of the retirement by the President make a closed incident. When those things happened a vacancy on the Supreme Court was created not by act of Congress, not by the Senate, but by the incumbent vacating a job that has been in existence ever since 1869. If there was any new position created, it was this new status that no judge of the Supreme Court has ever held before—and if that is not new, I do not know what new means, for it is something that never happened in the history of this Republic until the passage of the act March 1, 1937—a new status, that of a retired Justice of the Supreme Court.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. Has the Senator found any provision in the Constitution that authorizes Congress to create that new status of a retired Justice of the Supreme Court?

Mr CONNALLY. Oh, there is no express authority.

Mr. HATCH. Mr. President, will the Senator from Texas yield to me right on that point?

Mr. CONNALLY. Of course, under the Constitution we can create any kind of a court except the Supreme Court itself. I yield to the Senator from New Mexico.

Mr. HATCH. If there is any constitutional question raised, if there is any doubt as to the validity of the new office, does not that doubt go to the position now held by Justice Van Devanter rather than the old position held by him?

Mr. CONNALLY. Exactly. The Senator from New Mexico, in addition to being a very able and efficient Senator, is a very high-class lawyer.

Mr. HATCH. I thank the Senator.

Mr. CONNALLY. The Senator owes me no thanks. It is only a very small portion of what the Senator from Texas could very justly and accurately say.

If there is any question as to the status of Justice Van Devanter, it would have no effect whatever upon the vacancy which is being filled or which is about to be filled by the Senator from Alabama. Why? If the Supreme Court should hold what we undertook to do to be invalid at all, according to the view of the Senator from Texas, the probability would be that they would hold that what has happened, regardless of what it may be called, might have amounted to a resignation of Mr. Justice Van Devanter. Why? He says, "I am giving up the office"; the President accepts his abdication, and it is entirely conceivable to the Senator from Texas that if the Supreme Court should say that Congress had no power to create that kind of a status for a retired Justice they would hold that under the facts Justice Van Devanter had voluntarily resigned.

Mr. BURKE. Mr. President——

Mr. CONNALLY. I yield to the Senator from Nebraska with a great deal of pleasure.

Mr. BURKE. I know the Senator from Texas has read the Sumners retirement act of March 1, 1937?

Mr. CONNALLY. Had the Senator from Nebraska honored the Senator from Texas with his presence he would have heard him read it a while ago in the Senate.

Mr. BURKE. I merely call the Senator's attention to the fact that specifically under that act, in order to permit a Justice of the Supreme Court to leave the Court without resigning a method of retirement is provided.

Mr. CONNALLY. Oh, yes.

Mr. BURKE. How, then, can anyone claim, in justice, that it may be held that Justice Van Devanter in accepting the provisions of the act laid down before him by the Congress resigned when the act itself says specifically that it is to avoid resigning that the privilege is offered to him?

Mr. CONNALLY. That is true, of course. "Resign" is a word. Acts are more forceful or more compelling than words. What the Senator from Nebraska evidently means is that Congress said, "We are going to let Justice Van Devanter occupy this status and he can take it voluntarily without resigning"; but, Mr. President, courts look at substance. The Supreme Court looks at the substance of things. It does not stop at words; it does not simply read the sign over the store as to what is in it, but it goes inside and explores what is in it. I am not saying that the Court would hold that Justice Van Devanter had resigned but I say if it should not uphold the act as Congress passed it, there is little other probability than that it would decide that by his act in voluntarily retiring and giving up the duties of his office he had resigned.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Idaho?

Mr. CONNALLY. I am honored by an interruption by the Senator from Idaho.

Mr. BORAH. I can follow the Senator without any difficulty at all if he takes the position that what Mr. Justice Van Devanter did amounted to resigning. I understand that is the position of the Senator from Texas?

Mr. CONNALLY. The Senator from Texas said that it was entirely conceivable to his mind if the Supreme Court ever could pass upon what has been done here in a determination of the status of Mr. Justice Van Devanter, if the Court did not uphold this act it would probably be on the ground that Mr. Justice Van Devanter had by his act really resigned in fact.

You can resign, Mr. President, by signing your name to a little piece of paper, but that is not the only way to resign. Another way to resign is to give up the office, abandon the office; and what Mr. Justice Van Devanter has done—I charge him with no bad motives—is to accept pay for life and to accept the proposition that he may abandon his duties on the Supreme Bench and take up that which is more congenial in his declining years.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. Is not the Senator from Texas willing to admit that, on the evidence before us, it is perfectly clear that Justice Van Devanter had no intention of resigning from the Supreme Court?

Mr. CONNALLY. Naturally; and he evidently thinks his action is legal. Mr. Justice Van Devanter evidently thinks the act of Congress is constitutional, and if back on the Bench he probably would so hold it. Does the Senator from Nebraska contend that Senator BLACK is ineligible because of the fact that the place he is going to fill is a new office that has been created by this Congress?

Mr. BURKE. I have two strings to my bow.

Mr. CONNALLY. One good string is much better than two broken ones.

Mr. BURKE. The first one, which will not break, even under the strain put upon it by the Senator from Texas, is that the legal effect of the act is to create a new office, an additional justiceship on the Supreme Court, every time a member of the Supreme Court 70 years of age and having had 10 years of service elects to come within the provisions of the act which the Senator from Texas and I supported and laid before him. That creates a new office. The office that Mr. Justice Van Devanter has been occupying he still occupies now in an inactive status, and I find nothing in the Constitution nor in common sense that says two men can occupy the same office at the same time. Justice Van Devanter is still there by the express provisions of the act——

Mr. CONNALLY. Still where?

Mr. BURKE. Still in the same office.

Mr. CONNALLY. On the Bench in the Supreme Court Building, or out in Maryland on his farm?

Mr. BURKE. All the Justices are away somewhere, and we all hope we will soon be joining them on the farm or elsewhere.

I say that in legal effect Justice Van Devanter is still vested with judicial power, and the only judicial power that he has is as a Justice of the Supreme Court. By virtue of our act we have given him the privilege of performing some other duties, but he still occupies that office. I find nothing in the Constitution or anywhere else that permits us to put another man in the same bed with him. So the legal effect of this act must be that Congress created a new position, as it had the right to do, and that is the position to which Senator Black is nominated.

But more than that, there is the second string to the bow.

Mr. CONNALLY. Emoluments!

Mr. BURKE. Yes. More than that, we have clearly increased the emoluments of the office.

Mr. CONNALLY. I listened with a great deal of interest to the speech of the Senator from Nebraska and understand his position. I had hoped he would listen to the speech of the Senator from Texas, but he did not, so necessarily I have to advert again to his attitude.

Let me ask the Senator from Nebraska a question. Had Senator Robinson lived would he have been under the same handicap as the Senator from Alabama?

Mr. BURKE. Certainly.

Mr. CONNALLY. Did not the Senator from Nebraska publicly state in the press that he was going to vote to confirm Senator Robinson?

Mr. BURKE. No; I made no such statement as that. I stated, not to the press but to my friends, that I thought that would be a fine appointment to the Supreme Court. That was a mark of esteem for our late departed leader. We all joined in it without regard to the serious constitutional questions involved. I would say to the Senator from Texas that if Senator Robinson had lived and if the President had sent his name here, which he never would have done, he undoubtedly would have secured an opinion from the Attorney General——

Mr. CONNALLY. Would Senator Robinson have secured the Senator's vote?

Mr. BURKE. I shall come to that. I have no doubt in my mind that an opinion from the Attorney General would have been forthcoming that the Retirement Act of March 1, 1937, increased the emoluments of the office and, therefore, Senator Robinson was ineligible. But if that had not happened to be true, if Senator Robinson's name had come before the Senate, I would have wanted to make the same examination as to his eligibility that we are making today, solely on the question of eligibility under the constitutional provision.

Mr. CONNALLY. The Senator from Texas does not want to do the Senator from Nebraska any injustice because he entertains a very warm and close personal regard for him, but I had understood from someone that the Senator from Nebraska had given out a statement to the press, when Senator Robinson's name was being discussed, to the effect that he would be confirmed practically unanimously and that the Senator from Nebraska would support him. However, I withdraw that statement.

Mr. BARKLEY. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. Certainly.

Mr. BARKLEY. Did the Senator from Texas understand the Senator from Nebraska or did I understand the Senator from Nebraska to say that if Senator Robinson had lived and had been appointed, the Attorney General would have given the President an opinion that he was ineligible, notwithstanding the fact that he has given the President an opinion that the present appointee is eligible?

Mr. BURKE. I think the Senator from Kentucky understood what I was throwing out as a suggestion. If he wants to know my own opinion, I never felt that the President would send the name of Senator Robinson to the Senate of the United States.

Mr. BARKLEY. That does not answer my question.

Mr. BURKE. Give me an opportunity and I shall answer it. I cannot answer it in one breath.

I felt very strongly, as everyone realizes, that there were reasons why the President would feel he was under obligation to our late departed leader and that he would feel under the necessity of sending his name to the Senate unless there was some objection to it. In my own mind I have the very strong feeling that at the right time the Attorney General, looking at the authorities, and very properly, would advise the President that there would be at least a cloud on the title of any Member of the Senate who might be appointed to the Supreme Court under those circumstances and that the President would feel justified in saying, "We will appoint someone outside the Senate upon whose title there will be no cloud."

Mr. BARKLEY. Mr. President, will the Senator from Texas yield further?

Mr. CONNALLY. I yield, but I dislike very much to indulge in all this speculation. We have a great deal more important matter to consider.

Mr. BARKLEY. I hope the Senator from Nebraska does not desire to leave the impression that, although the Attorney General of the United States, the highest law officer in the Government, has given the President an opinion that Senator BLACK is eligible to the vacancy, he would have been guilty of such duplicity toward the President that if Senator Robinson had been nominated he would have found some way to render an opinion that he was ineligible.

Mr. BURKE. I have not seen any opinion or any statement of any kind from the Attorney General, although I know it has been referred to in the press that he has told the President that Senator BLACK is eligible. I have no doubt at all that the Attorney General would have been able to give—and would have been able to back it up with very excellent authority—the kind of opinion which I say, speculating entirely, he might have given, which was that no Member of the Senate was eligible to this office.

Mr. BARKLEY. No one has been able to cite such authority, even those who oppose the nomination of Senator BLACK.

Mr. CONNALLY. The Senator from Texas was interested in the suggestion of the Senator from Nebraska that in the case of Senator Robinson, because of our affection for him and the esteem in which the President held him, the Senate would vote to confirm him, whether it was a question of eligibility or ineligibility. If we are going to determine the matter purely on constitutional grounds, I cannot understand how Senator Robinson's popularity or our fondness for him could in any wise alter our view or our attitude.

Mr. BURKE. I think the Senator misunderstood my point entirely. I was referring only to the first announcement that was made upon the retirement of Justice Van Devanter, that we as Members of the Senate felt that Senator Robinson had all the qualifications to fill the position honorably. None of us at that time had given any consideration to the constitutional questions involved. I did not say and I do not say that when the point arose and we had occasion to look into the matter, I would have reached any different conclusion in reference to Senator Robinson than we ought now to reach in the case of Senator BLACK. We should treat them both alike on this point, certainly.

Mr. CONNALLY. I thought the Senator certainly meant that, although his language was subject to the other construction.

Mr. BURKE. Hardly so to anyone who listened to it.

Mr. CONNALLY. The intellect of the Senator from Texas may be dull, but his hearing is not. [Laughter.] Let me say to the Senator from Nebraska, when he says that none of us had thought about this legal question, that at the time the Senator from Idaho [Mr. BORAH] raised the question, the Judiciary Committee was considering the retirement bill. The Senator from Nebraska is a member of that committee just as is the Senator from Texas. The Senator from Idaho raised the question regarding his theory as to there being no vacancy created when the retirement bill was originally before the Senate and before it passed the Senate.

Mr. President, I was about to say, when I was interrupted——

Mr. McADOO. Mr. President, will the Senator yield?

Mr. CONNALLY. I am delighted to yield to my distinguished colleague from California.

Mr. McADOO. May it not be a fact that by the act of March 1, 1937, we created an inferior court composed of retired Justices of the Supreme Court? The Constitution clearly gives to the Congress the power to create inferior courts of the United States.

Mr. CONNALLY. And it has created some, too. [Laughter.]

Mr. McADOO. Yes; some very inferior ones, I admit. [Laughter.] But, as I read the act—and it seems to me a perfectly logical construction—the retired Justice absolutely gives up his position on the bench. He cannot be recalled to service on the bench under the very terms of the act; and he goes into retirement, into what we might call a retirement status or court. He may be called upon, by the very terms of the act, to perform certain duties. The Chief Justice may call upon him "to perform such judicial duties, in any judicial circuit"—which is an inferior court of the United States—"including those of a circuit justice in such circuit, as such retired Justice may be willing to undertake."

Mr. CONNALLY. That is correct.

Mr. McADOO. Therefore, he can be called upon to serve as an inferior judge of the United States only if he has ceased to serve on the Supreme Bench.

Mr. CONNALLY. That is right.

Mr. McADOO. If that does not create a vacancy on the Supreme Bench, because he can never retake his seat on it, then I cannot understand the language of the statute.

Mr. CONNALLY. Let me say to the Senator from California that the Senator from Texas discussed that matter a little earlier in his address, and undertook to point out that if we created any new place at all, it was a new status as a retired Justice of the Supreme Court; one which, both by the statute and by his own letter of retirement, precluded any possibility of his ever returning to perform the duties which he formerly performed.

What is the Congress concerned with? What is the country concerned with? With the performance of the duties of the office. What is an office? An office is not a salary. An office consists of certain duties which devolve upon a man who was appointed to that station. That is all there is to an office. So when Mr. Justice Van Devanter gave up all the duties of a Supreme Court judge, he gave up, in essence, the office itself. He retained merely the shell. He retained merely the little decorative coating and the $20,000 salary, which, of course, was the real objective. That is why Congress put in the act the words "instead of resigning." It was to undertake to create a way to insure that his salary could never be reduced, and that it could never be taxed under the income-tax law.

If the Senator from Alabama [Mr. BLACK] is eligible because there is a vacancy, and if he is not ineligible because the emoluments of the office have not been increased—and they have not—he should be confirmed. The Senator from Alabama will not get a cent more than Mr. Justice Van Devanter got while he was on the Bench, not a cent more than Mr. Justice Van Devanter gets off the Bench; so the option there is not one of emolument or moneyed consideration. Anyway, the increased emolument in this particular instance has gone to Mr. Justice Van Devanter, if there is any increase in the emoluments, of course. It will never be received by Senator BLACK until he shall have lived to be 70 years of age, which many of us will never do, and shall have served 10 years, and shall have made up his mind to quit work; and not many of us who like to work want to quit work.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. Does not the increased emolument, if any, attach to the office of Justice of the Supreme Court? It is not personal to Justice Van Devanter.

Mr. CONNALLY. No; that is true.

Mr. BURKE. It attaches to the office.

Mr. CONNALLY. Certainly; I agree to that. I am glad to find something on which I agree with the Senator from Nebraska.

Mr. BURKE. So there really is no force in what the Senator has just said about the emolument going to Justice Van Devanter. It attaches to the office to which the nominee is being appointed with the concurrence of the Senate.

Mr. CONNALLY. That is true. Of course I knew the Senator from Nebraska did not think there was anything in what the Senator from Texas was saying. That statement was really surplusage. I knew he thought that anyway. If there is any increase of emolument, it does go with the office, of course, but the Senator from Texas says there is no increase of emolument. That sort of a theory is so speculative, it is so imaginative, it is so shadowy and nebulous, that it cannot form any substance upon which to refuse to confirm a nominee for the Supreme Court of the United States.

Mr. BURKE. Mr. President, will the Senator yield for just one point before he goes on?

Mr. CONNALLY. I shall be glad to yield.

Mr. BURKE. Does the Senator from Texas take the position that the only way in which there could be an increase in the emoluments of the office of a Justice of the Supreme Court would be to raise the present salary of $20,000 to some sum above $20,000?

Mr. CONNALLY. I think that would be an increase of the emoluments.

Mr. BURKE. But is that the only way in which there could be an increase?

Mr. CONNALLY. I do not know that it is the only way. I do not know. I am sure the ingenuity of the Senator from Nebraska could devise a way, if anybody could.

Mr. BURKE. Is the Senator willing to admit that any increased benefits coming from the office of Justice of the Supreme Court would amount to an increase of emoluments?

Mr. CONNALLY. No. I do not mean giving him another secretary. That would not increase the emoluments of the office. I do not mean that giving him a soft chair to sit in, instead of a hard one, would be an increase of the emoluments of his office. I do not mean that by air-cooling the Senate Office Building we thereby have increased the emoluments of Senators of the United States, or by giving us comfortable offices instead of having our offices in our apartments and our hotels.

Mr. BURKE. Is not the Senator now descending to the level of the Senator from Indiana in arguing that the logical contention is that because the Justices have a new Supreme Court Building, therefore there has been an increase in the emoluments of the office?

Mr. CONNALLY. When a Senator is interrupted, he has to get down on the level of the interruption. [Laughter.]

Mr. BURKE. Is there anything that the Senator will say he would consider an increased emolument, other than an actual increase in salary?

Mr. CONNALLY. The Senator from Texas has never had either an increase in salary or an emolument, so he is not really familiar with it.

Mr. BURKE. Probably he never deserved it. [Laughter.]

Mr. CONNALLY. Well, likely I have not. The Senator from Nebraska made his speech on the subject of emoluments. The Senator from Texas listened attentively, and he thinks he understands the position of the Senator from Nebraska. The Senator from Texas will content himself with saying that he does not regard the act which we passed, conferring the retirement privilege at some indefinite time in the future, subject to all the vicissitudes of life and death and things of that kind, as being of a sufficiently substantial character as an emolument to disqualify a Senator from accepting the office.

The Senator said I got down on the level with somebody. The Senator from Texas is always on the level with the people. He tries to be on a level with the people of the United

States. What he is trying to do now is to perform his duty to the people of the United States who wrote this old Constitution, and who need a Supreme Judge over yonder, and who invested the President of the United States under the Constitution with the power to nominate him, and directed the Senate of the United States either to consent or not to consent to his appointment. The Senator from Texas is going to vote to consent to this appointment.

Now, let us see what else there is.

Oh, yes, Senators say that even if the Senator from Alabama is eligible, even if the emoluments have not been increased, they want to vote against him for some other reason, because he took some telegrams from somebody.

Mr. President, I have here a letter from one of my constituents who thought he was grievously wronged by the seizure by a committee of the Senate of a lot of telegrams, and it turned out that he had been wronged because none of the telegrams that were received had anything to do with the matter under investigation. This letter is from an outstanding citizens of my State:

> You are well aware that Senator BLACK authorized the seizure of my private telegrams—

Of course, the writer did not know whether Senator BLACK did it or whether somebody else did it. He assumed that Senator BLACK did it, but in reading this letter I do not assume that Senator BLACK did it.

> as well as those of my associates and of the Times Publishing Co. I believe he was overinfluenced in that act by others, who I will not name, but who you know well. After having gone that far, every single telegram that myself and family and my company had sent during a period of 10 months were returned and marked "Unrelated."
>
> Of course, I think he should have at least written a letter clearing me and my newspapers of a false accusation, but no such letter was received from Senator BLACK.

How does this man act? What is his attitude?—

> Notwithstanding—

Notwithstanding that he felt outraged by what had occurred to him—

> Notwithstanding, it is my judgment that he should be confirmed for the appointment the President has seen proper to make.

Mr. MINTON. Mr. President——

Mr. CONNALLY. Just a moment.

Mr. President, here is a man who at the moment felt that Senator BLACK's committee had done him an injustice; but he realized that Senator BLACK was acting in an official capacity. Suppose he was a prosecutor. All investigations are more or less prosecutions, and this man does not hold that as impairing the character of the Senator, or his fitness for this high office. When a man is a prosecutor, he is one thing; he is a prosecutor; but when he gets on the bench and under a sense of responsibility and duty with respect to both sides of a question, that is quite a different function than that of a prosecutor in court.

I now yield to the Senator from Indiana.

Mr. MINTON. As to the facts with reference to the letter which the Senator has just read, I may say to the Senator and to the Senate that Senator BLACK did not in any way authorize the seizure of those telegrams, or the telegrams of any newspaper, but expressly directed his workers on the committee not to subpena any telegrams of any newspaper.

Mr. CONNALLY. Mr. President, I cited that instance not to discredit Senator BLACK, but to show the attitude of broad-minded citizens of this country, that they recognize that what a man does in his representative capacity, holding a responsibility of investigating, is not to be held against him, even if they do not agree with what he did.

Mr. President, what are the tests that the Senate should apply to nominees for office? I have known of only two outstanding tests that it has been the custom of the Senate to require. First, has the man character and integrity and honesty? Second, has he ability?

Does the Senator from Alabama measure up to these tests? There has been no charge filed in the Judiciary Committee attacking the character or the integrity of the Senator from Alabama. Has he ability? Well, Senators say he has ability, but he has not judicial ability.

Mr. President, how can a man give evidence of judicial ability until he is a judge? Over on the Supreme Bench now there are several members of the Court who never held a judicial office until they went on the Supreme Court. My information is—and I hope I shall be corrected by Senators if I am in error—that Mr. Justice Butler was never a judge of any kind of a court until he was appointed on the Supreme Court of the United States. It is said that Senator BLACK was only a police court judge. Mr. Justice Butler was not even a police court judge; he was not any kind of a judge, and yet he was appointed to the Supreme Court.

Mr. Justice Owen J. Roberts, so the Senator from Tennessee [Mr. MCKELLAR] suggests, appointed a member of the Supreme Court of the United States, had never before held a judicial office. He was an active practitioner at the bar, fighting lawsuits, trying cases, arguing to the jury. It might have been said quite as justly, "Why, Mr. Roberts has no judicial pose. I saw him trying a lawsuit, and he did his darndest to win it for his side. He was bitter. He went after the witnesses who, he thought, were lying, and made them tell the truth, or tried to. He is not of a judicial temperament."

Mr. Justice Stone was never a judge of any court. He was a professor of law in a great university in New York. Somebody might have said, "Why, he has no judicial temperament. He is a professor", and that term does not appeal very much to some Senators. "He is only a professor."

Mr. Justice Brandeis was not a judge prior to his appointment to the Supreme Bench; but he was a great lawyer, a lawyer of the poor man, a lawyer for the underprivileged, serving in many cases without compensation, fighting bitterly, fighting so bitterly that he aroused the antagonism and the bitterness of the reactionary and hard-boiled element all over the country, so that when President Wilson submitted his name here they fought it, and they blocked it for months before it was finally confirmed.

Mr. BURKE. Mr. President, am I correct——

Mr. CONNALLY. I doubt very much if the Senator is. [Laughter.]

Mr. BURKE. With the permission of the Senator from Texas, I will change my question and ask, Is it correct that the Senator from Texas, as a Member of this body, voted against the confirmation of Charles Evans Hughes for membership on the Supreme Court and now proposes to vote for confirmation of the nomination of HUGO L. BLACK? Is that correct?

Mr. CONNALLY. The Senator from Nebraska knows that that is correct; he knows that the Senator from Texas voted against the confirmation of Mr. Hughes; and the Senator from Texas learned something as a result of that vote. When he voted against Mr. Hughes' confirmation he honestly believed, as his speech in the RECORD will show, that Mr. Hughes was so indurated, so saturated, and so soaked with the corporate outlook, the outlook of the great monopolies which he had been representing after he had gone off the Supreme Bench in his vain campaign for the Presidency—the Senator from Texas thought that Mr. Hughes, though an honest man, and though an able man, had become so saturated with the economic outlook and the legal outlook and the legal construction of laws and the constitution of the great corporations and the great monopolies that he voted against confirming Mr. Hughes. But, carrying out what the Senator from Texas was trying to suggest to the Senator from Nebraska a little while ago, Mr. Hughes, when he quit the bar, when he gave up his fees, when he gave up the emoluments he was getting from his clients and laid them on the table, held up his hand and took the oath as a Justice of the Supreme Court and put on the robes of a Justice of the Supreme Court, he had the character and the ability and the manhood to say, "I am no longer the attorney for these corporations. I am no longer a partisan at the bar. I am here as a judge. It is my duty to weigh questions fairly between the people and the corporations." Carrying out that

theory, Mr. Justice Hughes has made a great Justice of the Supreme Court of the United States. Does the Senator from Nebraska deny that?

Mr. BURKE. I join heartily with the Senator in aproving it.

Mr. CONNALLY. On the other hand, let me suggest to the Senator, why can he not be somewhat similarly charitable, even though he does not agree with the economic views of the Senator from Alabama—and the Senator from Texas does not agree with all of them; although the Senator from Nebraska may not agree with his views, why can he not be charitable enough to say that the Senator from Alabama, being an honest man and being an able man and being an industrious man, when he ceases to prosecute, when he gives up his investigating committees, when he gives up his ambition to hold office and to run for office, and goes over yonder on the Bench of the Supreme Court, and with his hand on the Bible and with his lips touching it, signs an oath to perform the duties for the rich and the poor alike, will carry out that oath?

I want to read to the Senate the oath a Justice of the Supreme Court must take. It is a little different from the oath we take. He promises to hold the scales evenly between the rich and the poor, and I am willing to believe that the Senator from Alabama, when he goes over there, being an honest man, and nobody has said he is not, and being an able man, and nobody has said he is not, will abide by the oath he must take.

Mr. BURKE. Mr. President, will the Senator yield there?

Mr. CONNALLY. Just one word, and I shall yield. Being an honest man, being an able man, having a sense of responsibility to the people, not the little people alone, but the big people also; not to the rich people alone, but to the poor people as well; not to people who wear silks alone, but to ragged people as well—that he will rise to his responsibilities and perform his duty, and make America an honest and a faithful judge. I yield to the Senator.

Mr. BURKE. Mr. President, when the Senator from Texas voted against the confirmation of Mr. Hughes as Justice on the Supreme Court, is it not true that Mr. Hughes had previously served a number of years as a member of that Court?

Mr. CONNALLY. Yes. He had been off in the meantime running as a candidate for President.

Mr. BURKE. He had been off the Court, yes, but the Senator knew of his judicial qualifications by reason of the fact that he had served on the Court already.

Mr. CONNALLY. I have not read all his decisions, but after he made those decisions I saw him in the Supreme Court every time I would go there, and he was there representing some great corporation from New York, with a flock of young lawyers writing the briefs, sitting around him, and he frequently did not know much about the case himself. I did not like that farming out of his influence and his prestige, for one thing.

Mr. BURKE. The Senator from Texas does not mean to intimate to this body, when he says he voted against the confirmation of Mr. Hughes, and now is voting for the confirmation of the present nominee, that there was any comparison between the two individuals as to their legal training, their experience in the law, and their general qualifications for the position, does he?

Mr. CONNALLY. Oh, no; I do not claim there is equality, and I will tell the Senator why. Mr. Hughes lived in New York, a great city. His clients had been corporations, monopolies, banks, trusts. Senator BLACK is from down in Alabama, from a more or less small town. I imagine that most of his clients have been people who did not have much money with which to pay his fees, and I imagine that they were of the common people. I do not see that it makes any difference as to whether one has been representing rich clients or poor ones, if he is fair, and if he has a conscience and a character, and knows enough about law to get on the Bench, to assume such a position, if he is going to be honest, he will be a good Judge, whether his clients were corporations or whether they were not corporations, unless his mind becomes so slanted and so warped and so bent as that he honestly and conscientiously thinks along those lines.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. The Senator from Texas was giving the names of those members of the Supreme Court who had never served as judges before they went on the Bench.

Mr. CONNALLY. Yes.

Mr. McKELLAR. The Senator omitted the names of Mr. Justice McReynolds and of Mr. Justice Sutherland. I call his attention to the fact that of the eight Justices now on the Supreme Court six out of the eight had never served in judicial positions before, and had no experience as judges before they went on that Bench.

Mr. CONNALLY. I thank the Senator. I was interrupted. I intended to go along and call the roll, but some of these inquiring Senators, who are seeking information and nothing else, interrupted me, and I was diverted.

Mr. Justice McReynolds is a very able Judge; I do not agree with many of his opinions, but he is an able Judge. Mr. Justice Sutherland is an able Judge; I do not agree with his opinions very often, but still he is an outstanding and an able Judge, a fomer Senator. They were never judges on any court, never sat on any bench in their lives until they got on the Supreme Court of the United States.

Mr. President, I now wish to read the oath Judges of the Supreme Court must take. It is not like the oath we take. I want Senators to listen to this, and ask themselves the question whether, if they were appointed on the Supreme Court and should take this oath, they would have a sense of responsibility and a sense of fairness, or refuse to take it. I read from the Judicial Code:

> Justices of the Supreme Court, the circuit judges and the district judges appointed, shall take the following oath before they proceed to perform the duties of their respective offices:
> I, EDWARD R. BURKE, of Nebraska——

[Laughter.]

Mr. NEELY rose.

Mr. CONNALLY. "I, MATTHEW MANSFIELD NEELY, of West Virginia" [laughter]——

Mr. NEELY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NEELY. I still insist that the Senator must not resort to such fiction as that of intimating that either of the Senators whom he has named will ever take the oath of office as a Justice of the Supreme Court.

Mr. CONNALLY. This is not reality, I shall say to the Senator from West Virginia; this is a supposition. [Laughter.] I never would have used the Senator's name except as a supposition. [Laughter.]

Listen to this. It is not funny—

> Do solemnly swear, or affirm, that I will administer justice without respect to persons—

What could there be more solemn, with your hand on the Constitution and your lips on the Bible, and those words being uttered by your tongue?

Mr. BURKE. Mr. President, will the Senator yield there?

Mr. CONNALLY. No; not until I get through with the oath. [Laughter.] Wait until I get through with the oath, and then I shall yield to the Senator.

Mr. BURKE. The question would not have any point then.

Mr. CONNALLY. Very well; I yield.

Mr. BURKE. Will the Senator read that again?

Mr. CONNALLY. I thought the Senator heard it.

> I do solemnly swear, or affirm, that I will administer justice without respect to persons—

Mr. BURKE. "Persons", the Senator, of course would understand to mean, regardless of race——

Mr. CONNALLY. Exactly.

Mr. BURKE. Religion.

Mr. CONNALLY. Exactly.

Mr. BURKE. Or anything else.

Mr. CONNALLY. Exactly; that is what the Senator from Texas means when he says that.

Mr. BURKE. Very well.

Mr. CONNALLY. There is no prejudice against anybody unless he is a nominee for the Supreme Court—

that I will administer justice without respect to persons and do equal justice to the poor and to the rich—

They put the poor first. If there is any difference, they give the seniority to the poor—

and that I will faithfully—

What does that mean? What does that mean? Senators know what it means. Faithfully without dishonor, honestly, with righteousness and with rectitude. Not with prejudice, not with meanness, not with something low and groveling, but faithfully—

and impartially—

Impartially. What does it mean? It means that one shall divest himself of any predilections, or any preferences, or any prejudices, to go on that Bench as a Judge and act impartially, without favor, without fear, without intimidation from Congress, or from the White House, or from any place on earth. A Judge goes on the Bench and swears to be impartial and unafraid—

impartially discharge and perform all the duties—

Not some of them. Not a part of them. Not just two or three, but all of the duties of Judge. The highest duty of a Judge is to be honest, and to be fearless, and to be courageous against every influence, whether it is the wild passions of the mob outside of the doors of the Court or whether it is against some other master, either the Congress or the Executive, that seeks to control him. That is the kind of Judge I want—

incumbent upon me as—

What? Not as a prosecutor. Not as a Senator. Not as a lawyer down in Alabama, but as a Judge—

according to the best of my abilities and understanding, agreeable to the Constitution and laws of the United States.

Who does he call upon to help him? Does he call on Congress to help him—"So help me Congress"? Oh, no. Does he call on the President—"So help me, Mr. President of the United States"? No. Does he call on the voters as he does when he is running out in the elections somewhere for votes? Oh, no. He calls on the highest, the supremest of supreme Judges—

So help me God.

I challenge any Senator in this body to take that obligation and then to go out and vary from what he believes to be his duties under that oath. No one but a craven, no one but a scoundrel, would do it. He might be mistaken, he might misunderstand his duties, but a man who would take an oath like that and then either corruptly, or willfully, or maliciously use the tremendous powers of his office to do that which was not according to his standard of justice and right and impartiality would be a character so debased as not to be worthy to occupy any place of high station anywhere.

Mr. President, has anyone said that the Senator from Alabama is a man of that kind? No one has attacked his character. But some say, "We do not agree with his views."

Mr. President, we do not have to agree with the views of nominees on all things when we vote on the question of confirming them. If we in the Senate voted to confirm only those with whom we agreed, I doubt if any nominee would ever be confirmed. If I voted to confirm only those who belonged to my church, I do not believe I would get along very well. Suppose Senators voted to confirm only such nominees as belong to their church, to their lodge, to their political party, or who wear their hair like some of us do, or who do this, that, or the other. I know many Senators with whom I do not agree 30 percent of the time, and yet they would make Supreme Court Judges of much better ability than the Senator from Texas. Should I say that they ought not to sit on the Supreme Court simply because I do not agree with them? Senators, that would be an unsound standard. The standard to take is, Is he honest, has he good character, and has he integrity and ability?

We do not run a training school for Judges of the Supreme Court. The nominee for that position should know the law. I do not mean to say that he must have had experience on the bench so long that he is about ready to drop off the bench with old age before he attains sufficient knowledge of the law. I think young men going on the Bench can become better trained and be better Judges than some old man who has spent his life at the bar either on one side of an issue representing corporations, or on the other side representing those who bring damage suits. I think one is as bad as the other. But if we take a young man who is intelligent, able, and industrious—and everyone agrees that the Senator from Alabama is industrious, and that he is able, and that he is intelligent, and that he has character—and put him on the Supreme Court Bench, if he does not make a good Judge, then it is no one's fault on earth but that of God Almighty, who did not give him sufficient intellect.

Mr. President, in conclusion, I submit that there is a vacancy on the Court, the old place that Mr. Justice Van Devanter formerly occupied and which he surrendered; that if there is any new place it is the new status of a retired Judge of the Supreme Court which has been assumed by Mr. Justice Van Devanter; and if that is not a legal retirement, I submit again to the Senator from Idaho [Mr. BORAH] that if the Court ever holds differently it will hold that he resigned because of his letter saying that he gave up his duties.

So, Mr. President, with those legal impediments, those constitutional obstacles removed, I do not care what church Senator BLACK belongs to. So far as I am concerned, I believe in absolute religious liberty and religious freedom for every class of our citizenship. Whether a man be a Protestant, or a Jew, or a Catholic, or a Mohammedan makes no difference to the Senator from Texas. The Senator's record in his own State is clear on that issue, because when he was elected to the Senate for the first time in his campaign he proclaimed his opposition to secret organizations which would challenge the right of men to exercise religious freedom. So my record in that respect is clear.

I am against intolerance. I stand for complete tolerance and freedom. I do not care whether a Supreme Court Justice is a Jew, or a Gentile, or a Protestant, or a Catholic, I would vote to confirm him if I thought he was honest, if he had integrity and he had ability, and was capable of filling the office, and that such an office existed.

So, Mr. President, I submit to the Senate of the United States that we should vote to confirm HUGO L. BLACK as Associate Justice of the Supreme Court of the United States.

SUGAR PRODUCTION AND CONTROL

As in legislative session,

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRISON. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HARRISON, Mr. KING, Mr. GEORGE, Mr. BROWN of Michigan, Mr. LA FOLLETTE, and Mr. CAPPER conferees on the part of the Senate.

HUGO L. BLACK

The Senate resumed the consideration of the nomination of HUGO L. BLACK to be an Associate Justice of the Supreme Court of the United States.

Mr. AUSTIN. Mr. President, the earnest debate that we listened to during part of yesterday and today should be enough to convince any reasonable persons that the Senate is dealing with a question of supreme importance. Of course, matter of confirmation of one who has been named by the President of the United States to the highest judicial office in the world is sufficient to attract the interest and study of all who may be affected by the judgments of that person. That, however, is not the only issue here. On this occasion we are confronted by an issue that comes very closely to the people, because it deals with the formation of that branch of the Government of the United States which is most intimately associated with the lives, the property, the civil rights, and the immunities of all citizens of this country.

There is no department of our Government that the citizen so quickly reacts to as the judicial department. We have had evidence of that during the last 3 months. When the people of this country had the impression that the Supreme Court of the United States and all of the other judicial tribunals under the Federal system in the United States were about to be so tampered with as to affect their independence, there was such a reaction that we were completely inundated with telegrams and letters and importunities from people all over the United States asking us to do our duty and to protect them from a change in their fundamental law, made without their consent.

Now we are confronting exactly the same question here as we were throughout the investigation of the bill to reorganize the judiciary, for here we are about to decide the question of whether a Senator of the United States may be appointed to an office created by Congress during the term of his office, or, on the other hand, if not that, whether we shall confirm the nomination to an office of a Senator of the United States who participated in increasing the emoluments either of an old office that existed or a new office created during his term of office. In either event, as we see it, it means a transgression of a direct prohibition imposed by the people of the United States upon the Senate and upon the other House of Congress. In other words, brought down to our own condition here, it is a question, as I see it, whether we shall exercise self-restraint and self-discipline under the temptation to favor one of our colleagues with this appointment.

Now, I wish to answer, or try to answer, some of the claims made to avoid or evade the contention that a new office has been created by the act of March 1, 1937, to which Senator BLACK has been nominated. In the first place, it is said that it is not a new office; that it is the old office, and that the vacancy exists in it because of an abandonment of the office. Secondly, that there is nothing left for a Justice of the Supreme Court to do which belongs to his office as a Justice of the Supreme Court when he accepts the terms of the act of March 1, 1937.

Let us examine the question of abandonment. Let me say, in the first place, that I would regard it a most remarkable mental performance for the Congress of the United States to convert what it expressly declared was not a resignation into a resignation through a device called abandonment. Secondly, I would regard it as a despicable trick unworthy of the Congress of the United States to place upon its own act, which undertook to invest a great old man and others in a similar situation with a retirement allowance corresponding to his salary, such a construction as would deprive him of the surety and the certainty and the unfailing support of that retirement pay by interpreting our own act in such a manner as to expose him to having that retirement pay reduced by any subsequent Congress at any time. I cannot conceive of any honest mental reaction to the proposal we have listened to here today, which proceeds along this line—and I took the pains to write it down in order that I might not overstate it: If under the act of March 1, 1937, a Justice innocently should abandon and thereby vacate his office, he would not be entitled to retirement pay; he would not be secure from diminution under the Constitution. This right lasts only during his continuance in office. He would have to discontinue his term of office if he abandoned or vacated the office.

In other words, his tenure would be ended by a trick, because that construction would reverse, in occult manner, the clear recognition of retirement instead of resignation expressed in the law.

Now let us see if that is not so. I read from the act of March 1, 1937:

> That Justices of the Supreme Court are hereby granted the same rights and privileges with regard to retiring, instead of resigning, granted—

And so forth.

Did the Congress hold out to Mr. Justice Van Devanter a beguiling hand that would induce him to leave the Bench of the Supreme Court, induce him into such a position that Congress could today say, "We have got him now, he has vacated, he has abandoned by accepting the benefits and the emoluments of that act of ours; we have tricked him out of his office"? Is this venerable man, who has served until beyond the age when he wished to retire, who has contributed to the learning and the welfare and the security and safety of this country during that long life, will to be served that scurvy trick by the Congress of the United States? I cannot believe that that device will be accepted, mentally or morally, by the Senate or by the people of the United States as a way out when we say that a new office on the Supreme Court was created by the act of March 1, 1937.

What is the other device? It is equally remarkable, it is equally unbelievable, it is equally absurd, it is equally ridiculous. It is—and I have heard it not from one alone but from several who have debated this matter—that by the act of March 1, 1937, the Senate did not leave any duty as a Justice of the Supreme Court of the United States to be performed by the Justice who accepted its terms. One must deny the statute itself, one must run right counter to the express words of the law when he takes that position, for this is what the statute says in that respect—and I read from the last part of the act of March 1, 1937:

> And the President shall be authorized to appoint a successor to any such Justice of the Supreme Court so retiring from regular active service on the Bench, but such Justice of the Supreme Court—

What does that law say? It says, "Justice of the Supreme Court." We named him, we labeled him, we kept the same old name; we did not change it and call him a "retired Justice of the Supreme Court"; we named him; and then we said of him, treating him in that manner—

> so retired, may nevertheless be called upon by the Chief Justice and be by him authorized to perform such judicial duties, in any judicial circuit, including those of a circut justice in such circuit as such retired Justice may be willing to undertake.

Not only did we lay our finger upon his office and say, "This man's office is the same as it was before; this man who has retired is a Justice of the Supreme Court", but we also assigned to him duties which no one but a Justice of the Supreme Court can have assigned to him, namely, duties "including those of a circuit justice in such circuit."

If there were nothing else to lean upon, if there were no other place to go to find out what the intention of the law expressed in the act is, that would be conclusive, for a circuit justice cannot be separated from the office of a Supreme Court Justice. There is not any such office; there is not any such person holding an office in the United States. A circuit justice is a Justice of the Supreme Court of the United States assigned to a definite territory. No judge of a circuit court occupies the same office.

What is the proof of that? Let me call the attention of the Senator to section 215 of title 28 of the United States Code Annotated.

> Allotment of Justices to the circuits. The Chief Justice and the Associate Justices of the Supreme Court shall be allotted among the circuits by an order of the Court, and a new allotment shall be made whenever it becomes necessary or convenient by reason of the alteration of any circuit, or of the new appoint-

ment of a Chief Justice or Associate Justice, or otherwise. If a new allotment becomes necessary at any other time than during a term, it shall be made by the Chief Justice, and shall be binding until the next term and until a new allotment by the Court. Whenever, by reason of death or resignation, no Justice is allotted to a circuit, the Chief Justice may, until a Justice is regularly allotted thereto, temporarily assign a Justice of another circuit to such circuit.

That deals with no one but a Justice of the Supreme Court. The officials or officers who occupy the circuit court of appeals or who occupy the circuit court or who occupy the district courts of the United States are not justices. They are judges. The distinction is kept for very valid reasons. It is obviously necessary to have no confusion between the offices of the Federal judicial system, and so we find that this designation was of such great importance that the Congress defined the difference and fixed in the code a rule to govern us about it, so that we ought not and we cannot with any validity claim that the Justice who has taken the benefits of the act of March 1, 1937, is something else than one of the circuit justices and, therefore, one of the Justices of the Supreme Court.

Here is section 217 of title 28 of the Code, Annotated:

DESIGNATION OF JUSTICES ALLOTTED TO CIRCUITS

The words "circuit justice" and "justice of a circuit" shall be understood to designate the Justice of the Supreme Court who is allotted to any circuit; but the word "judge", when applied generally to any circuit, shall be understood to include such Justice.

Continuing about the judges who occupy circuit courts and district courts, let us look at the statute. Section 213 of the Code provides:

Circuit judges. There shall be in the second and seventh circuits, respectively, four circuit judges; and in the eighth circuit, six judges; and in each of the other circuits, three circuit judges, to be appointed by the President, by and with the advice and consent of the Senate.

Then the section deals with salaries. I omit that and continue:

The circuit judges in each circuit shall be judges of the circuit court of appeals in that circuit, and it shall be the duty of each circuit judge in each circuit to sit as one of the judges of the circuit court of appeals in that circuit from time to time according to law. Nothing in this section shall be construed to prevent any circuit judge holding district court or otherwise, as provided by other sections of the judicial code.

Thus great care has been exercised by the Congress to separate the designation so there could not be any mental aberration regarding the use of the word "justice" and the use of the word "judge" in the Federal judicial system. There is no "justice" save a Justice of the Supreme Court. When Congress enacted the obligation upon a retired Justice that "he may nevertheless be called upon by the Chief Justice and be by him authorized to perform such judicial duties in any judicial circuit, including those of a circuit justice in such circuit as such retired Justice may be willing to undertake", Congress in effect said, "We are dealing with the office of a Justice of the Supreme Court, and we are adding to that office an emolument, and that is all we are doing." Any independent research of this act will lead to that one definite clear objective, that we were providing retirement emoluments for a Justice of the Supreme Court.

Therefore, Mr. President, we say that neither by the device of abandonment nor by the device of saying there is nothing left, there is no duty of a Justice of the Supreme Court left by this act, do we avoid the plain fact that Mr. Justice Van Devanter is a Justice of the Supreme Court; that the law itself expresses the fact.

On the question of what constitutes an abandonment, we find that the party alone cannot complete the vacation of an office by abandonment. We find there must be an ouster declared. More than that, we find there cannot be an abandonment of a part of the duties and a reservation of a part of the duties, and thereby vacate the office. That is an utter impossibility.

To constitute an abandonment of an office it must be total and under such circumstances as clearly to indicate an absolute relinquishment.

That is the syllabus in *State ex rel.* v. *Huff* (87 New England 141, 143; 172 Ind. 1; 139 Am. State Reporter 355).

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. Certainly.

Mr. HATCH. The Senator stopped his quotation at the word "relinquishment." What follows? Relinquishment of what?

Mr. AUSTIN. There is a period after the word "relinquishment." It is obvious it means relinquishment of all duties of the office.

Mr. HATCH. The duties of the office?

Mr. AUSTIN. Yes. Meacham on Public Offices and Officers states the same principle in the following manner:

SEC. 435. Where, however, while desiring and intending to hold the office if he has a legal right to do so, and with no desire or intention willfully or purposely to abandon it, he vacates it in deference to the requirements of a public statute which is afterward declared unconstitutional, such a surrender will not be deemed an abandonment, and upon the overthrow of the law during his term, he may recover his office.

Mr. HATCH. Mr. President, will the Senator yield further?

Mr. AUSTIN. Certainly.

Mr. HATCH. Does the Senator agree to the general proposition that an officeholder cannot relinquish the duties of the office and yet retain the office?

Mr. AUSTIN. Yes. There is one other necessary step, and that is the judgment of ouster. Meacham, at page 279, section 436, says:

But while such an abandonment is clearly a cause for forfeiture, it is ordinarily held that it does not of itself create a completed vacancy, but that a judicial determination of the fact is necessary in order to render it conclusive.

Mr. HATCH. Mr. President, will the Senator yield again?

Mr. AUSTIN. Certainly.

Mr. HATCH. Will not the Senator also agree that the cases hold generally that where the intent to relinquish the duties of an office is manifest, it requires no judicial determination to create a vacancy? Does the Senator agree with that proposition?

Mr. AUSTIN. There has to be a meeting of minds on it. The State, on the one hand, must accept the relinquishment in some form—not exclusively by a judgment of a court, because it may be accepted by the filling of the vacancy by another election; but in some manner there must be a meeting of the minds.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. HATCH. On that point I think we are not in disagreement at all—that where the officeholder manifests his clear intention to relinquish the duties of the office, the office then does become vacant, provided, of course, he relinquishes the office; and then the power to fill the office, whether it be by an appointment or by election, may be called into play, and the vacancy may be filled.

I think we agree on that point, do we not?

Mr. AUSTIN. I think so, substantially.

Mr. President, in this situation we find Mr. Justice Van Devanter writing his views about this matter in such unequivocal terms that there can be no doubt of the understanding that he was not vacating his office by abandonment; that he was not carelessly or innocently being enticed out of his office, to be afterward caught from behind with the claim that "Now you are out, we will reduce your retirement pay."

Mr. HATCH. Mr. President, will the Senator yield and pardon me for interrupting him?

Mr. AUSTIN. Yes.

Mr. HATCH. But no one has expressed any desire to catch the Justice from behind and reduce his compensation.

Mr. AUSTIN. Oh, certainly; I know that. That would not be done. I am talking about what could be the result, what could be the effect of an interpretation by us of this law after the manner of accomplishing a resignation through the device of abandonment. That, in my opinion, would be

a trick. I think it would be a disgraceful thing for Congress to do, and in the face of the statement that we are making a law for a man to retire instead of resigning, I cannot see how we can possibly make such a claim for the law. What I say is that Mr. Justice Van Devanter recognized the import of the duties and service that were required by the act of March 1, 1937, in his letter of retirement, which read as follows:

Having held my commission—

Do not forget that he wrote that. I am going to call attention to that, because he still holds his commission, and I am going to ask the Senate what commission it is.

Having held my commission as an Associate Justice of the Supreme Court of the United States and served in that Court for 26 years, and having come to be 78 years of age—

Every word is important—

I desire to avail myself of the rights, privileges, and judicial service specified in the act of March 1, 1937, entitled "An act to provide for retirement of Justices of the Supreme Court", and to that end I hereby retire from regular active service on the bench—this retirement to be effective on and after the 2d day of June 1937, that being the day next following the adjournment of the present term of the Court.

He was careful to limit the things from which he retired. He did not end his statement simply by saying "I retire from the bench." He did not allow anybody to make such an interpretation of his act. He said:

I hereby retire from regular active service on the bench.

He did not retire from the bench, and most certainly he did not abandon the office. Most certainly he did not resign, because he said he desired to take advantage of the privileges and benefits contained in the act, one of which was that he could retire instead of resigning.

Mr. President, it seems to me that that device for evading or avoiding the claim that we are about to confirm the appointment of a Senator to an office created by this act cannot live through careful, candid, and rational study and consideration.

What about this other plan? We cannot do this.

Some of my learned friends have made the claim that the act of March 1 created an inferior tribunal. That is an attractive way out, is it not? If we did, if that is what we did, what words here did it? I cannot find that we created any court here in express language; and why put in this statute the word "successor"? To what does the word "successor" refer? To something anterior. Is there any other office about to be made vacant by retirement, if we examine this act; any other office anterior to in it than the office of a Justice of the Supreme Court? Let us see:

And the President—

I am quoting from the act—

shall be authorized to appoint a successor to any such Justice of the Supreme Court so retiring from regular active service on the bench.

How absurd to say that the new office was another office than that of an additional Justice of the Supreme Court, if a new office was created.

Examining this matter in another way—for it seems to me we must apply something realistic to this discussion—under what appointment is Mr. Justice Van Devanter acting? That question would not be important at all if the people of this country had not said to us, and to everyone entrusted with making laws relating to the Federal judiciary, that "the only way in which you can appoint to a judicial office under the Constitution is through the President of the United States." I refer to section 2 of article II, and it is also in clause 2, as follows:

And he—

Meaning the President—

shall nominate and, by and with the advice and consent of the Senate, shall appoint * * * judges of the Supreme Court and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law.

If we are going to the device of stretching the act of March 1, 1937, into the creation of an inferior tribunal, we then have come within this part of the Constitution, "and which shall be established by law", have we not? And we get to the next step, that in order to have a Justice there he must be appointed by the President, and he must be confirmed by the Senate; and, of course, we know that the appointment by virtue of which Mr. Justice Van Devanter exercises judicial duties and functions is an appointment as an Associate Justice of the Supreme Court of the United States which was confirmed by the United States Senate.

He said in his letter:

Having held my commission as an Associate Justice of the Supreme Court of the United States—

And so forth; and he laid his finger upon another thing that we ought to stop and consider: Under what commission is Mr. Justice Van Devanter exercising functions and duties of a judicial nature? It is the commission of an Associate Justice of the Supreme Court of the United States, and no other commission. Again, Mr. President, we did not believe any of this nonsense before. We ought not to believe it now. We know perfectly well that Mr. Justice Van Devanter could not hold any such office at all without coming here or elsewhere where he could find a magistrate and taking the very solemn oath that has been referred to here, adapted in some form to this supposed new office of his. In other words, we find him acting under the oath of an Associate Justice of the Supreme Court today with a commission of that character under an appointment and confirmation of that kind, and nobody has power to oust him from that office save for cause, and then only by way of impeachment.

He cannot occupy two of these Federal offices. But would it not be a strange thing, in the interpretation of statutes of any kind, to treat this act of March 1 as endowing Mr. Justice Van Devanter with an office? And that has to be the construction if we follow those who make the claim that the office he is occupying is the office of a retired Justice, instead of the office of an Associate Justice of the Supreme Court.

I make the claim that there is no power to endow any citizen with any office of any kind, anywhere, any time. That is strictly contrary to the spirit of our institutions. When we get to the point where we may from this high and exalted place of ours endue, or endow, or honor, or benefit a citizen by the creation of an office on his head or on his shoulders, then we will be indeed in danger.

Mr. President, we are not creating the high office of a Justice in that manner. We are not picking out men and endowing them with an office right out of our benevolence. There is no question but that we undertook on the 1st day of March, in a most unskillful manner, to provide the same retirement emoluments, theretofore enjoyed by other Federal judges, for Justices. There is no doubt that we overlooked many things in the passage of that measure. For my part I am ready to make the confession that I did not give the legislation the examination, preceding my vote upon it, to which it was entitled. I confess that I believed that the thing we were doing was conferring upon Justices of the Supreme Court the same right of retirement which we had theretofore conferred upon judges of the inferior Federal courts. I had no idea that we were getting into such a remarkable position as that in which we are today by virtue of the act of March 1, 1937. I feel bound to respect the act until it is amended or repealed, but I certainly question the wisdom of leaving out of the act the provisions contained in the act of 1919, one of which is extremely important, and which would have prevented the great questions which have been raised about the number of members of the Supreme Court. That is the very last part of the act, providing in substance, that on the death of one of the retiring judges the office left vacant by the death shall not be filled up. That prevented the accumulation of judges in the Federal courts, which the act of March 1 does not do with respect to the Supreme Court, because we omitted it.

I wish now to call attention to the fact that these principles are not new; they have been decided; they have been passed upon. We cannot help being guided by the opinion of the Supreme Court expressed by Mr. Justice Roberts in the Booth case. There this claim which I am discussing now was argued, and he said, with respect to the act of 1919:

> The act does not, and indeed, could not, endue him with a new office, different from, but embracing the duties of the office of judge. He does not surrender his commission, but continues to act under it. He loses his seniority in office, but that fact, in itself, attests that he remains in office.

We have that reference in the 1937 act to his undertaking to perform the duties of a circuit justice. To my mind it has more probative force than the reference to seniority in the act of 1919, and the other statement, in effect, in that act, that he is indeed a Justice of the Supreme Court, completely answers the claim.

There was, in this connection, just a shadow of a suggestion, not boldly asserted, not definitely argued, but I caught the suggestion, that the office of the Associate Justice of the Supreme Court was created by the Constitution, and, therefore, that the office of an Associate Justice of the Supreme Court was not created by the Congress. It was not asserted, but it was implied in some of the claims that were argued.

Mr. President, that is not a new question. That principle has been passed on. The new office of an additional Justice of the Supreme Court, if one exists, did not come into being when the Constitution was adopted. Indeed, no single one of the offices of the Associate Justices of the Supreme Court came into being until the Congress, by the act creating the Supreme Court, established the office. I refer now to the reasoning of the Court in an Alabama case. It is very interesting that this case should come from Alabama at this time. It was the case of *State* v. *Porter* (1 Ala. 688), a case decided in 1840. I will not take the time to go into a description of the case, but will turn directly to the language in point:

> The fifth section of the fifth article of the constitution, page 707, directs that "the State shall be divided into convenient circuits, and each circuit shall contain not less than three nor more than six counties; and for each circuit there shall be appointed a judge, who shall after his appointment reside in the circuit for which he may be appointed." Thus it will be seen that the constitution instead of dividing the State into circuits, and creating the office of the circuit judges, devolved that duty upon the legislature, to be exercised, as the increase of counties of population might render it expedient.

I skip now, and read the following:

> The fact that the counties included in the tenth circuit, previously composed in part of the first circuit, does not make the statute of January 31, 1840, less an act of creation. Though each had its circuit court, yet it was under a different organization, so that the tenth circuit, or the office of judge (if the expression be allowable) had no vitality until the legislature spoke them into being.

Mr. President, I do not believe Mr. Justice Van Devanter is left, after his years of public service, in any such situation that he can be regarded as no longer a Justice of the Supreme Court, and, therefore, that his retirement allowance or pay may be diminished at any time that Congress sees fit to diminish it. I think that in his case his pay may not be reduced by taxation, but, of course, in respect of any person who has been or may be appointed a Justice of the Supreme Court after 1932 that rule does not apply, as I understand the situation.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Vermont yield to the Senator from New Mexico?

Mr. AUSTIN. I yield.

Mr. HATCH. I thought the Senator was about to conclude and I wanted to get his theory definitely in my mind.

I understand from the Senator's argument that he says in effect that no new office, such as he has termed an inferior judgeship——

Mr. AUSTIN. I adopted the language of one of the speakers; it is not mine.

Mr. HATCH. That that office, whatever it may be, has not been created, because there are no words in the act creating such an office. Am I correct in that?

Mr. AUSTIN. Yes; because of the fact that the act itself is wholly inconsistent with that, and contains words which show that the office is that of a Supreme Court Associate Justice.

Mr. HATCH. Does the Senator argue that an additional Justice of the Supreme Court has been authorized?

Mr. AUSTIN. Yes.

Mr. HATCH. So that the Court would consist, say, of ten members?

Mr. AUSTIN. Yes. I have not come to that, but I intend to follow up that thought.

Mr. HATCH. I did not want to interrupt. I just wanted to get the Senator's view on that. When he gets to that, will he point out in the act of March 1, 1937, the words referring to a Court of 10 members?

Mr. AUSTIN. I do not think I will be able to do that.

Mr. HATCH. I did not think so, either.

Mr. AUSTIN. What I have said thus far has been intended to meet if possible the claim made by those who say that the new office which was created by this statute is an inferior one, or that it is the office of a retired Justice of the Supreme Court, and to meet the claim that there is a vacancy in the old office formerly occupied by Mr. Justice Van Devanter by virtue of abandonment of the office by Mr. Justice Van Devanter, and the loss by him of all he was supposed to have saved when he accepted the terms of the act.

That is the intended effect of what I have said up to this point. The proposition, it seems to me, is this: We come within the reasoning of the Booth case with respect to judges of the Federal courts when Mr. Justice Roberts discusses the successor of a judge retired from the Federal bench. Senators will notice that we have in the act of 1919 identically the same blundering sentence with respect to the appointment of a successor as we have here, but we do not have the clarity of expression that is found in the naming of the office into which a successor is to be inducted as we have it in the act of 1937. The act of 1937 leaves no doubt at all that the office into which the new person who follows Mr. Justice Van Devanter is to be inducted is that of Justice of the Supreme Court. That is the office. Mr. Justice Roberts says about that matter—and I am reading from page 351 of the official report:

> Some reference is made to the fact that under the act a successor to the retiring judge is to be appointed, and it is claimed the direction is inconsistent with his retention of office. The phraseology may not be well chosen, but it cannot be construed to vacate the office of the retiring judge, in the light of the evident purpose that he shall continue to hold office and perform official duties.

We have exactly the same thing here. In fact, this wording was taken from the act of 1919:

> And the President shall be authorized to appoint a successor to any such Justice of the Supreme Court so retiring from regular active service on the bench.

Mr. President, if we are going to give this act any validity, if we are going to obey what I regard as our duty here until this act shall be declared unconstitutional, repealed, revised, or amended, or in some other way we are excused, we must regard that word "successor" as the naming of a new Associate Justice. The President, in other words, is authorized to appoint an Associate Justice to the Supreme Court of the United States upon this retirement taking place. Such an act as that is a violent way to create a new office. I do not approve of it, but I see no other course for us to take than to regard that as the creation of a new office—an additional Associate Justice of the Supreme Court.

Mr. BORAH. Mr. President, may I make a suggestion, that the way to avoid that situation is for the Congress to legislate upon the subject. The thing that is troubling us here is that Congress has not legislated. If Congress had said that the President shall appoint an additional Justice so as to have nine active Justices on the Court, this question would be solved.

Mr. AUSTIN. Mr. President, that is right. I agree with that.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. PEPPER. Will the Senator from Idaho [Mr. BORAH] permit me to make an inquiry of him?

Mr. BORAH. Yes.

Mr. PEPPER. By legislation would it be made possible for us to provide a salary for the resigned Justice, which I understand is the suggestion of the Senator from Idaho, which would not be subject to control by subsequent Congresses, and not be subject to impairment or reduction?

Mr. BORAH. The proposition I have in mind would not affect that problem—if the Senator from Vermont will permit me?

Mr. AUSTIN. Yes.

Mr. BORAH. I would consider Justice Van Devanter as a retired Justice. Therefore his salary could never be reduced. I would provide that the President should appoint an additional Justice so as to have nine active Justices on the Supreme Court.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. Did I understand the Senator to say that the construction he gave to the statute is that it is a violent way to create an office?

Mr. AUSTIN. I think that is what I said. Anyhow I believe that.

Mr. HATCH. Can an office be created in that fashion?

Mr. AUSTIN. It seems to me that there is no law of construction that actually and realistically overcomes the law of necessity. That law of necessity is a powerful law affecting activities in life, and art, and science, and law, and I do not know how we can escape the construction if we undertake to give force to that power of the President to appoint a successor for the Supreme Court of the United States, save to say that thereby we created this additional office.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. AUSTIN. I yield.

Mr. HATCH. Would it not be simpler and would it not be easier to say that the statute might mean what it says, and that the Justice who retires shall be a retired Justice of the Supreme Court, and his place shall be filled by the President? Is not that the simple and easy construction to make of the statute, without doing violence to it, or calling into play the law of necessity?

Mr. AUSTIN. Mr. President, then where would we be? It strikes me we are up against just as powerful and imperative a prohibition as we would be in case we had created a new office, because then we encounter the proposition that we have added an emolument to the compensation of an Associate Justice of the Supreme Court.

Mr. HATCH. Mr. President, will the Senator again yield to me at that point?

Mr. AUSTIN. I yield.

Mr. HATCH. I may say that that is simply a question for us to decide. We have done no violence to the statutes by adopting this construction. Then all we would have to determine is whether relieving a Justice of the Supreme Court of the burden of the duties of office is an increase of the emoluments of the office. That is a very simple situation, I believe, if the Senator will just boil it down.

Mr. AUSTIN. I shall come to that point directly. I intended to discuss that. I think this case of McLean against the United States is ample authority. This is the United States Supreme Court speaking. It is ample authority for the claim that retirement pay is an emolument of office. Retirement pay contemplates a giving up of some of the service—it may be the giving up of all the service, and, notwithstanding that, receiving compensation. Of course, it is based on the theory of earned pay. This added emolument is on the theory that a man who retires has by virtue of his service become entitled to this as an adjunct to his office.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HUGHES. May it not also be said that he was entitled to that for the services which he might render as a circuit-court judge?

Mr. AUSTIN. Mr. President, I accept that. I hope it is so. Here is the problem: Before March 1, 1937, if the Senator from Alabama had been appointed an Associate Justice of the Supreme Court of the United States what would have been the pay and emoluments of his office? He would have had a salary, and if he resigned his salary would have continued the same as before, provided that the Congress did not cut it down. He had no assurance of $20,000 a year during the remainder of his life. No man can say that the assurance of $20,000 a year in old age is not a valuable thing. Who is there with any sense of appropriateness or any economic sense whatever who does not recognize that the assured income of $20,000 a year, which cannot be touched, is a thing of very great value?

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. He is assured of that whether we have a retirement act or not, is he not?

Mr. AUSTIN. Mr. President, not so. Before March 1, 1937, he could have his pay cut in half, as the pay of the resigned Mr. Justice Holmes was cut in half, or——

Mr. HATCH. Mr. President, if the Senator will pardon me, he did not understand my question. An Associate Justice of the Supreme Court of the United States is assured of his salary of $20,000 a year.

Mr. AUSTIN. Certainly, but he was not so assured before the act of March 1, 1937.

Mr. HATCH. All he had to do to protect himself was to remain on the Bench, was it not?

Mr. AUSTIN. That is quite true. He would have to stay there until he died in his tracks. That just illustrates the point.

Mr. HATCH. Will the Senator yield for a moment further?

Mr. AUSTIN. Yes.

Mr. HATCH. What I mean is that whether he leaves the Bench is a matter of his own volition. The salary is his.

Mr. AUSTIN. Oh, yes, of course; but what would be the choice of any man contemplating the office or any man looking forward to it who is not now in it? On the one side is an office in which he may terminate his activity at his own will at the age of 70 and retire with an assured pay of $20,000 a year, and on the other side is an office in which he must stay and work until he dies in order to have an assured pay of $20,000 a year. Which one would he choose? There is no doubt whatever as to the answer. Therefore, a thing of value was created by the act of March 1, 1937; an emolument was added to the pay of an Associate Justice of the Supreme Court.

So, when a Senator of the present Congress who participated in creating that emolument is offered an appointment to this office he is confronted by that prohibition, and we are confronted by it, too. The prohibition is contained in the people's law. We are at that juncture in the affairs of our National Government when we must regard the people's law. The people have become vocal; they have demanded that we obey; they have demanded that we discipline ourselves; they have demanded that we keep within our powers; and when they prohibit us from making one of our own Members the beneficiary of increased emoluments we cannot do it with impunity; somebody, sometime, somewhere, will be injured by it. No one knows the outermost rim of the evil that may result from what we do here today if we violate that prohibition.

There is no question but that retired pay is an emolument. I wish to call attention to an opinion which one of our distinguished colleagues rendered while he was judge. I refer

to the case of *Schieffelin* v. *Barry* (vol. 217 of the Appellate Division Reports, p. 451; 216 N. Y. S. 367). The present Senator from New York [Mr. WAGNER] was the judge who delivered the opinion of the court.

I quote:

It is established that pensions and retirement allowances are part of the compensation of public officials. If they were not, of course, their payment would be unconstitutional.

And he cites *Matter of Wright* v. *Craig* (202 Appellate Division 684; affirmed 234 N. Y. 548).

With all of the other judges of the court concurring, it was held that an act which undertook to reduce those emoluments was unconstitutional. I read from the concluding paragraph of the opinion delivered by then Justice, now Senator, WAGNER:

In violation of this constitutional and statutory provision, the municipal assembly of the city of New York has, by the enactment of local laws nos. 10 and 18 of the New York local laws of 1925, attempted to change the compensation of county and State employees who are members of the Retirement System, for the interests and obligations of all the members are so inextricably linked together that separation is impossible.

We are, therefore, constrained to hold the laws under consideration unauthorized and invalid.

What those laws attempted to do was to reduce the retirement pay.

Retirement pay has been held—until it has become a sound principle of law—to be a part of the compensation of a public officer. He has earned it. When he is given pay without work it is on the theory of attributed work; it is on the theory of suppositive work; it is on the supposition that he has done enough work so that it carries forward to the end of his life. That was the theory that underlay the opinion of the Supreme Court of the United States in *McLean* v. *United States* (226 U. S. 381), from which I read as follows:

Whatever is directed to be settled—pay or an emolument—is for compensation, not for actual service but for attributed service. This, we repeat, is the scheme of the statute and the test of its application. It is difficult to deal with a distinction between pay and emoluments. Both are rewards or compensation.

Notice, Mr. President, that here we have again that declaration which I say is settled in our law that retirement pay is compensation.

The one no more than the other, for "service supposed." To say that one is certain and the other contingent has no meaning in the situation of Major McLean. He could not have performed the condition upon which either dependent, under the then existing law, and to distinguish between them notwithstanding is to enter a maze of irrelevant considerations. The enactment is, and we return to it as its own best interpreter, "that the proper accounting officers be, and they are hereby, directed to settle and adjust to Sarah K. McLean, widow of the late Lt. Col. Nathaniel H. McLean, all back pay and emoluments that would have been due and payable" to him "as major from July 23, 1864, to the date of his reinstatement March 3, 1875 * * *."

This is the principle involved.

It is manifest that the supposition of service by the officer is attributed to both pay and emoluments. Under that supposition, what essential difference is there between them? Pay and emoluments are but expressions of value used to give complete recompense to a deserving officer. Their association was deliberate; emoluments were additive to pay.

I should like to have notice of that taken in the RECORD, although I do not expect any Senator to note it, but I hope, Mr. President, that this RECORD before the people will be a justification for their belief, expressed soon after the report on the Court bill was made, that there had been a revival in the United States Senate of interest in the affairs of the people and of courage to defend their fundamental law. That is what we are doing here now, today, this instant, and if no other benefit arises out of it save to write down in the RECORD that we are claiming these rights for the people, that we are trying to defend them for the people, I know that it will meet with a response from the hearts of the people who will some day have flesh and blood in the Senate if they have not now.

Under that supposition what essential difference is there between them? Pay and emoluments are but expressions of value used to give complete recompense to a deserving officer. Their association was deliberate. Emoluments were additive to pay, and the direction as to them is as substantive as the direction as to it, and qualified by no other condition.

Mr. President, I suppose that unless that law has been changed there is no use further to discuss the matter of whether we are by this act of March 31, 1937, increasing the emoluments of the office. If that is the law of the land today we have increased the emoluments of the office of Associate Justice of the Supreme Court by a very valuable compensation, namely, the assurance that an old gentleman who has served 10 years continuously or otherwise on the highest Court of the land, and made his contribution to the welfare of the country, may retire from active service on the bench without suffering the claim that he has abandoned or resigned or voluntarily withdrawn from the bench, and that this is an emolument that he is assured for the remainder of his lifetime, the continuance of his pay—retirement pay, a thing which specifically can be bought, or can be granted as it has been granted by our Government, and which has been declared by the Supreme Court of the United States to be an emolument. It cannot be taken from him because of this act. It could have been taken from him before this act was passed.

Thus this Congress added something to the pay of an Associate Justice of the Supreme Court and any man who was a Member of Congress at the time that addition was made is disqualified because the people have said, "We do not want you gentlemen creating offices or increasing the emoluments thereof and then taking them unto yourselves."

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. Certainly.

Mr. WHITE. The Senator seems to have narrowed to the case of the present retiring Justice his contention that this was an increased emolument. It would be equally an increase in the emolument of any Justice who might hereafter retire, would it not? It is general rather than specific.

Mr. AUSTIN. I thank the Senator. The Senator from Maine has helped me because I did not realize I was making that limitation. Of course, that is what I mean by what I have said. It is because it does apply to the Senator whose nomination is now under consideration that he is ineligible to be appointed and confirmed to the office. It would apply to every other Justice coming along hereafter. It is, therefore, an increase in the emoluments of the office and it does not make any difference whether this office has been created by us or whether it is an old office from which Mr. Justice Van Devanter has resigned or which he has abandoned, as some would have us think this means. In either event, the fact that this Congress has increased the emolument is the fact that makes ineligible any Senator who was a Member of the Senate at that time.

I invite attention to another authority because it presents a picture. We participated in the scheme of an attempt under the Economy Act. That was one of the "must" bills of our President for which I voted. I thought we were headed for economy. In that act, however, we did some great injustices, and one of those injustices was to abrogate the contract between the Government of the United States and a retired soldier, a contract for which he had paid money. The Supreme Court of the United States said to the Congress, "You cannot do that. That relationship entered into between the Government and its citizens is just as binding on the Government as it would be if it were between two citizens. It is a contract and the contract is binding." But in the case of *Retirement Board of Allegheny County* v. *McGovern* (174 Atlantic Reporter 400, p. 404), we find this holding:

Until an employee has earned his retirement pay, or until the time arrives when he may retire, his retirement pay is but an inchoate right; but when the conditions are satisfied, at that time retirement pay becomes a vested right of which the person entitled thereto cannot be deprived; it has ripened into a full contractual obligation. (See *Lynch* v. *United States* (54 S. Ct. 840, 78 L. Ed. 1434), decided June 4, 1934.) True, section 312 of the act of 1929 (16 PS sec. 312) calls this system a pension system and the fund a pension fund, but in every part of the statute the system and fund created are of the character above

described, and the nomenclature has been changed to retirement system and retirement fund by the act of May 22, 1933 (P. L. 840; 16 P. S. sec. 312).

It is, therefore, an emolument. It is an emolument for that one reason. A contract has been established upon the retirement of a Justice, a contract between the Government of the United States and that Justice which never before existed. It is a new thing. It is a thing of great value. It is a contract on the part of the Government with him that when he retires and if he retires, and if he performs the service mentioned in the act, he may receive during the remainder of his life an assured and certain compensation, and that is an emolument.

Mr. President, I do not wish to delay the Senate further. I have tried to present my views as briefly as possible on the subject. I would have preferred to have opportunity for more thorough study of the question because I regard it as an exceedingly important one. The study which it has been possible to make since the nomination was sent to the Senate has necessarily been limited.

CLAIMS OF ESTATES OF H. LEE SHELTON, MRS. H. LEE SHELTON, AND OTHERS—VETO MESSAGE (S. DOC. NO. 103)

As in legislative session,

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate a message from the President of the United States, which was read and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed as follows:

To the Senate:

I return herewith, without my approval, Senate bill 826, to authorize and direct the Secretary of the Treasury to pay to the estate of H. Lee Shelton the sum of $5,000, to the estate of Mrs. H. Lee Shelton the sum of $2,500, to Mrs. J. R. Scruggs the sum of $3,000, and to Mrs. Irwin Johnson the sum of $300, in full settlement of their claims against the United States for fatal and personal injuries sustained in an automobile collision.

It appears that on the night of November 9, 1935, a United States Government truck, operated by an employee of the Soil Conservation Service of the Department of Agriculture, in Pittsylvania County, Va., was proceeding on a State highway, followed by a car driven by Mr. Shelton, and in which Mrs. Shelton, Mrs. Scruggs, and Mrs. Johnson were passengers. An automobile driven by one C. O. Stuart coming from the opposite direction sideswiped the Government truck, skidded and traveled for a distance of about 160 feet, and crashed into Mr. Shelton's car, causing the death of Mr. and Mrs. Shelton and personal injuries to Mrs. Scruggs and Mrs. Johnson.

Thereafter suits were brought in the Virginia State courts against the driver of the Government truck by the claimants named in this bill, and judgments were recovered aggregating the sum of $15,300.

It appears that the principal basis for a finding of negligence on the part of the driver of the Government truck was that he failed to comply with the local regulations requiring side lights on trucks exceeding a certain specified width. In the light of the decisions of the Federal courts, there is grave doubt, to say the least, as to whether the Federal Government is required to equip its vehicles with the accessories required by State or local regulations.

In view of this circumstance, it does not seem desirable that a direct appropriation be made for the payment of this claim without prior adjudication by a court of the United States to which the Government has been a party and in which it has had an opportunity to be heard.

An entirely different situation would be presented if this bill were confined to a grant of jurisdiction over these claims, to the Court of Claims or a United States district court.

While the unfortunate accident is to be greatly deplored, I feel constrained, nevertheless, as a matter of proper protection to the Government, to withhold my approval from this measure.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 7, 1937.*

MESSAGE FROM THE PRESIDENT

A mesage in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

HUGO L. BLACK

The Senate resumed the consideration of the nomination of HUGO L. BLACK, to be an Associate Justice of the Supreme Court of the United States.

Mr. BRIDGES. Mr. President, we have before this body today for consideration the nomination of a man for Associate Justice of the Supreme Court of the United States. The name under consideration is that of HUGO L. BLACK, of Alabama. Mr. BLACK's name is before this body for consideration, not as a United States Senator, but as a nominee for a position on the highest court in the land. Therefore, I think it very inappropriate that any attempt should be made to railroad his nomination through this body without full public hearings and an extensive investigation.

What are the facts? The facts are that the distinguished chairman of the Judiciary Committee, the Senator from Arizona [Mr. ASHURST], probably because of efficiency, personal regard, and an honest conviction that Mr. BLACK would make a good Justice of the Supreme Court, urged immediate action without reference to a committee. Objections were raised. The nomination was referred to the committee, and a subcommittee was appointed and was in session for a short time. From all over the country, from the American people, came a demand to be heard, to have an opportunity to have something to say about the nomination to the Supreme Court. They recognize that the Supreme Court of the United States is the trustee of American liberties. For that reason they deserve an opportunity to have something to say, and this body should show them the consideration of giving them a reasonable opportunity to appear and be heard.

There is an honest difference of opinion relative to this nomination, and Mr. BLACK himself would be the last man who could consistently object to an extensive investigation.

On April 28, 1930, Mr. BLACK said, as reported in the official RECORD, with reference to the confirmation of Judge Parker:

> May I state that so far as I am concerned with reference to this matter—I feel sure that I voice the sentiments of many others—it is immaterial with what ability Judge Parker handled the case; if it be true that as a prosecutor he had in his possession evidence which tended to show the innocence of a defendant, and at the same time prosecuted him, I feel sure that he would get no votes for confirmation. Therefore, I think it is exceedingly important that from some source, someone who knows, this statement be disproved if it can be disproved.

The then Senator from North Carolina, Mr. Overman, replied:

> Does the Senator think that a man such as I have proved Judge Parker to be—of irreproachable character, an honest man, a courageous man, a Christian gentleman—would suppress any testimony of that sort?

Senator BLACK retorted:

> It is difficult to believe that it would be done, but the charge has been publicly made; and, so far as I am concerned, while I do not know how I shall vote with this matter eliminated, if this charge is not satisfactorily disproven, I shall be compelled to vote against him.

The record will reveal an honest difference of opinion relative to Mr. BLACK's fitness to serve on the Supreme Bench. A person is entitled to his opinion. The American people are entitled to be heard.

The distinguished Senator from Texas [Mr. CONNALLY] in speaking said:

> If Senator BLACK does not make a good judge, nobody is to blame but God Almighty.

That is quite a broad statement for the distinguished Senator from Texas to make. I want to say that if Senator BLACK does not make a good judge, the responsibility does not rest on God Almighty but upon the President of the United States and the Members of this body who vote to confirm

him, and it will rest doubly so if we do not give the American public an opportunity to be heard.

There is an honest difference among the public. There is an honest difference among the press. Right in the State of Alabama we have a real difference of opinion. Let me quote from editorials from two Alabama newspapers—a State where they naturally have pride in Senator BLACK's appointment. I quote from the Birmingham Age-Herald, a Democratic newspaper:

No news that has come to Alabama in many a day has produced a greater conflict and confusion of emotion and judgment than President Roosevelt's nomination of Senator HUGO L. BLACK to become a Justice of the United States Supreme Court. Unbounded exultation contrasted with grim resentment. There was joy at the idea of HUGO BLACK on the Supreme Bench, but in the same hearts it clashed with regret at losing his services in the Senate.

Contrariwise, there was nothing less than alarm at the thought of Senator BLACK on the high Court, but in such feeling there was intermingled relief at his prospective passing from the Senate.

We fear he may not prove the great judge. We think Mr. Roosevelt, at this time of extreme feeling, did no service to the judicial ideals of this country in appointing a man around whom much of that feeling centers. But, even so, we hold to a faith in HUGO BLACK's fundamental sincerity and his broad mental caliber.

From the Birmingham News, a Democratic paper:

Pride is the dominant feeling, but there are other emotions, including relief and misgivings. For Senator BLACK has been sharply identified with one side in a number of controversial issues and the reactions of Alabamans to this appointment will reflect their position on the issues. That pride cannot conceal wholly a little doubt as to Senator BLACK's fitness by experience and temperament for a judicial post.

He has been the prosecutor, the partisan litigant, rather than the calm weigher of opposing arguments. His high mental qualities, his perspicacity, his acumen, his quickness of thought and readiness of speech, have found their best uses in controversy.

No one is questioning the fitness of Senator BLACK as a Member of this body, but a Member of this body may be an able Senator and a poor judge, or he may be an able Senator and an able judge. The public could properly have something to say, and should have an opportunity to be heard. We cannot afford to put on the Supreme Bench of this country a man under any cloud, and charges have been made on this very floor as well as elsewhere.

Mr. President, I believe this nomination should be recommitted to the Committee on the Judiciary with instructions to hold public hearings, and to conduct a full investigation. In other words, let us have the facts; let us deal the cards and lay them face up on the table. Let us not pass them under the table in the dark. If a person is above reproach, he has nothing to fear from public hearings and a thorough investigation.

During my remarks I have made no charges against Senator BLACK. I realize that from his past experience he would be a good prosecutor, and I should have no hesitation in picking him out for the position of a prosecuting attorney, a district attorney, or any sort of a prosecuting official. But a man may be a good prosecutor and not a good judge. In a judge we must have fairness, we must have integrity, we must have tolerance, and human understanding of the other fellow's opinion, and not a partisan approach.

Mr. President, I move that the nomination of HUGO L. BLACK be recommitted to the Committee on the Judiciary for public hearings and further investigation. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	Guffey	Lundeen
Andrews	Capper	Hale	McAdoo
Ashurst	Caraway	Harrison	McGill
Austin	Chavez	Hatch	McKellar
Bankhead	Clark	Herring	Minton
Barkley	Connally	Hitchcock	Moore
Berry	Copeland	Holt	Murray
Bilbo	Davis	Hughes	Neely
Bone	Dieterich	Johnson, Calif.	Nye
Borah	Donahey	Johnson, Colo.	Overton
Bridges	Ellender	King	Pepper
Brown, Mich.	Frazier	La Follette	Pittman
Brown, N. H.	George	Lee	Pope
Bulkley	Gerry	Lewis	Radcliffe
Bulow	Gillette	Lodge	Reynolds
Burke	Glass	Logan	Schwartz
Byrd	Green	Lonergan	Schwellenbach
Sheppard	Steiwer	Truman	Wheeler
Shipstead	Thomas, Okla.	Tydings	White
Smathers	Thomas, Utah	Van Nuys	
Smith	Townsend	Wagner	

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from New Hampshire [Mr. BRIDGES] that the nomination be recommitted to the Committee on the Judiciary.

Mr. TYDINGS. Mr. President, I wish to make a brief statement on this motion, which I shall support.

I look upon the Supreme Court of the United States as the last tribunal between earth and the hereafter, where every citizen of the United States may have to go on trial for his property or his life. I feel, therefore, that in the selection of an Associate Justice of the Supreme Court the committee charged with the responsibility of reporting to the Senate on the nomination should investigate every rumor that has any reasonable ground of fact before it reports the nomination to this body.

I do not believe that course was followed in the case of Senator BLACK, and it is unfair to him to allow his nomination to come before this body under any cloud of suspicion of prejudice or fact which might affect his fitness as a judge.

If the rumors of which we have heard are not well founded, then the committee ought to ascertain the facts and publish them. If they are well founded, the Senate ought to know that fact. I shall support the motion to recommit because I believe the committee has not gone fully into many matters, a knowledge of which the Senate ought to have before it when it passes on anything so important as the nomination of one to be an Associate Justice of the Supreme Court of the United States.

Mr. COPELAND. Mr. President, I agree with the Senator from Maryland that this nomination should be recommitted to the committee. I spoke at some length this morning about the possible connection of Mr. BLACK with the Ku Klux Klan. I do not know of my own knowledge that he is or was a member of that organization. Within 2 or 3 days I have been told by persons, one of whom at least is known to me as a reputable man, that Mr. BLACK was or is a Klansman; and this one man said he sat with him in the lodge.

It may well be, of course, that the majority of the Senate feel that it makes no difference whether the nominee is or is not a Klansman. For my part, I feel it makes a vast difference. I do not believe that a man whose mind may be fossilized as regards the rights of certain classes of people should sit upon the Bench.

It would be a very simple matter for the committee, if it chose, to ask Mr. BLACK himself whether he was a member of that order. I feel very strongly that the committee has not taken the same care to investigate the merits or demerits of this nominee it has been accustomed to take. I think the nomination should go back to the committee. I shall be glad to turn over any material I have. But I believe that, too, is quite unnecessary, because the simple questioning of the nominee would satisfy the committee as to whether or not this particular impediment to his membership on the Supreme Court actually exists.

Mr. GLASS. Mr. President, while it is my irrevocable purpose to vote against the confirmation of this nomination, I am utterly opposed to wasting any more time on the subject. Therefore, I am going to vote against the motion to recommit.

Mr. BORAH. Mr. President, the Committee on the Judiciary had this matter before it, and I do not see any reason why it should be sent back to the committee. There has never been at any time one iota of evidence that Senator BLACK was a member of the Klan. No one has suggested any source from which such evidence could be gathered. The members of the committee have had hundreds of telegrams even running into the thousands, from people over the country, sent upon the theory that the Senator is a member of the Klan; but in no telegram that I have seen has there been a suggestion as to any evidence or any facts

sustaining that proposition, and, for myself, I am not willing to go about hunting for the possibility of something which may reflect upon a Member of the Senate.

We know that Senator BLACK has said in private conversation, not since this matter came up but at other times, that he was not a member of the Klan, and there is no evidence to the effect that he is. What is there to examine? Of course, the country seems to proceed upon the theory that there is something to examine, but there is not. There is no fact or facts even indicating it. It is rumor or hearsay. For myself, I am not desirous of entering upon any investigation regarding it, unless some responsible person is prepared to make the charge, not based upon hearsay, but upon knowledge of some facts tending to sustain the charge. If it goes back to the committee, upon whose charge or upon what facts shall we begin investigation?

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. COPELAND. Does the distinguished Senator from Idaho feel that if Mr. BLACK is or was a member of the Klan, that would be any embarrassment to him, and be a reason, possibly, for not placing him upon the Bench?

Mr. BORAH. Mr. President, for myself, if I knew that a man was a member of a secret association organized to spread racial antipathies and religious intolerance through this country, I should certainly vote against him for any position. There is one thing we ought be be very careful about in this country, and that is not to start the flames of intolerance; and I have no sympathy and no respect for any effort along that line. But that is a wholly different proposition from taking an associate here who has been with us for 11 years and, because of mere rumor, putting him under the humiliation of a trial as to whether or not he is a loyal American citizen. If anyone has any facts, let him present them here, and then we will talk about the nomination going back to the committee.

Mr. COPELAND. Mr. President, if the Senator from Idaho will bear with me, if there is the possibility—apparently the Senator dismisses that—but if there is the possibility—is it not wise at least to inquire from the candidate whether or not he is a member of the Klan? I do not recognize that there would be any objection to his membership in this body by reason of the fact that he is a Klansman. I think the State of Alabama had a right to send him here if he were a Klansman. But if there is any doubt on the part of the Senate as to whether or not he is a Klansman in connection with this particular appointment, it seems to me it is the duty of the committee to ascertain the fact.

Mr. BORAH. Mr. President, I cannot make up my mind adversely against a person whom I know and have known for years without some facts, and I have not heard any facts. Those who purport to have the facts have not revealed them to any one. The committee has had no facts before it. No one proposed to give it any facts. The committee has received no communications, no letters, no telegrams purporting to give it any facts. There is only one question here, as I see it, and that is a question of eligibility. That we can determine here, and here is really the only place we can properly and finally determine it.

The VICE PRESIDENT. The question is on the motion of the Senator from New Hampshire [Mr. BRIDGES] to recommit the nomination to the Committee on the Judiciary.

Mr. BRIDGES. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BURKE. Mr. President, with reference to the matter just raised by the Senator from Idaho, of course no facts were presented either to the subcommittee or to the full committee, because neither the subcommittee nor the full committee saw fit to ask for the presentation of any facts. I did not know of my own knowledge anything about the circumstances of our colleague's membership in the Klan; but I do know that there are two gentlemen in the city of Washington, with one of whom I talked, and that one told me that he and the other gentleman in this city were both members of the Klan in Birmingham, Ala., and both were present in person on the occasion of the initiation of Mr. HUGO BLACK into the order; and both gentlemen could be subpenaed to come before the committee if the committee desires to go into that question.

Mr. BORAH. Mr. President, may I ask the Senator when he ascertained the fact?

Mr. BURKE. Last Saturday. Even on Monday, at the committee hearing, I urged that the committee invite Senator BLACK to come before the committee in order that we might sit around the table and get his own statement on the matter. If he himself were to state that he was not and had never been a member of the Klan, that would be sufficient for me, regardless of what anyone else said.

Mr. BORAH. The Senator will concede that he did not state to the committee that he had any evidence whatever of this fact.

Mr. BURKE. There was no discussion of the Klan matter in the committee. I stated that there were facts that I thought made it imperative that we ask Senator BLACK to come before the committee, and the committee did not see fit to do so. I did not state anything with reference to that.

Mr. TYDINGS. Mr. President, the matters that have just been referred to here on the floor may or may not be so. It may be that these reports are not authentic, and I frankly doubt very much that Senator BLACK has been or is a member of the Klan.

The point I am making is that so long as there are people who make statements which have been repeated by the Senator from Nebraska to the effect that Mr. BLACK has been a member of the Klan or is a member of the Klan, I am not in a position to exercise my conscience on this matter.

Obviously, if Mr. BLACK had been a member of the Klan I should very seriously question his eligibility, even at this late date, to sit on the Court and render the kind of justice that one ought to expect at the hands of the Supreme Court of the United States. It is unfair to Senator BLACK to have him go on the Bench with the veil of suspicion thrown over him in this regard; and if for no other reason he ought to clear himself of such an imputation before he is put on the Supreme Court.

I do not want to vote on the final question of confirmation, as the matter now stands, either for or against Senator BLACK, because I do not consider that I can cast an intelligent vote on that question without this matter being pursued and investigated and the facts laid before the Senate.

As stated before, I shall vote for the motion to recommit, believing that before the vote is cast the Senate ought to have all possible information on matters bearing upon a man's fitness to sit on the highest tribunal in this land. If we do not have that kind of information, who knows but that after Senator BLACK is confirmed, and takes his place on the Bench, these affidavits or statements may be printed in the press, and we may never have a chance to find out about their falsity or their truth after the nomination is confirmed?

For that reason I think it is our duty to send this nomination back to the committee, so that the Senate may have all the information. I think Senator BLACK above everybody else would want the Senate to know the truth. What harm can there be if Senator BLACK is not properly subject to these imputations for the world and the Senate to know it? What injury could come if these imputations were correct and we should find it out after we had voted to confirm him?

Mr. ASHURST. Mr. President, whoever believes that this is not a comic world does not know the world in which he lives. Many, but not all, of these persons who now suspect that the nominee, Senator BLACK, was a member of the Klan were once complaining that Mr. Justice Butler was a communicant of the Roman Catholic Church, and some of these, but not all, who are now complaining that Senator

BLACK forsooth might have had some dealings with the Klan, complained overmuch against Mr. Justice Cardozo because he was a Jew.

Mr. TYDINGS. Mr. President, the Senator, of course, does not apply that to me?

Mr. ASHURST. Certainly not. I do not refer to any Member of the Senate. I refer to some of those outside of the Senate who complained against Mr. Justice Butler and Mr. Justice Cardozo, respectively.

Membership in the Senate of the United States probably affords a larger opportunity for public service than does any other forum in America. The Senate is an interesting body and not the least attractive of its features is its unfailing human nature. Here in the Senate we find, as is to be expected, virtues, faults, and failures mingling in the lives of all of us.

Many if not most of the Chief Executives have had sharp disagreements with the Senate. President Washington had his troubles with the Senate, and, whilst he was famous for controlling his emotions, he left the Senate after attending only one session, heatedly declaring that he would never participate in another session of the Senate; and he never did.

Presidents Jefferson, Jackson, and Tyler clashed with the Senate; and, if Booth's bullet had missed its fire, Lincoln would have shared the fate of President Johnson, who was narrowly spared from a foul impeachment conviction, as a change of one vote in the Senate would have convicted him. The quarrel between President Garfield and the Senate led to far-reaching consequences. Presidents Cleveland and Theodore Roosevelt had violent disagreements with the Senate. The disagreements between President Wilson and the Senate and President Hoover and the Senate are well remembered. Not in every instance that I have mentioned was the Senate wrong and not in every instance was the Chief Executive right. Never did human nature exhibit itself in the Senate more radiantly or more true to form than it is doing now in its present disagreement with the Chief Executive regarding the nomination of the Senator of Alabama [Mr. BLACK] to be Associate Justice of the Supreme Court of the United States.

No scenario writer this year will produce a more delightful film or one more opulent with gentle irony than the scene we have here. For example:

All during last June and July the Senate testily and sourly demanded that the Chief Executive make haste and send to us the name of his nominee for Associate Justice of the Supreme Court before the Senate adjourned, and now that the Chief Executive has taken us at our word and sent in a nominee, running true to that glamourous human nature which makes kinsmen of us all we now testily and sourly complain as to the choice he has made. Truly we are hard to please; if the President pipes we will not dance; if he weeps we mock his grief. The President, in sending this nomination to the Senate, has done nothing more than discharge a duty laid upon him by the Constitution, a duty which we have been urging him to make haste to perform. Some persons outside the Senate—I am not referring to any Member of the body—complain about the nominee, but they would complain at any nomination President Roosevelt might submit. They are grumbletonians and their lamentations are as professional as are the mournings of a mortician.

Although from President Washington down to this date, Presidents have clashed with the Senate, it is to the glory of our race that no President ever remembered for long his quarrel with the Senate. When President Garfield lay dying he said, referring to his quarrel with the Senate, "I am sorry for Conkling. I will give him anything he wants or any appointment he may desire." This very refusal by the Senate and by Presidents to practice revenge and reprisals has softened the asperities of politics and promoted the country's good.

The wise person, not to say the good, will always employ that superabundant energy, so necessary for success, in some nobler enterprise than the seeking of reprisals. There is not an authentic instance where any noble character who achieved a stupendous destiny that blessed the human race ever allowed his deep enthusiasms to be dissipated in seeking to "get even." Those persons who refuse to practice revenge enjoy one of the most sublime ecstasies of life. Those great characters, whether of the days of classical antiquity or of the modern world, of whatsoever race or nation, who journeyed outside of the small domain of the five senses always refused to allow their vitality to flow into a channel so useless as that of revenge.

Senators have spoken of toleration. The only sort of toleration in this world that is worth anything is that toleration which will tolerate another man's intolerance.

Mr. President, history has a strange way of repeating herself. She is a great plagiarist. History is constantly plagiarizing from herself. Let me read now what was said when a certain nomination was sent to the Senate about 20 years ago of a distinguished man to be Associate Justice of the Supreme Court of the United States.

Wall Street was stunned. The New York Press, an able newspaper of that day, regarded the appointment as an insult to the members of the Court. They said the nominee was "a man of furious partisanship, of violent antagonisms, and of irredeemable prejudices", which utterly disqualified him from acting in a judicial capacity "where nothing but calm, cold reason should dominate the mind."

If the President did not withdraw the nomination the Senate should throw it out. The New York Tribune, a great journal—I daily peruse it, and have done so for 30 years—said:

> It would be a misfortune if he—
>
> The nominee—
>
> carried to the Supreme Bench the narrow, mistaken attitude toward the vital industry of transportation which he took when he was serving as adviser to a certain committee.

The New York Sun satirically suggested that the President was trying to test the vigilance of the Senate; that the appointment was entirely unfit.

The Boston Herald asserted that few of the nominee's friends would claim him to be judicially minded.

> It is as a controversialist rather than as a dispassionate weigher of facts and arguments that he has achieved distinction. This is not the type of mind which has proved most serviceable in the deliberations of the Supreme Court.

The Boston Transcript said it regretted that the exigencies of the approaching Presidential campaign should have caused the President "to attempt to force upon the Supreme Court one whom the Senate is reported to have been unwilling to confirm as a member of the Cabinet." The Detroit Free Press called the nominee least fit for the cold, dispassionate work of the Court. It was a political debt to be paid. And so on ad nauseam ad infinitum.

And then respecting this particular nominee, a petition was sent to the Senate signed by six men whom I regarded as being among the most distinguished in the land. The petition read as follows:

> The undersigned feel it their painful duty to say to you that, in their opinion, taking into view the reputation, character, and professional career of—
>
> The nominee, naming him—
>
> he is not a fit person to be a member of the Supreme Court of the United States.

That petition was not signed by demagogues on the hustings, seeking by popular appeal to secure votes. It was signed by William Howard Taft, Simeon E. Baldwin, Francis Rawle, Joseph H. Choate, Elihu Root, and Moorfield Storey, and a separate letter was signed by Peter W. Meldrum. The significance of the letter or petition lies not alone in the

fact that it was signed by able men and trusted public servants, but that they were each and all presidents emeritus of the American Bar Association.

I do not use that as an epithet. I respect the American Bar Association. Next to my membership in the Senate, I would value membership in the American Bar Association, because they have courage. They have the courage of their retainers. [Laughter.]

Mr. President, I have read to the Senate these charges made against that nominee. You would think it was Senator BLACK of whom they were talking. They were talking of Louis D. Brandeis.

Mr. President, to attempt now to declare what will be the fame and the position in history of Louis D. Brandeis would be to trench upon the prerogative of posterity. Suffice it to say that Mr. Justice Brandeis is today regarded throughout the civilized world as one of the most distinguished jurists alive, if, indeed, he is not the most distinguished.

Mr. President, apparently those persons using the epithets that have been employed against the Senator from Alabama have cribbed and plagarized from the epithets used against Louis D. Brandeis.

When the muse of history shall fold this century away into the millenium into which this century belongs—I now trespass far enough upon the privilege of posterity to say that Brandeis will be regarded as a luminous mind, a great human being; and, venturing still further to trespass, I will say that within a few years Senators who now oppose the pending nomination will, out of the frankness that characterizes them, declare that Mr. Justice BLACK is a great Associate Justice.

Therefore, Mr. President, I support the view taken by the able Senator from Idaho [Mr. BORAH] with respect to this particular motion. I do not know exactly what view the Senator from Idaho will take as to the question of eligibility. As a lawyer, I sit here at his feet, even as Saul sat at the feet of Gamaliel [laughter]; but I declare that after an investigation lasting some days I am content with the view that Senator BLACK is eligible.

I thank the Senate for its attention.

Mr. SCHWELLENBACH. Mr. President, I had not intended to present any discussion concerning this nomination; and were it not for the fact that earlier in the day three of the Members of the body—the Senator from Nebraska [Mr. BURKE], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Maine [Mr. WHITE]—indicated on the floor of the Senate that they desired a statement with reference to one particular transaction, I should not now take up the time of the Senate.

However, earlier in the day the junior Senator from Nebraska [Mr. BURKE], in discussing this nomination, indicated his belief that the transactions which went on in reference to the subpenaing of telegrams by the committee of this body known as the Committee of the Investigation of Lobbying Activities, constituted activities upon the part of Senator BLACK which indicated that he did not possess the judicial temperament necessary for the performance of the duties of a member of the Supreme Court. I desire very briefly to discuss the matter to which he referred.

The Senator from Nebraska presented his argument upon the basis of two things: One, a statement which he said had been made to him by an unnamed informant; the other, the reading of an opinion by the United States Court of Appeals for the District of Columbia.

For one who through the past few months has been so determined in his efforts to insist upon punctiliousness in the matter of following legal precedents and legal procedure, and acting as a Paul Revere for the defense of the Constitution, I am suprised that my very good friend from Nebraska should stray so far away as to present, upon this serious occasion, hearsay evidence to the Senate as a basis for a charge against a nominee of the President of the United States for a position on the Supreme Court of the United States. I say it was particularly surprising and disappointing to me because of the fact that the best evidence was so easily available to the Senator from Nebraska.

On the 17th of March of last year the Federal Communications Commission made a report to the Senate of the United States. The report was filed. It was printed as a public document. It has been available to the Members of this body since that time. I do not know whether or not the Senator from Nebraska has read it; but it completely and definitely answers all the charges that were made against the committee, all the rumors that were circulated throughout the country, all the statements that were made in the press of the country, in which it was charged that the committee, under the leadership of Senator BLACK, had unlawfully, and in defiance of precedent, and in defiance of the principles of justice, made use of the Federal Communications Commission in order to extend the power of the Senate.

Mind you, the question which the Senator from Nebraska presents is this: Did Senator BLACK, as chairman of the committee, do something which indicates that he does not have judicial temperament? Did he do something which may disqualify him as a member of the Court? The question which is now before us is not whether or not there should have been a lobby investigation. It is not whether or not we should have investigating committees in the Senate. The question is, did Senator BLACK so conduct himself as to disqualify himself by those activities?

That question is answered by this report, which is a Senate document.

The Communications Commission made this report, in which they set forth, first, what their duties were. They set forth the fact that the preliminary examination by the Senate committee revealed two things: First, the almost wholesale forging of telegrams which were sent to Members of Congress; second, the illegal destruction of telegrams by the telegraph companies. They say that the information they secured originally came as a result of preliminary examinations, not of telegrams, but of witnesses by the Senate committee here in the Senate Office Building.

Feeling that they had a duty to perform under the law, the Communications Commission then go on to say that they independently started to make their investigation. The statement was made—in view of the failure of the Senator from Nebraska [Mr. BURKE] to answer the question of the Senator from Indiana [Mr. MINTON], I think his informant was Mr. Elisha Hanson, the attorney for Mr. Hearst, who started this suit—that Senator BLACK, as chairman of the committee, went to the Federal Communications Commission and attempted to secure the assistance of the Federal Communications Commission. When we denied that, the Senator doubted that we knew what we were talking about. The report definitely shows that it was not Senator BLACK who went to the Communications Commission and asked for assistance, but that the Communications Commission came to the committee and asked whether or not information which had been sifted, after we had properly done so, might be made available to them so that they could perform their duty under the statute, and properly enforce the laws in reference to communications.

So far as these subpenas are concerned, I want to say that there was a very careful and a very thorough search made by the members of the committee prior to the issuance of the subpenas.

The Senator from Nebraska is always talking about precedents. If precedents justify anything, certainly we were justified in what we did, because the precedents which this committee had for the form of their subpenas and the use of their subpenas go back to 1876. Precisely the same form of subpena which Senator BLACK used was used by such men as Senator Smoot, Senator Thomas Walsh, and Senator James Reed. Since 1876 the investigating committees of this body have used precisely the same sort of subpena, precisely the same method we used.

It happened that at the time we were making the investigation, absolutely independent of the Senate committee investigation, absolutely upon its own responsibility, upon its own motion, without any attempt upon our part to influence them, without any request or suggestion upon our

part, the Federal Communications Commission decided to conduct an investigation of its own, and the two investigations proceeded parallel as to time; but the Senate committee did not at any time make use of any power which the Federal Communications Commission had to secure information for the committee or for the Senate.

I wish to read just briefly from the report of the Commission:

> Testimony before the Senate Committee to Investigate Lobbying Activities under Senate Resolution 165 and Senate Resolution 184 revealed the wholesale forgery of telegrams addressed to Congress. The revelation engaged the immediate attention of the Commission. The entire telegraph structure rests upon the faith which the recipient of a telegram can have that it was sent by the person whose name appears as the sender. There appeared to be no provision in the Communications Act prohibiting the forgery of telegrams. Forgery of telegrams on a large scale would seem to indicate the need for remedial legislation. Under section 4 (k) of the Communications Act the Commission has the duty of recommending to Congress such additional legislation relating to communications as it may deem necessary.
>
> Testimony before the Senate committee had also shown the destruction of records. The Commission has no jurisdiction over the general destruction of copies of telegrams by the senders and receivers thereof, such as was revealed in the testimony. The evidence did reveal, however, that the copies in the possession of the telegraph companies had been burned in at least one instance. Such destruction is a penal offense.

They said that the telegraph companies were aware of the need for measures to protect the telegram industry, the telegraph users, as indicated by the following rules issued by the Western Union and communicated to the Commission. They then go ahead and set forth the rules. The Commission then said:

> The insufficiency of the rule is apparent. It is only fair to point out, however, that in many instances the proper method of dealing with the sending of unauthorized telegrams may be through the liability of the sender, which is beyond the power of the telegraph company.
>
> A report was made to the Commission of an attempt to determine the authenticity of 652 messages originating in Warren, Pa.
>
> * * * * * * *
>
> The Commission had no information with respect to forged telegrams or the destruction of records, except that brought to light as a result of the revelations before the Senate committee. Its duty to pursue the matter seemed clear. On July 23, 1935, the telegraph division sought additional information.

They then outlined the proceedings before the Commission when they made up their minds to make the investigation; and set forth the resolution which the Senator from Maine (Mr. WHITE) read this morning, and which he said made it absolutely clear that it must have been done at the request of Senator BLACK and his committee. This report, which has been available here to Members of this body since the 17th of March last year, clearly states that the Commission itself reported to this body that all the transactions it carried out were carried out on its own volition, for its own purpose, and in order that it might perform its functions under the Communications Act.

Let me conclude by saying two things. There have been two charges made against Senator BLACK with reference to the lobby investigating committee. One was that he made use of the powers of the Communications Commission for the benefit of the committee. That is completely refuted and denied by the report of the Commission. As a member of the committee, I wish to say that I personally know that the report of the Commission is correct when it states that we did not ask them for assistance. They were pursuing their own independent investigation at the same time.

The second contention is that the use of subpenas by which we asked for all the telegrams going to and from certain points, going to and from certain individuals, was improper. Passing upon the question of the fitness of Senator BLACK, I ask Senators to take into consideration the fact that the precedents for those subpenas and the method of using those subpenas existed in this body steadily from 1876 down to the present date.

I know that some Members of the Senate do not believe in such investigations; there are those who think they are improper, there are those who think they are a waste of money. Those questions are not to be decided upon this inquiry. The question is, did Senator BLACK in those transactions do things which the Senator from Nebraska indicated this morning he thought made it impossible for him to serve properly as a member of the Supreme Court?

Mr. JOHNSON of California. Mr. President, because I shall occupy but a few minutes, I do not want to be interrupted.

I think that what has just been said by the Senator from Washington is the best reason that can be advanced for agreeing to the motion made by the Senator from New Hampshire. Why make an explanation of one thing, and respecting the greater thing, with which we are all concerned, have no explanation at all?

I wish to say a word about senatorial courtesy. I am for senatorial courtesy. I believe in courtesy to all my fellows. But beyond these walls I owe a courtesy to the people of the United States, and on an occasion such as this, where there is at issue an important nomination of a man to a position on the Supreme Court, I shall not pay any attention to senatorial courtesy at all; I will think of the courtesy I owe to others beyond these walls. So much, therefore, for senatorial courtesy.

I recall that when I first became a Member of this body, senatorial courtesy enabled a man at once to dispose of a nominee by saying he did not like him, or that he was offensive to him. We have changed the rule with time, and now a nominee cannot be disposed of by a mere suggestion of that sort, but one must show to the Members of this body the offense the nominee has given, and the reasons which will not permit him to be for the nominee, and the Senate itself will judge whether the reasons are good or not.

Senatorial courtesy in relation to the most important appointive office in the gift of the people of the United States? Senatorial courtesy in the consideration of what Senators on the other side, those to whom we owe much, have fought for the last 6 months? Senatorial courtesy when we deal with a subject like that of a nomination to the United States Supreme Court, and what may mean much more than dealing with the United States Supreme Court?

I want to pay my meed of praise to the Senator from Nebraska [Mr. BURKE], the Senator from Texas [Mr. CONNALLY], the Senator from Montana [Mr. WHEELER], the Senator from New York [Mr. COPELAND], the Senator from Indiana [Mr. VAN NUYS], the Senator from Missouri [Mr. CLARK], the Senator from Utah [Mr. KING], the Senator from Rhode Island [Mr. GERRY], and all the other Senators who made the glorious fight of the last 6 months, and to the new Senators who contributed so much to the great victory. They made it, not out of courtesy to anybody on earth, but they made it out of courtesy to the people to whom they owe allegiance and because their consciences dictated that they should deal with that subject as they saw fit. I thank every one of them. I cannot during the remainder of my life express the gratitude that I feel for what they have done for all of us. The American people owe to them a debt of gratitude that never can be repaid; and to those men I say, what a small thing is senatorial courtesy compared with that duty which they recently performed.

In regard to Senator BLACK, it is not pleasant for me to oppose the nomination of any man who is a Member of this body or whom I have met day in and day out for the past 10 years. But I oppose Senator BLACK's nomination, first, upon the ground of his ineligibility, because the Constitution forbids him to take this place, inasmuch as he voted for the particular retirement act; the Constitution therefore forbids him to take the position because of having voted to increase the emoluments of that office.

Secondly, the Constitution forbids him from taking the place because the Congress has created another sort of office by virtue of the retirement act, which leaves a place which is not filled and cannot be filled by appointment.

Easy enough it is to overcome it if Congress so desires. That may be done by the insertion of a sentence as an amendment to the law. On the question of the eligibility,

therefore, I say that Mr. BLACK is not qualified for the position on the Supreme Court.

Next I say that judging him by temperament and judging him by disposition he ought not to be made a Justice of the Supreme Court, and if he ought not to be made a Justice of the Supreme Court by virtue of that fact, then Senators ought not to confirm him, no matter whether he is a senatorial brother of theirs, no matter whether he has been a Member of this body with them for years.

So, Mr. President, at the conclusion of this day I say that Mr. BLACK is ineligible under the Constitution for two reasons. I say that he should not be made a Justice of the Supreme Court because by disposition and temperament he is unfitted to fill a judicial position.

Mr. President, let us hear no more about senatorial courtesy. Vote us down if you will. Vote us down; that is all right. I do not care whether there is one vote or two votes or three votes in this body such as I desire. Vote us down if you desire, but let us not proceed on any false premise whatsoever. Let us proceed and vote not because a man has been a Member of this body but upon his qualifications and merits.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] to recommit the nomination to the Committee on the Judiciary.

Mr. McGILL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Calif.	Pope
Andrews	Connally	Johnson, Colo.	Radcliffe
Ashurst	Copeland	King	Reynolds
Austin	Davis	La Follette	Schwartz
Bankhead	Dieterich	Lee	Schwellenbach
Barkley	Donahey	Lewis	Sheppard
Berry	Ellender	Lodge	Shipstead
Bilbo	Frazier	Logan	Smathers
Bone	George	Lonergan	Smith
Borah	Gerry	Lundeen	Steiwer
Bridges	Gillette	McAdoo	Thomas, Okla.
Brown, Mich.	Glass	McGill	Thomas, Utah
Brown, N. H.	Green	McKellar	Townsend
Bulkley	Guffey	Minton	Truman
Bulow	Hale	Moore	Tydings
Burke	Harrison	Murray	Van Nuys
Byrd	Hatch	Neely	Wagner
Byrnes	Herring	Nye	White
Capper	Hitchcock	Overton	
Caraway	Holt	Pepper	
Chavez	Hughes	Pittman	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] to recommit the nomination to the Committee on the Judiciary. On that question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. MCNARY]. I transfer that pair to the Senator from Wyoming [Mr. O'MAHONEY], and will vote. I vote "nay."

Mr. ASHURST (when Mr. HAYDEN's name was called). My colleague [Mr. HAYDEN] is unavoidably absent. If present, he would vote "nay."

Mr. LA FOLLETTE (when Mr. NORRIS' name was called). The senior Senator from Nebraska [Mr. NORRIS] is unavoidably absent from the Senate. If present, he would note "nay."

Mr. SCHWARTZ (when Mr. O'MAHONEY's name was called). I am authorized to state that if the senior Senator from Wyoming [Mr. O'MAHONEY] was present he would vote "nay."

The roll call was concluded.

Mr. MINTON. The Senator from Georgia [Mr. RUSSELL] and the Senator from Wisconsin [Mr. DUFFY] are attending the battle monuments dedication ceremonies in France.

Mr. BARKLEY. I wish to announce the unavoidable absence of the senior Senator from North Carolina [Mr. BAILEY]. Not knowing how he would vote on this motion, I make no announcement.

Mr. AUSTIN. I wish to announce that the Senator from Vermont [Mr. GIBSON] has a general pair with the Senator from Wisconsin [Mr. DUFFY], and that the Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from Georgia [Mr. RUSSELL].

Mr. LEWIS. I announce the absence of the Senator from Connecticut [Mr. MALONEY] because of illness.

The Senator from Wyoming [Mr. O'MAHONEY], the Senator from Nevada [Mr. MCCARRAN] and the Senator from Massachusetts [Mr. WALSH] and the Senator from Montana [Mr. WHEELER] are unavoidably detained.

The result was announced—yeas 15, nays 66, as follows:

YEAS—15

Austin	Copeland	Johnson, Calif.	Townsend
Bridges	Davis	Lodge	Tydings
Burke	Gerry	Lonergan	White
Byrd	Hale	Steiwer	

NAYS—66

Adams	Clark	Johnson, Colo.	Pittman
Andrews	Connally	King	Pope
Ashurst	Dieterich	La Follette	Radcliffe
Bankhead	Donahey	Lee	Reynolds
Barkley	Ellender	Lewis	Schwartz
Berry	Frazier	Logan	Schwellenbach
Bilbo	George	Lundeen	Sheppard
Bone	Gillette	McAdoo	Shipstead
Borah	Glass	McGill	Smathers
Brown, Mich.	Green	McKellar	Smith
Brown, N. H.	Guffey	Minton	Thomas, Okla.
Bulkley	Harrison	Moore	Thomas, Utah
Bulow	Hatch	Murray	Truman
Byrnes	Herring	Neely	Van Nuys
Capper	Hitchcock	Nye	Wagner
Caraway	Holt	Overton	
Chavez	Hughes	Pepper	

NOT VOTING—14

Bailey	Hayden	Norris	Walsh
Black	McCarran	O'Mahoney	Wheeler
Duffy	McNary	Russell	
Gibson	Maloney	Vandenberg	

So Mr. BRIDGES' motion to recommit was rejected.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. AUSTIN. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. REYNOLDS (when Mr. BAILEY's name was called). I announce that my colleague the senior Senator from North Carolina [Mr. BAILEY] is absent because of illness.

Mr. SCHWARTZ (when Mr. O'MAHONEY's name was called). I am authorized to state that the senior Senator from Wyoming [Mr. O'MAHONEY], if present, would vote "yea."

Mr. TYDINGS (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. NORRIS]. If the Senator from Nebraska [Mr. NORRIS] were present, he would vote "yea." If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. AUSTIN. I desire to announce that the Senator from Vermont [Mr. GIBSON] has a general pair with the Senator from Wisconsin [Mr. DUFFY].

I also announce that the Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from Georgia [Mr. RUSSELL]. If the Senator from Michigan [Mr. VANDENBERG] were present, he would vote "nay." If the Senator from Georgia [Mr. RUSSELL] were present, he would vote "yea."

Mr. HARRISON (after having voted in the affirmative). I have a general pair with the senior Senator from Oregon [Mr. MCNARY], which I transfer to the senior Senator from Wyoming [Mr. O'MAHONEY], and let my vote stand.

Mr. ASHURST. My colleague the junior Senator from Arizona [Mr. HAYDEN] is unavoidably absent. If present, he would vote "yea."

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from Connecticut [Mr. MALONEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. MCCARRAN], the Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

The result was announced—yeas 63, nays 16, as follows:

YEAS—63

Adams	Clark	Johnson, Colo.	Pepper
Andrews	Connally	La Follette	Pittman
Ashurst	Dieterich	Lee	Pope
Bankhead	Donahey	Lewis	Radcliffe
Barkley	Ellender	Logan	Reynolds
Berry	Frazier	Lonergan	Schwartz
Bilbo	George	Lundeen	Schwellenbach
Bone	Gillette	McAdoo	Sheppard
Brown, Mich.	Green	McGill	Shipstead
Brown, N. H.	Guffey	McKellar	Smathers
Bulkley	Harrison	Minton	Thomas, Okla.
Bulow	Hatch	Moore	Thomas, Utah
Byrnes	Herring	Murray	Truman
Capper	Hitchcock	Neely	Van Nuys
Caraway	Holt	Nye	Wagner
Chavez	Hughes	Overton	

NAYS—16

Austin	Byrd	Glass	Lodge
Borah	Copeland	Hale	Steiwer
Bridges	Davis	Johnson, Calif.	Townsend
Burke	Gerry	King	White

NOT VOTING—16

Bailey	Hayden	Norris	Tydings
Black	McCarran	O'Mahoney	Vandenberg
Duffy	McNary	Russell	Walsh
Gibson	Maloney	Smith	Wheeler

So the nomination of Senator HUGO L. BLACK, of Alabama, to be Associate Justice of the Supreme Court of the United States, was confirmed.

Mr. NEELY. Mr. President, for friendly reasons which all will understand, I move that the Senate reconsider the vote by which it has just advised and consented to the confirmation of the nomination of Senator BLACK.

Mr. BARKLEY. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

The motion to lay on the table was agreed to.

Mr. BARKLEY. Mr. President, I now move that the President be notified of the action of the Senate in advising and consenting to this nomination.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

The motion was agreed to.

THE JUDICIARY

Mr. BARKLEY. I suggest that the remaining nominations on the Executive Calendar be considered.

The VICE PRESIDENT. The clerk will state in order the remaining nominations on the Executive Calendar.

The legislative clerk read the nomination of George F. Sullivan to be United States district judge for Minnesota.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Claude McColloch to be United States district judge for the district of Oregon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of John L. Rogers, of Tennessee, to be an Interstate Commerce Commissioner for a term expiring December 31, 1943.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read the nomination of Charles H. Mease to be postmaster at West Leesport, Pa., which had been reported adversely by the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

The nomination was rejected.

Mr. BARKLEY. I ask unanimous consent that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

That concludes the Executive Calendar.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

VIRGINIA DARE CELEBRATION, ROANOKE ISLAND, N. C.

Mr. REYNOLDS. Mr. President, tomorrow—August 18—the eyes of the country will be on my beloved State of North Carolina. Therefore, I am confident that I will be permitted to intrude briefly on the time of the Senate to remind my colleagues again of the reason.

North Carolina is truly a State of firsts. Our people drafted the first Declaration of American Independence. They saw the first victory of the Revolutionary War. They witnessed, at Kitty Hawk, the first flight of an airplane carrying a man. They named the first town for George Washington. They established the first school of forestry, found the first gold nugget in the New World, worked the first silver mine, and built the first revolving gun.

But none of these events can overshadow in importance the fact that in North Carolina was born the first child of English parentage in the New World, on the spot where was first attempted an English settlement in America. It marked the very beginning of Anglo-American civilization. The child was Virginia Dare, perhaps the most famous child of history. She was lost to written history 10 days after her birth, but she provided a romantic theme that has lived for three centuries.

Tomorrow, in a setting of simplicity befitting the occasion, the three hundred and fiftieth anniversary of the birth of Virginia Dare will be celebrated at Roanoke Island. It will probably be the first time in history that any President of the United States has acted for our people in making a pilgrimage to the birthplace of a child who lives in history only as a child. Accompanying the President will be a commission representing Congress. The ceremony promises to be one of the most significant in the whole history of the New World.

For nearly 6 years North Carolina has planned for this great celebration in an area of peculiar charm. Originally scheduled for 1934, it was postponed because of the depression. It now comes in one of the most eventful periods of recent years, at a time when we all need an encouraging glimpse of the glorious yesterdays of history as we plan for the promising future of tomorrows. It will be offered in full measure to all who come to the hallowed area of Roankoe Island for the day commemorating the birth of America's first English child.

In mentioning the Roanoke Island celebration, I should be remiss in my duty to North Carolina if I did not speak for her people in extending to the Congress and to other agencies of our Federal Government deep appreciation for the splendid cooperation in making this event possible. One of the things that the Federal Government can always do to preserve the unity of the several States is to continue to evidence interest in preserving historic shrines. So long as our people cling to the proud heritage that is theirs, we need have no fear for the shattering of our ideals nor for the future of our institutions; and those of you who are fortunate enough to come to North Carolina

and Roanoke Island tomorrow will gain new vision and new hope as you stand at the cradle of Anglo-American history.

The business of the Senate at a time when adjournment is near prevents me from telling more of the history of the lost colony at Roanoke Island. I urge that you read it if you have not already done so. You will find in it the romance of America, and you will understand better the pride we North Carolinians have in our native State.

To leave one more thought: It seems peculiarly appropriate to me that at the very doors of Roanoke Island is located a shrine to the Wright brothers commemorating the flight of the first plane to carry a man. No more fitting place could be found for a memorial to the pioneers in conquering the air.

However, on this occasion I should like to remind the Senate again that for 10 years or more this first plane to fly at Kitty Hawk has rested in the South Kensington Museum in London, England. It should be here, in the country where it created transportation history. I realize, of course, that the Wright plane was sent to London as a climax to a controversy over credit given to the Langley plane at the National Museum. I do not attempt to place any blame for the failure to keep the Wright plane in this country. Nevertheless, the fact remains that the first plane to fly carrying a man, which added lustre to the transportation achievements of the United States, now rests in a London museum.

I hope the time will come when the Congress, through appropriate action, will cause the Wright plane to be returned to the United States. It belongs here; and no better place could be found for it to be permanently housed than in a museum at Kitty Hawk, where it first ascended from historic sands to conquer the air.

It is my hope eventually to see the time when Kitty Hawk will be a real memorial to the Wright brothers as the home of the first plane to fly, and along with it a real appreciation of the American people for the historic soil on which Virginia Dare was born.

INTER-AMERICAN RADIO CONFERENCE

Mr. PITTMAN. Mr. President, at the time of the last call of the calendar there were called two joint resolutions to which the Senator from Tennessee [Mr. McKELLAR] objected. Since that time he has examined the reports and, I am informed, makes no objection at the present time. Therefore I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 197, relating to the Inter-American Radio Conference.

The PRESIDING OFFICER. Is there objection?

There being no objection, the joint resolution (S. J. Res. 197) authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $15,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified.

EIGHTH INTERNATIONAL ROAD CONGRESS

Mr. PITTMAN. Mr. President, the other joint resolution to which I have referred is Calendar No. 1232, Senate Joint Resolution 199, relating to the Eighth International Road Congress. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution (S. J. Res. 199) to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Road Congress, to be held in the Netherlands in 1938, including personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services, by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; official cards; printing and binding; preparation, installation, transportation, and operation of an appropriate exhibit; entertainment; local transportation; the payment of expenses incident to travel by steamer, rail, or motorbus on the official congress inspection trip; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payment may have been made for any of the purposes herein specified.

REGULATION OF AIR TRANSPORTATION

The PRESIDING OFFICER. The question now before the Senate is the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill 2, having to do with the regulation of air transportation.

Mr. McKELLAR. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, is this the motion that has been pending for 2 or 3 days?

The PRESIDING OFFICER. It is the motion made by the Senator from Nevada.

Mr. BARKLEY. It is too late to attempt to get a quorum at this time. The motion will be the pending business when the Senate reconvenes tomorrow.

The PRESIDING OFFICER. The Senator is correct.

Mr. McKELLAR. Mr. President, I think we had better have a quorum. I am getting tired of that bill, as the Senate knows.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee withhold his suggestion as to the absence of a quorum?

Mr. McKELLAR. Certainly.

TERMS OF DISTRICT COURT AT TALLAHASSEE, FLA.

Mr. PEPPER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3493, providing for the terms of the Federal district court at Tallahassee, Fla., which is my home town.

The PRESIDING OFFICER. Is there objection?

Mr. AUSTIN. Mr. President, I wish to inquire of the Senator from Florida whether he is about to suggest a change in the bill which he and I discussed?

Mr. PEPPER. I am.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3493), to amend section 76 of the Judicial Code as amended with respect to the terms of the Federal district court, held at Tallahassee, Fla., which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert the following:

That section 76 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 149), is amended to read as follows:

"SEC. 76. (a) The State of Florida is divided into two districts, to be known as the northern and southern districts of Florida.

"(b) The southern district shall include the territory embraced on the 1st day of July 1937 in the counties of Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, Dade, De Soto, Duval, Flagler, Glades, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Madison, Manatee, Marion, Martin, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, St. Johns, St. Lucie, Sarasota, Seminole, Sumter, Suwannee, Union, and Volusia.

"(c) Terms of the district court for the southern district shall be held at Ocala on the third Monday in January; at Tampa on the second Monday in February; at Key West on the first Mondays in May and November; at Jacksonville on the first Monday in December; at Fernandina on the first Monday in April;

at Miami on the fourth Monday in April; at Orlando on the first Monday in October; and at Fort Pierce on the first Monday in February: *Provided*, That suitable rooms and accommodations for holding court at Fort Pierce are furnished without expense to the United States: *Provided further*, That suitable rooms and accommodations for holding court at Orlando are furnished without expense to the United States until a Federal building containing quarters for the court is erected at such place. No deputy clerk or deputy marshal of the court shall be appointed for Fort Pierce. The district court for the southern district shall be open at all times for the purpose of hearing and deciding causes of admiralty and maritime jurisdiction.

"(d) The northern district shall include the territory embraced on the 1st day of July 1937 in the counties of Alachua, Bay, Calhoun, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington.

"(e) Terms of the district court for the northern district shall be held at Tallahassee on the second Monday in February and on the Tuesday next after the first Monday in September; at Pensacola on the first Mondays in May and November; at Marianna on the first Monday in April; at Gainesville on the second Mondays in June and December; and at Panama City on the first Monday in October: *Provided*, That suitable rooms and accommodations for holding court at Panama City are furnished without expense to the United States."

SEC. 2. The act entitled "An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.", approved June 15, 1933, as amended; the act entitled "An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.", approved August 22, 1935; and the act entitled "An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.", approved May 6, 1936, are hereby repealed.

Mr. PEPPER. Mr. President, I move to amend the amendment of the committee by striking out, on page 3, line 3, the words "as amended", and on page 4, line 6, by striking out the words "until a Federal building containing quarters for the court is erected at such place" and to insert in lieu thereof the words "*Provided*, That nothing in this act shall be construed to prevent the provision of quarters for the officers of said court and appropriate court rooms for the holding of the sessions of said court in any new Federal building which may be constructed in Orlando, Fla."

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 76 of the Judicial Code with respect to the terms of the United States district court at Tallahassee, Fla."

PREVENTION OF TAX EVASION—REPORT OF COMMITTEE ON FINANCE

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes, reported it with amendments and submitted a report (No. 1242) thereon.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate took a recess until tomorrow, Wednesday, August 18, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 17 (legislative day of Aug. 16), 1937

CIVIL SERVICE COMMISSION

Samuel H. Ordway, Jr., of New York, to be a Civil Service Commissioner, vice Leonard D. White, resigned.

FEDERAL COMMUNICATIONS COMMISSION

T. A. M. Craven, of the District of Columbia, to be a member of the Federal Communications Commission for a term of seven years from July 1, 1937.

Frank R. McNinch, of North Carolina, to be a member of the Federal Communications Commission for the unexpired portion of the term of seven years from July 1, 1935, vice Anning S. Prall, deceased.

SOCIAL SECURITY BOARD

Mary W. Dewson, of New York, to be a member of the Social Security Board for the term expiring August 13, 1943.

Meyer L. Casman, of Pennsylvania, to be regional attorney, region III, Philadelphia, Pa., in the Social Security Board.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Thomas Bennett Woodburn, Infantry, with rank from August 1, 1935.

TO QUARTERMASTER CORPS

First Lt. Henry Ray McKenzie, Coast Artillery Corps, with rank from October 5, 1934.

First Lt. Morton Elmer Townes, Infantry, with rank from August 1, 1935.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

Brig. Gen. Albert Lyman Cox, Reserve, to be brigadier general, Reserve, from November 10, 1937.

PROMOTIONS IN THE NAVY

Commander Lee P. Johnson to be a captain in the Navy from the 30th day of June 1937.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

James K. Davis, June 3, 1937.
Randall E. Dees, June 3, 1937.
Edward A. Mitchell, June 3, 1937.
George T. Howard, June 3, 1937.
Francis C. Denebrink, June 30, 1937.
Davenport Browne, June 30, 1937.
George E. Maynard, July 1, 1937.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

George D. Lyon, January 1, 1937.
Jesse B. Goode, June 3, 1937.
Vincent W. Grady, June 3, 1937.
John S. Crenshaw, June 30, 1937.
Ralph C. Kephart, June 30, 1937.
Adolph E. Becker, Jr., June 30, 1937.
Robert E. Blick, Jr., June 30, 1937.
George P. Hunter, July 1, 1937.
Harold F. Pullen, July 1, 1937.
Archibald E. Uehlinger, July 1, 1937.
Donald S. Evans, July 1, 1937.
Charles J. Cater, July 1, 1937.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Abraham L. Baird, June 3, 1937.
Charles E. Trescott, June 3, 1937.
Walter S. Denham, June 3, 1937.
Joseph B. Berkley, June 3, 1937.
Robert C. Brownlee, 2d, June 3, 1937.
Williston L. Dye, June 3, 1937.
Laurence C. Baldauf, June 3, 1937.
Joseph B. Duval, Jr., June 3, 1937.
Howard C. Bernet, June 3, 1937.
George F. Beardsley, June 21, 1937.
John Andrews, Jr., June 30, 1937.
George K. Carmichael, June 30, 1937.
Erle V. Dennett, June 30, 1937.
Charles E. Brunton, June 30, 1937.
Griswold T. Atkins, June 30, 1937.
Richard R. Briner, June 30, 1937.
Leonidas D. Coates, Jr., June 30, 1937.
Volckert P. Douw, June 30, 1937.
Charles B. Brook, June 30, 1937.

Martin C. Burns, June 30, 1937.
John W. Ailes, 3d, June 30, 1937.
Jack S. Dorsey, August 1, 1937.

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the 29th day of May, 1937:

Lewis L. Snider	Matthew DeMaria
Raymond D. Fusselman	Lawrence R. Neville
John D. Bulkeley	Dillon R. McMullen
Nathaniel B. Davis, Jr.	Blish C. Hills

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the 31st day of May 1937:

Jacob T. Bullen, Jr.	Duncan P. Dixon, Jr.
Paul T. Metcalf	Robert M. Brinker
Royal R. Ingersoll, 2d	George S. Bullen
Arthur C. Smith	Robert C. Houston
William F. Cassidy	William C. Hembury
Charles M. Henderson	Thomas C. Edrington, 3d
John R. Bromley	Frederic G. Pegelow
Edgar S. Powell, Jr.	Francis D. Boyle
Robert J. Ovrom	Albert Raborn
Charles R. Stephan	Forrest M. Price
Joseph J. Staley, Jr.	Joe M. Alexander
Richard C. Latham	Robert F. Sellars
Earl K. Solenberger	Thomas R. Hine
Donald G. Irvine	Charles C. Coley
John M. Hyde	Dewey G. Johnston
Wayne R. Merrill	Edwin K. Jones

Surgeon James D. Rives to be a medical inspector in the Navy with the rank of commander, to rank from the 30th day of June 1936.

The following-named lieutenants (junior grade) to be assistant paymasters in the Navy, with the rank of lieutenant (junior grade), to rank from the date stated opposite their names:

Oakleigh W. Robinson, June 5, 1933.
Paul W. Clarke, June 4, 1934.

The following-named citizens of the United States to be assistant paymasters in the Navy with the rank of ensign, to rank from the 16th day of August 1937:

Daniel E. Waite.	James T. Mathews, Jr.
Milton H. Jensen.	Boyd Shafsky
Max Schliewe.	Duncan J. McNab
Lawrence V. Hallberg.	Robert A. Williams
Albert E. Pallon.	Oswald B. Porter, Jr.
Bert S. Beasley.	Phillip D. Chubb
Jerry H. Taylor, Jr.	Ernest S. Tharpe
David D. Long, Jr.	Lathrop B. Clapham, Jr.
Marion D. Sims, Jr.	George L. Bennett
Portus D. Boyce	James J. Bunner
John B. Kackley	Albert B. Howden

Electrician Charlie Deaton to be a chief electrician in the Navy, to rank with but after ensign, from the the 16th day of October 1936.

Radio Electrician August B. Cook to be a chief radio electrician in the Navy, to rank with but after ensign, from the 5th day of March 1937.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 30th day of June 1937:

Gale A. Poindexter
Leonard P. Wessell

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Charles W. Gray, March 1, 1937.
Wilber G. Jones, July 1, 1937.
Marion E. Murphy, July 1, 1937.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Paul Foley, Jr., June 3, 1937.
Edward C. Folger, Jr., June 3, 1937.
David T. Ferrier, June 3, 1937.
Harvey D. Akin, June 3, 1937.
Donald T. Eller, June 30, 1937.
Edward J. Burke, June 30, 1937.
Lot Ensey, June 30, 1937.
Peter R. Lackner, June 30, 1937.
William S. Estabrook, Jr., July 1, 1937.
Bernhart A. Fuetsch, July 26, 1937.
Christian L. Engleman, August 1, 1937.

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the date stated opposite their names:

Philip W. Winston, May 29, 1937.
Paul Van Leunen, Jr., May 31, 1937.
Keith E. Taylor, May 31, 1937.
Sidney L. Erwin, May 31, 1937.
Clyde G. Caldwell, May 31, 1937.
Lawrence H. Birthisel, Jr., May 31, 1937.

POSTMASTERS

ALABAMA

Mae F. Seymour to be postmaster at Goshen, Ala. Office became Presidential July 1, 1937.

Martha Dale True to be postmaster at Newbern, Ala. Office became Presidential July 1, 1937.

George B. Butler to be postmaster at New Hope, Ala. Office became Presidential July 1, 1937.

Moses B. Rushton to be postmaster at Ramer, Ala. Office became Presidential July 1, 1937.

ARIZONA

Barbara H. Goodman to be postmaster at Ganado, Ariz. Office became Presidential July 1, 1937.

Lucye L. Horan to be postmaster at Inspiration, Ariz. Office became Presidential July 1, 1937.

James E. Harris to be postmaster at Mayer, Ariz. Office became Presidential July 1, 1937.

Anna M. Hall to be postmaster at San Simon, Ariz. Office became Presidential July 1, 1937.

ARKANSAS

Hal P. Johnson to be postmaster at Hatfield, Ark. Office became Presidential July 1, 1937.

Mary N. Old to be postmaster at Huntington, Ark. Office became Presidential July 1, 1937.

Ella K. Calhoun to be postmaster at Mineral Springs, Ark. Office became Presidential July 1, 1937.

James L. Wilson to be postmaster at Moro, Ark. Office became Presidential July 1, 1937.

Rucker C. Carmical to be postmaster at Rison, Ark., in place of E. R. Maddox, deceased.

Stephan M. Heim to be postmaster at Scranton, Ark. Office became Presidential July 1, 1937.

Robert H. Willis to be postmaster at Watson, Ark. Office became Presidential July 1, 1937.

CALIFORNIA

Emilio C. Ortega to be postmaster at Ventura, Calif., in place of J. E. Rains, deceased.

FLORIDA

Luther L. Callaway to be postmaster at Chiefland, Fla. Office became Presidential July 1, 1937.

Harry F. Aicher to be postmaster at Jupiter, Fla. Office became Presidential July 1, 1937.

Minnie Blanch Payne to be postmaster at Longwood, Fla. Office became Presidential July 1, 1937.

Thomas J. West to be postmaster at Riviera, Fla. Office became Presidential July 1, 1937.

Orrell W. Prevatt to be postmaster at Seville, Fla. Office became Presidential July 1, 1937.

HAWAII

Kaku Sakai to be postmaster at Hawi, Hawaii, in place of Antone Silva. Incumbent's commission expired June 1, 1936.

IDAHO

John H. Clay to be postmaster at Riggins, Idaho. Office became Presidential July 1, 1937.

ILLINOIS

Lesbia G. Moore to be postmaster at Belle Rive, Ill. Office became Presidential July 1, 1936.

KANSAS

Elbert V. Benton to be postmaster at Robinson, Kans., in place of O. E. Edwards, resigned.

KENTUCKY

Charles W. Burnley to be postmaster at Kuttawa, Ky., in place of H. P. Yates, deceased.

LOUISIANA

Charles T. Matlock to be postmaster at Bastrop, La., in place of I. C. Fife, removed.

Howard K. Wells to be postmaster at Colfax, La., in place of V. N. McNeely. Incumbent's commission expired February 6, 1935.

Wesley K. Ferguson to be postmaster at Leesville, La., in place of B. F. Cowley, removed.

Charles Jefferson Calhoun to be postmaster at Montgomery, La., in place of L. L. Thompson. Incumbent's commission expired May 20, 1934.

MARYLAND

Agnes C. Rafferty to be postmaster at Cockeysville, Md., in place of J. F. Rafferty, deceased.

MINNESOTA

Vernon H. Ploen to be postmaster at Carver, Minn., in place of G. K. Dols, removed.

John M. Lambert to be postmaster at Two Harbors, Minn., in place of Dennis Dwan, deceased.

Alf Cornelius Knudson to be postmaster at Detroit Lakes, Minn., in place of C. E. McCarthy, resigned.

MISSISSIPPI

Mary S. Farish to be postmaster at Whitfield, Miss. Office became Presidential July 1, 1937.

William C. Bourland to be postmaster at Fulton, Miss., in place of Q. E. Mattox, removed.

MISSOURI

William T. Scott to be postmaster at Centerville, Mo. Office became Presidential July 1, 1937.

NEW JERSEY

Joseph R. Johnson to be postmaster at Mount Arlington, N. J., in place of A. H. Gordon, deceased.

NORTH CAROLINA

Galusha Pullium to be postmaster at Andrews, N. C., in place of M. T. Whatley, resigned.

Mary P. Williams to be postmaster at Whittier, N. C. Office became Presidential July 1, 1937.

Nelson Ritter Hunsucker to be postmaster at Winterville, N. C., in place of M. T. Speir, resigned.

NORTH DAKOTA

Margaret F. Scouton to be postmaster at Inkster, N. Dak. Office became Presidential July 1, 1937.

Albert James Gilman to be postmaster at Beach, N. Dak., in place of George Christensen, resigned.

OHIO

Ruth M. McLaughlin to be postmaster at North Ridgeville, Ohio, in place of Nellie Maddock, resigned.

OKLAHOMA

Benjamin F. Cooksey to be postmaster at Fairland, Okla., in place of C. G. Walker, removed.

OREGON

Odden L. Dickens to be postmaster at John Day, Oreg., in place of O. L. Dickens. Incumbent's commission expired May 10, 1936.

PENNSYLVANIA

John P. Connolly to be postmaster at Linwood, Pa., in place of E. H. Higgins, removed.

SOUTH CAROLINA

Bertie Lee B. Wilson to be postmaster at Neeses, S. C. Office became Presidential July 1, 1937.

Lee B. Hudson to be postmaster at Ruffin, S. C. Office became Presidential July 1, 1937.

Lottie M. Vernon to be postmaster at Wellford, S. C. Office became Presidential July 1, 1937.

TENNESSEE

Frances P. Hudson to be postmaster at Germantown, Tenn. Office became Presidential July 1, 1937.

Amy G. Sylar to be postmaster at Ooltewah, Tenn. Office became Presidential July 1, 1937.

TEXAS

Thomas L. Satterwhite to be postmaster at Coolidge, Tex., in place of W. T. Grogan, deceased.

George V. Norman to be postmaster at Hempstead, Tex., in place of H. H. Cooke, deceased.

VIRGINIA

Edgar L. Boone to be postmaster at Troutville, Va., in place of H. C. Snyder, removed.

WASHINGTON

Frank Williams to be postmaster at Richmond Beach, Wash., in place of L. R. H. Bratt. Incumbent's commission expired April 14, 1936.

WEST VIRGINIA

Lance Hatfield to be postmaster at Red Jacket, W. Va. Office became Presidential July 1, 1936.

Herbert A. Frazier to be postmaster at Winfield, W. Va. Office became Presidential July 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 17 (legislative day of Aug. 16), 1937

THE SUPREME COURT OF THE UNITED STATES

HUGO L. BLACK to be an Associate Justice of the Supreme Court of the United States.

UNITED STATES DISTRICT COURT JUDGES

George F. Sullivan to be United States district judge for the district of Minnesota.

Claude McColloch to be United States district judge for the district of Oregon.

INTERSTATE COMMERCE COMMISSION

John L. Rogers to be an Interstate Commerce Commissioner.

POSTMASTERS

NEBRASKA

Blanche E. Kammerer, Ashland.

NEW JERSEY

William Joseph Morris, Wyckoff.

WASHINGTON

Lonnie M. Crim, Woodinville.

WEST VIRGINIA

John G. Hammond, Bartley.
Elmer G. Rose, Caretta.
Nona G. Marcum, Ceredo.
Peter J. Groseclose, Hemphill.
Earl Wesley Alley, Jenkinjones.
Earl E. Bennett, New Cumberland.
Edward R. Christian, Quinwood.

REJECTION

Executive nomination rejected by the Senate August 17 (legislative day of Aug. 16), 1937

POSTMASTER

PENNSYLVANIA

Charles H. Mease to be postmaster at West Leesport in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 17, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, we praise Thee for the manifold revelations which Thou hast made of Thyself and for the promises and hopes they inspire. But Thou art our Father and we are Thy children, and Thou wilt surely hear us when we call and answer us when we pray. We thank Thee that the last word has not been spoken and the last revelation has not been made. We pray Thee that we may hear Thy voice and feel Thy holy presence. We ask Thee, blessed Lord, not for the perishing things of time but for the continued power and disposition to enjoy Thee and for a faith that never wavers and for a hope that never grows dim. Imbue us plenteously with fortitude, patience, forbearance, and brotherly love, that we may meet the obligations of the day and quit ourselves like men, to the honor of our country. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2711. An act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 413. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 363) entitled "An act to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2765. An act to grant recognition to distinguished military service.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7667) entitled "An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. KING, Mr. GEORGE, Mr. BROWN of Michigan, Mr. LA FOLLETTE, and Mr. CAPPER to be the conferees on the part of the Senate.

CLERICAL SERVICES IN THE ENROLLING ROOM

Mr. WARREN. Mr. Speaker, I submit a resolution (H. Res. 316) and ask unanimous consent for its present consideration.

The Clerk read as follows:

House Resolution 316

Resolved, That there shall be paid out of the contingent fund of the House of Representatives during the remainder of the present session not exceeding $200 for additional clerical services in the enrolling room.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two excerpts from a decision of the Supreme Court on the definition of the commerce clause of the Constitution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GOLD-STAR MOTHERS BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to announce to the House that the President has signed the Gold Star Mothers bill (H. R. 6384), and on last Wednesday, August 11, I inserted in the Appendix of the CONGRESSIONAL RECORD, at page 2060, an analysis of that measure made by Capt. Thomas Kirby, of the Disabled American Veterans of the World War.

I make this announcement in order that Members of the House may know where to find this analysis, because you are going to have a great many calls or inquiries concerning this measure, and this analysis to which I have referred tells you just what the bill does.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a letter signed by Mrs. Joe Rottier, secretary of the Farmers Union, Local No. 125, Newaygo, Mich.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a letter written by me to the Secretary of the Treasury.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, on yesterday I had 30 minutes to address the House, but the hour was too late. I ask unanimous consent that I may address the House for 20 minutes on Thursday next after the disposition of the business on the Speaker's table and the legislative program for the day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DIXON. Mr. Speaker, I suggest the absence of a quorum, and make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman withhold that for a moment so that the Chair may hear some unanimous consent requests?

Mr. DIXON. I withhold it, Mr. Speaker.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Assistant Secretary of Agriculture on the question of cotton and American export trade.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that on Thursday, after the special order heretofore granted, which is the address of the gentleman from New York [Mr. DICKSTEIN], I may address the House for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a number of the agents or propagandists in the State of Missouri.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE REINDEER INDUSTRY

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution (H. Res. 317), which was referred to the House Calendar and ordered printed:

House Resolution 317

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1722, an act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Territories, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

JOINT COMMITTEE ON HAWAII

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following report (No. 1576), to accompany House Concurrent Resolution 20, for printing under the rule, which was referred to the House Calendar and ordered printed:

TO PROVIDE FOR THE CREATION OF A JOINT COMMITTEE ON HAWAII

Mr. O'CONNOR, from the Committee on Rules, submitted the following report (to accompany H. Con. Res. 20):

The Committee on Rules, having had under consideration House Concurrent Resolution 20, reports the same to the House with the recommendation that the concurrent resolution do pass.

[H. Con. Res. 20, 75th Cong., 1st sess.]

Resolved by the House of Representatives (the Senate concurring), That there is hereby created a joint congressional committee to be known as the Joint Committee on Hawaii, which shall be composed of not to exceed 12 Members of the Senate, to be appointed by the President of the Senate, and not to exceed 12 Members of the House of Representatives and the Delegate from Hawaii, to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members. The committee shall cease to exist upon making its report to Congress pursuant to this resolution.

SEC. 2. The committee is authorized and directed to conduct a comprehensive investigation and study of the subject of Statehood and of other subjects relating to the welfare of the Territory of Hawaii. The committee shall report to the Senate and to the House of Representatives not later than January 15, 1938, the results of its investigation and study, together with its recommendations for such legislation as it deems necessary or desirable.

SEC. 3. For the purposes of this resolution, the committee is authorized to sit and act, as a whole or by subcommittee, at such times and places as it deems advisable, to hold such hearings, to administer such oaths and affirmations, to take such testimony, and to have such printing and binding done as it deems necessary.

CONSERVATION OF WILDLIFE RESOURCES

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Does the gentleman from Ohio withhold his point of order for 1 minute?

Mr. DIXON. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, many of us have received communications from constituents insisting on the passage at this session of the pending conservation measure. I am pleased to announce to the House that the House Committee on Agriculture favorably reported yesterday the Pittman bill, S. 2670, with one amendment. That is a companion bill to the one I introduced, H. R. 7681. It is our purpose to ask recognition before adjournment that this measure may be taken up by unanimous consent and passed. I believe all of us are interested in the passage of this conservation measure, and I think members would be justified in advising those who write them on the subject that we expect before adjournment to write the bill into law.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. Yes.

Mr. NICHOLS. Is this a crop-control measure in any way?

Mr. ROBERTSON. No; this is for grants-in-aid to the States for the conservation of wildlife resources.

The SPEAKER. The gentleman from Ohio [Mr. DIXON] has made the point of order that there is no quorum present.

Mr. DIXON. Mr. Speaker, I withdraw the point of no quorum.

Mr. SHANNON. Mr. Speaker, I renew the point of order that there is no quorum present.

The SPEAKER. The gentleman from Missouri makes the point of order that there is no quorum present. The Chair will count.

Mr. SHANNON (interrupting the count). Mr. Speaker, I withdraw the point of order.

ORDER OF BUSINESS—SUSPENSIONS

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 308, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 308

Resolved, That during the remainder of the first session of the Seventy-fifth Congress it shall be in order for the Speaker at any time to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII; it shall also be in order at any time during the first session of the Seventy-fifth Congress for the majority leader, or the chairman of the Committee on Rules, to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the first session of the Seventy-fifth Congress to consider reports from the Committee on Rules, as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during the remainder of this session of Congress.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this form of resolution is usually adopted at this point in the session, toward its close. Especially has it been done since the adoption of the so-called "lame duck" amendment to the Constitution, changing the date of the meeting of Congress. It provides three methods for expediting the closing of the session.

First, the resolution permits the Speaker to recognize Members to offer motions to suspend the rules and pass bills on any day; without this he is limited to the first and third Mondays of each month. Such suspensions are, under the rules, permissible during the last 6 days of the session, if the last 6 days could be fixed. Before the adoption of the "lame duck" amendment, in at least every other session, by constitutional limitation, we knew what the last 6 days were, just before March 4, but in recent years, since the Seventy-third Congress, it has been customary not to bring in the adjournment resolution until a few hours before the close. Thus the necessity for this power to suspend——

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. RANKIN. I notice this resolution covers "the remainder" of the session. Does not the gentleman think it ought to state a specified date, or a limitation, for this reason: If we should happen to recess for a month—I see there is probability that we might be called back in November—and if we were to come back here, then this resolution would

be in effect during the remainder of the entire Congress, would it not?

Mr. O'CONNOR of New York. Of course, theoretically it could; but practically that is not very likely to happen. In the first place the Speaker has control over whether or not he will recognize for suspensions. The gentleman well knows that he accepts that responsibility somewhat reluctantly. If we continued on here, I think the gentleman can rely upon the fact that every day will not be suspension day.

The second part of the resolution provides for recessing instead of adjourning. The only practical purpose that serves is to avoid the reading in the morning possibly of a very long Journal, sometimes required for the purpose of filibustering. Incidentally and unfortunately, it also dispenses with the morning prayer.

The third provision of the resolution enables the Committee on Rules to call up a rule on the same day it is reported without the necessity of its having to lie over one day or require two-thirds vote to call it up immediately.

Those are the three provisions of the resolution.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. HARLAN. Would that resolution afford an opportunity to bring before this body the wage and hour bill, for example?

Mr. O'CONNOR of New York. The only way that bill could be brought before this body under any provision of this resolution would be by suspension of the rules, if the Speaker thought fit to take up a matter of that great moment by that method. As the gentleman well knows, under that method, debate would be limited to a total of 40 minutes and no amendment could be offered to the bill.

Of course, before you could bring up the bill under a rule on the same day, instead of the following day, you first would have to have a rule, and the distinguished gentleman from Ohio as one of the most valuable members of the Rules Committee knows the present difficulty of obtaining a rule for the consideration of that important measure. While the gentleman has mentioned it, I should like to make a few comments with reference to what we read in the newspapers and in circulars with reference to the Committee on Rules.

I am very proud of the Committee on Rules. I have been a member of that committee for 14 years, since the first day I came to Congress. I do not believe many members at any time have served on that committee for a longer period, except the distinguished minority leader from New York [Mr. SNELL] and our late beloved Member from North Carolina, Mr. Pou.

I am affectionately fond of every member of that committee, and I count them all as my good friends.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BOILEAU. The gentleman is talking about the Rules Committee. I think the country should know there are 10 members of the Democratic Party on that committee and 4 members of the Republican Party. There is no bill in which the country is more interested than this wage and hour bill. I think perhaps the gentleman should make some statement as to what has happened to the Rules Committee, that the Democratic Rules Committee did not report out a rule on this wage and hour bill.

Mr. O'CONNOR of New York. Of course, the distinguished gentleman, the leader of the progressive bloc in the House, will appreciate the high respect in which I hold all members of that committee and that I would never say anything to offend any of them. The last thing I will ever do, consciously, is to criticize my individual colleagues on committees or in the House. I do not propose to do that, at any cost, but as I interpret the function of the Rules Committee it is to serve the organization of this House. Sometimes it has been stated that it is an arm of the administration of the Government, of the executive branch. That is not correct, as I interpret the functions of that committee, except it be used in a political sense. That committee serves about 45 standing committees of the House and the organization of this House. It was created for that purpose on March 19, 1910. It was created as a weapon to detract from one individual, the late Speaker Cannon, the extreme power which he had prior to that date when he was a member of the committee and appointed the other members—a situation which had existed from 1858.

Take two outstanding instances in recent years—one the Wagner labor relations bill and the other the Guffey coal bill. When the Wagner bill was before the Rules Committee there were not over four members of that committee in favor of the bill, but we felt there was an overwhelming demand in the House to consider the bill, and with the aid of members of the committee who were opposed to the bill, and who afterward took the floor in opposition to the bill, we were able to report that bill out for the consideration of the House.

Twice the Guffey coal bill was before the Rules Committee. I think I am correct in saying that not over four members of that committee believed in and supported the Guffey coal bill, but, again, because a majority of the House had evidenced an interest in that bill, the committee reported it out to this body.

A similar situation exists today, but in some way there has been aroused a very tense feeling with reference to this particular wage and hour bill. Where I could borrow votes before to get out the Wagner bill and the Guffey coal bill, nobody is lending anything these days. [Laughter.]

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. MARTIN of Colorado. There has been a great deal of ridicule heaped on the House of Representatives in the last 4 or 5 years on the ground that it was a Presidential rubber stamp, but it is not being ridiculed from the same sources when the House is being made a Rules Committee doormat, because there is a labor bill under the mat. The bill is being smothered in committee, not because of the lack of demand for its production here in the House, because it is known that if the House has a chance to vote on that bill it will be passed by an overwhelming majority. Now, the Republicans on that committee or in the House are not going to be held responsible for what has happened to the wage and hour bill. The Democratic Party will be held responsible for it. [Applause.]

Mr. O'CONNOR of New York. The gentleman is trying to make my speech and the speech of several other people here. We shall get to that point in a minute. [Laughter.] I do not subscribe to what the gentleman said about the Rules Committee, except that I do say it is not an arm of the administration as that is generally referred to. It is an agent of this House.

Now, I have been reading the criticism of the Democrats on that committee. To state the problem which confronts us is very simple. It is a simple mathematical problem. If you could make 4 equal 8 without multiplying by 2, there would be no difficulty. [Laughter.] We would have the rule out, and we could take it up tomorrow, but I do not propose to join my Democratic colleague from Colorado [Mr. MARTIN] and lambast my own party and put the responsibility on them. [Applause.] It does not solely lie there.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I do not yield to the gentleman.

Mr. MARTIN of Colorado. Well, the gentleman mentioned me, and I think I am entitled to a very brief rejoinder.

Mr. O'CONNOR of New York. The gentleman made his speech.

Mr. MARTIN of Colorado. I am entitled to say that it does not matter what the gentleman says or what I say, that is where the responsibility lies. The country will know nothing and care nothing about any committee. I do not cast any

reflection whatever on the gentleman from New York; none whatever. I know he is not responsible for what has happened in the Rules Committee, and wants the bill brought out.

Mr. O'CONNOR of New York. I have tried all my life to be a Democrat and a party Democrat. The last thing I ever want to become is an individual statesman. [Laughter and applause.]

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. In just a moment; not just now.

Now, this measure is not partisan. It is not political. Working men, women, and children in this country do not belong to any one party. I believe there may be a few left in the Republican Party. [Laughter.] Surely there are some in other parties besides the Democratic Party, and they do not care anything about parties when it comes to their own welfare and their own working conditions, and I do not blame them.

This being so, the issue is simple. If the Republicans will join the five of us, we will bring that rule out. In fact, all they have to do is to give us 3 votes and the bill will be right out here on this floor. [Applause.]

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BOILEAU. Is it not possible, in view of the fact that the gentleman stated that the Rules Committee is a servant of the House, that if a majority of the Members of the House want this legislation we could increase the number of the members on the committee by four or five and so constitute the committee that it will bring out the rule? Then the wishes of the House will be obeyed. The other alternative would be to remove some of the members of the majority who are obstructing the will of the House.

Mr. O'CONNOR of New York. I recall that a short while ago that drastic remedy was referred to as "packing."

Mr. KNUTSON. Yes, pack the committee.

Mr. MARTIN of Colorado. Put some new blood on it.

Mr. O'CONNOR of New York. The Rules Committee is plenty big enough as it is, and there is plenty of good blood on it. I objected—although I did not have much chance to object—to its membership being increased from 12 to 14, because the committee has to meet often on a moment's notice, and to get a quorum would be harder, and it would be unwieldy if it were larger. So much for "packing" the committee, and which I would strenuously resist. Furthermore, it is no remedy at all. If we all keep our heads we shall solve the problem, and without an Einstein.

Mr. BOILEAU. Make the increase for this session only.

Mr. O'CONNOR of New York. The only reason I am making these remarks is in an attempt to clear the atmosphere. There should be no politics, there should be no geographical lines, there should be no lines drawn anywhere in reference to this bill if people believe in it. After I reached the conclusion that an overwhelming majority of the Members of this House were in favor of the wage and hour bill, I did everything possible to attempt to get that bill out of the committee, and I think I could say that our distinguished Speaker and our majority leader have likewise done everything possible to get that bill out. [Applause.] We are still attempting to do all in our power to accomplish our objective. Loose talk and harsh charges will not help at all.

In my opinion the Members of this House will not cast over 75 votes against the bill; and let me say to the Republicans, whom I now call upon to cooperate, that I do not believe one-third of their number will ever vote against the bill.

This is the situation which confronts us. I think that before we close we ought at least to let the Members vote on the bill and do our duty. Some of us who have been on the Rules Committee for years are willing to bring the matter out. We ask you all for your cooperation in any way you can give it to us.

Mr. SACKS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield

Mr. SACKS. If the gentleman is correct, the function of the Rules Committee being merely one of passing upon the form in which a bill comes to the House, why cannot the House discharge the Rules Committee or pass the bill under a suspension of the rules?

Mr. O'CONNOR of New York. Certainly the House can discharge the Rules Committee under the discharge rule; that is possible, but the time element enters into that.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. MAVERICK. The gentleman stated that the committee brought out the Guffey coal bill although a majority of the committee were against it. Does not the gentleman believe, by the same token, that the Rules Committee should report out the wage and hour bill, which is overwhelmingly more popular than the Guffey coal bill?

Mr. O'CONNOR of New York. By far.

Mr. MAVERICK. Of course. Then, does not the gentleman think that by the same logic they should report out the wage and hour bill?

Mr. O'CONNOR of New York. I have said all of that. I thought the gentleman was going to offer a mathematical contribution.

Mr. MAVERICK. No, indeed. Let me ask one more question: I read in the paper—I do not know whether it is true—that one member of the Committee on Rules said that the wage and hour bill was communistic and unconstitutional. Does not the gentleman believe that this House ought to be allowed to pass on the question of whether it is communistic and unconstitutional?

Mr. O'CONNOR of New York. Oh, well, that is something else again. Hearing the word "communism" does not cause me to lay awake nights, and as for the constitutional part, I shall leave that to the curbstone lawyers, so profuse with that alibi.

Mr. BOILEAU. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BOILEAU. The gentleman stated that he did not believe 75 Members would vote against the bill. I think the gentleman is absolutely right in that judgment; I think he has made a very good estimate. In view of that fact, it seems to me that before we adjourn we ought to report out a rule or at least make an effort to pass the bill under a suspension of the rules. I think that before this session ends the Speaker should recognize someone on that side, the chairman of the Committee on Labor, or the majority leader, or someone to move to suspend the rules, because I believe that we can pass the bill under a suspension of the rules. The Members certainly should have an opportunity to express themselves on this legislation.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BRADLEY. The distinguished chairman of the Committee on Rules has said that the Rules Committee is simply the servant of the House. If this be true, does he not think that the Rules Committee, the servant of the House, ought to bring that bill up here when an overwhelming majority of the Members want it?

Mr. O'CONNOR of New York. Well, of course, that is a conclusion which I have heretofore stated.

Mr. LEWIS of Maryland. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. LEWIS of Maryland. Would it be proper for the chairman of the Committee on Rules to tell us who the members voting against reporting this bill are, by name, and who are not?

Mr. O'CONNOR of New York. There have, of course, been no votes taken in the Rules Committee, so the chairman is unable to answer that question, and he would not do so if he could. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, as far as the resolution that the gentleman from New York has presented to the House

this morning is concerned, there is no special objection. That is practically the same resolution that has been introduced for several years at this time in the session. I have never opposed any action on the part of the Rules Committee that was in accord with precedent and the rules of the House. I have always been very proud of the Rules Committee and have always protected it, but I cannot quite understand why my friend from New York brings in this resolution this morning if he actually believes in the philosophy and the statement that he made to the House on last Friday. We had the unusual spectacle of the chairman of the Rules Committee stating on the floor of the House at that time that the rules were not compelling, because there was no penalty written in the rules. Who ever heard of any such proposition or argument? Also he argued in effect that the majority of the House could change the rules at any time, regardless of the provisions in the rules providing for changes, and the peculiar part of it was that this philosophy seemed to be approved by the Speaker and, above all, by the highest authority there is on the rules, the House itself, by an overwhelming majority. If that philosophy was good on last Friday, and this is only the second legislative day thereafter, why is it not good today? Of course I do not expect much consistency on the part of the present majority, but it should keep the same position for 2 days. If you actually meant what you said and this overwhelming majority believes what you said and what they voted for, why do you bring in such a resolution as has been brought in this morning, because it certainly is not needed under the philosophy that this House adopted with regard to its rules on last Friday?

As a matter of fact, if what the gentleman from New York [Mr. O'CONNOR] himself said is true, the prestige and the power of the great Rules Committee that he is so proud of, and I have always been proud of it, does not amount to anything as far as the House is concerned.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. I have been trying to follow the gentleman.

Mr. SNELL. I presume that is correct.

Mr. O'CONNOR of New York. But with great difficulty.

Mr. SNELL. The gentleman has a little trouble following me? He was opposed to me last Friday and is with me today.

Mr. O'CONNOR of New York. That is not correct. The situation last Friday rose in connection with a rule concerning the House itself.

Mr. SNELL. It was a definite and positive rule.

Mr. O'CONNOR of New York. So the gentleman contended. It was a definite rule concerning the House. Whether it was or was not a binding rule, the House at that time, when it had the matter before it, determined not to follow the rule, at least in the gentleman's opinion.

Mr. SNELL. I certainly agree with that. That was done by an overwhelming majority.

Mr. O'CONNOR of New York. The Speaker in that chair can make a ruling, supported by the rules of the House and supported by countless precedents of this House, and the House may override the ruling by appealing from the decision of the Chair. The majority can always do that. Whenever there is any ruling in this House, or if there is a rule called up and the majority does not want to abide by it at that minute or in the future, the majority can override it.

Mr. SNELL. That is the same position the gentleman took last Friday. But, if that position is true, there is certainly no reason in God's heaven why you should present a rule here today that practically suspends the rules for the balance of this session. You just said when the majority did not want to abide by the rules it was not necessary. To me that is entirely a false policy to advocate in the House.

Mr. O'CONNOR of New York. I do not follow that at all. This rule that is presented today just takes care of three features, solely to expedite the business of the House, as the gentleman well knows.

Mr. SNELL. I agree with the gentleman. I think the rule he presents today is all right.

Mr. O'CONNOR of New York. The gentleman himself used to present it.

Mr. SNELL. I say I agree with it. I never oppose anything when the gentleman follows me.

Mr. O'CONNOR of New York. I sat at the gentleman's feet for 8 years and most of all I know about the rules I learned from the distinguished gentleman.

Mr. SNELL. The point I am trying to raise is that if the philosophy that you advocated, and your side supported you overwhelmingly and unanimously, was good last Friday, why is it not good today?

Mr. O'CONNOR of New York. I do not think we are the least bit inconsistent in what we are doing today.

Mr. SNELL. You are just as inconsistent as the North Pole is from the South Pole, and every Member who knows anything about the rules knows that. I just want to call that to your attention at this time.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, this rule was undesirable to me personally as a member of the Rules Committee, for the reason I think a number of bills can be brought up and passed that way that I do not care to have passed. But I voted for it in the Rules Committee because it was an administration measure.

It is my conception of the Rules Committee that it has two functions in this body. One is to assist in getting administration bills through the House. The other is to keep nonadministration bills and time-consuming bills off the calendar of the House. That is the way we have functioned all the time. Of course, the Rules Committee is composed of a lot of lawyers. We are by profession conservative. We like lots of talk and deliberation; yet when the gag rules came up at the beginning of the Roosevelt administration, when the essence of the situation was to save time and act quickly to overcome lobbies and blocs, we passed the gag rules against all of our inherent prejudices. We set our teeth and voted the bill out of committee. The same thing happened with the holding-company "death sentence" bill. I know of but three men on that committee who favored the "death sentence", but we voted it out of committee because it was an administration measure, and then voted against it on the floor. The Guffey coal bill and the Wagner Labor Relations Act were the same.

It is essential that this function be performed in a democracy. There must be some instrumentality to assist administration bills getting through the House. My beloved chairman, the gentleman from New York [Mr. O'CONNOR], a most capable man, said that the Rules Committee was not a part of the national administration. In a sense that is true; but, since it is a part of the administration of the House of Representatives, in a democracy indirectly it is a part of the national administration, because it is necessary in a democracy to have a strong administration and a strong opposition, so that when the people go to the polls they will have a clear-cut issue as to whether or not they want that administration continued in power.

The administration can submit no alibis. The administration cannot say, "We promised you this. We wanted to do this, but the House was so cluttered up that we could not do it", or "The Rules Committee would not give us a rule." The people in a democracy have to know the laws they are voting on in order to approve or disapprove them. For this reason the Rules Committee does not take testimony. We are not a law-making committee. There is no need for it. We have many law-preparing committees, which prepare laws and then submit them to the Committee of the Whole House for approval or rejection. We do not need a committee of censorship in this House except for the purpose of keeping off the calendar anti-administration bills and bills which would take up our time needlessly.

This is all we need, but certainly, Mr. Speaker, we have developed in this House a new idea, a committee of censorship, which has taken to itself the power of passing upon the wisdom or the desirability of an administration measure. When our administration goes before the people it will be the entirety of the people of the United States that will pass on those questions, but when the small groups of men who are sitting in judgment upon the wisdom of this administration go before the people it will be before the people of their district. You can see how unthinkable it is that we should have a double system of lawmaking committees, and how unworkable it is in a democracy that we should have a House committee of censorship.

I hope no one will think there are any personalities intended in my speech here. Every man on this committee has my very highest regard. We work together. No personalities are involved. This question is too deep and too vital in a democracy for any personalities to creep in. It is simply a question of whether the tools of this House shall be keen and work or whether they shall remain dull that is all it is.

Also, I sincerely hope that I shall not be accused of assuming a didactic attitude toward my colleagues on this committee. I assure you, Mr. Speaker, I approach this question with too deep a sense of humility for that. On any question of real discretion I would not for a moment presume to suggest any decision to any of my highly esteemed committee members. It is only because I feel that when we accepted the honor of membership on the Rules Committee, we accepted its primary responsibility to expedite the business of the House. This is more nearly a ministerial duty than a discretionary one.

The Rules Committee originally was not a committee at all; it was simply a special assignment, the Members being appointed by the Speaker to carry out the purposes of the House. It is different from any other committee in this body.

When a member of the Rules Committee votes out a bill he is not voting on the merits of the bill at all. He has not listened to witnesses. The essence of the arguments presented to him bear upon the strength of the support in the drafting committee, the extent of the administration interest, and the length of time needed for floor debate. A rules committee member has an entirely different responsibility when casting his committee vote than when, as a Member of Congress, he votes on the merits of the bill on the floor of this House.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I am sorry; I wish I could yield.

What are we going to do about it? The main, the obvious thing to do, the easiest thing to do, and the first thing to do, is to wait here until September 13, when a motion to discharge the Rules Committee comes up. As far as I am concerned, Mr. Speaker, I will stay in this House until September 12, 1938, if it is necessary, and I will vote against every motion to adjourn until we get this bill out. [Applause]. I hope the Republican Members who are for this bill will stay with us on this proposition, and if we do, we will have the bill out on the floor on September 13, provided the Rules Committee does not change its attitude.

The next thing is to hope for some help in the Rules Committee from our Republican brothers, but I am afraid this is hoping against hope.

The third thing we may do is to have a caucus. If this were a lawmaking committee with broad discretion in its deliberations, and a caucus should attempt to instruct such a committee on what it should do, I should say the caucus would be going somewhat beyond its jurisdiction. However, the committee involved here is an administrative committee, created and appointed by the caucus to carry out the purpose of the Democratic caucus. I submit that the caucus is entirely within its rights in instructing this committee or at least requesting its members to do what the caucus wishes its agents to do. If this does not work, well, we shall not talk about anything else, but if the caucus wants my resignation in any reorganization program, it can have it right away. I am ready to do anything that is necessary to expedite the business of this House.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I wish I could. I am sorry. I would rather yield to the gentleman than anybody I can think of right now.

The other possibility is that while we are doing all this arguing in the caucus September 13 will be around, and we will be ready to pass upon a motion to discharge. This is about the way it will end up, I think.

Mr. Speaker, we are told we must not bring out this bill, because it is going to divide the party. In 1860 the Democratic Party was told that it should not take a positive stand on the economic questions before the country at that time. The issue at that time, Mr. Speaker, was really economic. There were a lot of moral issues, and so forth, involved, but the real issue was that the wage and living level differential between the slave labor of the South and the paid labor of the North were such that the North was being forced into child labor and to work its factory workers 12 to 14 hours a day.

Mr. FULLER. Mr. Speaker——

Mr. HARLAN. The Democratic Party evaded, equivocated, straddled, and side-stepped on that issue, and a virile Republican Party took up the torch and carried it on. This is what will happen today if we equivocate on this same question.

The SPEAKER. Does the gentleman from Ohio yield to the gentleman from Arkansas?

Mr. FULLER. I do not ask the gentleman to yield.

Mr. Speaker, I make the point of order that the gentleman is not confining himself to the bill. All he is doing is discussing political practices and assaulting Members of his own committee. The gentleman is not discussing this rule at all. I insist that the gentleman confine his remarks to this rule.

The SPEAKER. The gentleman from Arkansas makes the point of order that the gentleman from Ohio is not discussing the resolution now before the House. The gentleman will confine himself to a discussion of the resolution.

Mr. HARLAN. Mr. Speaker, I am trying to present to this House the question of what to do, first, to support rules, if possible, and second, what to do if we cannot support rules. The question of rules is before us. Mr. Speaker, this issue will not divide the party. The heart of the Democratic Party is too big for a division on that. It may divide the politicians, but it will not divide the party. [Applause.]

If we do not pass some bill pertaining to wages and hours in view of our preelection promises, there probably will not be enough left of the Democratic Party to divide.

This bill is not my idea of the best possible wage and hour bill. I have a bill in the hopper of this House, which will merely permit State regulation and afford Federal protection against damaging interstate shipments. This legislation would certainly be simpler to draft, but it might be difficult to administer. At any rate those who have given the subject more study than I, approve the present bill. It is an administration measure. As a member of the Rules Committee, I cannot evade my responsibility to vote it out. But if it does divide the party, I would rather be a member of that fraction of a Democratic Party that is left and have a purpose in being, something that is worth working and fighting for, than to be a member of the biggest Democratic Party that ever wiggled and wobbled, evaded and equivocated issues just for the sake of keeping ourselves in office and holding down jobs. [Applause.]

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THIRD DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R.

8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes; and, pending that motion, I ask unanimous consent that general debate shall continue for 3 hours, to be confined to the bill and the time to be equally divided between the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. The gentleman from Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8245), and pending that motion asks unanimous consent that general debate be limited to 3 hours, to be confined to the bill and to be equally divided between himself and the gentleman from New York. Is there objection to the request of the gentleman from Virginia?

Mr. TABER. Mr. Speaker, reserving the right to object, I understand that the gentleman proposes to be reasonably liberal under the 5-minute rule on the items that are particularly controversial?

Mr. WOODRUM. As liberal as we can, having in mind that we have been notified by the leadership we must finish the bill today.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether or not it is going to be necessary during the consideration of this bill under the 5-minute rule to have pro-forma amendments in writing?

Mr. WOODRUM. I will say to the gentleman that the gentleman from Virginia will not be presiding in Committee.

Mr. BOILEAU. Is the gentleman going to make points of order in the event Members desire to offer pro-forma amendments without having them in writing?

Mr. WOODRUM. I may say to the gentleman from Wisconsin that it will be the purpose of the gentleman from Virginia to be as courteous and considerate to the members of the Committee as possible, and if time drags on apace and it becomes necessary to be a little hard, the gentleman from Virginia will do so very reluctantly. [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8245, the third deficiency appropriation bill, fiscal year 1937, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield myself 30 minutes, and would like to be notified when I have consumed 20 minutes.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, in order to expedite consideration of the bill and to take as little time as possible, in order that we may accommodate other Members who want to speak, I am going to ask the members of the Committee to be kind enough to permit me to proceed for 15 or 20 minutes without interruption. At the end of that time I shall undertake to answer any questions gentlemen may wish to ask me. I do this because there are several matters in the bill which have attracted the interest of the membership, and I would like to make some comment on those matters before getting into any detailed colloquy about other things.

Mr. Chairman, if this bill is passed ultimately in the amount in which the committee brings it to the House, it will mean that the work of the legislative branch of the Government at this very interesting and high-pressure session has resulted in reducing the appropriation something over $125,000,000 below the estimates of the Budget approved by the President. This means a net reduction; this means an over-all reduction and not bills as passed here and loaded up in the Senate, but as they finally become law.

The present bill coming to the deficiency subcommittee in round figures was $121,500,000, the committee brings it to you at $78,500,000, or a reduction of $43,000,000, approximately, or 35 percent below budgetary estimates, and we do not believe that any worthy undertaking has been interfered with or destroyed or postponed where the rights of the people will be affected.

I wish, Mr. Chairman, at this point to pay my respect, as acting chairman of the deficiency subcommittee, to the distinguished gentleman from Missouri [Mr. CANNON], who has been the acting chairman of the whole committee in the absence of the gentleman from Colorado [Mr. TAYLOR]. Mr. CANNON has given, as he usually does, his fine, splendid ability and his careful thought and attention to the affairs of the committee. I also wish to express my appreciation of the fine and splendid cooperation of the minority members of the committee, and especially the members of the deficiency subcommittee.

We bring you a bill today—and may I pause to lay emphasis on the statement that I make now—we bring you a bill today, in its essential features the unanimous report of the subcommittee which framed it.

There are two or three items in the bill to which I desire to direct special attention, because the membership of the House appear to be interested in them.

The bill contains an appropriation of $500,000 for the Thomas Jefferson memorial. Quite a while ago there was enacted a law, setting up the Thomas Jefferson Memorial Commission, giving them, if you please, the right to enter into contracts and to obligate the Government to the extent of $3,000,000 in the building of a Thomas Jefferson memorial. Differences and difficulties have arisen. The Commission has never availed itself of that authority which it has under the law to award a construction contract and bind the Federal Government up to $3,000,000 without any further action of the Committee on Appropriations. The matter has been pending. Our distinguished colleague from New York [Mr. BOYLAN], chairman of the Commission, has been most industrious and most interested in it.

The Committee on Appropriations felt that that matter should be brought to the House of Representatives for their consideration and for such action as in their judgment they might wish to take, and in that connection permit me to say that the committee was assured by the distinguished gentleman from New York [Mr. BOYLAN] that under the revised plans of the Commission, certainly in the estimation of our colleague from New York [Mr. BOYLAN], many, if not all, of the objections which had been raised to the site selected by the Thomas Jefferson Memorial Commission could be explained or met to the satisfaction of the House. At any rate the matter is here for your consideration, with the recommendation of the committee that the appropriation be allowed.

The next item to which I bring your attention is the public-buildings program. For the past 3 years we have provided a buildings program of approximately $60,000,000 a year for projects outside of the District of Columbia in a program to be handled by the Secretary of the Treasury and the Postmaster General. The estimate sent to the committee this year was for $23,000,000 for 1 year's program.

Owing to the fact that $8,000,000 of that $23,000,000 will be required to take care of the increased limit of costs on projects already begun, because of the increased cost of construction, and the further fact that there were a number of important projects which had to be taken care of, very

little would have been left under that sort of a program for the necessary buildings which are needed in the country at large, so the committee, after consultation with the Budget Bureau and the President, has brought you a plan for a 3-year program, with a total authorization of $70,000,000, which takes care of the increased limits of cost, which takes care of the major items in the larger places where because of crowded conditions or because of excess rents we are paying, those conditions should be alleviated, and in addition to that will provide for one project for each congressional district where the congressional district has an eligible project on the list of buildings.

We hope that the Committee of the Whole will sustain the Committee on Appropriations in that program. We believe we have provided a reasonable and logical program which can be defended.

The next item to which I desire to advert is the National Labor Relations Board. Let me say that the fact that appropriations for the National Labor Relations Board were curtailed very drastically by the Appropriations Committee is no indication, and certainly should not be accepted by anyone as an indication of a desire, on the part of that committee to curtail or circumscribe the duties or powers of the National Labor Relations Board. We provided in the regular appropriation act of 1938, $785,000 for that Board. The committee recommends to you here $917,500 additional, making a total of $1,702,500. In other words, supplemental appropriations are given which are more than again as much for 1938 as the committee gave them in the regular bill which just became operative on July 1, last.

It is true that the Budget estimate was for $1,800,000 in addition to the $785,000 already provided for. It has been the experience of our committee, as it has been of this House, that agencies of the Government and bureaus and departments, no matter how commendable, grow only so fast in a healthy, logical condition, and the committee did not believe it would be possible for the Board to spend that amount of money in 1938 in a logical and reasonable manner, and we believe that the amount that we have provided will enable them to go forward to meet this tremendous increase in duties which have fallen upon them, and if in the fullness of time that is not enough, Congress is always here, and it has been my experience that the bureaus and departments know the way to the Hill when they need some more money.

I pass on to another item which I shall discuss in a little more detail, because it was with considerable reluctance that the subcommittee unanimously kept out of the bill the appropriation for the farm-tenancy program. Let me suggest that the purpose of the deficiency subcommittee is to take care of deficiencies and emergencies. If gentlemen have any doubt about this I ask them to read the hearings before the deficiency subcommittee. They will find that the Department of Agriculture which was to handle this program, doing the best they could do, no doubt, were absolutely unable to give the committee anything like any tangible or cohesive or logical program which they expected to use in setting up this colossal farm-tenant program of which this is an infinitesimal beginning.

There are about 2,800,000 farm tenants in America, divided into some 2,500 agricultural counties. This bill provides for $10,000,000 for the purpose of loaning money to buy farms for farm tenants, and making them farm owners instead of farm tenants. If we pass over the fundamental philosophy involved in the thing as to whether or not it is logical or appropriate that everybody on a farm has to be a farm owner, if you gentlemen from the metropolitan areas, from the New England States, where the textile workers work, from the great cities where the coat and suit factories are, can go back to your constituents and explain to them why it is not logical that if every man working a farm has to be a farm owner, it is not equally as logical that every man working on a railroad has to be a member of the board of directors, every man working in a shirt factory has to be part owner in a shirt factory, if you can get away from that and get down to the proposition involved immediately before us that here are 2,800,000 farm tenants and funds proposed for 2,500 farms. Farm tenancy is on the increase and very naturally so.

Farming is a languishing and a sick industry. It is very natural that men would hesitate to go into it or remain in it if they are in it, but tenancy is on the increase and it is a problem. This $10,000,000 will enable the Department of Agriculture to operate, so they say, in 500 counties of these 2,500 counties. That would be one county in your district. It would enable them to loan money to buy farms for four farmers in that one county and set them up in business.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Not right there. In just a few minutes I will yield.

Now, the mere statement of that will start revolving in your mind the tremendous, overwhelming difficulties and obstacles. Of course, the gentlemen appearing before our committee said very frankly that the $10,000,000 was hardly enough to be an experiment. It hardly scratched the surface. If we accept the philosophy of it as right, that every farm tenant should be permitted to be a farm owner, and follow it down to its logical conclusion, make these 2,800,000 tenants owners of farms, then it will take a billion dollars a year to finance the program, and it may not be amiss to inquire from you, after you have taken these 2,800,000 farm tenants and made them owners of farms and set them up in business, with the Government paying their losses, what in the name of high heaven are you going to do with the other farmers in your district who have to scratch for themselves on their own resources?

Gentlemen, it is so overwhelming and colossal that it seemed to our committee that it would not be unreasonable to ask the Congres to permit this program to go to the regular agricultural subcommittee of the Appropriation Committee when it meets at the next session of Congress, in order that they may go into the matter carefully and thoroughly and see that a proper, logical, and cohesive program is brought out, whereby this great work could be carried on.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Not just at this moment.

Now, it seems to me we have the cart before the horse in this matter. For 16 years I have voted for various and sundry different kinds of panaceas for our farmers, under all of the administrations under which I have served, but it seems to me that the first problem that challenges the statesmanship and intelligence and leadership of this Nation is to set up agriculture on a stable basis, on a parity with other industry, so that when a man goes into the business he may do it with a reasonable prospect of making a living. When you do that I venture to say you have solved the problem of farm tenancy. Why? Because you know that if any young man in your district who is a farmer of intelligence, industry, and dependability, could go into the farming business and make enough to pay interest on his land or make anything out of it, he could buy a farm and he would not have to have Uncle Sam buy it for him and set him up in business.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SOUTH. The gentleman would not be in favor of postponing the farm-tenancy legislation until that condition had been removed, would he? It would take a great many years to do that.

Mr. WOODRUM. I know it would take many years to do that, but we are adjourning Congress and leaving the farming industry, so we are told, facing a terrific crisis.

Now, I want to finish my statement and then I will yield. To my mind we face a great crisis in this country. I have said it before upon this floor and I want to say it now in the dying hours of this Congress. That crisis is the condition that faces the public finances of this country.

During the dark days, through which we hope we have passed, this Government came to the relief of her distressed and suffering citizens with loans and with the pledge of its credit, with a lavish hand. I voted for those items. I followed the leadership of our great President. I am

proud today that I did. I would travel over the same road again if I had the opportunity to do so. I think he performed a great work and a great measure of success has followed his efforts in that respect. But times are better. Every barometer, every business indication shows us that conditions are vastly improving every day. There is one black cloud upon the horizon and that is the state of our finances in the Federal Government.

Gentlemen, we cannot go ahead from year to year, and from day to day, borrowing money and appropriating it; and that is what we are doing. Worthy as many of these things may be, commendable as they may be, with the terrific pull they have upon our emotions and desires to help our fellow men, we cannot do them if we have not the money. It is simply criminal, Mr. Chairman, for this Congress to continue to pledge this Government to terrific commitments for experiments, for sociological experiments, and for the carrying out of pet schemes when we have not the money with which to do it. No man in his private affairs would operate on such a basis as that. I beseech you, therefore, my colleagues of the House of Representatives, let us set about seriously to try to balance the Federal Budget as soon as we can. [Applause.] And let us be willing to postpone, if necessary, some of our pet schemes and some of our experiments until the finances of the Government are in condition where we can go forward with the splendid things with the expectation that the Government will be able to meet the bill when it is presented.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. TARVER. Do I understand, then, that it is the gentleman's position that this appropriation for the relief of the farm-tenancy problem should not be made now or later?

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I say to my friend from Georgia that personally, merely as an individual, I have very grave doubts whether the farm-tenancy program will do what it has been held out to do for the people.

Mr. TARVER. That is not the question I asked.

Mr. WOODRUM. But I am going to answer the gentleman in my own way, it is my own time. The gentleman will excuse me for doing that. My present view is that we have held out a great glowing hope to 2,800,000 people that cannot materialize. It will be no answer to the farm tenants of the gentleman's district when this thing is put into operation and they find that what was promised them in this great program materializes into four tenant farmers in the gentleman's district being aided in some degree. Aside from my personal views, however, it was the view of the committee that no tangible program had been worked out or laid before the committee showing what the Department expected to do when it entered upon its work, and that, therefore, the matter should be held for the regular committee, which will meet in just a few months, and that delay of just a few months in this experiment certainly could not hurt anybody very much.

Mr. TARVER. Mr. Chairman, will the gentleman yield further?

Mr. WOODRUM. I yield.

Mr. TARVER. The regular bill this year, the Department of Agriculture appropriation bill, was approved June 29, this year, 1 day before the expiration of the fiscal year 1937. This $10,000,000 is authorized for the fiscal year 1938. It seems to me very apparent that if this money is not appropriated until the regular Department of Agriculture appropriation bill for 1939 is passed, that it cannot be available to help any tenant engage in farming operations during the calendar year 1938. Necessarily, if they are to be helped at all they must be helped during the fall of the present year so as to be able to start their operations in the early part of the calendar year 1938. What the gentleman suggests, therefore, simply means abrogating the action taken by the Congress.

Mr. WOODRUM. It would delay the program somewhat.

Mr. TARVER. It would eliminate it so far as the present fiscal year is concerned.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MARTIN of Colorado. I wish to interpolate an observation with reference to the elimination of the appropriation of $10,000,000 for the purchase of submarginal land. I think the gentleman has made a pretty fair case for further consideration with reference to farm tenancy, but he has made none with reference to the submarginal lands. This activity was established by the Government 3 years ago and has been going on continuously. It is abandoning a settled program for handling submarginal land already in operation. The demand throughout that area for a continuation of the program is practically unanimous at this time and 50,000,000 acres of that land ought to be taken over by the Government as speedily as it can be done. Another season of rains out there will revive the desire of many of the people to stay on that land, and the Government will have the same problem on its hands again when the next period of drought comes along.

Mr. WOODRUM. Answering the gentleman, I would remind him that the Government now has acquired 9,000,000 acres.

Mr. MARTIN of Colorado. It ought to buy up 50,000,000 acres.

Mr. WOODRUM. The appropriation asked for would retire about 2,000,000 acres. There are some 75,000,000 acres of submarginal land, so the amount that would be taken care of by this appropriation would be merely a drop in the bucket. The officials of the Department of Agriculture could not tell us when they were going to buy the land, where they were going to buy the land, or what they were going to pay for it. It did not appear to the Committee that the Department of Agriculture had any satisfactory plan or program with reference to submarginal land whatever. Certainly it is not unreasonable to expect the department, when it wants a large sum of money, to be prepared with a program showing when, where, and how the money is to be expended.

Certainly no harm can be done if the Department of Agriculture is required to go before the regular subcommittee, the chairman of which is the distinguished gentleman from Missouri [Mr. CANNON]. Let them lay before that committee their definite program as to what, where, how, and when.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. FISH. Is it not true that the authorized appropriation of $10,000,000 would be a fraud upon the tenant farmers, because that money alone would not enable us to take care of more than 4,000 tenant farmers, and there are are 40,000 new ones each year?

Would it not be better to take that money and make up the difference by reducing the rate of interest on home owner's loans to 3 percent and save the homes of those fellows who are now in their homes, thereby keeping them as home owners, good American citizens, and property owners?

Mr. WOODRUM. That is one viewpoint of the situation.

Mr. HOPE. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kansas.

Mr. HOPE. I got the impression from reading the hearings, that when the Department officials appeared before the committee with reference to the purchase of submarginal lands, they indicated it was their purpose to spend a large part of the appropriation that might be made this year in purchases in the so-called dust area?

Mr. WOODRUM. That is correct.

Mr. HOPE. Does not the gentleman think with that situation growing more serious every week and every month, it would be a sound and economical policy to have that project gone ahead with now instead of waiting another year?

Mr. WOODRUM. I know that is the gentleman's position. I may reiterate, the committee felt there has not been

a sufficient program developed by the Department to justify such an appropriation. It is all tied in with the appropriation for the farm-tenancy program.

Mr. NICHOLS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Is it not the gentleman's opinion and is it not the opinion of the committee in considering an appropriation for the farm-tenancy program that this $10,000,000 appropriation was simply a gesture to take care of four farmers in each Congressional district? If there had been a program presented to the Committee that would have even in a small degree solved some of the ills and problems of the farm-tenancy proposition, the gentleman and his committee would be here in support of an appropriation to take care of such a program, if the Members thought this program would even start to do that.

Mr. WOODRUM. Of course, if it is the right thing to do, it is ridiculous to appropriate $10,000,000. We ought to appropriate $500,000,000 to start with, with the understanding it will be a billion dollars in the near future. If you give four tenant farmers in a district that right, what are you going to do with the other 1,500 farmers? No Congressman coming from an agricultural district would be able to stand up under the pressure that would be brought to bear upon him for overwhelming and colossal funds if this kind of a program is enacted. You might as well understand what you are doing when you do it, and the committee thinks this is a good time to stop and think about it before we start something we cannot finish.

Mr. TERRY. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arkansas.

Mr. TERRY. The distinguished gentleman knows that the Congress has overwhelmingly voted for this farm-tenancy measure this year and that it is one of the cardinal principles of the administration to solve the farm-tenancy problem which is increasing in the country year by year. We all know that the appropriation of $10,000,000 is only intended as a beginning to start the program. It seems to me that the committee should approve this appropriation which we all know is merely a start. It seems to me further that we should make this appropriation now.

Mr. WOODRUM. I thank the gentleman.

Mr. MICHENER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Michigan.

Mr. MICHENER. I want to commend the gentleman for his splendid speech in reference to the farm-tenancy matter. I only regret he did not make that speech when the matter was considered by the House some days ago. If I am not in error, I was the only one out of 435 Members who made a speech opposing the farm-tenancy bill and who voted against the bill. If the gentleman will revert to the RECORD and to my speech therein he will find practically everything he has said in the speech I made at that time. It was one of those days when the House wanted to do something that the platform had promised for the farmers, and the bill was not properly digested. If the gentleman from Virginia [Mr. WOODRUM], with his logic, his persuasiveness, and eloquence had addressed the House the result might have been different.

Mr. WOODRUM. The gentleman from Virginia was not present.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CREAL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kentucky.

Mr. CREAL. I remember quite well that our beloved Speaker said that the Federal road program began as an experiment with a $75,000 appropriation. The rural electrification program and every program that the Government started has been started the same way that it is proposed to begin the farm-tenancy program.

May I refer the gentleman to pages 8 and 9 of this bill. I wonder how it will sound to these 2,800,000 farm tenants to appropriate a half million dollars for a Thomas Jefferson Memorial, one and a half million dollars to be spent at San Francisco for a big carnival, and three and a half million dollars in New York for another one, the entire effect of which will be over when the crowd files out on the last night? May I say, incidentally, I am opposed to Federal appropriations for all world-fair programs, which benefit the particular city commercially. I have most serious doubts as to the results which come to the people as a whole from that Federal investment.

Now, we have $5,000,000 in those three items alone, which is one-half of the entire farm-tenancy program. Which will sound the better to the public when we put $5,000,000 in there for these three items and eliminate $10,000,000 for beginning a farm-tenancy program?

Mr. WOODRUM. If the public did not think the thing over any better than my friend, it would not sound so good. But out of the three and a half or five million dollars we invest in these world fairs, there comes back into the Federal Treasury between $75,000,000 and $100,000,000 in Federal taxes on admissions, which may be used to help the farmers in my friend's district when we find a real program that will really help them, and not hold up some will-o'-the-wisp in front of them, leading them to believe something that will not happen. When we do help them that way my friend will not be in the embarrassing position of going into his district and explaining to Sam Jones why it is that the Federal Government is paying the cost of buying the farm of Farmer Smith, who lives next door to him, when Sam Jones is losing everything he has on the auctioneer's block because he cannot make a living on the farm.

Mr. O'CONNOR of Montana. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Montana.

Mr. O'CONNOR of Montana. May I say I am deeply impressed with the argument the gentleman is making, which is a mighty powerful one. However, may I say this: The gentleman has stated that he has been working for a solution of the farm problem since he has been in Congress, and I know the gentleman means what he has stated, and I know he has done so. I believe we will never have a solution of the farm problem until we put the farmer on the same basis as the people who sell to the farmer at a fixed price. In other words, we must come to a point of fixing the farmer so he will get the cost of production for his products when he sells them. Otherwise, you are always going to have the farmer languishing just as he has been, as the gentleman has already explained. However, that is not the point to which I wanted to call the gentleman's attention, and I just wanted to interpolate that in the RECORD.

The gentleman has provided $70,000,000 for an expenditure over a period of 3 years for Federal public buildings throughout the United States, an appropriation of $22,500,000 for this year, as I understand. In my own district in Montana there are 18 cities eligible for post offices at the present time. If we are going to construct one Federal building in each Congressional district every 3 years from now on it will be 54 years before my people in Montana will get the necessary Federal buildings. I think the gentleman should increase this appropriation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am inclined to agree with the gentleman about the utility of the $10,000,000 for title I, the tenant part, but I am very much interested in the $10,000,000 for the land-buying program. I wonder if it was brought before the committee that options have been taken on a great deal of this land already, and the farmers

who are given these options are uncertain what to do, whether to pay their taxes, whether to put in a crop, or what to do with their land. This program is not an experiment, it is under way.

Mr. WOODRUM. The committee felt that until they worked out a program they could not complete it. They did not present the program at the hearings, as the gentleman will see if he reads the hearings.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. MEAD. I want to compliment the chairman of the subcommittee for the unusually good argument in favor of the bill he has presented to the committee. I know the committee has the right to lower or raise Budget estimates, but I cannot quite understand one appropriation, and I should like to find out from the chairman of the subcommittee if there was any evidence presented to his committee by the National Labor Relations Board which would warrant a reduction of $867,000 under the Budget estimate for this agency, as this leaves the agency only $867,000. In other words, did the gentleman's committee have from members of the Labor Board any information which would warrant the tremendous reduction under the amount recommended by the Budget itself?

Mr. WOODRUM. I may say to the gentleman that he might hear Gabriel blow his horn some day, but he will never hear the officials of a bureau tell him if they are in their right mind, any reason why their appropriation ought to be reduced.

Mr. MEAD. Does the gentleman have any evidence from any other quarter?

Mr. WOODRUM. The committee takes it in reverse action. We require the bureau to show us why the appropriation should be made. There was no evidence showing us why the amount of money we allowed the Labor Relations Board would not permit them to have a healthy and logical expansion. They deserve to expand, and we are raising their appropriation from $800,000 to $1,700,000 and some odd. We are giving them nearly a million dollars more for 1938 than was carried in the regular appropriation bill.

Mr. MEAD. However, this is the greatest reduction under the Budget estimate of any item in the bill.

Mr. WOODRUM. It was the greatest increase in the Budget estimate of any estimate the Budget sent out. The committee cannot be responsible for the Budget.

Mr. MEAD. It was only a skeleton organization last year.

Mr. WOODRUM. They cannot grow any faster than that, I may say to the gentleman.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Is it not true that the representatives of the Labor Relations Board showed the committee that they have 10 times as many cases before them as they had last year?

Mr. WOODRUM. Many of these cases are merely casual complaints. The minute some inspector talks to the complainant about it, the case goes out the window. As soon as the Supreme Court passed on this act, many people flocked to the Labor Relations Board, and there was absolutely nothing to many of their complaints. As soon as they talked with the complainants, out the complaints went. The committee wants the Labor Relations Board to function and to discharge the duties which Congress has placed upon it, but the committee wants the Board to grow in a healthy, logical, and orderly manner. We do not want to get emotional about it because we are particularly interested in this, that, or the other. We have given them enough money. If it is not enough money, we will be back here, I am sorry to say, in a few months, as the gentleman knows, and these gentlemen know the way back up here. Therefore, we ask you to back up the committeee in trying to cut the appropriations made in the House.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, some 3 or 4 months ago the House passed a resolution authorizing the Federal Government to accept an invitation to an International Dairy Conference to be held in Berlin next week, I believe. I was interested in this resolution because I am from a dairy district. I made some remarks in regard to it and asked some questions. I was assured by the men in charge of this legislation that this was no junket for the departments in Washington, but that real representatives of dairy interests would be sent on this commission. I may say that the chairman of the Committee on Foreign Affairs did his part to see that real representatives of the dairy interests were appointed on this commission. I have nothing but praise for everything that was done by the gentleman from Tennessee [Mr. MCREYNOLDS], who did all he could.

Only yesterday I was able to get the complete list of the men whom they have appointed to attend this conference.

Mr. MICHENER. Who appointed them?

Mr. SNELL. They were appointed by the Secretary of State, I presume, and he sent me the list, but they were recommended by the Department of Agriculture.

We have sent 24 people over to this conference; 16 of them are members of the Department of Agriculture or professors in various colleges; 1 is a manufacturer of dairy machinery; 3 are officers of cooperative creameries; 1 is a professional secretary; and I suspect they would have to have one. There are two others, one from Illinois and one from California. I cannot tell who they are or what they represent, but one of them comes from Peoria, Ill., and I know quite well there is not a dairy farm within 100 miles of that community. [Laughter.] The other man comes from California, but I do not know what part of that State he comes from. There are certain parts of California that have large dairy interests; but what I want to call to the attention of the House is the fact that the large dairy interests in the three most important dairy sections of the United States—New York, Wisconsin, and Minnesota—do not have a single representative on this commission.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from New York 2 more minutes.

Mr. SNELL. This is exactly what has been done heretofore when we have established various commissions to study these problems. Membership on such commissions has been monopolized and has come almost entirely from various departments of the Government.

On a dairy commission, which is to study dairy problems, I feel it is only right and fair that we should have some representative dairymen, but from what I can learn about the list that has been furnished me there is not a representative dairyman on the list.

This simply carries out the statement I have made several times on the floor of the House, as well as in other places—that the agricultural end of this administration has never shown any interest in the dairy farmer, and the dairy farmer has had the short end of all legislation that has been passed.

With your permission, I would like to extend my remarks and to print the personnel of this commission to show that the dairy interests practically are not represented at this International Dairy Conference.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

ELEVENTH INTERNATIONAL DAIRY CONGRESS

(Berlin, Germany, Aug. 21 to Aug. 29, 1937)

This Government has accepted the invitation of the German Government to participate in the Eleventh International Dairy Congress, to be held at Berlin, Germany, August 21 to August 29, 1937, and the following have been appointed official delegates on the part of the United States:

O. E. Reed, Chief, Bureau of Dairy Industry, Department of Agriculture, chairman of the delegation.
H. A. Bendixen, Department of Dairy Husbandry, State College of Agriculture, Pullman, Wash.
Loomis Burrell, chairman of the board, Cherry-Burrell Corporation, Little Falls, N. Y.
Dr. Arthur C. Dahlberg, chief in research (dairying), New York State Agricultural Experiment Station, Geneva, N. Y.
Herbert P. Davis, chairman, Department of Dairy Husbandry, College of Agriculture, Lincoln, Nebr.
Fordyce Ely, dairy husbandry department, College of Agriculture, Lexington, Ky.
Dr. E. W. Gaumnitz, Chief, Dairy Section, Agriculture Adjustment Administration, Department of Agriculture.
Sumner A. Hall, Bureau of Dairy Industry, Department of Agriculture.
Dr. George E. Holm, Bureau of Dairy Industry, Department of Agriculture.
Dr. O. F. Hunziker, Blue Valley Creamery Co., Chicago, Ill.
C. W. Kitchen, Assistant Chief, Bureau of Agricultural Economics, Department of Agriculture.
Dr. A. H. Kuhlman, professor of dairy husbandry, Oklahoma Agricultural and Mechanical College, Stillwater, Okla.
C. Larsen, dean of agriculture, South Dakota State College, Brookings, S. Dak.
Dr. Fred F. McKenzie, University of Missouri, Columbia, Mo.
Alex W. Meyerton, secretary, Nemaha Cooperative Creamery Association, Sabetha, Kans.
N. John Nelson, Peoria, Ill.
H. P. Olsen, Olsen Publishing Co., Milwaukee, Wis.
John Phillips, Banning, Calif.
Paul Reinhold, president, Foremost Dairies, Jacksonville, Fla.
Dr. Chester L. Roadhouse, head, division of dairy industry, College of Agriculture, Davis, Calif.
Arthur W. Rudnick, extension professor, dairy industry, Iowa State College of Agriculture, Ames, Iowa.
Charles N. Shepardson, head professor, dairy husbandry, Agricultural and Mechanical College of Texas, College Station, Tex.
Thomas G. Stitts, Farm Credit Administration, Washington, D. C.
Harry E. Reed, commissioner in agricultural attachés office, Berlin, Germany, secretary of the delegation.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I want to take this opportunity of congratulating the members of the Appropriations Committee, especially the chairman, whom I admire very highly.

I want to talk briefly on the subject of the Thomas Jefferson Memorial Commission to which our distinguished chairman referred a little while ago in explaining this very, very important bill. I am not a member of the Appropriations Committee or a member of the District of Columbia Committee, but I am a member of the House Committee on Public Buildings and Grounds and therefore I take a great deal of interest in buildings and in our national parks and our large public grounds.

I am not opposed to the building of a Thomas Jefferson memorial in Washington. I know there is going to be one here. I hope it is going to be a beautiful building and a beautiful monument to the memory of that great statesman, but if I were a citizen of Washington I would oppose anything that is going to be done here, as I am informed will be done, that would in any way destroy the beauty of the Tidal Basin around which are planted the famous Japanese cherry trees which attract to this city millions of people every year.

It is too bad that the people of Washington who pay taxes here have nothing to say about what is going to be done in their city or with respect to their government. We act as a sort of city council. Naturally, we cannot take as much interest in what is happening here in Washington as the people should, and the people here should have an opportunity of saying what is going to happen in their own city; but the condition is here and we will have to act for them. Let us be fair and just.

I wish I could have your attention just a moment with respect to this Tidal Basin around which are planted these beautiful trees. An attempt, I personally believe, is being made here to build the Thomas Jefferson memorial in the center of the Tidal Basin. I have attended the hearings of the Library Committee of the gentleman from Illinois [Mr. KELLER]. They have held exhaustive hearings, and that committee is opposed to the building of this memorial in the Tidal Basin and the destruction of these beautiful trees. The committee's report shows we can save $3,000,000 for our taxpayers if we stop this now.

Mr. BOYLAN of New York. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Not now. Mr. Chairman, this is one of the first attempts on the part of modern vandals to destroy something of a historic nature, something of a beauty spot. It is simlar to the attempt which is now being made successfully on the other side of this Capitol Building to alter the front of our Capitol Building. Our House committee has halted that attempt temporarily.

Mr. BOYLAN of New York. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Not now.

Mr. BOYLAN of New York. The gentleman is in error.

Mr. STEFAN. I shall yield later.

Mr. BOYLAN of New York. Let me say to the gentleman——

Mr. STEFAN. The gentleman will excuse me, but I will not yield now.

Mr. BOYLAN of New York. The gentleman wants to persist in his error?

Mr. STEFAN. Mr. Chairman, I decline to yield. I shall yield to the gentleman later if I have the time.

Mr. BOYLAN of New York. I only wanted to correct the gentleman.

Mr. STEFAN. Mr. Chairman, I hope that this will not be taken out of my time. If I were a citizen of Washington and had raised my family here and intended to live here for the rest of my life, I would fight with every bit of my energy this attempt to destroy a beauty spot which brings to my town more people than any other attraction in the city of Washington, and the people here cannot say anything about it, they have no voice. I predict that if you destroy these cherry trees around the Tidal Basin, you will destroy a business which will cost the city of Washington from fifty to one hundred million dollars in 10 years. I know that the businessmen of Washington have exploited these cherry trees and I cannot blame them. If these cherry trees were in my home town or in your home town and attracted 100,000 people and more every day during cherry blossom time, I know that the people in my town would drive you out of the city limits if you made an attempt to destroy that business, but besides that, you are going to destroy a beauty spot, something which the people of Washington would regret for the rest of their lives. If we can save $3,000,000 today, let us do it. I know that the steamship companies and the railway people, the hotels, and the bus and the tourist people advertise the cherry blossom time in Washington, and why should they not? I have talked with people from Germany, from France, from England, from Canada, who came to Washington during cherry blossom time. That is when the people come to Washington to see the beautiful cherry trees, and I pray that you will hesitate, members of the committee, to give any encouragement to any movement here in Washington which will destroy something which is beautiful, something which makes our Nation's Capital the most beautiful city in the world. I hope that you will not eliminate this great attraction, which the people from 48 States and from all over the world come to Washington to see. I attended the meetings of the committee. They tell me, and from what information I have received they do not know how much it is going to cost to build the foundation for that memorial. They do not know the bottom of that pool, they might have to float that building. The committee report indicates by building elsewhere we could save three or more million dollars. With pleas for economy, does it not appear to you we should save that money now?

Mr. BOYLAN of New York. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Mr. Chairman, I refuse to yield for a few minutes.

Mr. BOYLAN of New York. I thank the gentleman for his courtesy.

Mr. STEFAN. I shall yield in just a moment or two.

Mr. Chairman, the Members of this House are responsible for what is going to happen here in the city of Washington to 602,000 people. I know that Members of this House are jealous of our ancient American architecture and the work and the wonderful progress of our planning commission to make this city the most beautiful city in the world. I hope they will hesitate to do anything which would destroy that which the people before you have built here, and I take this opportunity of warning you that this is only one of the first steps for changing the beauty spots in Washington, and changing the valuable ancient American architecture. A bill was passed on the other side of this Capitol this year to change the front of this Nation's Capitol, to throw out some of Dr. Thornton's valuable American architecture and move the front forward to conform with the House and Senate wings, tearing out the beautiful scroll work and columns and even destroying the old Jefferson cornstalk pillars, and it is only one step forward by these modern vandals who want to destroy and build something. I hope gentlemen will given serious consideration to that section of this bill entitled Thomas Jefferson Memorial.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and yield back the remainder of my time.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I do not question either the plausibility or the sincerity of the arguments advanced by the chairman of the subcommittee, the gentleman from Virginia [Mr. WOODRUM], with respect to the reasons which he thought justified leaving out of this bill the appropriations recently authorized for beginning a solution of the farm-tenancy problem.

But I wish to make this observation, that the arguments advanced by the gentleman from Virginia are simply the arguments advanced upon the passage of the farm-tenancy bill through the House of Representatives, in opposition to its passage, not by the gentleman from Virginia, but by others who took the position that the legislation must not be enacted, and which arguments were so persuasive to the gentleman from Virginia [Mr. WOODRUM] that he opposed and voted against the passage of the bill in question.

Boiled down, the matter simply comes to this point, whether or not the House of Representatives, after having authorized by law a somewhat modest approach to the question of solving this great problem affecting 2,800,000 farmers in America, will now back off from that small attempted relief, and allow those who were opposed to the passage of the bill to act as a sort of a court of appeals, reviewing the action of the Congress in the Appropriations Committee and determining in the Appropriations Committee that notwithstanding the Congress by an overwhelming majority passed this act, the Appropriations Committee, forsooth, because it believes the legislation is unwise, is not going to bring in an appropriation to carry out its purposes. That is the issue here. It is not a question of economy. There is no economy in this bill. So far as economy is concerned, I am willing to compare my record with that of the gentleman from Virginia. This bill carries an authorization of $150,000,000, contract authorization, for subsidies to the shipowners of America, and yet we are to tell the 2,800,000 tenant farmers, in the language of the gentleman from Virginia, that there is no hope for the Federal Congress enacting any legislation which will tend to solve their problem.

I am glad I do not share in the pessimism of the gentleman from Virginia. I do not believe that this $10,000,000 will more than make a dent in the general problem of trying to bring some relief to these 2,800,000 tenant farmers, but I do believe it is a beginning, and it was upon that theory that the House passed the legislation.

You will remember the speech made by our great Speaker, in which he appealed for some small beginning, in an attempt to reach the major question which is here involved; how he pointed out to you that the great institution known as the Rural Free Delivery Service began with an appropriation of only $10,000. We listened to his argument and that of other men who spoke in favor of the bill, and we passed it, as I have said, by an overwhelming majority. This proposal to defer the appropriation until January does not mean anything, except that the amount of the authorization this year will be eliminated entirely. Do not be misled by the subtle argument that the subcommittee, considering the appropriations for agriculture, of which I am a member, may consider this matter in January and may bring in an appropriation for this $10,000,000. Our bill for the present fiscal year was not approved until June 29 of this year, one day before the 1937 fiscal year expired and our bill for next year will not be approved in time to aid any tenants in farm operations for the calendar year 1938.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. TARVER. Our bill for the fiscal year 1939, in which the gentleman suggests this appropriation of $10,000,000 may be included, certainly will not be approved until several months after the beginning of the year 1938. It is manifestly impossible that you could take this $10,000,000 in even April or May of 1938 and use it to aid any tenant farmer anywhere in the country in beginning farm operations for the year 1938. Therefore if you do not make the appropriation now you will have simply countermanded the action which you took when you passed this bill through the House of Representatives, and will have said to these tenant farmers that notwithstanding the law we passed we are not going to begin to accord you any sort of relief or appropriate any money in an attempt to solve your problem. In other words, we were merely making a gesture, let us say, to those tenant farmers of America. We did not mean it. We are asked to say to them, "We made a few speeches on the floor which sounded well and we hope will read well. We said we were going to appropriate the small amount of $10,000,000 in an effort to begin a solution of your problem, but upon reconsideration we recognize the fact that you cannot get anywhere on that, so, aside from the speeches we have made and the authorization that we have passed, without any money to back it up, there is not anything we are going to do or undertake to do for you."

I say that is bad faith. I say that is not making an honest, conscientious effort to meet the responsibilities which rest upon us as Members of this House.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. SOUTH. The distinguished chairman of this committee who has this bill in charge, and I have no quarrel with him, stated that because this amount was so small and therefore could accomplish nothing worth while, that it had been eliminated. I wonder if that committee would have approved an amount greater than this, and which, in the judgment of the committee, would have been sufficient to have accomplished something.

Mr. TARVER. I think the attitude of the gentleman from Virginia is perfectly clear and that it is perfectly evident from his answer to the question I asked him when he had the floor that the gentleman from Virginia does not feel that any amount whatever ought to be appropriated for this purpose, but the committee could not have brought in an appropriation for more than $10,000,000 because that is the limit of the amount authorized in the law for the present fiscal year.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield briefly?

Mr. TARVER. I yield.

Mr. WOODRUM. I may state to the gentleman, in order that my position may be made clear, that the gentleman from Virginia was not present on the afternoon the farm-tenancy bill was adopted, but that he was erroneously recorded as having voted for it. The gentleman from Virginia subsequently corrected the RECORD and announced that had he been present he would have voted against the bill. I will say to the gentleman from Georgia that the subcommittee was unanimous in the action they took on this matter, even those members of it who voted for the farm-tenancy bill.

Mr. TARVER. I only know as to the gentleman's own vote by his response to my question when I asked him about it in the committee and he said he was against the bill.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. LUDLOW. I am a Member who voted for the farm-tenancy bill, but in the Subcommittee on Deficiencies I voted against this proposition because of the utter inadequacy of the approach to it on the part of the enforcing officials. They have no program. They are not ready to go ahead. We have simply put this proposition over without prejudice until they can prepare their program.

Mr. TARVER. Then may I ask the gentleman why he voted for the bill? I do not yield to the gentleman to make a speech, but if he will answer my question I shall be glad to have him do so.

Mr. LUDLOW. I may say to the gentleman from Georgia that I did not understand the bill then as I understand it now. I do not say that I would vote against it now, though the hearings have divulged many impractical features of the legislation.

Mr. TARVER. Mr. Chairman, I do not yield further; I have only another moment.

Mr. LUDLOW. Will the gentleman yield?

Mr. TARVER. No; I decline to yield further. I am sorry that the gentleman did not understand the bill when he voted for its passage. I am laboring under the impression that the gentleman may not even now be in possession of all the facts.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a letter of this date addressed by M. L. Wilson, Under Secretary of Agriculture, to Hon. EDWARD T. TAYLOR, chairman of the Committee on Appropriations, outlining the program which has already been formulated for carrying into effect this farm-tenancy measure.

Mr. STARNES. With the appendixes thereto.

Mr. TARVER. And with the appendixes thereto.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

AUGUST 17, 1937.

Hon. EDWARD T. TAYLOR,
Chairman, Committee on Appropriations,
House of Representatives.

DEAR MR. TAYLOR: Secretary Wallace regretted that he was absent from Washington when hearings were held on the third deficiency bill for 1937, because agriculture is intensely interested in several of the items which were submitted by the Bureau of the Budget. Therefore, when he was here several days ago, he asked me to write you this letter, with copies to members of your committee. I shall discuss only the necessity of funds to carry into effect the provisions of titles I and III of the Bankhead-Jones Farm Tenant Act.

Both title I and title III authorize appropriations for the current fiscal year. Failure to provide funds for these titles at the current session of Congress would, therefore, make it impossible for the initial steps in each of these programs to be taken during the fiscal year 1938, as directed by Congress. Title I authorizes an appropriation of $10,000,000 for the fiscal year ending June 30, 1938, $25,000,000 for the fiscal year ending June 30, 1939, and $50,000,000 for each fiscal year thereafter. Title III authorizes an appropriation of $10,000,000 for the fiscal year ending June 30, 1938, and $20,000,000 for each of the two fiscal years thereafter.

Title I of the bill deals with farm tenancy. Title III deals with the development of a land utilization program, including the retirement of submarginal land. While these titles are, of course, related, it will be noted that they deal with distinct agricultural problems.

I know that I need not in this letter rehearse the facts which establish the great need for these programs. As you know, a special committee named by the President studied these problems in detail and the President submitted the committee's report to the Congress. Thereafter the Congress held extended hearings. Legislation providing for these programs has now been adopted by the Congress, by an overwhelming majority vote in each House, and the President approved the bill on July 22, 1937.

I have noted that the report of your committee indicates that the reason for the failure to include appropriations for these programs in the third deficiency bill was twofold: First, that the committee felt that this Department's plans for administering these titles are not yet sufficiently mature to indicate just how the money will be spent; and second, the committee believed that there is no urgency in providing funds at this time.

The Department has formulated definite plans for the administration of both titles I and III.

As requested at the hearings, representatives of the Department submitted to your committee a table indicating the proposed expenditure in each State under Title I for the current fiscal year. This distribution of funds was made in accordance with the directions of the Congress in section 4 of title I. It was stated at the hearings that this break-down by States was subject to revision upon reconsideration by the Secretary, but that the break-down would probably not vary by more than 5 percent of any figure. I can now state definitely for the Secretary that the break-down as submitted to your committee has been adopted for administrative action. The table giving this information appears on page 673 of the printed hearings. For your convenience I am attaching to this letter a copy of that table, marked Table I.

The Congress has itself recognized, in providing for a smaller appropriation for the current fiscal year, and for larger appropriations in succeeding years, that we are entering upon new territory and hence must seek by actual experience the soundest administrative methods of dealing with this problem within the congressional mandate. On the basis of this experience the Department can submit, with estimates for future years, still more detailed information on administrative procedures than was given in the hearings this year.

With respect to title III, your committee was advised at the hearings that the $10,000,000 authorized for the fiscal year ending June 30, 1938, would be used as follows:

Land acquisition	$8,000,000
Land development and maintenance	1,326,783
Development of program of land utilization	432,797
General administrative expense	240,420
Total	10,000,000

For the current fiscal year the Department plans to distribute the $8,000,000 for land acquisition by States as shown in table II attached hereto. You will note that for the first year it is proposed to emphasize particularly the acquisition of land in the Great Plains. This appears imperative by reason of the economic disorganization and human distress that have resulted in those States from long years of drought and the consequent wastage of land resources that has been caused by overcropping and overgrazing. The relatively small sums scheduled for areas outside the Great Plains will be employed mainly in the necessary blocking up of submarginal land projects previously developed.

For the entire 3 years, however, the Department will distribute the funds authorized much more widely as it makes progress with the formulation of the program of land utilization authorized in the act. It should be kept in mind that title III, besides directing the Secretary of Agriculture to acquire and develop land, directs him "to cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization * * *" (sec. 32, subsec. (e)).

Fulfillment of the objectives of title III would not be achieved by indiscriminately buying submarginal land. Therefore the acquisition projects need to be properly located and their use and development carefully planned so that they fit into a sound and economical land-use program for the State and for the Nation as a whole.

Now, as to the urgency of providing funds at the current session of Congress rather than waiting for a later appropriation:

The need for halting the enormous increase in tenancy has been before the Congress for a number of years. After careful deliberation Congress directed that a program, even though small, be undertaken during the fiscal year ending June 30, 1938. This direction was made even though the fiscal year was already under way. This recognized how imperative it is to make at least a small beginning immediately, because the experience gained in this way will help set the administrative pattern as we go forward more intensively on a wider front.

The growing unrest among farm tenants fortunately has been partly allayed by the Congress in passing the tenant bill. Failure to inaugurate this program immediately would open the way to misinterpretation and a possible renewal of unrest.

The need for an appropriation for title III is equally urgent. I know I need not describe the alarming condition in the Dust Bowl of the southern Great Plains. Even now a new Dust Bowl

is rapidly developing in the northern Great Plains. We can no longer temporize with this situation. If we are permanently to solve the problem, considerable land must be purchased by the Federal Government and the lands restored to grass. Properly handled, such purchases can have an immediate and significant effect upon the use of land in an area much greater than that actually purchased. I cannot overemphasize that land purchase is an essential key to a permanent rehabilitation of the area. Here I am sure the Congress recognizes that delay will cause increased distress and additional public expenditures in the end—not only greater expenditures for relief but for land purchases, because the longer we wait the more land we shall have to buy.

Aimless and misdirected migration of families from the Great Plains is increasing. These migrants are creating acute economic and social problems in the areas to which they are going. Among other things they are competing for jobs with local labor in areas where there is already unemployment. They are settling in shanty towns, causing health hazards, overcrowding of schools, and increasing the demands for public relief. These uprooted families are the nucleus of a new form of discontent.

A large part of this migration can be stopped by stabilizing the agriculture of the area. This was convincingly set forth in the Great Plains report. Every program administered by this Department must do its part, but certainly the tenancy and land-use programs are indispensable parts of a coordinated attack.

Sincerely yours,

M. L. WILSON, *Under Secretary.*

TABLE 1.—*Distribution of the $9,500,000 available under the Bankhead-Jones Farm Tenant Act according to the total farm population and the percentage of farms operated by tenants of the 48 States and 3 Territories* [1]

State and Territory:	Amount allocated
Maine	$8,809
New Hampshire	3,836
Vermont	9,241
Massachusetts	6,995
Rhode Island	2,075
Connecticut	7,224
New York	77,003
New Jersey	17,764
Pennsylvania	119,303
Ohio	225,223
Indiana	186,324
Illinois	313,036
Michigan	110,391
Wisconsin	133,147
Minnesota	216,292
Iowa	331,882
Missouri	317,421
North Dakota	104,223
South Dakota	120,338
Nebraska	197,893
Kansas	214,044
Delaware	45,425
Maryland	11,681
District of Columbia	87
Virginia	214,822
West Virginia	100,214
North Carolina	529,694
South Carolina	407,787
Georgia	637,540
Florida	61,870
Kentucky	335,395
Tennessee	417,854
Alabama	617,990
Mississippi	643,153
Arkansas	489,504
Louisiana	378,395
Oklahoma	429,629
Texas	920,723
Montana	37,388
Idaho	39,201
Wyoming	12,000
Colorado	74,459
New Mexico	24,870
Arizona	12,315
Utah	14,238
Nevada	1,531
Washington	46,430
Oregon	37,315
California	91,327
Alaska	463
Hawaii	76,364
Puerto Rico	67,872
Totals:	
48 States	9,335,301
3 Territories	144,699
United States and Territories	9,500,000

[1] Data for the 48 States were obtained from the Agricultural Census, 1935; and for the 3 Territories from the Agricultural Census, 1930, there being no census in 1935.

TABLE 2.—*Estimated distribution, by States, of acquisition funds under title III, year ending June 30, 1938* [1]

State	Estimated acreage to be bought (acres)	Estimated expenditure
Alabama	7,640	$47,200
Arkansas	19,550	87,800
Colorado	297,000	1,256,300
Connecticut	1,500	16,200
Delaware	450	9,000
Florida	21,330	95,300
Georgia	19,760	145,000
Idaho	6,450	24,700
Illinois	850	17,600
Indiana	2,610	28,900
Kansas	50,000	235,100
Kentucky	5,400	50,700
Louisiana	2,400	24,100
Maine	1,100	11,900
Maryland	4,300	38,500
Michigan	4,510	48,000
Minnesota	5,530	71,600
Mississippi	7,800	50,700
Missouri	5,620	59,200
Montana	537,000	1,317,200
Nebraska	30,000	178,300
New Mexico	70,000	208,600
New York	6,790	76,700
North Carolina	9,000	56,800
North Dakota	306,000	1,020,400
Ohio	3,080	43,200
Oklahoma	42,850	156,800
Oregon	9,600	47,100
Pennsylvania	10,350	100,300
Rhode Island	180	3,300
South Carolina	14,140	126,600
South Dakota	306,000	1,005,000
Tennessee	7,800	81,200
Texas	121,000	639,800
Utah	6,620	19,900
Virginia	3,910	41,600
Washington	4,510	19,600
West Virginia	600	6,000
Wisconsin	6,760	47,800
Wyoming	185,000	485,000
Total, United States	2,145,000	8,000,000

[1] Outside of the Great Plain States, the figures shown are mainly for further blocking up of existing submarginal land projects. As stated in the accompanying letter, however, it is intended that new projects for the two following years will be much more widely distributed in States outside of the Great Plains though with continuing emphasis also on the Great Plains.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN of New York. Mr. Chairman, I want to say first on this, practically the last bill on which the Appropriations Committee will work, that our relations have been very pleasant, that the acting chairman of the committee, the gentleman from Missouri [Mr. CANNON], the acting chairman of the subcommittee, the gentleman from Virginia [Mr. WOODRUM], and every member of the committee on both sides, particularly the gentleman from New York [Mr. TABER], on the minority side, brought so much to the work of the committee that really a large part of it is the result of their efforts. I did not intend to speak to you so early in the day, but the gentleman from Nebraska [Mr. STEFAN], who addressed you, a gentleman in whom I am very much interested and for whom I have a high regard, refused to yield that I might ask him a question. I merely want to state to the gentleman from Nebraska and the Members of the House, in order that you may not be misinformed, that under the revised plans adopted for the Jefferson Memorial the contour of the Tidal Basin will not be changed; that these far-famed cherry trees will remain as they are; and that no effort will be made to disturb their peaceful lives.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield.

Mr. BEITER. Would the gentleman object, then, to a proviso being inserted in the bill to the effect that the cherry trees are not to be affected?

Mr. BOYLAN of New York. The Commission has so stated to the President of the United States, and the President of the United States was perfectly willing to accept the statement of the Commission; and here openly and on the record I say to my colleague from New York that not a single cherry tree will be disturbed and not an inch of the contour of the Tidal Basin will be changed.

I wanted to correct my dear friend from Nebraska, because just as he loves the cherry trees and all trees, so do I. I am not going to be the assassin of a single cherry tree.

Mr. BEITER. Mr. Chairman, will the gentleman yield further?

Mr. BOYLAN of New York. I yield.

Mr. BEITER. Where will the memorial be located, then?

Mr. BOYLAN of New York. It will be moved farther south from the position originally intended in the Basin itself, farther south toward the railroad tracks.

Mr. BEITER. Then the gentleman should not object to having that proviso in the bill.

Mr. BOYLAN of New York. I have made an open statement to the gentleman, and if that is not good enough I am sorry.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield.

Mr. SCOTT. Has the last report of the Commission setting forth the modified plans been published anywhere or made public so that Members may see it?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOYLAN of New York. Mr. Chairman, the resolution was adopted on July 13. It was published in all the papers and reads as follows:

Whereas there appears to be a difference of opinion as to the adoption of formal treatment for the Tidal Basin area along the general lines of the Park Commission of 1901, as hitherto proposed.

The Thomas Jefferson Memorial Commission is ready to modify its proposal for the setting of the memorial, to permit the retention of an informal treatment of the Tidal Basin on its present lines, thereby retaining the existing contour of the Basin and the cherry trees planted thereon; reducing the cost, which borings to bed rock show to be reasonable, and leaving traffic undisturbed.

The Commission hereby instructs its architect to enter on the preparation of revised studies for the setting of the memorial, accordingly.

Mr. SCOTT. May I ask the gentleman one further question? Does the change in location have any effect on the type or style of the memorial?

Mr. BOYLAN of New York. The type and style will be practically the same, only it will be reduced in area.

Mr. MAVERICK. Will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Texas.

Mr. MAVERICK. Has the gentleman a copy of extensive hearings that are available for the Members of the House of Representatives?

Mr. BOYLAN of New York. I read the resolution and it has been printed.

Mr. MAVERICK. I mean, the gentleman has not printed hearings like we have in connection with the Appropriations Committee?

Mr. BOYLAN of New York. If it does not appear in book form, we have not any.

Mr. TREADWAY. Will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman kindly explain where this modified plan calls for the erection of a memorial?

Mr. BOYLAN of New York. Yes. It will be immediately south of the original proposal for the memorial.

Mr. TREADWAY. If I understand the geography correctly, south of the Tidal Basin, and not touching the detour of the location, would put it in the Potomac River, would it not?

Mr. BOYLAN of New York. The gentleman's geography is in error. If he will look at the map he will find it is approximately 1,000 or 1,100 feet from the Tidal Basin to the railroad tracks and you cannot reach the Potomac River without crossing the railroad tracks.

Mr. TREADWAY. Yes, you can. I will not interrupt the gentleman further.

Mr. BOYLAN of New York. I will be glad to have the gentleman interrupt me, because I know he has had a wrong idea of this whole thing.

Mr. TREADWAY. May I ask this further question; has there been a plan brought forward for the public to see as to where this modified spot is located?

Mr. BOYLAN of New York. The public will see it.

Mr. TREADWAY. When built?

Mr. BOYLAN of New York. No; as soon as the plans are completed. They are working on it now. The Park and Planning Commission, the architect, and the Fine Arts Commission are working on it.

Mr. TREADWAY. The new location?

Mr. BOYLAN of New York. Let me complete my answer. The ordinary agencies provided for by Congress to pass on such things.

Mr. TREADWAY. I still have not the geographical location of the new modified plan.

Mr. BOYLAN of New York. I would suggest the gentleman refresh his recollection of the geographical location by taking a taxicab, riding down there, and looking it over.

Mr. TREADWAY. I have been there within the last 24 hours.

Mr. BOYLAN of New York. You could see it again within a half hour.

Mr. TREADWAY. Yes, I suppose I could.

Mr. TABER. Where is it with reference to the rose beds and those tennis courts down there?

Mr. BOYLAN of New York. It has nothing to do with that. It will be placed on vacant land entirely south of the present location.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SCOTT. Where would the set-up be with relation to the axis that runs along there now?

Mr. BOYLAN of New York. On the same axis only farther south.

Mr. SCOTT. On the other side of the Tidal Basin?

Mr. BOYLAN of New York. Oh, yes.

Mr. LUCKEY of Nebraska. Will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. With regard to the proposed new location, would any engineering difficulties be encountered in placing the foundation?

Mr. BOYLAN of New York. The engineers say "no" and the Park and Planning Commission say "no." As a matter of fact, there will be a better foundation.

Mr. LUCKEY of Nebraska. Is it not a fact that the subsoil around there is a mucky, muddy subsoil, and you have to go down 70 or 80 feet before you strike bedrock?

Mr. BOYLAN of New York. Those borings have been made by the Army engineers. It runs from 70 to 80 feet; yes.

Mr. LUCKEY of Nebraska. If located there, would the building be convenient and accessible to the general public?

Mr. BOYLAN of New York. Very accessible.

Mr. LUCKEY of Nebraska. Without additional driving and walking?

Mr. BOYLAN of New York. Yes.

The Park and Planning Commission has stated that the location proposed will require less change than any plan heretofore proposed.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is this site above the high-water mark? If so, how high is it above high water?

Mr. BOYLAN of New York. The exact number of feet I do not know; but the gentleman himself knows from his long, valuable, and varied experience here that all that land has been filled in. At the time of the planning of the Lincoln Memorial there was quite a hub-bub in the city and even "Uncle Joe" Cannon was opposed to it because he said

the land was swampy and marshy. "Uncle Joe" said that the statue would shake itself to death from malaria in 2 or 3 years.

Mr. KNUTSON. Of course, they have killed off the mosquitoes since then, and "Uncle Joe" Cannon could not have foreseen that campaign.

Mr. BOYLAN of New York. I will answer any other questions. There has been a lot of hullabaloo, misrepresentation, and misstatement about the work of the Commission. You would think we were going to do something surreptitiously. They said, "Let us have your minutes." I said, "Come and see the minutes. You can read them." Thereafter, by some hook or crook, I do not know how it happened, the minutes were published in the Washington papers, and they did not find a thing which reflected in any way on the Commission.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a question?

Mr. BOYLAN of New York. I yield to the gentleman from New York.

Mr. MILLARD. Did the gentleman's Commission consider the site where the Naval Hospital is now?

Mr. BOYLAN. No; it was never suggested.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from New York.

Mr. BEITER. The gentleman has stated the resolution was published July 13. I have here the RECORD of that date and fail to find it. Was the resolution published in the RECORD?

Mr. BOYLAN of New York. I do not know that it was published in the RECORD. It was published in the daily papers. I can give the gentleman a copy of the resolution.

Mr. BEITER. I should like to have a copy of the resolution so I may put it in the RECORD.

Mr. Chairman, I ask unanimous consent that the gentleman may insert in the RECORD a copy of the resolution.

Mr. BOYLAN of New York. The resolution will be in the RECORD, because I have just read it.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

THE FEDERAL GOVERNMENT PUNISHES NORTH DAKOTA AND WITHHOLDS, WITHOUT ANY JUSTIFIABLE WARRANT, $2,000,000 OF ROAD FUNDS

Mr. BURDICK. Mr. Chairman, I desire to call to the attention of this House and the country at large just how strong the Federal Government has become in directing the affairs of a State. If this procedure is allowed to continue and develop, there will be no occasion to have a State administration except to act under the Federal Government in policing the State. All State courts can be wiped out and the legislature abolished.

I present here some of the activities of the Federal Government in the affairs of the State:

In North Dakota the legislature decided that it would be to the best interest of all and contribute to the general welfare, to make all mortgages on growing crops illegal. This was done, but before the law was enacted and signed, the Federal Government threatened to withhold all Federal loans for emergency feed and seed, all production loans, and all land commissioners' loans. North Dakota was too helpless financially to resist this demand, and the law was written with an exception made in case of Federal loans.

Again, the same legislature, years before, had provided for State hail insurance, that has since the beginning of its operation saved the farmers of North Dakota millions of dollars. Another legislature decided to outlaw deficiency judgments. Deficiency judgments permitted the creditor to take all a man had under his mortgage, sell it at a sheriff's sale, usually to himself, and then file a judgment for the balance due and follow the distressed debtor through the remainder of his life, hoping he might accumulate something else that the creditor could pounce upon. This legislature said, "no"; that can no longer be done within the borders of North Dakota. The Federal Government made it plain that if such a law were passed the Federal land bank and the land bank commissioner would discontinue loaning in North Dakota. The supreme court of North Dakota decided that the legislature constitutionally provided that the premium for hail taxes became a first lien upon the land. That was a just decision. If the owner was hailed out, he would have money to pay his debts, and surely the debtors would not want to take the hail money without paying the State the premium.

The outlawing of the deficiency judgments was just. Surely our Federal Government would not want to follow a half-starved farmer around the remainder of his life in the hope that he might some time accumulate property enough to be taken on execution sale.

But that is exactly what the Federal Government demanded. They demanded a repeal of the hail tax as to its being a first lien on the land; they demanded a repeal of the deficiency judgment law, or the Federal Government, through the Farm Credit Administration, would make no more land and commission loans in North Dakota. North Dakota stood pat and would not recede. The result is that today no Federal land bank and no commissioner's loans are being made in North Dakota. Personally, I am proud of the North Dakota Legislature in standing by its guns and telling the Federal Government to go "jump in the ocean."

The Federal Government, no doubt, resented this independence of 680,000 people. Today we have another problem where it is obviously evident that the Federal Government is again attempting to run the business of North Dakota as it thinks it should be run.

Two million dollars has been made available for the purpose of building public roads within the boundaries of North Dakota. This money does not need to be matched by State funds. The money should be sent to North Dakota and made available for the purposes for which it was appropriated. But the Bureau of Public Roads will not send the money until North Dakota arranges the highway department to suit the Federal Government. Asked repeatedly what is wrong with North Dakota, they say to me that several things are wrong and that these deficiencies must be cured before they will send a dollar to North Dakota. They say:

First. That one-third of the mileage of Federal-aid highways in North Dakota is not properly maintained.

Second. Maintenance funds for previous years are wholly inadequate, and this condition is only aggravated by decrease in estimated amounts available for the present.

Third. The people of North Dakota during the last few years have not provided enough money for maintenance budget.

Fourth. The present maintenance organization is not adequate to insure satisfactory operation.

Fifth. Equipment needed for maintenance work is not satisfactory.

The Bureau of Public Roads has been asked several times to specify the particular charges so that it might be possible to satisfy them, but, upon repeated request, nothing further has been specified.

No wonder maintenance funds for previous years have been inadequate. For 8 long years the most of North Dakota has been in the dust bowl and the people were lucky to live. The Federal Government ought to consider this fact now and not withhold our allowance for roads because we have been unable to raise money enough to sustain the roads as the Bureau thinks they should be maintained.

They charge that the present maintenance organization is not adequate to insure satisfactory operation. On this charge the Bureau should specify definitely and exactly what is wrong and what could be done to meet the conditions imposed. But they refuse to specify. If there are funds to maintain a larger organization or a better organization, it could be done, but if the Bureau will not say how the situation can be improved, it surely is acting in a most high-handed and autocratic manner with respect to North Dakota.

The Bureau says the equipment is not sufficient to properly maintain roads. Will the Bureau specify in what way the equipment is deficient, and will the Bureau say that with the

funds available proper equipment could be secured? If the equipment is deficient now, was it not deficient during the two preceding administrations of Gov. Walter Welford and Gov. Ole Olson? It surely cannot be charged to the present administration. If the money to operate has been deficient, was it not deficient under these previous administrations? If the people of North Dakota for the last few years have not provided money enough to maintain roads, did not the Bureau know that during the two previous administrations?

Everything that the Bureau charges now it must have known during these previous administrations. If these are the reasons for withholding the money, why did not the Bureau withhold the money then?

If the roads have not been properly maintained, did not the Bureau know that before this present administration came into power? It is clear that the present administration is not to be held responsible for the failures of other administrations. Why punish the people of North Dakota for conditions that should have been corrected in past administrations? Governor Langer has not been in office over 90 days in which road construction could be carried on, and hence, he has never been given an opportunity to demonstrate whether under his administration roads can be properly constructed. He has had little opportunity to demonstrate what he can do with maintenance, except to clear the roads in winter. What evidence is there at this moment that the maintenance system in North Dakota is not operating better and more economically than it was during the two preceding administrations which had the cooperation and support of the Federal Government?

Personally, I do not believe that the reasons set forth by the Bureau for withholding this money are the actual reasons. They cannot be if the statements so far made by the Commissioner of the Bureau are to be accepted. The real reason, in my judgment, is deeper than this. The real reason appears from every angle to be political. The only information before me convinces me of this and from this information I must charge that the reasons why this money is not sent to North Dakota is entirely political. The administration of Governor Langer is to be discredited. The Federal Government did that in the unwarranted and high-handed prosecution of William Langer when he was Governor before. It appears that someone close to the Government here, who is politically opposed to William Langer, has filled the Bureau with information that the Langer administration is not to be trusted with Government funds.

Under all the facts appearing in this case, I am sure the people of North Dakota will stand with the Governor in this matter. Surely they will not again condemn him on the record before us. As a citizen of North Dakota, I will continue to support the Governor on this issue against all comers. If the Federal Government wants to come into North Dakota and dictate the entire legislative and administrative policy, and expect the State to meekly submit to Federal control, they will be definitely mistaken. If North Dakota cannot get $2,000,000 of road money that this Congress has voted it, without abjectly surrendering the sovereign power to the State, I, for one, say North Dakota is not for sale. We can get along with the roads we have—if we have to; we can get along without borrowing any money from the Federal land bank—if we have to; we can get along without borrowing any money from the Land Bank Commissioner—if we have to; but as long as we have the ability to think straight we will not submit to the complete federalization of the State government of North Dakota.

I hope we shall still refuse to repeal our State hail law; I hope we shall still refuse to repeal the deficiency judgment law; and I hope we shall still refuse to turn our highway system over to the Federal Government. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and include in the Appendix an article by Irene Juno, appearing in the May and June issues of the National Young Democrat.

The CHAIRMAN. Such a request should be made in the House.

Mr. HOFFMAN. Mr. Chairman, this bill carries $1,207,500 for the activities of the National Labor Relations Board. The N. L. R. B. is partisan in its activities. The committee has very drastically cut the estimate, yet it seems the amount is still altogether too large when we come to consider the activities of this Board.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. WOODRUFF. Does the gentleman refer to the partisan activities of the Board?

Mr. HOFFMAN. Well, each Member of the House can construe those activities for himself.

Oppression, excessive taxation, denial of justice, forced the Colonists, despite their poverty, their wretched state, to offer battle to a rich and powerful nation, the mistress of the seas.

Success meant the privilege of waging a desperate struggle for existence; failure, an ignoble death at the musket's muzzle or the end of the hangman's noose.

Dire necessity and a realization of their fate, if they fought not for their liberty and independence, forced the issue.

Intense suffering, supreme sacrifice, unconquerable courage, and a spirit which considered no hardship too great, after 8 long years of battle, brought us an acknowledgment of independence.

CONSTITUTION BEST EVER, SAYS ROOSEVELT

The war over, our forefathers brought forth a Constitution, of which Franklin D. Roosevelt, on March 2, 1930, said:

> The United States Constitution has proven itself the most marvelously elastic compilation of rules of government ever written.

And, as late as June 10, 1936, he observed:

> The Constitution provided the best instrument ever devised for the continuation of these fundamental principles of Federal Government.

RUGGED INDIVIDUALISM

The rockbound coast, the rugged mountains, the impenetrable forests, the broad sweep of the prairies, was the anvil upon which now much-despised individualism hammered out, gave shape to and forged a melting pot into which was poured not only the fine gold and silver of the Angelicans, Antinomians, Calvinists, Catholics, Congregationalists, Dunkards, Dutch Reformists, French Huguenots, German Reformists, Lutherans, Mennonites, Moravians, New England Puritans, Protestants, Quakers, and Scotch and Irish Presbyterian ancestors, but the dross from the prison pens and ships of the old world, all refined by contact and joint effort, out of which has come in the end a civilization which has been the salvation of the oppressed of all the world.

Material prosperity unequalled, educational advantages unparalleled, and a religious freedom undreamed of, are expected and accepted as matter of course by our people.

This material prosperity, these educational advantages, this religious freedom, our Government itself—all would be destroyed by those who come with words which promise "the more abundant life", but which bring oppression, loss of liberty, and the enslavement of the worker.

THREE DANGEROUS INSTRUMENTALITIES

There are three instrumentalities in this Government of ours, all of recent origin, all working harmoniously together, all producing the same result—the destruction of material prosperity, abolition of free speech and a free press, and the enslavement of the worker. They are the Senate Civil Liberties Committee, the Wagner Act, and the National Labor Relations Board.

If you call for proof, the answer is: Read the record. Consider the undisputed facts. Note the results produced by the application of the Wagner Act and the actions of the Committee and the Board.

In the 4 years of 1928, 1929, 1930, and 1931, because of strikes, the workers of this country lost employment totalling 5,665,000 days.

With the aid of the C. I. O. and the National Labor Relations Board, workers lost 10,851,706 days during the first 4 months of this year, and, in June alone, 4,500,000 days' work.

And, in the wake of the C. I. O. and the N. L. R. B., has followed the closing of factories, a loss of employment and, over a period of time, a loss of wages.

The bill before us carries an appropriation for the N. L. R. B. but its activities are so interwoven with those of the C. I. O. and the Senate Civil Liberties Committee that a brief review of each is necessary, if we would intelligently decide whether we are to appropriate the taxpayer's money to continue this unholy assault on the independent worker, as well as upon those who give employment.

The March 1937 issue of the radical publication, The Fight, states that at a meeting of the Cosmos Club in Washington, in February 1936, when among those present were John L. Lewis; Gardner Jackson, of the American Civil Liberties Union; Dorothy Detzer, of the Women's International League for Peace and Freedom; and Senator ROBERT LA FOLLETTE, the idea of a Senate Civil Liberties Committee was conceived.

Thereafter, such a committee was given authority by the Senate, and, from that day to this, it has utterly failed to carry out the purpose of protecting the civil liberties of the people of this land.

It has investigated and brought to light many instances showing the oppression of workers by employers. It has, and the circumstances indicate, purposely, failed to investigate coercion, intimidation, violence, and bloodshed imposed upon workers by members of the C. I. O. and by gangsters employed by it.

This statement is made deliberately. It is a matter of common knowledge, and to it there is no defense and for it there is no reason, except the desire of LA FOLLETTE to further the interests of the C. I. O. to oppress industry, to create a prejudice against the man who furnishes the jobs, to advance the interest of the wrecker and the destroyer.

THE CHICAGO RIOT

One of the most reprehensible acts of this committee was the manner in which it handled the Chicago riot. Almost everyone knows that the C. I. O. determined to drive out some 1,400 men who were working in the Republic Steel Co. plant.

Prior to Memorial Day, it had made three massed assaults upon this plant, but, in each instance, it had been repulsed. The Memorial Day was the fourth attempt. It prepared for that assault by bringing in outside men, men who had never worked in Republic.

It established a first-aid station, and, 2,500 strong, it marched down upon a police line which had been thrown out to protect the workers within the plant, who had every reason to fear a repetition of the Herrin, Ill., killing.

The La Follette committee pretended to give an accurate account, through pictures and sworn testimony, of what occurred. That it did not do.

I have here a verified transcript of a part of the testimony, given before the coroner at Chicago, of Orlando Lippert, the newsreel cameraman for Paramount News, which furnished pictures to LA FOLLETTE, and he testified that, as he finished one scene:

I glanced up quickly and saw stones coming—stones and missiles coming from the rear of these strikers into the police lines, practically at our feet. At the same time, and simultaneously with the missile throwing, a group of strikers in the rear of the line directly in front of the camera pushed the strikers in the front row into the police officers.

This is the part that is missing from my film, and, to my very best judgment and knowledge, that is about 7 seconds.

He then testified that there were about 2,500 strikers and their friends at the scene. He was asked:

Question. Did you at any time prior to the throwing of the missiles or bricks, as you say, see any police officer commit any act of violence against any one of the strikers in the ranks?

Answer. Absolutely none.

Question. Was there any action on the part of the police, individually or collectively, before the barrage was thrown?

Answer. None that I saw.

The sound operator, Harold A. Witt, likewise testified:

Question. Did you notice any rocks or missiles thrown by either side?

Answer. Yes; I did.

Question. Just explain that to the jury.

Answer. They were doing considerable arguing there at the front line there, off to the right; that is, off to my right, and I was watching the argument there, and suddenly there was a bunch of rocks and various pieces of pipe and sticks or something came over and went into the police lines, and a few of them went over our truck, and one went by our truck, very close to the windshield of the car, and then the strikers seemed to surge forward, I would say a distance of anywhere from 5 to possibly 10 feet, while the policemen were in the act of warding off these falling stones and stuff.

Then the police surged forward, striking at the crowd.

Question. Did the rocks all seem to come over at one time, as if from a signal to throw, and everybody threw, or were they coming over over a period of half a minute or so?

Answer. They seemed to be fairly well together.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Texas.

Mr. MAVERICK. I do not say there was not some measure of violence on the part of the strikers. The La Follette committee report admits it. However, the policemen killed 10 people, and these workers did not fire any shots, as far as I know, or anyone knows.

Mr. HOFFMAN. This testimony shows that one shot, the first shot, came from those who were marching down on the police.

Mr. MAVERICK. I mean, there was no evidence of any guns found, or anything like that. In other words, the point I am making is that the police used greater force than was necessary. To say the least, it was poor judgment to kill 10 of the strikers. I do not say force was not used by the strikers, too, and I do not approve of that in any way. The killing was brutal and the police certainly used too much force.

Mr. HOFFMAN. Perhaps greater force than was absolutely necessary, but the amount of force which is necessary must of necessity again be determined by those who are assaulted as the facts and circumstances appear to them at the time.

Mr. MAVERICK. Yes; of course; but, I repeat, their judgment was, indeed, bad.

Mr. HOFFMAN. It is easy enough after the trouble is over and the transaction has faded into the distance and there is no longer any danger, to sit here and say that too much force was used, but this operator states there were 2,500 in this group who came down in a threatening way with the arms they had, which were not guns but a meathook on a stick, and things like that. It is easy enough to see how an error of judgment may be made.

Mr. MAVERICK. I want to ask the gentleman a reasonable question, and not for the purpose of stirring up any anger. Does not the gentleman think it is possible for a reasonable person to believe that the police used more force than was necessary?

Mr. HOFFMAN. Perhaps, in the light of what occurred, it might have been better for the policemen to have taken a beating. Perhaps they might have let these people through and might have let them assault the fourteen hundred people who were in the plant, but who knows whether 10, or 20, or 100 would have been killed instead of the 10 who were killed?

Mr. MAVERICK. When they killed one man——

Mr. HOFFMAN. I have yielded as much as I care to yield now——

Mr. MAVERICK. When they killed one man it certainly was enough. I am not trying to be unreasonable.

Mr. HOFFMAN. I know that; but here is the situation: Standing here we cannot judge whether they used too much force; and if we were to say to police officers that they must not use any excessive force or they must not protect the men in their homes or the men when peacefully working at their jobs, where would we get?

Mr. MAVERICK. Oh, no.

Mr. HOFFMAN. You would give a license to those who want to assault and drive out the men in order to march on.

Mr. MAVERICK. Oh, no. I simply say they used more force than was necessary. I do not approve of violence of any kind and neither does the gentleman.

Mr. HOFFMAN. Yet the La Follette committee would lead us to believe that the officers charged with the protection of the property and the lives of the citizens of Chicago deliberately made an assault, with guns and clubs, upon unarmed, unresisting, peaceful citizens, engaged in no unlawful enterprise. Why should a committee which takes so prejudiced a view spend the people's money?

GOVERNMENT USES SPIES

This committee has brought to light and exposed the spy system used by employers. It has ignored the fact that the Senate Civil Liberties Committee itself has its spies and its undercover men, as have other departments of the Government; as has the National Labor Relations Board; as have the rival unions, the A. F. of L. and the C. I. O. It condemns as un-American the spy system, which the committee itself uses.

As a manufacturer of examples of hypocrisy, it is efficient; as a protector of the man who desires to work, it is a failure.

This committee, like the National Labor Relations Board, habitually uses browbeating, insulting, and unfair methods in the examination of witnesses. True, it does not in its open sessions employ the rack or the thumbscrew to physically torture those summoned before it, but it does use unsparingly practically every method of mental torture, and no witness, after listening to the examination of those who have preceded him, can take the witness chair without a feeling of indignation and fear of being held up to public ridicule, his honesty questioned, his motives attacked.

The only way to get an unbiased opinion of the proceedings of this committee is to attend a hearing, for the record is usually "revised" and "corrected."

Now, why should we give them money to continue a one-sided investigation? If they will investigate both sides and put it all on the record, for instance, the things which happened in Michigan on August 4, and other instances which I have put in and will put in again—if they will investigate all these things and if they will stop the C. I. O. from intimidating workers, that is all right, but when they just go one way or give one side, then are they spending public money to advance the cause of workers? No; they are not. They are spending this money to create a new political party, and do not make any mistake about it. The gentleman from Texas may be the leader of that party, and if they have to have a leader, I know of no one better qualified to lead that branch, because I recall how he went into Michigan and he told those workers at Detroit on the 5th day of June, which was published on the 17th in this RECORD, that he was up there to assist in freeing the slaves of Ford, those men who get an average of $7.26 per day, a wage which I do not believe you pay in the South. If you will take the C. I. O. into the South and leave it there and keep it there, I hope all your people will be happy.

Mr. MAVERICK. You do not think I have ever defended the wages in the South? They are much lower in the South. I said I wanted as good wages in the South as in the North.

Mr. HOFFMAN. I do not know anything about that. I only know that I have thought, and if I am wrong you will correct me, when you were speaking at Detroit you were asking that the C. I. O., with its principles, go South and organize.

Mr. MAVERICK. No; I did not say just that.

Mr. HOFFMAN. Then you wanted them to leave their principles behind, because they have none, really. [Laughter.]

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. ALLEN of Pennsylvania. The gentleman made the claim that a worker had been dynamited by C. I. O. organizers or sympathizers.

Mr. HOFFMAN. Yes.

Mr. ALLEN of Pennsylvania. Will the gentleman please explain how he knows that to be true? How does the gentleman know it was the C. I. O.?

Mr. HOFFMAN. All right; I will answer your question if you will sit down and let me answer it, please.

Not because I was there, because I was not. Not because I talked with anyone who was there, because I did not, but because that act of dynamiting had no purpose except the intimidation of the men who wanted to work, and because it is in line with the activities of that organization in almost every place where they have started organizing, and six members of the C. I. O. or of their group have entered pleas of guilty to having dynamite in their possession, and because it is in direct line with the way in which they solicit and persuade their members.

Why should we appropriate the taxpayers' money to assist the Senate Civil Liberties Committee, the N. L. R. B., to assist the C. I. O. in its drive to destroy the American Federation of Labor?

BE LOYAL TO THE AMERICAN FEDERATION OF LABOR

For many, many years the American Federation of Labor has been the representative of responsible American labor. It successfully resisted the efforts of the Communists in 1924, when, as Lewis says, they staged their fight to destroy the American Federation of Labor. It successfully resisted the efforts of John L. Lewis himself and his Communist allies to take over its organization. It is today the one great labor organization which is resisting the efforts of the Communists to secure control and that is why they would wreck it.

When Lewis basked in the sunshine of Mme. Perkins' smile and while he was making every effort possible to destroy the American Federatio nof Labor, for weeks not an American Federation of Labor man, many of whom have been favored with the support of the A. F. of L., arose in this House to condemn his lawless acts, to defend the American Federation of Labor.

True, I am not a representative of any union, but never will I stand idly by and see an organized drive, which is directed not only at the destruction of the American Federation of Labor but at the independence of the American worker be made unchallenged.

WILLIAM GREEN RETURNS TO FAVOR

Now that William Green is again welcomed at the White House, he is once more in favor with certain other gentlemen who at last are coming to realize that the American people believe in and will see fair play.

This committee has deliberately permitted the creation of the impression that it is behind the drive of the C. I. O., that the President of the United States favors membership in the C. I. O.

Workers who had committed no offense whatever; who but desired to continue at their tasks, have been beaten because they refused to join the C. I. O. One, Harry A. Longacre, at Pontiac, Mich., an employee at the Fisher Body plant of General Motors, which had a contract with C. I. O., was thrown, on June 10, 1937, into a vat of Flintcote. On August 4, in the Plymouth plant of the Chrysler Co. at Detroit, which also had a contract with C. I. O., two men were beaten because they would not join the C. I. O.; and there are literally hundreds of specific instances, known to the investigators of this committee, where men have been deprived of their civil liberties because they opposed the C. I. O. But, so far as I have been able to learn, not one word of this has been spread upon the record.

For the information of the chairman of the committee, let me call his attention to the fact that on June 19, 1937, in the city of Canton, Ohio, Michael Kristoff was beaten by a mob of strikers because when asked as to whether he had signed with the C. I. O., he said, "I did not make up my mind yet as to what I am going to do about it."

At 4:05 a. m., on June 25, 1937, at 2704 Mahoning Road NE., Canton, Ohio, the home of Webster, who wanted to work, and which previously, on June 1, had seven windows broken by stones thrown from a passing automobile, was

dynamited. This man's only offense was that he would not join the C. I. O.; that he wanted to continue at his task. I show you pictures showing the effects of this dynamite, and also pictures of peaceful picketing and the blockading of the highways when the C. I. O. determined who should and should not pass. I call attention to the facts that thousands of men were driven from their jobs in Flint, in Detroit, and in other places throughout the country, yet the denial of the right of man to work, the driving him from his place of employment by the C. I. O., apparently none of these instances of the violation of the civil liberties of a citizen have been investigated by this committee.

C. I. O. "PERSUADES"

I show you a picture of the methods used by the C. I. O. to "persuade" an honest striker to join their lodge. Note the man on the right with a club about 3 feet long holding the right arm of the nonjoiner. Note the arm of the other man also holding the right arm of the nonjoiner with his right arm while with his left hand the "persuader" holds the left hand of the nonjoiner; how they have ripped open his collar and torn his coat. They are "persuading" him to join.

Mr. O'CONNELL of Montana. Who are they supposed to be?

Mr. HOFFMAN. In the record it is shown they are C. I. O. workers.

Mr. O'CONNELL of Montana. Who says they are?

Mr. HOFFMAN. They had buttons on, or one of them had. The trouble is you do not read the testimony and you see only one side of the matter.

Mr. O'CONNELL of Montana. That is exactly what is wrong with you and has been all the time.

Mr. HOFFMAN. All right. I admit that in times past the employers have been guilty of intimidation and coercion and strike breaking, but gentlemen have not cited one single instance since 1932 where an employer has been guilty of intimidation.

Mr. O'CONNELL of Montana. Oh, I will show the gentleman that all through the strike——

Mr. MILLARD. Mr. Chairman, I demand the regular order.

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; not any longer. I have answered the gentleman's question.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. RANDOLPH. Regardless of the controversy in connection with the Chicago case, would the gentleman say that he believes the National Labor Relations Board has been partisan in its decisions?

Mr. HOFFMAN. Yes; in my opinion, and partisan in its methods—it makes a charge, investigates its own complaint, hears its own witnesses, and renders a decision.

Mr. RANDOLPH. Will the gentleman yield further?

Mr. HOFFMAN. Yes.

Mr. RANDOLPH. To what does the gentleman attribute the reason for the so-called partisanship or unfairness?

Mr. HOFFMAN. Well, because they are there to carry out a certain policy, to accomplish a certain purpose, which is in line with their political connection. What does the C. I. O. intend? The only way in which you can tell what a man means, except by what he says, is by what he does. Over there in Harlan at the present time there are 27 charges against those mines. There it is a matter of 271 against 19 in one plant, and the Board is trying, in the interest of the 19, to force the others into an agreement. What are they doing out there? I leave that to the gentleman.

Mr. RANDOLPH. It is a fact, is it not, that the creation of the National Labor Relations Board comes from Congress.

Mr. HOFFMAN. Yes.

Mr. RANDOLPH. And certainly the Congress of the United States had no intention of having a partisan board. Is that true?

Mr. HOFFMAN. I do not know what the Congress intended.

Mr. RANDOLPH. Republicans and Democrats joined in passing the legislation. The Board is trying hard, I feel certain, to be fair in its investigations and the decisions thereby resulting.

Mr. HOFFMAN. The presumption is that they were acting honestly and fairly, but that is not the point.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. HOOK. Does the gentleman not think that we are approaching this problem in quite the wrong way and losing quite a lot of time in not attacking the cause instead of the symptoms? Was not the cause that was back of this trouble the deplorable conditions that labor has been living under for years?

Mr. HOFFMAN. In answer to that, assuming it to be true for the purpose of argument, there is no indication that that cause is operating today, because now we have prosperity. Prosperity has returned. The causes which formerly existed, such as starvation wages, unsanitary working conditions, outrageous hours no longer are the rule—not in Michigan at least.

I say that labor should be organized. There is no question about that. I say that the American Federation of Labor has done wonderful work, a great work through the course of the years. It is still doing it and undoubtedly will continue to do it, but I want to call attention to the fact that when the C. I. O. started to wreck the American Federation of Labor, where on the floor of this House were the American Federation of Labor men and what did they have to say about it? Where were the friends of labor? Now, let me go on to this point of the picture.

C. I. O. CONTINUES TO "PERSUADE"

A posed picture, you say? Oh, no. This is not like the pictures exhibited by the La Follette Civil Liberties Committee depicting a part of the Chicago riot. The man who is being held is Mr. Rebstock. One of the C. I. O. organizers was Claude Cooley. Has the Senate committee called him to inquire what he was doing to or with Mr. Rebstock?

Another man present was John G. Stewart. With others, he was taken to Bandi's Hall. In the basement, one of the men hit him with a club. About the same time, a man named Staokoe, a nonunion man, was brought in. He was beaten.

Here is a picture showing the collection of weapons taken from strikers who were marching on Youngstown, Ohio.

And here is another showing the "little sticks" sometimes carried by strikers. Note the large gentleman in the forefront, with his "little stick" resting on his toe and reaching above his waistline. It has every appearance of being a baseball bat.

And here is a picture of a nonunion worker beaten to the ground as he attempted to leave the Republic plant at Cleveland. Note the upraised club, not stick, which has felled him. And note the club in the hands of another strike sympathizer. And note the other victim being helped into an automobile for transportation to a hospital. One person was killed; 20 were injured—all because men wanted to work and John L. Lewis had decreed that they should not work. Yet the Senate committee took no action to protect the workers.

And here is another picture, which shows what happened Saturday, June 26, 1937, at Flint, when a C. I. O. affiliate declared that the Mary Lee Candy Shop and Restaurant, on one of Flint's main streets, should not do business. At least 10 men and women patrons were beaten by strikers, and the only offense of these men and women was that they continued to patronize a business place on a main street of a city, contrary to the command of C. I. O.

On another occasion this same organization took possession of that city's streets, as C. I. O. affiliates have done in other places.

KIDNAPING, BEATING, INTIMIDATION MEAN NOTHING TO SENATE CIVIL LIBERTIES COMMITTEE

And these are the methods—kidnaping, beating, intimidation—that the Senate Civil Liberties Committee permits to go unchallenged and to which, by its failure to challenge, it gives approval. Is there any reason why we should appropriate the taxpayers' money to carry on and to further the activities of a committee which is an adjunct of the C. I. O.?

Oh, yes, this committee investigated and reported on "Bloody Harlan", where the National Labor Relations Board now has 27 investigations pending. And what is the National Labor Relations Board?

It is a creature of the Wagner Act and like the Senate committee, a tool of the C. I. O. What is it doing down in Harlan?

In Harlan County, Ky., that mining community is again in the spotlight of the daily press while the chains of John L. Lewis and his C. I. O. affiliate, the United Mine Workers of America, are being forged upon it by the National Labor Relations Board.

Although the N. L. R. B. is presumed to be in Harlan to find out if men have been discharged for union activities, and if the coal operators have violated the drastic, industry-destroying Wagner Act, their activities would indicate their main objective seems to be to reopen the investigation which was conducted by the La Follette Civil Liberties Committee in Washington last April.

As usual, leading questions are asked the witnesses by the Government attorney, Leonard Shore, of Cincinnati. He asks about guns, thugs, death-dealing deputies, and violence toward union organizers.

He delves into the private records of the Clover Fork Coal Co., owned and operated by the Whitfield family, of Harlan County; and before a courtroom filled to overflowing, most of whom, it is rumored, have been imported by the union from other mining sections at a cost of $5 per day per person, the entire financial structure of the Clover Fork Coal Co. is unraveled.

The public is informed as to who buys the coal, how much is paid, what commission is deducted; who shipped it and where; what mine machinery was bought, of whom, and at what price. Mine supplies have been thoroughly checked and prices noted. Nor does the attorney stick to the mine operations. He gleefully delves into the records of the company-owned store, which sells commodities for the convenience of the miner and his family. Spread upon the record is the information that the Clover Fork Coal Co. bought a certain amount of coffee in Louisville, Ky.; some flour or butter in Knoxville, Tenn.; oranges and eggs from a local wholesale merchant; and hats, shoes, and ladies' dresses from a midwestern firm.

The amount of stock owned by each person and the names of the persons holding stock in the Clover Fork Coal Co. are given to the public, and the miners who allegedly lost their jobs because of union activities sit and sweat in the hot courtroom while the National Labor Relations Board bores into the private records of the company.

To gain publicity for their invasion of Harlan County, the N. L. R. B. charged the Clover Fork Coal Co. did—

> Procure lewd and immoral women to perform free, indecent exhibitions known as strip-tease dances, and to otherwise engage in gratuitous, licentious conduct at times when union meetings were scheduled, for the purpose of enticing its employees from attending meetings.

Whether miners showed greater appreciation of such shows than do the fish-and-soup-clothed gentlemen of Washington and those of the State of the author of the Wagner bill is not brought out by the examiner.

When enough publicity had been rolled up to insure a good beginning to their show, the Board, through its examiner, Irving G. McCann, issued a formal apology to the Clover Fork Coal Co. for embarrassing that company by the making of a false charge, which it appears had nothing to do with such exhibition. So the strip-tease dance was saved for the opening of another show. The coal company under fire had never staged dances or amusements designed to lure their men from union meetings. With the strip tease definitely out of the way and the rehash of the Civil Liberties investigation laid on the shelf, the Board proceeded to the more serious business of examining witnesses who claimed to have been fired for union activities.

THE N. L. R. B. IN HARLAN

There are 27 companies scheduled to appear before the N. L. R. B. in Harlan County. The first one, the Clover Fork Coal Co., lasted 2 weeks and was a flop. At the rate the Board is going they will be in Harlan for Christmas, and, as one old native remarked:

> That young attorney who arrived in white flannels and panama hat better be sending for his red flannels, ear flappers, and overcoat.

The taxpayers are footing the bills for this persecution of men who want to work and support their families. Unknowingly, John J. Public is joining forces with the C. I. O. and its allied Communists. Each group is furnishing huge sums to carry on the inquisition. The United Mine Workers of America were the ones who, according to testimony given by Sam Caddy, regional head of the organization, at the National Labor Relations Board hearing at Lynch, Ky., July 26, 1937, paid for one investigation. Let me read you seven lines of the testimony given by an organization official under oath:

> I will ask you if the total expense in the matter of preparing the proof and evidence for the La Follette committee's sensational disclosures was not borne by the United Mine Workers of America and all the expense and effort in getting that before the committee was not borne by the United Mine Workers?
> And Mr. Sam Caddy answered, "Yes; it was."

The money collected from men who earned it by the sweat of their bodies was used to persecute and blacken the name of Harlan County and its citizens. All because the miners themselves do not want to join the United Mine Workers of America, because their native shrewdness sees through the chicanery of the henchmen of John L. Lewis, because the Harlan County coal miners want to work, not strike; spend their money for themselves and their families, not to finance John L. Lewis and his extravagant cohorts; because they want to work and live in peace instead of inciting riot and waving the red flag of communism.

THE TRUE HARLAN COUNTY

If we accept the stories of unbiased, independent newspaper writers who were sent to Harlan, many of the Senate disclosures of the La Follette investigating committee were staged to obtain publicity and to fasten the name of "bloody Harlan" upon a community which otherwise would have attracted but little attention.

Wilmer G. Mason, staff correspondent of the Cincinnati Enquirer, summed up the situation in the headlines of his last article, when he wrote—

> Harlan mines pay well. Abuses actually few. Unionizing sole issue.

He further stated—

> The pay scales in many of the mines are a shade higher, and in many instances substantially higher, than the rates proposed by the United Mine Workers of America in the Appalachian agreement.

The Appalachian agreement is the yardstick by which the wage scale for the southern miner is determined.

Mr. Mason proceeds:

> Most of the miners will say frankly that they are well paid—there are many miners in Harlan who have gone to other communities but who have come back attracted by the wage level paid to his type of worker.

Quite a different view than the "reign of terror" depicted by the investigating committee.

Somewhat similar is a series of articles by the eminent writer and editor of the Lexington (Ky.) Herald, Tom Underwood, who captioned one of his articles:

Harlan County spends $500,000 a year for schools; has 200 churches, all of which are free from debt; coal is worth $39,000,000 annually to the community.

And in the following series Mr. Underwood traces the history of Harlan from its beginning as a coal community in 1912 to the present time, pointing out the wealth in the county, the automobiles which are driven by the thousands by well-paid miners, the splendid school system which ranks among the finest in Kentucky, and the general satisfaction of the miners with their lot as employees in the Harlan mines. This is the report of a newspaper man unbiased and unprejudiced, but whose sympathy undoubtedly is with the worker.

The Louisville Times, as of June 22, started a series of articles by one of America's best-known feminine syndicate writers, Jane Dixon. Miss Dixon approached Harlan County from the human-interest viewpoint; she visited the homes of the miners and interrogated the wives and children. She attended union meetings and was so amazed to hear the union speaker put the name of John L. Lewis ahead of that of the President of the United States that she called attention to it in her third article, as of June 24. She wrote:

The shouting is augmented by the deep-bass voice of Lawrence Dwyer, familiarly known as "Peggy", who declaims: "The four greatest men in the world are back of the United Mine Workers and the Committee for Industrial Organization, of which the mine workers are a part. The four greatest men in the world are John L. Lewis (pause for cheers), President Roosevelt, Robert La Follette, and Robert Wagner." The President is mentioned after John L. Lewis.

And until a recently aroused public sentiment cooled White House favor, some were wondering whether it was Lewis, Mme. Perkins, or the President which determined the administration's policy toward the sit-down strikes.

"I shouldn't think Mr. Roosevelt would like running second", a man to the right of your correspondent remarks.
"Maybe Franklin D. don't know where they're running him", chuckles the man's companion.

In the rest of her series Miss Dixon told about the comforts and advantages found in the average miner's home. Electric washing machines, electrical appliances of all kinds, furniture of the most modern type, radios, automobiles, permanent waves, and as fashionable and well-made clothes as are found in any cosmopolitan city. None of these facts were apparently of any importance to the Senate Civil Liberties Committee, nor also the fact that the C. I. O. was attempting to deprive men in Harlan County of their right to work; also, attempting to force them to pay tribute to Lewis.

One of the most startling strikes in American history was staged at the Clover Fork Coal Co. mines when 271 nonunion men marched off the hill, refusing to work with 19 union men who, they alleged, were causing trouble in their ranks. The nonunion miners advised the Lewis followers to pick up their tools and get out, which they did, but the National Labor Relations Board is now in Harlan trying to prove that the coal company was back of this strange but 100 percent effective strike. The nonunion men returned to work the next day, and have assumed full responsibility for the ousting of the union men. "And what's the Wagner Labor Act going to do about it?" inquired a tall, fat miner as he dug his shovel into the black gold of the Harlan hills—a striking example of the application of C. I. O. methods to its members by others and which, of course, were unlawful.

Among the newspapers which went to the defense of Harlan County was the Knoxville Journal, Knoxville, Tenn., an established newspaper that clings to the best traditions of the news world and believes in the freedom of speech and press.

On May 23 the Knoxville Journal sent one of its most brilliant young feature writers, William E. McDaniel, into Harlan and he wrote a comprehensive article on the life and work of the Harlan County miner. He points out that the school strength is about 23,000, the average miner is paid around $200 for 4 weeks' work, that a machine man can make as high as $400 a month, and that it has been possible for one man to save $17,000 during the 17 years he worked in the Harlan County mines. He visited the company-owned and miner-supported hospitals of Harlan and declared these institutions to be among the best in the United States in point of equipment and service. He visited commissaries and checked prices, finding them to compare favorably with the independently owned or the chain stores. He commented upon the well-fed appearance of the youth of the county and the fact that there was little or no medical attention required for the average miner and his family.

He remarked, as has every other writer who went to Harlan with an open mind, upon the number of high-priced cars the miners drive and the amount of money in circulation in the coal fields.

Of course there is money in Harlan. There are 16,000 miners drawing their wages in cash every 2 weeks, and the coffers of the C. I. O. would be swelled by many thousands of dollars in dues each month if the field could be brought under the union banner and the miners compelled to pay tribute, which is the object of the drive. But no article or series of articles caused excitement and resentment equal to that caused by two articles appearing in the National Young Democrat of May–June 1937. Such pressure was brought to bear from the White House where Lewis flew immediately upon reading the editorial by Leslie Sanders that it is said Mr. Sanders was catapulted out of his position as editor and is now looking for another position. Read the article by Leslie Sanders. It is of such significance that I ask permission to have it incorporated in the RECORD, where it will be available when and if the prediction made by Mr. Sanders develops.

It would be well to read the article immediately following that of Mr. Sanders in the National Young Democrat. This article by Irene Juno, who was one of the first feature writers to interview Mrs. Roosevelt when she went into the White House in 1933, presents a vivid word picture of actual conditions in Harlan County. Miss Juno went to Harlan immediately following the investigation and found that miners were paid in cash, their hospital and educational systems were of the best, and the only discordant note was the wrath of the Harlan County citizens of every business and profession against the untrue picture painted by the Civil Liberties Committee investigation. Instead of starvation, she found plenty; instead of a reign of terror, she found a reign of money spending; instead of filth and squalor in the mining camps, she found modern improvements and facilities.

When and if the C. I. O. has succeeded in unionizing Harlan County, the newspapers will be given the news that Harlan is a model community. Until it does, until these native-born men and women submit to the high hand of the C. I. O., they will be referred to as half-starved, underpaid citizens who are dying on the fringes of civilization in "bloody Harlan."

The so-called investigations indulged in by the La Follette Civil Liberties Committee are grandstand play, designed to provide a smokescreen for the real objectives of the committee and its supporters—to paint so lurid and revolting a picture that public opinion is aroused against the alleged offenders of civil rights and justice. Then the C. I. O. will move in and, under cover of cleaning up the situation, proceed to organize crafts, industries, and professions without interference from the public. Witness the investigation of the Black Legion of the Northern States and the subsequent invasion of the automobile plants and later the steel plants, then the investigation of "bloody Harlan" and the present desperate attempt to bring the coal field under the union banner.

BUILDING A STADIUM—OPERATING A HOSPITAL, UNFAIR LABOR PRACTICES

In the hearing held yesterday, August 16, at New Cumberland, W. Va., the N. L. R. B. uses the fact that since the Weirton Steel Co. built its first plant at a crossroads vil-

lage there has grown up a city of 16,000; that a high-school stadium was built by the company and that the company operates a hospital.

Think of it—the Board charges the company is guilty of unfair practices under the Wagner Act and as evidence cites the growth and prosperity of the community and the making of charitable gifts.

Only since the enactment of the Wagner law have acts of kindness, of generosity, and of charity become unfair labor practices.

The sins of the National Labor Relations Board are so many that it is impossible to enumerate them. Typical examples can be given.

The damage done to the workers, as well as to industry, by this Board's investigators is irreparable.

It, too, has its undercover men who spy, not only upon industry, but upon organizations of citizens formed to secure the enforcement of the law and the civil rights which the Senate Civil Liberties Committee makes no effort to preserve.

The National Labor Relations Board sent its undercover men, with a stenographer, to Johnstown to spy upon the citizens who objected to being driven from their work and who complained because their homes were stoned during the nighttime by "flying squadrons" in automobiles, and whose wives and children were threatened.

When industry was paralyzed in Michigan; when a Governor threw his lot with the lawless and the law violators and the armed invaders of our State, and I stood on this floor and pleaded with you gentlemen on the majority side to come to our aid and pass a resolution declaring that the right of a man to work would be protected by the forces of the National Government, you laughed at me.

C. I. O. GOES SOUTH

But when the C. I. O. and the N. L. R. B. went South to Tupelo, the home town of the gentleman from Mississippi [Mr. RANKIN], and the factory in his town went into the hands of a receiver and the emissaries of the Board created a condition which threatened to close other industries in that town, then Mr. RANKIN arose in just indignation against the arbitrary and reprehensible conduct of this Board.

It is to him and to you other Representatives from the South that I appeal for aid, for we in Michigan are almost helpless, because our Governor has betrayed us into the hands of the enemy.

Yes; the C. I. O. went South. There was another gentleman from the South, from Texas, Mr. MAURY MAVERICK, who, on June 5, at Detroit, speaking under the auspices of the United Automobile Workers, an affiliate of the C. I. O., said they were going to organize the South. They are at it, and how does the South like it?

The C. I. O. and the N. L. R. B. went South. They went to Nashville, Tenn. They called on the Washington Manufacturing Co., which gave employment to 650 workers, with a pay roll of $7,500 a week. And the Board did not even need to operate. An announcement of its purpose to require the company to pay all workers who had been out on strike since April 1 the wages which they would have earned had they been working produced results. But what a result. The company sold its stock; it has offered its properties for lease or sale; it is out of business and the 650 are looking for jobs. But they are not looking to John L. Lewis or Mme. Perkins or the National Labor Relations Board, for none of the three creates anything but wreckage.

The C. I. O. went to Jackson, Mich., and the Trenton Knitting Co. moved down to Kendallville, Ind.

Oh, yes; the C. I. O. has been all around the country. It went to Flint and $44,000,000 in wages alone were lost.

It went down to the Chrysler plant in Detroit and another $10,000,000 was never earned.

And so throughout the length and breadth of our land this destructive force, aided and abetted by the Civil Liberties Committee and the National Labor Relations Board, is bringing loss, hardship, and privation that in the end will equal that brought by flood and "dust bowl" storms.

The C. I. O. and the National Labor Relations Board are down in New Cumberland, W. Va., and the New York Times of yesterday tells us that 20,000 workers and their families will march to a meeting of this Board to "defend our rights to be left alone."

Another place in the South is being visited, Gadsden, Ala., where the Goodyear Rubber Co., which has given employment and met the pay roll, is being persecuted. Shootings, dynamitings, and threats of personal violence were listed by the company as among the methods used by the United Rubber Workers to force the employees into the union.

It charges that C. I. O. organizers and sympathizers, by shooting, by parading before the homes of those who want to work, are frightening them and their families; that they are shooting into the homes and the boarding places of those who will not join the union; that they are shooting at such men as they pass along the street; that they are purchasing and transporting in their automobiles dynamite and dynamite cartridges for the purpose of frightening, terrifying, and intimidating those who want to work.

Does the Senate Civil Liberties Committee investigate these things? Not when charged against the C. I. O.

Is there any reason why either the Senate Civil Liberties Committee or the National Labor Relations Board should have more of the money of the taxpayers to be used to assist the C. I. O. in obtaining members?

Has not this policy of using Government agencies and spending Government money to force workers to pay tribute to Lewis gone far enough?

Or is there some understanding between Lewis and those in authority, those who are behind, and who are conducting, these investigations?

Is it possible that, in return for the aid given by the N. L. R. B. and the Senate Civil Liberties Committee to the C. I. O. in its drive for members, the C. I. O is not only collecting dues to further its own interests, but is collecting from the workers vast sums, a part of which is to be donated, as in the last campaign, to further the political ambitions of some particular party or individuals?

Does the Senate Civil Liberties Committee and the N. L. R. B. intend to force all workers to pay dues of $1 a month and such special assessments as Lewis may levy, so that a vast slush fund of hundreds of millions of dollars can be accumulated, and then such portions as may be necessary used in 1938 to sweep the congressional elections?

A "PURGE"

Not long ago, Jay Franklin, writing in the Washington Star, said we were to have a "purge", the implication, as I read the article, being that the New Dealers intended to purge the Democratic Party of those who were termed "conservatives" and who objected to much of the New Deal legislation.

That article was either followed or preceded by the announcement from the White House steps that the Senator from Indiana who opposed the packing of the Supreme Court would have New Deal opposition in 1938.

No doubt this "purge" is coming and when it comes it will be backed by the war chest of the C. I. O., and Communist organizers will be active in Democratic primaries to defeat those who still entertain and voice convictions.

A PROPHECY

It is dangerous to indulge in predictions. Nevertheless, I will make one. If we, who have the power, continue to permit Lewis, the National Labor Relations Board and the Senate Civil Liberties Committee to force all workers to pay tribute to the C. I. O.; permit them to force employers, who create jobs and meet pay rolls, to adopt the closed shop and the check-off, we will add millions to the already unbelievable sums which Lewis is collecting.

And mark this, and mark it well: We will find that a new political organization has arisen in this country, with an inexhaustible slush fund at its command, and that we who believe in the independence of the worker, in the right of the individual to hold property, in free speech, in a free press, and independence and liberty for all; in short, in our form of government, will go down to political defeat before

this new organization already formed and well on its way toward the accomplishment of its purpose, which is the destruction of a government of, by, and for the people.

Already, in many communities throughout the country, the C. I. O. has become a political force. Unlike the American Federation of Labor, it is now not a labor organization, but a political organization. And we who fail to read the signs and to act are but committing political suicide. Today we have the power; tomorrow we will be bound and helpless.

Why make a contribution of the taxpayer's money to a political organization?

Congress, heeding the cry of party loyalty, has time and again voted for legislation while deep down in the hearts of Members there was a doubt as to its wisdom. Because a so-called emergency existed and they believed that, for the moment, it was necessary, Congress gave away its right to legislate, its right to control the spending of money.

YIELD ALL OR "GET THE AXE"

One may yield his better judgment; he may disregard the warnings of his conscience; he may go contrary to his settled, lifetime convictions, because of loyalty to party or to leader. But there comes a time—and that time is here—when, having followed the judgment of another, disregarded convictions long established, the demand is made that, blindly and unquestioningly we follow a leader, and with that time comes the realization that, if we follow on, the end will be the destruction of our form of government, the loss of our liberties, our independence.

What Jim Farley wants, what he demands, what he will have, if he can get it, is a Senate and a House which will stay "in the bag."

Have we forgotten the threats to defeat those who opposed the scheme to pack the Court? Does the warning of Jay Franklin in the Evening Star that the purge is on mean nothing?

Far better is it to make the fight here and now and reestablish this Congress in the place which it should occupy—representative of the people; making the laws for our people and directing how the taxpayers' money should be spent.

Let us make the fight in this Congress, where we have the weapons with which to fight, rather than wait until the campaign of 1938. Then the C. I. O. and Farley will have joined forces. Their war chest will be filled to overflowing with the dues collected from the workers.

Let us reestablish ourselves as a coordinate branch of the Government. And that we can do—in part at least—by denying to this Board any further appropriation and by amending or repealing the Wagner Act.

OUR OWN EXECUTIONERS

If you wish to sit here in silence while these gentlemen, who will slaughter you at the polls in 1938 and 1940, perfect their plans, add millions to their war chest, complete their organization, that is your business. They are gathering strength and power and votes and creating lobbies, not only in industry but at the very doors of this House, and all will be turned upon you at the proper time.

Shall we sit and watch them dig our political graves and furnish them the money to perform the execution, hire the hearse, and bury us?

You ask why I am calling this to your attention? Because there are some of us in the North, like us of Michigan, who, because of the attitude of our Governor who refuses to enforce the law, need the help—we must have the help—of the patriotic, conscientious southern Democrats if this Nation and our Government are to be saved. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I only have 5 minutes and I have been told by the chairman that he will not yield me any more time.

Mr. WOODRUM. That he could not.

Mr. MAVERICK. Pardon me, the distinguished gentleman from Virginia is always good to me. The gentleman did, in fact, say he could not yield me any more time. In any event I will be forced to refuse to yield.

I am going to discuss the appropriation bill and a few disappointments which I have and which I think are disappointments to the American people. In discussing this appropriation bill I feel a great deal of hesitancy, because the Subcommittee on Appropriations has worked a long time and has been entirely conscientious. I think that practically 95 percent of what they have done is entirely right.

However, I want to call attention to the report of the subcommittee. They gave $500,000 just to start a monument for Thomas Jefferson. Now, maybe that is all right, but we do not have any plans. We do not have any hearings on it. We do not really know where this $500,000 is going. It is only beginning. No doubt millions more would follow.

Oh, Thomas Jefferson said we should not "beat the living with the bones of the dead." I do not know what Jefferson would do if he came to life, but I do not think Tom would be in favor of putting up a monument to himself for $500,000, eventually to cost millions more, in preference to having some money spent on the sharecroppers and tenants of the Nation and give labor a square deal.

I do not even criticize the committee for not passing the farm-tenancy bill, because the bill was only a political gesture. Probably what they say about the Department of Agriculture not being ready is also true. I favor the enactment of a tenant appropriation and will vote for such an amendment; but I find no fault with the committee differing with me.

NATIONAL LABOR RELATIONS APPROPRIATION SHOULD NOT BE CUT

What I want to talk about in this connection is the cut in the appropriation for the National Labor Relations Board. I think they were entirely conscientious about that, too. I do not believe they had any prejudices in the matter. I think they went into the spirit of the thing and did what they thought was right.

Now, in the first place, let us discuss this National Labor Relations Board. The National Labor Relations Board is a constitutional creation of Congress—we, as Congressmen, created it—and which is a part of the fundamental and integral law of this land.

WOULD YOU CUT THE APPROPRIATION OF THE SUPREME COURT?

I ask this question: Suppose the Budget came in and said the Supreme Court should have a million dollars or two million dollars, would anybody vote against the Budget on the Supreme Court? No! I want to say the National Labor Relations Board is just as constitutional as the Supreme Court, and the Budget made a figure of approximately $1,800,000, and the committee has cut it to $867,000.

Let me relate the procedure that has been followed in the United States of America to attempt to ruin the National Labor Relations Board and to cast discredit on the Government of the United States and on the Democratic Party.

FOUR WAYS TO DESTROY LABOR RELATIONS BOARD

The first thing was that the Liberty League lawyers, 57 of them, said it was unconstitutional and actually advised their clients to violate the law, which their clients proceeded to do.

Second, they got injunctions, 85 or 100 of them, against the Labor Relations Board and kept the Board from effectuating the purposes of the act.

Third, they appealed to the High Court, but it validated this organization, the Labor Relations Board. Then what?

The fourth thing to be done to destroy it—and I am not criticizing the subcommittee—is the attempt to cut down the amount of money needed for carrying out its duty under the law.

BOARD HAS SETTLED DISPUTES AND PROTECTED PROPERTY

Yes! As a matter of fact, the National Labor Relations Board has solved various disputes that have involved thousands, and indirectly millions, of the American people.

They have protected property rights.

I realize that they have been criticized, but the volume of their work has increased 10 times since the Supreme Court declared the act under which they operate to be constitutional. Regardless of all else, the fact remains that there has been this thousand-percent increase in their business.

They need more regional directors, stenographers, examiners, and field force, yet the bill cuts in half the amount that was allowed them by the Bureau of the Budget.

I do not think I am going to convince any Member on the Republican side, but I hope to convince some of the Members on the Democratic side that we have got to look at the National Labor Relations Board, even though it be as rotten as some people say it is, as a part of the United States Government. We have got to look at it that way and support it. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from South Dakota [Mr. CASE].

MARGINAL-LAND PROGRAM

Mr. CASE of South Dakota. Mr. Chairman, at the conclusion of his splendid presentation of the bill, the chairman of the committee having the bill in charge made the statement that it would be only a few months before we would be in session again, and that consequently there was no reason for appropriating this $10,000,000 for the submarginal land-buying program. I want to point out, however, that there are three specific reasons why the $10,000,000 recommended by the Budget should be restored to the bill.

First. The families concerned in selling this land under options are already determining their plans for placing their children in school this fall. If they know these options are to be taken up they can proceed to put their children into town schools or wherever they may intend to put them if they sell their land.

Second. The final payment of taxes generally comes due—at least it does in my State—in the month of November, and many people who are holding this marginal land will struggle to pay their taxes this fall if they know these options are going to be taken up. They will try to keep the land clear; but if the matter is held over until next January they will not know whether or not to borrow to pay their taxes this fall. They probably cannot unless they have some assurance that these options are going to be taken up.

Third. New taxes, another year's taxes, will be levied the first of January. I am not so enthusiastic about the land-buying program in some respects, because I am not so enthusiastic about the price that has been offered these people—$2 or $3 an acre. It does not begin to give them what they have invested. Not at all. In many cases options are carried along from year to year while the title is examined and cleared in half a dozen offices. The result is that when the option is finally taken up the taxes eat up the poor little price that is paid these people on this land.

If this thing is delayed for 4 months it means that many people who have given options on their homestead lands will not know what to do about school plans, about borrowing money to pay taxes this fall, and if it goes over until January there will be another year of taxes levied that will wipe out the poor price that is being offered to them.

I understand that an amendment will be offered to restore the $10,000,000 recommended by the Budget, and I hope it will be supported.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

THE NEW SOUTH

Mr. DITTER. Mr. Chairman, "There was a South of slavery and secession—that South is dead. There is a South of union and freedom—that South, thank God, is living, breathing, growing every hour." These were the words of the text used by that courageous crusader of the South, Henry W. Grady, in his memorable address before the New England Society during the trying years of the reconstruction period. That text was true then, but it is truer by a hundredfold today. Yes; thank God the South "is living, breathing, growing every hour" in these equally trying days.

The gratitude of the Nation is due the group of heroes of the South who in the recent past have ventured upon a hazardous course in defense of American institutions. A new hope was born in the hearts of the people by the courageous utterances of stalwart southern statesmen when they voiced their protests in the Senate and the House against usurpation of power by the Executive and invited reprisals and recriminations by their positive purpose to keep inviolate the faith of an honored ancestry in the principles of the Republic. The Congress has been thrilled by their devotion to a great cause in a grave crisis. The call came for strong men. Weak men submit. Strong men resist. The country was thrilled by the fortitude, the fearlessness, and the devotion of her spokesmen as the South marshaled her forces in defense of constitutional liberty and an independent judiciary. Without the pomp or panoply of arms, without the blare of trumpets or the rattle of musketry, without the urge of a war hysteria or the enthusiasm of a spread-eagle patriotism, the South has written another chapter of steadfast loyalty to principles in the archives of the Republic. The Supreme Court has been saved from submission to Executive fiat. Mr. Chairman, this deserved word of praise is due not only to the spokesmen in the Congress but to the thousands of men and women of the South without whose encouragement and support hearts might have faltered against almost insuperable odds.

But much still remains to be done. Other problems press upon us. Hopefully and expectantly the eyes of the Nation turn to the sons of the South for independence of thought and for freedom of action in meeting other issues. Problems affecting industrial relations require consideration. Legislation dealing with trade and commerce demands attention. Involved in many of these are schemes striking at the foundations of the Republic. They vitally affect the South. They are related not only to traditions and landmarks of Government long fondly cherished and always jealously guarded south of the Mason and Dixon line, but now of transcending importance by reason of the ever-increasing prominence of industrialism and the dominant place which it has assumed in the life of the South.

The growth and development of southern industries have attracted the attention of the country. More and more, industry has taken the place of agriculture. The plantation and the farm have been supplanted by the factory and workshop. Industrialization has challenged agriculture for supremacy and has demanded its rightful place in the thinking and planning of leaders as the agrarian group has been forced to accept a secondary position in the wealth-producing, labor-employing possibilities of the South. The natural resources of the section and their ready adaptability to industry have long been recognized, but it has only been since the turn of the century that these advantages have been able to impress themselves as potent factors in the building of an industrial empire. An appraisal of the value of these tremendously important factors has resulted in a growing demand for their utilization in industrial development so that the gifts of God might be made the servants of men.

I believe it can truthfully be said that the old South was not industrially minded. This is said in no sense disparagingly, Mr. Chairman, for the Old South had every reason to worship at the shrine of King Cotton. In those days, prophets of industrialism could not make themselves heard above the exultant exclamations of plantation owners who controlled the cotton market of the world. To some extent, there had always been manufacturing in the Southern States; however, it asserted only a negligible influence in the economic life of the section. The Reconstruction period marks the beginning of the transition. Since that time, industry has pressed its claims with such vigor and enthusiasm that an anti-industrial attitude has been changed into a pro-industrial disposition from Virginia to Texas. The results have amply proved the wisdom of the course pursued. Extended statistics are not necessary to prove this assertion.

Suffice it to say that the factory has not only opened entirely new avenues of wealth-producing activities, but has been a concomitant with agriculture in a program of development and growth. It can be said without fear of contradiction that the fields of the South are the richer because of the factories of the South and that diversification has been its salvation.

It is but natural that this resistless sweep of industrialization should cause material changes in the attitudes of the people of the South as they sense the similarity of their interests to the interests of the industrial North. Measures and policies adverse to our interests are inimical to your best interests. Your problems are our problems. Your advantage is our advantage. Your hindrance is our hindrance. Your welfare is our welfare. I submit, Mr. Chairman, that individual initiative is as dynamic and collective control as deadening; that thrift is as helpful and profligacy as harmful; that industry is as well rewarded and slothfulness as much deplored in the South as in the North. And I submit, Mr. Chairman, that the virtues of initiative, thrift, and industry cannot find avenues of expression in a society which accepts and endures a series of oppressive, circumscribing, and regulating laws which in all lands have resulted in the enslavement of the people and the supremacy of the state. Small wonder that the South rebels today against the persistent and continued overreaching of Federal authority as it becomes more articulate and active in its opposition to autocracy and tyranny in government. To be true to your traditions you could not do otherwise. To be alive to your dangers compels your rebellion. I submit, Mr. Chairman, that the management, the operation, and the success of the industries of the South depend upon the same rules of cause and effect, and upon the same laws of human nature, and upon the same principles of profit and loss as prevail in the North.

In the light of the changed conditions in your districts a tremendous responsibility and a golden opportunity present themselves to those of you charged with the obligation of safeguarding the interests of the Southern States as legislative suggestions are made dealing with industrial problems, and policies are advocated vitally affecting both the employer and the employee in shop and factory. We of the North seek your aid. A tie of mutual interests joins us together. The contentment and happiness of millions of industrial workers depend upon our judgment. Old differences must be adjusted, old wounds must be healed, old scores must be forgotten, as a common objective challenges us to a united endeavor for our mutual advantage and protection. The North and the South stand together in facing the present industrial crisis. Nothing should be permitted to separate or divide us.

In this common venture there should be no difficulty on either side in deciding upon working principles, some of which in times past the South has espoused and the North has rejected, and others of which the North has advocated and the South has opposed. Changing conditions, political and economic, urge a willing spirit of give and take as we counsel together. On the other hand there are other principles which we have both cherished, which we have both safeguarded, and which we both look upon as fundamental in our concepts of an American way of life. The preservation of these principles is demanded by both.

You have heard the reverberations of industrial disorders throughout the North. You have heard of the defiant disdain with which agitators, many of whom are not even citizens, have disregarded every established rule of society and have brought on a reign of terror and anarchy in which the personal safety of the individual citizen is submerged to the fury of the mob. You have heard how the forces of law and order—yea, the very agencies of government itself—have become impotent because of a temporizing attitude on the part of certain public officials when faced with the stern demands of a sworn duty. You have heard of lawlessness, violence, and anarchy in the North. And now the threat comes home to you as your people are terrorized, as your factories are unlawfully seized, as the homes of your people are barricaded and stoned. Political ties can bind you no longer to a party machine which masquerades under a banner near and dear to the hearts of all of you, but which aborts and defames every tenet of Jeffersonian democracy as acquiescence invites a reign of mob rule and the complete surrender of all personal liberty.

Both North and South have insisted upon the preservation of personal liberty as a fundamental principle. Subversive alienism of any brand is, therefore, a common enemy to both of us, for all of these isms, no matter by what name they parade, depend primarily upon the surrender of the right of the individual and the supremacy of the State. It, therefore, follows as a natural corollary that we can find common ground in opposing those proposals which tend toward the subjugation of the individual as a basis for a collectivist program. A regimented citizen of Georgia rebels against the commissar theory with just as much vehemence as the regimented citizen of Pennsylvania. Both hate it. Both oppose it. Both reject it. A righteous individualism need not be a sterile individualism. A righteous individualism can and does recognize its obligation for social justice and social betterment. A righteous individualism, however, does reject the inescapable attendant circumstances of slavery which have been foisted upon every people where regimentation and collectivism prevail.

A philosophy of government which contemplates the right of appointive agencies to prescribe when we may work, how much we may earn, what we must plant, how much we may grow, as well as all the other unnecessary regulatory, prohibitive, penalizing, confiscating, and pulitive measures affecting the daily life of every individual citizen which have been enacted or suggested, is distasteful to the people of both sections. They are repugnant to the South as well as to the North.

The principles of personal liberty include the right of individual citizens to organize for the protection of these liberties and to expect their Government to safeguard them from encroachment, attack, or destruction. In the industrial field these liberties include the right to join or refrain from joining organized-labor movements. They include the right to work and the right to strike. They include the right of individual industrial workers to join together and bargain collectively. If the American principle of liberty guarantees the freedom of individual capitalists to organize and pool their interests, by the same token groups of industrial workers have an equal right to join together and bargain for their interests and advancement. They include the right of individual workers to oppose any political movement which would seek to impose upon them either labor leaders or labor organizations not acceptable to them or to countenance and permit coercion, intimidation, and violence as proper methods by which to seize control of industrial relations. They include the right of individual workers to expect that the orderly processes of self-government will be upheld by every governmental agency, that their personal liberty will not be destroyed by the subtle and seductive influences of any type of benevolent despotism, and that their chosen representatives in the legislative branches of government will have the moral courage to accept the responsibility for legislation affecting their interests rather than delegating to appointive agencies the control over the destinies and fortunes of every American workman.

In these days of industrial disturbances a serious responsibility rests upon leaders in both the South and the North. The industrial workers' rights are as sacred as the industrial employers' rights—yea, more sacred, for they concern themselves with heart and soul and spirit rather than with money, machines, and management. Neither prejudice nor privilege, and certainly not politics, should be persuasive as efforts are made to adapt an orderly and unadulterated American democracy to the needs of our present-day industrialism. Our first duty is deliberative consideration of every proposal intended to alleviate or cure. Snap judgment can be disastrous. Too much is at stake to risk hasty conclusions. Past experiences rather than future promises should be weighed. And, above all, let us be mindful that

eternal vigilance is the price of liberty, lest there be a forfeiture of individual rights as a price for supposed security.

We must accord to industrial workers not only the right to organize for their mutual benefit but encourage them to perfect representative bodies which will command the respect and secure the approval of employers and the general public. Racketeers have no place in these organizations. Leaders of the alien-agitator type cannot be welcome. Exploiters must be shunned. They dare not wink at lawlessness nor smile with satisfaction on violence. Expediency cannot be the excuse for evasion and avoidance by public officials. Political advantages dare not cause an impotency of those governmental agencies which are charged with the maintenance of law and order. The vast majority of American workmen will welcome our cooperation in perfecting truly representative labor bodies.

The task which we face is not an easy one. We should not be dismayed by its enormity nor its complexity. Together we can translate the visionary efforts of impractical idealists into a sensible and real endeavor so that a nobler human attitude will prevail in the industrial relationships of both sections without surrendering the priceless heritage of personal liberty nor bartering away the interests of industrial workers to the avaricious designs of dishonest leaders and the radical purposes of ailen agitators.

The South has never forsaken its defense of the doctrine of States' rights. Inroads have been made which have prompted a distinguished student of the Constitution to deplore the "vanishing rights of the States." Federal benefactions have been tempting inducements for a complete surrender of sovereign rights. Bureaus have been piled upon bureaus, each holding out a glittering gem to attract the people to the omnipotence of Washington, but incidentally to provide a contrast with the limited bounties available to them from their own Commonwealth.

In spite of these tempting attractions the South has not changed its position. The doctrine of States' rights is still a cherished tenet. You have not surrendered your position nor forsaken the faith. The memory of the valor of your fathers and your grandfathers challenges you. In every hamlet, town, and city of the South memories are kept alive by devoted sons and daughters. The sovereignty of the States has not been surrendered.

As further efforts are being made to destroy completely the rights of the States and to establish the domination of the Federal Government, as the evils of bureaucracy become increasingly apparent, the North turns to the South in grateful acknowledgment for the steadfast loyalty with which it has defended a principle. We plead with you today not for a share of the glory of the past but for the privilege of assuming a part of the burden of the present, to combat the forces which seek to establish the colossal and crushing control of a centralization of power and the destruction of all semblance of States' rights.

There have been some indications that the extreme antitariff attitude of the South has changed. Here again changing conditions invite a deviation in policy. Industrialization has had its effect. The competition of cheap foreign labor has been felt in your factories. Your industrial workers have sensed the dangers, and have become more articulate day by day in demanding some measure of protection. Domestic wage differentials emphasize foreign wage differentials. The products of Asiatic and European mills compete with the products of the South as well as those at the North. We urge a reasonable degree of protection for the workingman of both sections. This is not the first venture which you have been requested to make into the field of tariff legislation. In 1928 the rejection of one of the major party's traditional policies of "tariff for revenue only" was not an unwelcome gesture in the South as increasing industrialization sought common ground with the North for the protection of her craftsmen and mechanics. Indeed, petroleum associations, cottonseed-oil organizations, and other industrial groups have become more conscious day by day of the inevitable demoralization of industrial effort when the doors are left open to cheap foreign labor competition. Surely we can find some middle ground acceptable to both sections, by which the growing demands of southern industrialism can join forces with the North for the benefit of the American wage earner.

The new South, Mr. Chairman, challenges the admiration, the respect, and the confidence of the North. In a grave national crisis which tested the faith of men in the Republic, and in which constitutional democracy was threatened, the South reaffirmed its faith in American institutions, as it joined in the declaration that the "plan to force judicial interpretation of the Constitution * * * should be so emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America." When subversively minded and lawlessly motivated leaders, reveling in a spirit of violence and destruction, and encouraged by a pathetic silence on the part of national spokesmen, threatened to extend their reign of terror by an appeal to race prejudice, the South reasserted its courage and conviction as it announced to the country that the rights of the most humble workman would be protected and his liberty of determination safeguarded. As renewed efforts are made to make the term representative democracy an empty shibboleth, to insidiously destroy the faith of the people in their capacity for self-government and in the Republic itself, by permitting an attitude of impotency to create fear and breed suspicion, a solemn duty draws the North and the South together to prove that the Republic can meet the needs of an industrial age, and that our form of Government provides for the American workman the greatest assurance of contentment and happiness. Nothing should estrange us. Nothing dare divide us. United we shall build a larger, a better, a nobler, and a more secure American industrialism. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the administration brought up and passed in the House on yesterday a new tax bill. It was urged that this bill was necessary to stop the so-called loopholes and prevent tax dodging.

Every citizen should be willing and should be required to pay his just share of the taxes necessary for the economical operation of the various units of government. One group able to pay should not be permitted to dodge taxes when others are required to pay; but really this was just another tax bill that the administration claims will raise $100,000,000 in taxes. It is the second tax bill passed during the present session of Congress.

What a very remarkable contrast between the 4 years of the present administration and the preceding 12 years of Republican administrations. When the Republicans got control of the National Congress in 1919 the national debt was approximately $26,000,000,000; $25,000,000,000 had been made by the preceding Wilson administration. We found the heavy and burdensome war taxes on everything and everybody. In 10 years Republican Congresses passed five great tax-reduction bills and at the same time reduced the national debt from more than $26,000,000,000 to approximately $16,000,000,000.

The Roosevelt administration went into power on March 4, 1933, under an express promise to the American people to reduce taxes, reduce the cost of government at least 25 percent, and eliminate commissions, boards, and officeholders. Taxes have been more than doubled. During the last year of the Hoover administration the Government collected, in round numbers, $1,800,000,000 in taxes and revenues. The present administration this fiscal year will collect at least $6,000,000,000 in taxes—an increase of more than 200 percent. It has added scores of bureaus and commissions and more than 300,000 officeholders, and every week some new bill is forced through creating a new commission or board and increasing the list of officeholders.

The press this morning carries an announcement that the President will likely call an extra session of Congress on November 1 to consider and pass a comprehensive tax bill

increasing the taxes. If this is not done in an extra session, it will come in the regular session beginning in January 1938. This administration has not failed to pass one or more tax bills at every session of Congress since it came into power, adding new taxes and increasing other taxes.

The national debt on August 12, 1936, according to the official statement of the Treasury Department, was $33,401,993,079.48. The national debt on August 12, 1937, was $36,889,077,397.83. We have increased the national debt nearly three and a half billion dollars since August 12, 1936. This represents an amount almost equal to the entire cost of the 4 years of fighting and winning the Civil War.

The deficit for the month of July 1936 was $123,000,000. The deficit for July 1937 was nearly $250,000,000. The President in April 1937 predicted that there might be a deficit of $418,000,000 for the entire fiscal year beginning July 1, 1937, but we have practically reached that amount of deficit in less than 2 months of the present fiscal year. If we continue at this rate, there will be a deficit this year of approximately $3,000,000,000.

Mr. WOODRUM. Mr. Chairman, I make the point that the gentleman is not speaking to the bill.

Mr. ROBSION of Kentucky. I am covering similar ground that my distinguished friend from Virginia covered in his speech a few moments ago. I was coming to the deficiency bill under consideration and to commend the courage and statesmanship of the gentleman from Virginia.

Mr. WOODRUM. Well, that will be all right. [Laughter.]

Mr. ROBSION of Kentucky. I do wish to commend the splendid speech of the gentleman from Virginia [Mr. WOODRUM] in pointing out the danger to the financial stability of our Government and urging us to cut out unnecessary appropriations. We would do well to heed his timely warning. It takes courage and high statesmanship for him as a member of the administration to sound this warning note. [Applause.]

The administation today is crowding through the House the third deficiency appropriation bill for this session of Congress. These three deficiency appropriation bills, together with special resolutions passed since January 1, 1937, carry approximately $1,500,000,000. Is not this an amazing situation? After the President, the Bureau of the Budget, and the various departments and agencies of the Government had submitted estimates and Congress had appropriated the money, representing double the expenditures for a like period under Republican administrations, we are called upon at this session to pass three deficiency appropriation bills, adding to the tremendous appropriations already made.

The national debt does not include the billions of dollars of bonds that have been issued by the various governmental corporations, for the payment of which the credit of the Government has been pledged, and which bonds have been sold and the money spent. It is admitted that the Government likely will have to pay considerable losses in the end on these bonds and thereby increase the deficits and the national debt. With these and the increasing national debt, the country is facing inflation and bankruptcy and perhaps in the end repudiation. This administration might well be denominated the big-tax, big-deficits, big-debts, big-deficiency appropriations, and big-squandering administration of American history.

With all these expenditures we still have, according to the reports of those who ought to know, more than 8,000,000 unemployed workers in this country. According to the President and Mr. Hopkins, millions of our population must still depend upon Federal relief.

We speak of prosperity, but what would be the condition of the country if we were forced to pay back now the $17,000,000,000 which has been borrowed and expended in the last 4 years? We are simply borrowing and eating up the substance, the earnings and the resources of our children and our children's children. What right have we to engage in these unwise, vicious squandering and wasteful policies and thereby handicap the future of our boys and girls?

Congress passed a bill to help farm tenants a short time ago. I pointed out at the time that the administration was playing politics with the 2,860,000 farm tenants. The bill was less than a gesture. It did authorize an appropriation of $10,000,000, but this deficiency bill before us does not include any appropriation to carry out the farm tenancy bill or to carry out some other needful measures. The bill, however, does carry large sums as gifts for expositions, world fairs, and memorials. No doubt these will hearten the farm tenants and soothe them in their distress. How could we justify our action in appropriating large sums for expositions, world fairs, and memorials and deny the farm tenants a single dollar to carry out the act passed in their behalf?

FARM LOANS AND "CUT-OUTS"

During the last few months the prices of corn, cotton, and other farm products have been steadily going down. The farmers have become alarmed. A large group of southern Senators and Representatives with a number of farm leaders have been urging the President to make crop loans. While cotton was selling for 10 cents a pound or less, these groups urged the President that loans of 12 cents a pound be made on cotton and these loans have been pressed as to other farm commodities. The President insisted that he would make no crop loans at all until Congress passed a crop-control or crop "cut-out" bill.

The Democrats in control of the House and Senate have refused to bring out and have considered such a bill. They insist that this matter go over until the next session of Congress, in January 1938.

I am one of those who desires to see justice done to the farmer and farm workers. This administration has put through a number of makeshift measures. It has now had more than 4 years in which to formulate a permanent and helpful farm policy. This Congress has accomplished very little, except to create new taxes, higher taxes, make appropriations, and create new offices and add to the great army of officeholders. There is no good reason why permanent farm legislation should not have been thoroughly considered and passed at this session of Congress. It seemed, however, that the President and his Democratic friends from the South in the House and Senate have compromised for the present—Congress is passing a resolution declaring that the "cut out" or farm-control bill will be the first matter in order at the beginning of the next session of Congress and because of this pledge the President has yielded and agreed to make crop loans.

The President and Secretary Wallace appear determined to adopt a "cut out" of American farm crops and in that way produce a scarcity of farm products in this country. There is no suggestion that we cut out the flood of corn, wheat, barley, oats, rye, hogs, pork, beef, and other products pouring in from foreign countries, or cut out or cut down taxes and useless expenditures.

When the President and Secretary Wallace forced through Congress the A. A. A., they informed the American people that we would bring about prosperity with scarcity. More than 7,500,000 hogs and pigs, born and unborn, and millions of cattle and sheep were slaughtered, burned, or destroyed, and more than 30,000,000 acres of productive land were taken out of production and nearly $1,500,000,000 of processing taxes were levied and collected from the American people and was then handed out to many of the great corporations and great plantation owners in this country, Hawaii, Cuba, and the Philippine Islands. The small farmers got the crumbs or nothing.

During the last 4 years this administration has spent and authorized hundreds of millions of dollars for irrigation and reclamation projects that have brought and will bring millions of acres of unproductive land into production. It can be seen at once that each of these administration policies is diametrically opposed to the other.

RECIPROCAL-TRADE AGREEMENTS

Congress has turned over all of its tariff-making powers, with many other powers which the Constitution specifically gives to Congress, to the President and the bureaus and com-

missions established by him. This was done during the so-called emergency. The New Dealers claim that the emergency is past when an election is on, yet they continue to extend these emergency measures and operate under them.

Our distinguished Secretary of State, the Honorable Cordell Hull, as his public record of many years discloses, is opposed to a protective tariff or other trade barriers to protect American agriculture, industry, and workers. Congress gave to Mr. Hull, through the President, the power to negotiate the so-called reciprocal-trade agreements with any and all countries of the world. These agreements have been entered into with nearly a score of foreign countries, and we have extended commercial favors to many other countries.

We were told that this reciprocal trade agreement policy would greatly benefit our foreign commerce and thereby create a market for the products of our farms, factories, mills, and mines. Has it benefited our commerce, agriculture, industry, or labor?

MADE US IMPORTING INSTEAD OF EXPORTING NATION

The "cut-out" and reciprocal-trade agreements became really effective on or about the 1st of January, 1935. Business was not so good in 1934, yet in 1934 the balance of trade in our favor with foreign nations was $478,000,000. In other words, we sold and shipped out to foreign countries $478,000,000 more of products than were brought in from foreign countries.

In 1935 under the "cut-out" policy and the reciprocal-trade agreements, the balance of trade in our favor fell to a little over $230,000,000. In 1936 it had dropped to approximately $34,000,000 in our favor; but for the first 3 months of 1937, according to the records of the Commerce Department, the balance of trade was $132,000,000 against us. In other words, for the first 3 months of 1937 there was shipped into this country from foreign countries $132,000,000 worth of products more than we shipped to foreign countries. This unfavorable trade balance has been increasing ever since, and it would have been much greater but for the fact of the threat of war in Europe and in Japan. We have been selling and shipping to foreign countries great quantities of so-called war supplies. For instance, we shipped out 213,000 tons of scrap iron in May 1936, but it jumped to 641,000 tons in May 1937, and we have greatly increased our shipments of oil and other products that these nations are buying and storing up in anticipation of war. Should the war threat disappear it will cause considerable shock to our export trade. Furthermore, this administration is paying $35 an ounce for gold. Gold is now and has been pouring into this country from Russia, Australia, India, South America, Mexico, and every other gold-producing country of the world because if it were not for the price set by this administration of $35 an ounce, gold would not bring more than $15 or $20 an ounce.

Russia is producing three times as much gold as any other country of the world. I am reliably informed that she produces her gold at a cost of about $4 an ounce. She is bringing this gold to our country, getting the money and buying the choicest cattle, sheep, and other stock, stripping the West and Southwest of their best cattle and other livestock and taking them to Russia for breeding purposes on a large scale. This, for the present, is adding to our export trade but one of these days we will be met with products from Russia as one of the great competitors to the American farmers. You can see at once but for these unusual conditions that the balance of trade against us for the first three months of 1937 would have been more than $132,000,000.

We have now accumulated more than $12,000,000,000 of gold and we are burying it down in Kentucky. No one yet has explained why we are taking the gold of the world at double its market value and burying it in Kentucky. One of these days this Government must stop taking the gold of the world at that price. To finance this proposition the administration has borrowed $2,000,000,000.

When this policy is stopped and the market becomes normal, this Nation is bound to lose billions of dollars. It is not necessary to have this sum of gold to redeem our currency. The outstanding currency, including all paper money does not exceed $6,000,000,000 and we have $3,000,000,000 or more of silver. One-half of our gold fund would redeem all paper money in circulation.

FARM IMPORTS INCREASING—EXPORTS DECREASING

It is conceded that the United States is the greatest agricultural country of the world. It far surpasses any other nation in the production of corn, wheat, oats, barley, cotton, hogs, pork, cattle, and dairy products, yet in the first 4 months of 1937, according to the reports of the Commerce Department there were brought into this country from foreign countries 29,731,967 bushels of corn. This equals the entire imports of corn for the year of 1936, and it is almost 200 times as much corn as was imported in the entire year of 1933. At this rate of importation of corn, for the whole year of 1937, it is likely to run to more than 90,000,000 bushels.

Last year there were brought into this country 260,000,000 gallons of blackstrap molasses. This was used to make alcohol, rum, and other liquors. This had the effect of displacing 40,000,000 bushels of corn.

In the month of July 1937, 7,000,000 bushels of corn were shipped in from South America and Europe. The price of corn for December delivery dropped 13 cents per bushel during July and 30 cents a bushel the last 2 months. Under the first full year, 1935, of the "cut-out" and reciprocal-trade agreements, we brought in 42,242,296 bushels of corn. Millions of bushels of this corn came from central Europe, but, because of the cheap labor in South America and Europe, the farmers there are able to produce corn and ship it across the Atlantic and undersell American farmers.

We have always been a great corn-exporting country. In the 1921–25 period under Republican administrations the annual export of corn was approximately 73,000,000 bushels, and brought to the American corn farmers, on the average, approximately $55,000,000 annually. Under the "cut-out" and reciprocal trade agreement policies of Roosevelt, Wallace, and Hull, this country in 1935 exported only 177,382 bushels of corn. In 1936 we exported only 523,947 bushels, and for the first 4 months of 1937 this country has exported only 54,825 bushels, and has imported during those 4 months, as I have pointed out before, 29,731,967 bushels of corn and 260,000,000 gallons of blackstrap molasses, which takes the place of 40,000,000 bushels of corn. This is the effect of the "cut-out" system and the cutting down of the tariffs and other trade protections in the favor of our farmers against foreign farmers. For instance, in the reciprocal-trade agreement with Cuba the tariff on corn was cut from 25 cents a bushel to 10 cents a bushel.

The administration is busy trying to make similar treaties with all foreign countries and to carry out the plan to reduce the tariff and other trade barriers, not only as to the imports of farm products but on industrial products as well.

In 1934 we imported, in round numbers, 18,000,000 bushels of wheat. In 1936 it jumped to 53,000,000 bushels.

We are on our way to bring about free trade and thereby take this rich American market from American farmers and turn it over to the farmers of foreign countries.

AMERICA WAS GREAT HOG AND PORK EXPORTING COUNTRY

In the first 4 months of 1937, according to the reports of the Department of Commerce, there was brought into this country from foreign countries 29,777,671 pounds of live hogs and pork products. This included live hogs, fresh pork, hams, shoulders, bacon, and pickled pork. Had this market been reserved for American hog raisers it would have been a great help to fill the pocketbooks of the farmers of this country instead of going into the pocketbooks of foreign hog raisers. In the entire year of 1933, before we adopted the "cut-out" and reciprocal-trade agreements, there was brought into this country from foreign countries 2,923,000 pounds.

This Nation has always been a great hog- and pork-products exporting country. In the 1921–25 years, this country exported annually an average of 83,000 live hogs and on an average yearly nearly 350,000,000 pounds of bacon and sides

and nearly 300,000,000 pounds of hams and shoulders, amounting to 712,000,000 pounds annually, with a value of $116,000,000 which went jingling into the pockets of the farmers and hog raisers of the United States.

In the greatest year of the depression, 1932, this Nation exported 128,000,000 pounds of pork products of the total value of $12,500,000; but in the first 4 months of 1937, as we have pointed out, there was brought into this country nearly 30,000,000 pounds of pork and we exported only 17,622,739 pounds of pork products and only 115 live hogs, as against an average of 83,000 live hogs and 712,000,000 pounds of pork products annually under Republican administrations.

The years of 1935, 1936, and 1937 show clearly the bad effects of our "plow under" policy and our reciprocal-trade agreements. In 1934 we imported only 1,654,000 pounds of pork products. In 1935, under the "cut-out" and reciprocal-trade agreements, these imports jumped to 13,908,176 pounds. In 1936 the imports of pork products took another tremendous jump to 59,289,338 pounds, or an increase of about 300 percent; and for the first 4 months of 1937 it jumped to nearly 30,000,000 pounds. If it continues at this rate for the full year of 1937, it will go to approximately 90,000,000 pounds. This is almost 20 times the amount of pork products we imported in 1934.

According to the report of Hon. John B. Payne, Comptroller of the Division of Finance of the Agricultural Adjustment Administration, the Roosevelt administration in its corn-hog program made rental and benefit payments to farmers for not producing corn and hogs, alone, from May 12, 1933, to March 31, 1936, amounting to $397,265,907.39. Is not this astounding? Nearly $400,000,000 in taxes taken from the American people for the corn-hog contracts alone, destroying our own hogs and plowing under our own corn, and then bringing in these millions of pounds of pork products and these millions and millions of bushels of corn from foreign countries.

Yes; we made hogs, pork, and corn scarce in this country, and raised the price; and then pulled down our tariff walls under the reciprocal-trade agreements and provided a wonderful market for the farmers of Mexico, South America, Europe, and Canada.

A LARD-EXPORTING COUNTRY

We were the leading lard-exporting country in the world until the Roosevelt-Wallace-Hull crowd lost the lard market for the American farmers. In the 1921–25 period this country sold in foreign markets on an average each year a total of 860,840,000 pounds of lard with an average value of $115,602,000 annually. During the entire year of 1936 this country exported only 111,291,532 pounds of lard, valued at $13,494,036. This Nation, in the low depression year of 1932, exported 546,202,000 pounds of lard; in 1933, we exported 579,132,000 pounds, and in 1934, before the "cut-out" and reciprocal-trade agreements became effective, we exported 431,237,000 pounds of lard.

In 1935, the first full year of the "cut-out" and reciprocal-trade agreements, and under our corn-hog control policy, we exported only 96,364,609 pounds of lard, and in the first 4 months of 1937 this country exported only 28,828,443 pounds of lard. At this rate, our exports of lard in 1937 will be approximately 84,000,000 pounds as compared with 546,202,000 pounds in 1932 and the average of more than 860,000,000 pounds annually—for the period 1921–25.

We have cut down the farmers' income from the export of lard more than $100,000,000 annually, and yet the corn, the hogs, the pork, and the lard continue to roll in from foreign countries. President Roosevelt, Secretary Wallace and Secretary Hull and the New Deal "brain trusters" must assume full responsibility to the American farmers and the American taxpayers.

HAVE DESTROYED AMERICAN FARMERS' BARLEY AND BARLEY-MALT MARKETS

Under this same unwise "cut-out" and reciprocal trade agreement policy of the President, Secretary Wallace, and Secretary Hull, the American farmers have lost the barley and barley-malt markets.

The President and his New Dealers urged the American people to repeal the eighteenth amendment and bring liquor back. It was urged that we should make our own liquor, using American capital, American labor, American grains, and American fruits. The eighteenth amendment was repealed.

During the period 1926–30 this country exported on an average 28,527,000 bushels of barley each year. In the period 1921–33 there were no imports of barley or barley malt. In 1933 under this administration there was brought into this country 24,000,000 bushels of barley, and in the first 4 months of 1937 we have imported 6,068,937 bushels of barley. At this rate the total importation of barley for the year 1937 will be in the neighborhood of 18,000,000 or 20,000,000 bushels. Our trade agreement with Canada cut the tariff on liquor one-half, and millions of gallons are coming in from Canada and other countries.

BARLEY MALT IMPORTS

The records tell a more graphic story of the imports of barley malt than the barley grain itself.

In 1933 this country imported 109,183,000 pounds of barley malt. This jumped in 1934 to 193,728,000 pounds, and in 1935 to 320,622,537 pounds. In the first 4 months of 1937 this country imported 175,058,395 pounds of barley malt. This would indicate that before the end of 1937 there will be imported more than 500,000,000 pounds of barley malt to be used by American brewers and distillers.

Some time ago I observed a statement in the Louisville Courier-Journal in which it was pointed out that the receipts at the customhouse at Louisville received from the imports of foreign products had increased about three times in May 1937 over May 1936, and this increased payment in duties was caused by the shipping to Louisville, Ky., of barley malt, and cotton. This barley malt came from Europe and the cotton came from South America, India, and Egypt. Is not this an amazing condition—Kentucky, a great agricultural State well adapted to the cultivation of barley and the western part of the State producing a great deal of cotton, yet barley, malt, and cotton are being sent in from foreign countries—about three times as much in May 1937 as there was in May 1936.

Mr. MURDOCK. Will the gentleman yield?

Mr. ROBSION of Kentucky. I regret very much that I cannot yield as my time is very limited and I have a number of matters to cover. I trust that my good friend from Utah will excuse me from yielding at this time.

FARMERS OPPOSE "CUT-OUTS" AND RECIPROCAL-TRADE AGREEMENTS

As I understand it, the National Grange and some other great farm organizations oppose the "cut-out" and reciprocal trade arrangement policies. They favor, as I do, a sane and sound conservation program. Last year there was appropriated by Congress nearly $500,000,000 for a conservation program. The administration insisted it would take the place of the "cut-out" and crop-control plan, but now the President and Mr. Wallace are insisting on crop control and "cut-outs."

The farmers generally say it is unwise to create a scarcity in this country, put heavy processing taxes on the people, create high prices, and then turn the American markets for hogs, corn, sheep, cattle, barley, malt, wheat, oats, rye, and other farm products over to foreign farmers and our markets for textiles, shoes, clothing, and other manufactured products over to foreign industries and foreign workers.

Our Nation was the greatest cotton-producing nation in the world. Before the "cut-out" we provided 53 percent of the world's cotton. With the "cut-out", we dropped to approximately 40 percent. The "cut-out" in this country induced the expansion of cotton production in Brazil, Egypt, India, and other countries, and the textile industries of the other countries turned to Egypt, Brazil, India, and other nations for their supply of raw cotton. I am afraid that we have lost this cotton market forever. No wonder southern cotton producers and Senators and Representatives from cotton States hesitate to meet the President's demand for another "cut-out"; and we have lost heavily in other farm products in the world market.

We contend that American farmers should be encouraged to produce sufficient to satisfy the needs of American consumers, and these American farmers should be given the preference in this market.

INCREASED COST OF LIVING

The "cut-out" and "plow under" policy has struck the American consumer a hard blow. The retail price of round steak per pound in July 1934 was 29.9 cents. This same round steak in July 1937 had jumped to 43.4 cents per pound. Pork chops jumped from 26.2 cents per pound in July 1934 to 41.8 cents per pound in July 1937, and for some articles of food there have been even greater increases in the cost price to the consumer. In giving this report they do not mention first-class tender steak—it is now more than 50 cents a pound, and first-class breakfast bacon is in the neighborhood of 50 cents a pound.

The American consumer is paying dearly for the "cut-out" and reciprocal trade agreement policies of this administration, and the foreign farmer is growing fat under the policies by making us an importing nation where we had been through all the years an exporting nation.

I do not have the opportunity under the time assigned me today to discuss the effects of the reciprocal-trade agreements on dairying and other farm products; neither do I have the time to discuss the effect of this "cut-out" and the reciprocal-trade agreements and other policies of this administration on the textiles and other manufactured products of this country. I do, however, wish to call your attention to one or two of these matters.

JAPAN AND TEXTILES

Before our country entered into the reciprocal-trade agreement with Japan, she was shipping into this country approximately 300,000 yards of textiles annually. Since this agreement, Japan is shipping in more than 30,000,000 yards of textiles annually. Japan is also filling this country up with her china ware and crockery, and American plants and workers are idle.

The administration has been urging a minimum-wage and maximum-hour bill. With millions unemployed in this country and in view of the high cost of living, no reasonable person could insist that a 40-hour week is too short or a $16 wage per week is too high. The President's work and hour bill applies only to goods and products from American factories going from one State to another State in the United States. For some reason that I cannot possibly fathom he refuses to have this bill amended so as to apply to goods and products shipped into our country from foreign countries. That would interfere with the reciprocal-trade agreements.

It is important to create purchasing power among workers in industry, and it is quite as important to create purchasing power among farmers and farm laborers. The farmer is the biggest customer of industry. If the market is taken from him and given to foreign farmers and foreign farm workers, he cannot buy the products of the American workers and factories.

The farmers generally oppose the wage and hour bill in industry as it will increase the cost of products bought by the farmers. More than 90 percent of all of our trade is domestic trade. Only about 7 percent of our products enter into foreign commerce. If we increase the purchasing power of the farmers and the workers of industry of this country, it should be for the benefit of American farmers, industries, and workers.

The American workers cannot compete with the low-paid workers of Japan and other countries of the world. An effort is being made to get a bill through the Japanese Parliament to reduce the workweek there to 84 hours. Their hours are long and their wages are very low, and this is true as to many other countries with which we have made these reciprocal-trade agreements and broken down our tariff protection. In many of these countries, wages range from 5 cents to 50 cents for their long days. Can anyone tell me how American industries and labor can compete with the industries and labor of these foreign nations? They cannot; and for that reason our country is being filled up with the products of foreign industries and workers, and we have become an importing Nation.

It will not mean much to the industrial workers of this country to have a wage and hour law if we permit the products of these other countries with their long hours and low wages to be shipped into our country and the workers of our own country are unable to secure employment. Industry and the industrial workers of this country should urge protection for the farmers and farm workers of this country so that they may be assured good prices for their farm products and good wages for their work; and at the same time farmers and farm workers should insist upon reasonable hours and good wages for the workers in American industries and protection against the long hours and cheap wages of foreign workers.

Let us preserve the American markets and American jobs for American industries, American farmers, and American workers. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, some weeks ago this Congress, by an overwhelming vote of both Houses, passed, and the President approved a bill making a very small start, but a start nevertheless, toward the eradication of the system of farm tenancy. To my mind that bill was a recognition of the duty of the Government in seeking the solution of one of our most grievous social and economic problems. The bill is not a communistic effort to give every landless man "40 acres and a mule", but, on the contrary, it is an extension of the same type of services now rendered by the Federal land banks to the more fortunately situated of our farming population and incidentally also now rendered to those of our urban citizens who desire to speculate in farm lands. It is, as I say, Mr. Chairman, but an extension of the services of the land banks to the less fortunately situated of our farming people. It enables the man without a home to borrow from the Government under regulations and restrictions to be prescribed by the Department of Agriculture. It provides him an opportunity to secure the funds necessary to purchase such property as in the opinion of those competent to judge is suited to the individual's needs, and is priced within his ability to pay. It gives the prospective home owner no subsidy; it makes no grant; it bestows no charity. It simply provides that the Government will assist him in securing the money to make the purchase. He is required to repay every dollar at an interest rate higher than that paid by the Government.

The problem with which this bill seeks to cope is a tremendous one. Originally, sponsors of this legislation proposed to provide much more money, but at the request of the administration and of the Finance Committee, the amount for this year was reduced to $10,000,000, which was recognized as but a most modest beginning. It was, as it were, Mr. Chairman, but a faint gleam of light in the eastern sky, but it was in the direction of the rising sun. It carried with it the promise of a new day for the tenant farmers of America. We passed the bill, we fanned a flame of hope. We told these tenant farmers that a new day was about to dawn. We complied with the wishes of the administration and the Appropriations Committee in cutting the amount to the barest minimum.

Now, we have an appropriation bill before us, Mr. Chairman, which repudiates the philosophy expressed so recently by this Congress. This bill fails to carry out the express wish of the Congress and the fond expectation of more than 2,000,000 tenant farmers. The Appropriations Committee now tells us that this problem is so large that we cannot solve it with the small amount of money under consideration. Certainly we cannot solve it with this amount of money, but we can start. We have in good faith sought to assist in the efforts to keep the expenditures of the Government within reasonable bounds. We have reduced the amount requested in a sincere effort to cooperate with the Appropriations Committee. If this small amount that we heretofore promised is not forthcoming this year, we will

have proven to our tenant farmers that the ray of light which he saw was in the western and not the eastern skies, that it was but his last gleam of hope before he sank into the depths of night.

Gentlemen have said here that this bill does no more than hold out hope, that it does nothing substantially. In my opinion it makes a substantial start, but even more important it does hold out hope and so long as we can honestly hold out a sincere hope to our tenant farmers we can expect to make progress in the solution of the problem, but should we today allow this defeatist psychology to rule our actions we would have destroyed all hope and would have done all within our power to plunge our American tenants into the hopeless despair of Chinese coolies.

The suggestion has been made that we should not attempt to do anything about tenancy until we have solved all other farm problems. This, Mr. Chairman, is the same philosophy which has always kept us from making any progress. The idea that before we do the thing that is needed now we must wait until we do all of the other things that are needed. It is very true that there are many other farm problems that are crying for solution. In my own section the price of cotton is falling daily and our people must have immediate action if this year's crop is not to become a curse rather than a blessing. We cannot wait until we have thrashed out the relative position of the various farm crops before we deal with the present falling cotton market. We cannot meet this problem by saying that we will do nothing until we have done everything. We must do something first. The only thing we can do this afternoon is to provide the money to make a start on the eradication of tenancy. If we wait to do something else first we will have lost the opportunity to make this start and we will find ourselves simply going in a ridiculous and vicious circle. Let us do what we can today. Cross the bridge that is now before us and deal with other problems when we reach them.

Nor do I feel, Mr. Chairman, that we can very well accept the contention that the Government cannot afford to make a 10-million dollar start on this great problem. This very appropriation bill that so blandly ignores the action of this House and the necessities of this Nation contains one single appropriation of $10,000,000, an amount equal to the total we ask as a means of keeping alive the spark of hope in the hearts of 2,000,000 tenant farmers. It contains, Mr. Chairman, one item for the purchase of a post office in New York City, which is equal to the entire amount asked as a loan by the tenant farmers of the Nation. Now the people of New York City are undoubtedly entitled to spacious and even elegant quarters for their postal facilities, but they are now enjoying rather ample facilities, and yet we are told that in order to buy a post office site in one city, which is incidentally receiving another $3,000,000 in this bill for the purpose of holding a carnival, that every tenant family in America should be told that the Government was not interested in their efforts to become home owners. And remember, these appropriations for post offices and fairs will not be repaid by the recipients, whereas we propose to make only loans to the tenant farmers.

Mr. Chairman, the distinguished gentleman from Virginia suggested that this appropriation should not be made because the Department of Agriculture had not presented a plan for carrying this work into effect. Are we to ignore our responsibility simply because the Department of Agriculture has not been as prompt as we might hope in working out its plans for this program? In fact, can we ever expect the Department of Agriculture to devise any definite plan whatever until it has the money available and can any of the money be expended until the money is provided?

The distinguished gentleman also suggested that the policy heretofore adopted by this Congress was unsound in that we could not consistently aid tenant farmers to become home owners without at the same time making each factory worker an owner of the mill in which he worked. Mr. Chairman, in helping our tenant farmers to become home owners we are but extending to the rural areas of this country the same kind of assistance that the Federal Government has heretofore extended and still does extend to its urban citizens in the purchase of homes through the use of Government credit. The farm is not simply a factory where the farmer works for a wage. It is the very home where he rears his family.

The home-owning farmer has through all history formed the backbone of stable government. If we had no interest in the individual, if we ignored the personal element, and if we could overlook the desirable economic effects, the Government would still be justified in spending public money to make home owners of its rural citizens as the most effective insurance of its own stability. We spend a hundred times the amount here requested each year on our military forces, but no military force can guarantee the stability of Government that is achieved through a home-owning farming population.

To fail to make this $10,000,000 appropriation at this time would be to break faith with America, would be to take from our tenant farmers the hope that was held out, would be to further delay any sound and permanent solution of our agricultural problems and would finally be to ignore the very foundations on which our Government is built.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I want to address a few remarks to an item which is not in this bill, but which I hope will be placed in the bill by action of the House. I refer to the item of $10,000,000 which the Bureau of the Budget has approved for the purchase of submarginal lands under the provisions of title III of the Farm Tenancy Act.

I am going to put these remarks solely upon the basis of economy, because I believe the expenditure of a reasonable appropriation at this time will in the end avoid a much larger expenditure. I am speaking particularly of the Dust Bowl area in the Southwest, but what I have to say applies equally well to that area in the Northwest. If the Federal Government had no other reason for spending money for the purchase of submarginal land in these areas except to protect its own investment, that in itself would be a sufficient reason. In the southwest Great Plains area, including 14 counties in Colorado, 25 counties in Kansas, 3 counties in Oklahoma, 16 counties in New Mexico, and 36 counties in Texas, the Federal land banks and the land-bank commissioner have up to this time lent $106,704,000, and other Federal credit agencies have made loans which bring the total investment of the Government in this area up to approximately $129,000,000. I do not have the figures for the area in the Northwest, but I am told that the investment there is equally as large.

I live in this Dust Bowl area. I know the conditions these people are facing. I know what is happening there. This area is increasing in size, and has increased every year since 1932. Those who are familiar with the problem of wind erosion tell us it is going to keep on increasing until more effective methods are taken to control blowing. It is a problem which can be solved, but in this particular area the only way it can be solved is through cooperation on the part of the Federal Government.

Such cooperation can be most effectively given at the present time through the purchase of those areas which are blowing the worst. If those areas can be purchased at this time, if the spread of this situation can be stopped, then the Federal Government is going to be saved the expenditure of many millions of dollars which otherwise must eventually take place, because this is a national problem. This area, which is spreading, if not stopped will eventually include a much larger area than is affected at this time.

In addition to the amount the Federal Government has invested in this area, it has expended—and I am speaking now only of the southwest area—something like $150,000,000 in the way of benefit payments and relief expenditures during the past 4 years. While it is perhaps not fair to count the

benefit payments as relief expenditures, it is fair to say that had these payments not been made the expenditures for actual relief would necessarily have been very much larger than they were. Therefore it is not a problem we can dodge, but it is an issue which must be met. The greatest difficulty being met in that area at this time in the control of wind erosion lies in the fact that large areas of land which are blowing the worst have been abandoned. The only way that continued erosion can be stopped in those areas is by proper tillage and eventual return to grass. The people now living in that region are making a heroic fight, but they cannot cope with the problem where abandoned land is blowing on the good land and on the land the owners of which are attempting to control erosion.

The Department of Agriculture is ready to go into these areas and make purchases now. Another 6 months or another year may entirely change the picture. Inevitably conditions will be worse and the expenditures required will be greater. No better example of penny-wise and pound-foolish economy can be found than the proposal to delay this appropriation.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, 3 years ago the Committee on the Library reported favorably a bill providing for a memorial to Thomas Jefferson. The amount agreed upon at that time was $3,000,000. This matter has gone along without any action, so far as any reports of the Commission upon the nature of any act are concerned. It was called to the attention of the committee that the Commission was going to place the Jefferson Memorial in the Tidal Basin. I made some investigation and found out that the amount of money which would be required over and above the cost of building the memorial itself, for the purpose of building the foundations and the roadways and making all the other improvements necessary for a great memorial of this character, would exceed the price of the memorial itself.

As a result of that information I felt it to be the duty of the Committee on the Library to call the attention of the Congress to this fact. I called the committee together and the committee decided to investigate the entire matter. A series of hearings were arranged and, beginning on April 23 were begun and continued in the committee room till all interested parties were heard. The hearings were printed in due course. The engineers, in the report which was published, showed that the amount of money necessary to build the memorial, if placed there in the Tidal Basin, in addition to the $3,000,000, would be somewhere between $2,500,000 and $6,500,000, or approximately $4,000,000 in addition to the $3,000,000 originally agreed upon.

We investigated the matter carefully and the investigation showed conclusively the opposition of all the interested parties who appeared before the committee, except only Mr. BOYLAN of New York, chairman of the Commission, and the people generally, to placing a memorial in that region.

Up to the latter part of the last century, every bit of the ground from the Washington Monument to the present Potomac River was tidelands. Eleven hundred acres of these tidelands were filled in, and there is no foundation until you reach 55 feet in depth, where the Lincoln Memorial is situated, and we had to spend more than one-half million dollars to save the Lincoln Memorial after it was erected. Where they are proposing now to build the Jefferson Memorial, having in mind the change which the Chairman has suggested, the depth to bedrock is 80 feet or more and the probabilities are it will run to 90 feet, and the cost of building roadways necessary for a memorial of this kind is so great that the engineers say, frankly, they cannot foretell how much it will be, but it would certainly exceed the cost of the memorial itself.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I want to ask the chairman of the Committee on the Library [Mr. KELLER] if any information has reached him as to where the modified location of the Jefferson Memorial is supposed to be.

Mr. KELLER. It has, and it is so indefinite that the gentlemen who talked about it do not themselves know. There is not a place anywhere down there where the memorial can be built that will not clog completely and entirely the traffic that is going on even at the present time, and the tremendous increase in traffic that would necessarily result from placing so magnificent a monument as the Jefferson Monument must be.

Mr. TREADWAY. I asked the gentleman from New York [Mr. BOYLAN] this morning if my geography was right that evidently it was going to be shoved out into the Potomac River or else go on over to the railroad tracks.

Mr. KELLER. It will be so close to the railroad tracks as to be totally impossible as a memorial site, and it ought not to be built there under any conditions.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I propose to speak under the heading of "Federal Communications Commission." It has recently come to my attention that the Crosley Radio Co. of Cincinnati, WLW, with a 500,000-watt experimental station, is using that for commercial purposes, and on August 1 had its license renewed for another 6 months practically without a hearing. These extensions have been granted every 6 months for the past 3 years.

As you gentlemen know, a 50,000-watt station is a large one. There are the so-called New York stations, but this experimental station of 500,000 watts is being used for the sake of profit and for the commercial purposes of the present owner who admits that he has increased his rates 20 percent.

I was wondering the other day why Charley Michelson, the Democratic publicity chief, became associated with the Crosley Co. at a salary of $10,000 in addition to his $25,000 salary as chief of the publicity bureau of the Democratic National Committee. Recent developments have answered the question. It now appears that the Crosley station has certain difficulties, that somebody has asked questions, merely seeking information as to the financial returns on this 500,000-watt station, this experimental station, apparently a gift from the Government. Mr. Michelson's action suddenly becomes more understandable.

Certainly, it is time to have an investigation of the Federal Communications Commission and to see what is behind this experimental station and what is behind the $10,000 salary that Charley Michelson is receiving, and why he should have his name on the letterhead and why he should use his influence in behalf of this Crosley station. He succeeded in smearing President Hoover and many other Republicans, and I think it is therefore only fair to ask this question. For what reason is Mr. Michelson given a position by the Crosley Co. at $10,000 while he still holds a $25,000 job from the Democratic National Committee except to purchase his influence directly or indirectly to obtain favors from the Federal Government?

A few years ago the President in a most pious way excommunicated the Democratic national committeemen who were practicing before governmental departments and said they could not appear before any of the departments of the Government, but it is all right now, after 3 or 4 years of the New Deal, for Mr. Michelson, the generalissimo of Democratic publicity, to go on a fat salary of $10,000 for the Crosley Co. And while a Senate committee is investigating that, when the time comes, it might also be well to investigate the charges that have been openly made in the press, repeatedly, that Mr. Elliott Roosevelt, a son of the President, helped to sell certain radio stations in Texas to Mr. William R. Hearst, and transferred them to him without a hearing before the Federal Communications Commission. If it is necessary to excommunicate national committeemen for fear they may appear before some governmental body and use their political influence, it is all right for a

member of the Roosevelt family to get several radio station licenses in Texas without a hearing upon the basis that a Roosevelt can do no wrong.

When it was disclosed the other day that New Deal publicity generalissimo, Charley Michelson, is on the pay roll of the Crosley Radio Corporation, of Cincinnati, which is having its difficulties with the Federal Communications Commission, and intends to retain his Democratic National Committee office and emoluments, it was confidently expected by the public that Mr. Roosevelt's oft-declared passion for spotless poltical purity and high official ideals would burst all bounds, and that he would at once pointedly recall the great satisfaction he had expressed over the action of Jackson, Kremer, Mullen, and so forth, in promptly purging the Democratic committee of their official presence in order that their private "advisory" corporate connections might not in the slightest manner taint the pure atmosphere of political sanctity which New Dealers would have the Nation believe pervades the Democratic committee under the Roosevelt regime. Strangely enough such a development has not eventuated in the White House.

It may be that Mr. Roosevelt is misled into a state of acquiescence by the cautious explanation of Michelson that he is not to appear for his client, the Crosley Corporation, before the Federal Communications Commission. It may be the President believes that the Crosley Corporation is willing to pay "Charley, old boy", a large honorarium just for the privilege of carrying his magic name on its letterhead, and perhaps for a word or two from him now and then as to the quality of the company's broadcasts and the effectiveness of its announcers. If one were very naive and had a sufficiently elastic imagination, one might readily arrive at such a conclusion.

Perhaps only those of base natures and hyper-suspicious temperament would imagine that the very fact of Charley Michelson's highly compensated connection with the Crosley Corporation might be quite sufficient to secure special favors or immunities of great commercial advantage for the Crosley Corporation without Charley being put to the necessity of personally appearing before certain boards and departments to advocate the cause of his client. The sad fact is, however, that many persons are assailed by just such base and unworthy suspicions.

Of course, it would never occur to anybody to imagine that there are divers mysterious ways in which an official in Charley Michelson's position could earn an honorarium of almost any amount without actually appearing in person to plead the cause of clients before particular departments. Such a suspicion would, of course, be specially unfounded under the present New Deal regime, sanctified as it is by Mr. Roosevelt's own pronouncements of its pristine political purity and unapproachable virtue. Like Caesar's wife, the Roosevelt regime is so far above suspicion that apparently Jim and Charley and the boys believe they can, without fear of blame or censure, do almost anything they choose to raise money for their party or to enrich themselves. It is reported in the press that Jim Farley is considering a fat salary job from an automobile company.

The news of Michelson's new connection with the radio company is the more disconcerting to the country because of another recent incident.

Just a few weeks ago "Charley, old boy" exhibited what everybody thought was a magnificent disdain of questionable politico-corporate emoluments when he refused a post with a large association of whisky distillers and dealers at a reported salary of $75,000 a year. In explaining his refusal of a berth then recently made vacant by the death of one of Mr. Roosevelt's kinsmen, who had held it, Charley is reported to have snorted, "What in hell would I do with $75,000 a year?"

In view of this circumstance, it is to be assumed that Charley's Democratic committee salary of $25,000 a year and his retainer from the Crosley Corporation aggregate something less than $75,000 per annum.

However, it might seem to some of those jealous of the fair name of the New Deal and the Democratic National Committee that it would have been a bit more ethical and further removed from grounds of justifiable suspicion if Charley had resigned his official connection with the Democratic committee and the New Deal and had accepted that despised $75,000.

Of course, it may turn out that Charley is aiding, abetting, and advising the Crosley Corporation free of charge, or for a dollar a year and the glory of assisting in the advancement of a new and wonderful science. One can never tell in these days of self-sacrificing patriotic New Deal officials.

It must be remembered that Rex Tugwell went into molasses for a mere pittance.

It may be that the suspicions of the press and public are just a bit sensitive at this time, because of the recent revelations concerning the profitable little racket perpetrated by Jim Farley, Charley Michelson, and the Democratic National Committee. That racket is called "Peddling the President's autograph", or "Finding the loophole in the law."

To some it might seem that a strange change appears to have taken place in President Roosevelt's views as to ethics governing lobbying, advisory, public relations, and legal counsel activities of officials high in Democratic political circles in the last 3 years, just as strange changes appear to have been wrought in his publicly expressed view on many other questions concerning which he has either initiated or tolerated actions in diametrical opposition to his announced purposes and ideals.

Mr. Roosevelt appears undisturbed by recent revelations that the Democratic National Committee, under guidance of Postmaster General James A. Farley, has grossly violated the spirit, and probably the letter, of the Corrupt Practices Act in hundreds of instances by peddling to corporations obsolete campaign books containing Mr. Roosevelt's autograph.

The fact that these books were sold to corporations under high-pressure methods, with the written assurance, in some cases at least, that this device would circumvent the Corrupt Practices Act, making it a violation of law for corporations to contribute to political campaign funds, seems not to have unduly agitated the President.

The further revelations that Mr. Roosevelt's signature on a page inserted in these books was brazenly used as the selling argument to exact from corporations through their officials unconscionable prices ranging as high as $1,000 a copy seems not to have annoyed the President to the point of any action or public remonstrance.

The fact that Democratic committee high-pressure salesmen cited the President's signature as proof that these corporation contributions were "investments in administration good will" seems to have occasioned no reprimand from the White House. Even the evidence revealed by the New York Times that in perhaps half the cases the books were not even delivered, and that in many instances it was understood that delivery was not expected by the contributors or by the Democratic committee's representatives, seems to have left the White House sense of morals and "law avoidance" unruffled.

It may be that the administration is too concerned over "loopholes" and "artifices of avoidance" (which it says were perfectly legal) in income-tax matters to be distributed by the overwhelming evidence of Mr. Farley's use of Presidential autographed campaign books as a law-evasion artifice. These transactions, which fill the Nation with the nauseous sense of gross moral violations and law evasions would, under vigorous and sincere prosecution by the Department of Justice, probably result in wholesale convictions. But they seem to arouse no sense of indignation on the part of the President or his Attorney General.

Now added to this malodorous autographed campaign book evasion of the Corrupt Practices Act, comes the announcement that Charley Michelson, high-priced publicity director of the Democratic National Committee, publicity adviser to the various New Deal bureaus and agencies, and the man who is at the right hand of Mr. Roosevelt at all White House press conferences, has accepted a position as "adviser" to the Crosley Radio Corporation of Cincinnati.

It might appear that either New Deal political morals are succumbing to the erosion of time and temptation, or else

the New Deal sensibilities of political morals and ethics are growing thicker and somewhat calloused by so long being on parade.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, it is with regret and embarrassment that I take a position in opposition to parts of this bill. I am a member of the Committee on Appropriations. I have learned to respect, admire, and have great confidence in the leaders of that committee, but I find myself now, as I did yesterday when the whole committee met, in disagreement with the majority of the committee on this third deficiency-appropriation measure in part only. What I shall say is not said with any thought of reflection upon the personal views of the other members of the committee. They see the thing in a different light. They could be mistaken, just as I may be. Let us get this first: Here is a bill carrying over $100,000,000 of direct appropriations involving literally hundreds of items. It was given hearings, ex parte in their nature, witnesses all on one side, urging the committee to give them more money. The disposition of the committee naturally was to lean over the other way and give them just a little less than requested. If the committee made mistakes, it is not an unusual thing at all; it would be human and natural.

It is my contention that a grievous error has been committed in reference to the appropriation for the National Labor Relations Board. I have heard it condemned this afternoon and I have heard it commended, but all of us must grant that it is a statutory creature set up by almost unanimous vote of this House in 1935, and a vote of 63 to 12 in the Senate, for the purpose of guaranteeing to American workmen the right of collective bargaining. That is its purpose, and in accomplishing that purpose it does a great deal of work of a conciliatory nature. Generally the American legal fraternity believed the act providing for this Board unconstitutional, and they had a right to so believe in view of the holding of the Supreme Court in the N. I. R. A. case sometime before.

In April of this year the Supreme Court of the United States said that this legislation—the Wagner Act—is constitutional, and that the tribunal set up by the act shall be available to the American workman and likewise to the American employer as a place where they could take their differences. That was in April of this year. The appropriation made in the independent offices appropriation bill was approximately $750,000, before the Supreme Court decision, and about the same as made for the year before. Immediately upon the rendition of that decision the work of this Board increased a thousand percent a month, as disclosed by the record of the hearings on page 331 thereof. The increase was 10 times what it had been before the Supreme Court decision, and now you have this situation: Almost 3,000 cases are pending with nobody to hear them. Our position is this: Legislation has set up machinery dealing with one of the most difficult and delicate problems we have in American economic life, with an agency created by law to care for them, and there is a denial of the right of hearing because the agency is denied money. In June, with the limited staff they have, they settled 133 strikes. In July of this year they settled 100 strikes.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. Yes.

Mr. WALTER. What was the recommendation made by the Budget Bureau?

Mr. LEAVY. The Bureau of the Budget recommended approximately $1,735,000.

Mr. HEALEY. And the committee cut that in half?

Mr. LEAVY. It was cut just in half. The Board itself asked for $335,000 more than the Bureau of the Budget would give them, or $2,070,000. In just one single case up here in the steel industry within the last 90 days a strike was settled in 3 days by this labor board, and further pay-roll losses of $100,000 per day prevented. [Applause.]

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, when we start reading the bill for amendment I intend to offer an amendment to strike out, on page 8, that portion of the bill that provides for $500,000 for the commencement of the Thomas Jefferson Memorial Commission. I shall do it for one or two reasons.

When this was first proposed there was some opposition expressed to the site, to the type, and to the style of the memorial. Since that time modifications of the plan have changed the site, just exactly where I am still at a loss to know. We were told by the sponsor of the memorial that plans would be perfected and presented to us showing us exactly where that memorial was to be located. I doubt very much whether it would be a very good idea on the part of the House to appropriate the money first and then find out later where that memorial is going to be located.

In the second place, since the protest evidently did cause a change in the site, there is the possibility that further protests might cause a change in the style and type of architecture. I personally hope that may be done. Of course there are others who do not agree with that.

In the third place, I wonder what the ultimate cost of the project will be. I have never seen any proposition of this kind started where the ultimate cost stayed within the limits set by the bill. We have had the suggestion made this afternoon that the cost of the thing would run from four to six million dollars more than the $3,000,000 provided in the bill. I am very much afraid if we start this with $500,000 today, before we get through with it it will cost twice as much as the bill now provides.

In the fourth place, when the law was passed it required of the Memorial Commission that it make an annual report. That was 3 years ago. So far, according to the report made by the Library Committee, no report has been filed by this Commission with the Clerk of the House. I do not say that that was surreptitious proceedings or that the Commission is guilty of doing something it should not have done, but I do believe that the House of Representatives, before being called upon to start a $3,000,000 appropriation, should have been fully informed each year, as required by law, just exactly what the Commission was doing and intended to do.

Finally, may I repeat the words of the chairman of the subcommittee? Perhaps it is a good idea to postpone one or two pet ideas.

The CHAIRMAN. The time of the gentleman from California [Mr. SCOTT] has expired.

Mr. WOODRUM. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, it is generally admitted that farm tenancy presents one of the most serious social and economic problems confronting the American Nation today.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. JOHNSON of Oklahoma. Does not the gentleman feel we can well afford to put in the $10,000,000 that has been authorized for farm tenancy at this time, rather than to start a five- or six-million-dollar Jefferson Memorial and spend $150,000,000 on ships?

Mr. PACE. I certainly do, and I am addressing the House to appeal to the Members to begin today an experiment which this House and the President previously authorized.

Less than 60 days ago we passed by a vote of more than 10 to 1, 308 to 26 as I recall, a bill to start a program for the help of the unfortunate tenants of this nation. The bill later passed the Senate by a large majority, was approved by the President, and is now the law.

After such action by the Congress I am unable to understand the refusal of the Appropriations Committee to report the $10,000,000 authorized for a small beginning on this great problem. I have prepared and expect to offer an amendment making that amount immediately available to the Secretary of Agriculture, as provided in the farm-tenant law.

There are nearly 3,000,000 tenants in this Nation. Three million men, with their families, who have no home of their own and who must move from year to year, change the schools for their children, change their places of worship, change the soil they cultivate.

There are nearly 24,000 of such tenants in my district, and certainly I am deeply concerned in their welfare and betterment. While they cannot expect much from this modest beginning, only $10,000,000 for the entire Nation, it is at least a move in the right direction, and we should no longer delay our effort to contribute toward the solution of the tenant problem.

The farm-tenant law we recently passed is not perfect; the provision requiring the tenant to comply with every farm practice the Secretary of Agriculture might prescribe is very objectionable to me, but it is the best law we could get. It is admittedly an experimental program; but if it materially aids in solving the serious conditions existing on our farms today, it will certainly be worth the small amount we are now asking.

On tomorrow we will have up for our consideration a bill to improve housing conditions in our big cities, carrying a large appropriation. I, for one, will never agree that the slum dwellers are to be preferred over the men and women on the farms of my district, who labor from daylight to dark, trying to earn an honest living and trying to improve the condition of themselves and the members of their family.

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, ever since the institution of the factory system, away back in the seventeenth century, we have been making enlightened progress toward industrial peace. But at the termination of every period of poverty, when prosperity returns to the Government, we find an ever increasing number of industrial controversies, commonly referred to as strikes. Prosperity has recently returned to the United States and with it employment opportunities have increased. At the same time prices have been increasing—increasing too rapidly in the estimation of the worker; so in his attempt to secure adjustments in his wage levels he sometimes resorts to the strike. No one questions that right. We desire to eliminate as many strikes as possible by giving the employees and the employers a medium for the settlement of such matters.

During recent months we have witnessed a great many strikes in this country, but this agency created by the Congress has made a helpful contribution toward return to industrial and economic peace.

I recall a strike waged not so very long ago which was settled by this agency of the Government at a saving of some $700,000 daily for the people affected and the country at large. That is only one instance of the many hundreds of strikes that have been shortened and settled and millions upon millions of dollars saved to the Government.

Here I have a telegram from the vice president of the United States Lines, in which he says:

> Have sent the following telegram to a number of the members on the Appropriations Committee, as follows:
> "The local labor relations board in New York has been doing a herculean task in keeping commerce moving by its untiring efforts in prevention of stoppages of labor which can only be continued provided appropriation of available funds is not curtailed and in the general interest of the shipping industry, both labor and capital, we strongly urge you to cooperate."

This is signed by A. J. McCarthy, vice president, United States Lines.

Mr. Chairman, what is the situation that confronts us this afternoon? The National Labor Relations Board presented its case to the Budget. Digressing for a moment in order to emphasize the importance which Congress places upon budgetary control, let me point out that in the reorganization bill which passed this House recently we brought all independent agencies of Government under that control, the idea being to insure economy in the operation of Government.

Going back to the matter at issue, the Budget reduced the appropriation requested by the Labor Board by some $300,000. The Labor Board then came before the Appropriations Committee of the House, and that committee seems to have broken the all-time record for this Congress in the percentage reduction imposed upon this agency of the Government; they cut the appropriation right in half. My friends of the committee, that is going to impair the progress of this agency of the Government, and we have no right to do that. This agency is our creation, sponsored by our legislative committees, and it has every right to live. I hope you vote the appropriations for it.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. MAHON].

Mr. MAHON of Texas. Mr. Chairman, I was very much surprised when I read this bill to find that it carried no appropriation for the farm tenancy program as authorized by the House several months ago. We had authorized by an overwhelming vote the sum of $10,000,000 for this fiscal year for this program. To fail to appropriate this money is to thwart the will of the House and break faith with the President and the more than 12,000,000 people living on the tenant farms of this country. There are perhaps 75,000 people living on tenant farms in my district alone.

I think this sum is extremely inadequate, and I think the farm tenancy bill is very imperfect. I offered amendments during the consideration of the bill which were rejected but which I thought would partially perfect it, but I think it is indefensible to refuse to appropriate the money which we promised.

I sincerely hope and believe that when the amendment is offered providing for this appropriation it will be promptly adopted.

I am also concerned about another item in this bill—the inadequate provision for future post-office buildings in our districts. According to the hearing, I have in my district the following towns which are eligible for post-office buildings: Brownfield, Floydada, Haskell, Levelland, Littlefield, Post, Slaton, Snyder, Spur, and Tahoka. There may be others, as I have not been able to check carefully. A post-office building is a good investment for the Government. It saves rent, it provides quarters for the United States mail and other Federal functions in our towns, and I think we ought to have more post-office-building construction in the next few years rather than less, as provided by this bill. We have been providing about $65,000,000 per year for public buildings. This bill provides only $23,000,000. There are now 96 towns in Texas which are eligible for post-office buildings. I trust that the committee in charge of this bill will be willing to expand this program in the future.

We cannot in good conscience decline to make the farm-tenancy appropriation, and we cannot in good judgment decline to expand our post-office-building program. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself the balance of my time.

There is a cut of over $40,000,000 below the Budget in the figures that are brought in here by the Appropriations Committee today. We must make such cuts below the Budget if we are going to present a situation where we can balance Uncle Sam's Budget.

In the fiscal year 1937, the actual expenditures of the Government were $9,118,399,223.31 and the deficit for the year was $3,859,703,608.43. This is taking actual expenditures and not the figures given on the daily balance sheet of the Treasury. For the fiscal year 1937 this statement did not show the actual deficit which can only be obtained by adding the collections on principal investments that the Government has made. The expenditures for 1937 were as large as the year before, including the payment of the bonus. The total appropriations for this session of Congress reach, with the amount that is reported by the committee

in this bill, the enormous total of $10,181,284,193.55. I submit herewith a table showing these appropriations:

	Reported to House	Enacted
State, Justice, Commerce, and Labor:		
Regular	$121,222,000.00	$126,127,387.00
Permanent	1,230,500.00	1,230,500.00
Total	122,452,500.00	127,357,877.00
Treasury-Post Office:		
Regular	1,500,955,151.00	1,503,441,943.00
Permanent	1,468,404,470.00	1,468,404,470.00
Total	2,969,359,621.00	2,971,846,413.00
Independent Offices:		
Regular	986,360,963.00	957,738,963.00
Emergency	60,396,180.00	60,396,180.00
Permanent	93,556,255.00	93,556,255.00
Reappropriation	59,079,279.00	59,079,279.00
Total	1,199,392,677.00	1,170,770,677.00
Relief:		
Direct	1,500,000,000.00	1,500,000,000.00
Reappropriation	274,000,000.00	474,000,000.00
Total	1,774,000,000.00	1,974,000,000.00
First deficiency	899,717,318.89	948,975,868.89
Second deficiency:		
Regular	79,206,943.45	81,737,540.14
Reappropriation	18,000,000.00	18,000,000.00
Total	97,206,943.45	99,737,540.14
District of Columbia:		
Regular	45,228,024.00	45,915,641.00
Trust	1,845,000.00	1,845,000.00
Total	47,073,024.00	47,760,641.00
Military:		
Regular	415,751,532.00	415,269,154.00
Permanent	1,000,000.00	1,000,000.00
Reappropriation	661,850.00	517,850.00
Total	417,413,382.00	416,787,004.00
Nonmilitary:		
Regular	194,328,363.00	194,536,063.00
Permanent	1,006,700.00	1,006,700.00
Reappropriation		
Total	195,335,063.00	195,542,763.00
Navy:		
Regular	516,555,428.00	516,258,808.00
Permanent	1,570,650.00	1,570,650.00
Reappropriation	10,000,000.00	10,000,000.00
Total	528,126,078.00	527,829,458.00
Interior:		
Regular	115,871,264.85	132,732,499.85
Permanent	21,319,040.00	21,319,040.00
Reappropriation	33,285,448.16	33,412,466.22
Total	170,475,753.01	187,464,006.07
Agriculture and Farm Credit:		
Regular	628,305,883.00	620,681,208.00
Permanent	127,228,665.00	127,228,665.00
Reappropriation	175,874,000.00	175,874,000.00
Total	931,408,548.00	933,783,873.00
Legislative:		
Regular	24,001,734.00	24,085,736.78
Permanent	67,800.00	67,800.00
Reappropriation		
Total	24,069,534.00	24,153,536.78
Public Resolution 8. Paris Exposition	150,000.00	
Public Resolution 13. International Labor Office	15,000.00	
Public Resolution 26. Grasshoppers	1,000,000.00	
Public Resolution 28. Certain activities	1,496,360.00	
Public Resolution 36. Social Security Board	18,000,000.00	
Public Resolution 39. Marine Band	5,300.00	
Public Resolution 45. American Battle Monuments Commission	175,000.00	
Public Resolution 50. Civilian Conservation Corps, etc	450,430,000.00	
Public Resolution 55. Grasshoppers	1,000,000.00	
Expositions	4,500,000.00	
Total		476,771,669.00
Third deficiency bill as reported to the House		78,502,875.67
Grand total		10,181,284,193.55

NOTE.—This bill contains contract authorizations of $201,528,000, most of which would have to be paid by appropriations in 1939.

Expenditures for the first 42 days of this year indicate a deficit of $279,000,000 as against a deficit of the corresponding 42 days of $190,000,000. These figures indicate that the Congress must come to a realization of its responsibilities and stop the appropriation of funds.

The Federal debt at this time consists of $36,889,000,000 of direct debt and upward of $5,000,000,000 of guaranties, most of which will have to be paid by the Federal Government. This makes a total debt of $42,000,000,000 at this time. It is a mortgage on the homes of the people for the next generation. We are just about to the end of our rope. Members must think of these things and stop playing politics on appropriations. The question that we must consider is, "Is this money absolutely needed for the welfare of our country?" And that must be the test that we apply.

I shall now take up a couple of items in this bill that have aroused considerable discussion, and shall call attention to the facts with reference to them. The departments of the Government always come here with the idea of presenting a kind of confused picture that will persuade the unwary to give them more money than they ought to have; and if we do not realize that when we come to consider these appropriations, we are going to be caught.

Let us take up first the Labor Relations Board. From page 343 of the hearings it appears that the pay roll of this Board at this time is $18,912 in the field and $33,000 in the District of Columbia. This makes a total of $51,912, or practically $52,000 a month, or an annual expenditure of $624,000. The appropriation they had to start with was $735,000. The only way they could justify a tremendous increase beyond the $735,000 appropriation they had would be a very marked increase in force. No appropriation of $1,750,000 or $1,800,000 could possibly be justified otherwise. Let us use a little sense about it and not be run off our feet by wild statements of this Commission.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I cannot yield at the moment; I shall try to later. I want the gentleman to understand this picture. If he will read the hearings on the page I have indicated, he will realize that the Commission did not even know how many employees it had at the time they were before us. This presents a mighty poor picture on which to raise their appropriation. As I say, let us use some sense about it. No friends of that Commission are going to come here with that kind of picture and ask that this appropriation be raised.

Dealing now with the farm-tenancy proposition, let me say that there is absolutely no justification in the hearings for the appropriation, and the part of the hearings dealing with this subject begin at page 619.

We have studied this situation. We tried to get them to present to us a definite positive program on which we could act one way or the other, but we did not get it. Why should the Federal Government continue to appropriate money to organizations that cannot tell us absolutely and positively what they propose to do?

Is not this Congress important enough to be taken into the confidence of these boards and commissions? May I say that this committee has recommended a great many cuts. It has recommended cutting out a large number of activities where the parties who appeared for the board or commission did not justify fairly, openly, and above board the items which they were asking us to insert in this bill.

If this Congress does not meet the responsibilities put up to it, how are we going to have an orderly government, and how are we ever going to balance the Budget of the United States? I could go on and recite any number of instances, but unless these questions come up for discussion in detail, I do not think we should spend too much time discussing them.

I believe that the appropriations carried in this bill are in every case the maximum that ought to be carried. In a great many cases they are more than ought to be carried because the committee has given them the benefit of the doubt. I believe that this committee has made a very fair

record here in the saving of money. It is the kind of a record that the people of this country will approve. It is the kind of a record that will point the way ultimately to a balancing of our Budget and a stopping of those great big appropriations which have created an enormous Federal debt.

I am going to ask you to consider your sense of responsibility to the people you represent and to the generations that are to come hereafter insofar as taxes that must be bled out of the people to meet the tremendous debt are concerned.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, as illustrative of the effectiveness of the Labor Relations Board I would like to read from the hearings in this very brief time just one instance of the great economic loss that was saved by the action of the Board to the employer, employees, the community, and the Nation.

Mr. Edwin Smith, answering a question by Mr. TABER, testified as follows:

Well, in the month of May, action by the Board prevented 133 strikes. The most recent case in which the action of the Board terminated what would have been a very protracted and costly strike was the election held in the Jones & Laughlin Corporation, invclving 27,000 employees. We brought about that election at the end of 3 days of strike with consequent savings in pay roll alone of about $700,000 a week.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, with reference to the appropriation for the Labor Relations Board, I hope we will not permit overzealous enthusiasts to sweep us off of our feet and cause us to disregard our common prudence and logic in making appropriations. The Appropriations Committee has been very lenient and very liberal with the National Labor Relations Board. In the first place, during the fiscal year 1937 that Board permitted its appropriation to get absolutely beyond its budgetary control, which was a violation of the positive law on the subject. It obligated itself to spend $15,000 more for salary than it had in its appropriation. The committee gave them that amount without question.

In the regular bill for 1938 we provide $735,000 for administrative expenses. Recognizing the increased demand for its services which has come since the Supreme Court decision, the Appropriations Committee has given them an additional $900,000, making a total of $1,700,000 for the administrative expenses of that Board. We ask you to permit that Board to proceed on that basis for a while in order to see whether or not they are able to carry on without a tremendously increased appropriation.

We will be back here in January, if not before. No agency of this Government performing useful functions has ever been starved to death by the Congress. Just because the Budget estimate is $1,800,000 is no reason why we should appropriate that amount. My friend from New York said we have violated all precedents by cutting all of that out. The gentleman is mistaken. There have been instances in which the Budget made certain estimates and we have not appropriated a nickel.

Mr. Chairman, it is our legislative duty to appropriate money. The Budget is merely advisory. Therefore there is no reason why this Congress cannot exercise its own judgment. This reduction in the Budget estimate is not an indication of hostility from a committee of this body but is simply an effort to try to appropriate in a logical, prudent, and economical manner. I hope the Committee will back us up in our efforts.

[Here the gavel fell.]

The CHAIRMAN (Mr. PARSONS). All time has expired.

The Chair desires to make a statement at this time.

A number of Members have asked to be recognized to offer amendments. If no one will ask for an extension of time beyond the 5 minutes for which he is recognized, I think every Member can be taken care of and at the same time speed along the consideration of the bill.

The Clerk will read.

The Clerk read as follows:

For the amount required from September 1, 1937, to June 30, 1938, inclusive, to increase the compensation of the Superintendent of the Document Room at the rate of $1,040 per annum so long as the position is held by the present incumbent, $867.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 3, after line 24, insert a new paragraph:

"Contested election expenses: For payment to J. Will Taylor, contestee, for expenses incurred in contested-election case of Rutherford against Taylor, audited and recommended by the Committee on Elections No. 1, $550.50, to be disbursed by the Clerk of the House."

The amendment was agreed to.

The Clerk read as follows:

GOVERNMENT PRINTING OFFICE

For payment to William Madden, Preston L. George, and William S. Houston, and on account of Samuel Robinson, messengers on night duty during the first session of the Seventy-fifth Congress, $900 each; in all, $3,600, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1938; such sum on account of Samuel Robinson to be paid in equal amounts to Mary E. Adams and Nettie Bullas, nieces of such person.

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY of Pennsylvania: Page 4, line 3, after the words "William S. Houston" and the comma, insert the following: "Michael Kostick, Phillip McCall, Daniel O'Connell, August Buehne, Walter Steuart, Oscar Eady, and William Smith", and strike out the words "$900 each", line 5.

Mr. WOODRUM. Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. TABER. And that it is not authorized by law.

Mr. WOODRUM. The employees provided for by these increases are congressional employees. They are on night duty for the session of Congress, and for this reason are given this additional compensation. The employees mentioned in the amendment of the gentlemen are regular employees of the Government Printing Office.

Mr. GRAY of Pennsylvania. Mr. Chairman, the employees whose names I have listed in this amendment do the same work that is done by the employees who are named in the bill. I understand the rate of pay is the same. The night work which is done by those mentioned in the bill is paid for through a 15-percent increase in their pay. There is no difference in the employment of those listed in my amendment, and I do not see why they cannot be included in the bill. I have not tried to increase the amount of the appropriation, but merely divide it among these employees, who do an equal amount of work.

The CHAIRMAN. (Mr. PARSONS.) The Chair is ready to rule.

The four employees who are specified in the paragraph are classified as messengers on night duty performing service during the first session of Congress. The employees whose names the gentleman's amendment seeks to add to the paragraph do not belong in this classification. Therefore, the amendment cannot be considered germane to this paragraph, and the Chair sustains the point of order.

The Clerk read as follows:

CIVILIAN CONSERVATION CORPS

The limitation of $200,000 on the amount that may be expended for salaries and expenses of the Office of the Director from the appropriation for the Civilian Conservation Corps contained in the public resolution entitled "Joint resolution making appropriations for the fiscal year ending June 30, 1938, for the Civilian Conservation Corps, the Railroad Retirement Account, and other activities, and for other purposes", approved July 1, 1937, is hereby increased to $255,000: *Provided*, That on and after September 1, 1937, the salary of the Director of the Civilian Conservation Corps shall be at the rate of $12,000 per annum.

Mr. TABER. Mr. Chairman, I make the point of order against the language beginning with "Provided" on line 2

of page 5 and ending with the end of the paragraph on page 5 that it is legislation on an appropriation bill.

Mr. WOODRUM. Mr. Chairman, I have nothing to say on the point of order.

The CHAIRMAN (Mr. PARSONS). The Chair is ready to rule.

The point of order made by the gentleman from New York [Mr. TABER] is that the proviso "That on and after September 1, 1937, the salary of the Director of the Civilian Conservation Corps shall be at the rate of $12,000 per annum" is legislation on an appropriation bill.

This salary was fixed in the bill recently passed as $10,000. The present provision seeks to raise the salary from $10,000 to $12,000. It is, therefore, legislation on an appropriation bill, and the point of order is sustained.

Mr. COLLINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have considerable sympathy for this committee and a high regard for the intelligence of its members and their desire to provide adequately for all of the various departments coming within the provisions of this bill. I believe, however, that they have not provided adequately for the administrative expenses of the Civilian Conservation Corps for the reason, perhaps, that the case was not presented to them as plainly as it should have been.

There is appropriated to the Civilian Conservation Corps $350,000,000. The Director has the right to allocate to the Departments of Agriculture, Interior, War, and other departments of the Government certain sums of money to carry on their particular work in connection with the C. C. C. The various agencies of these departments have the right to expend this money as they see fit, with the result that a tremendous overlapping of duties ensues. It is impossible, unless he is given additional assistants, for the Director of the C. C. C., Mr. Fechner, who is a very able and conscientious public servant, to eliminate these duplications and this waste of public money. I understand authoritatively that inspectors under the employ of Mr. Fechner have found at least four inspectors of various agencies of departments at one C. C. C. camp at one time, all looking into the same complaint or activity. I understand that in one town in Ohio there are eight different procurement agencies, all having offices, all having clerical employees, and all procuring articles for the C. C. C. It is an impossibility for the Director of the C. C. C. to cure this situation, because he cannot himself employ a procurement officer under his authority to buy the articles these procurement officials are buying. All he can do is to complain, for the funds allocated to these agencies are administered by them and not by the Director of the C. C. C. The reason he, or his representative, cannot buy these articles is that there is a limitation upon the amount he can spend for salaries and expenses. This limitation was $200,000, but I am very happy to see that the committee has raised it from $200,000 to $250,000. However, the Budget authorized $305,000. Mr. Fechner has told the committee and has told me that with $50,000 additional he can save $20,000,000. Mind you, the C. C. C. is an agency of the Government upon which is spent $350,000,000 of public money, but is limited to an expenditure of $255,000 for salaries and expenses. It is not right, and I hope the Senate will amend the bill so as to allow the Budget estimate, and, if that is done, that the amendment of the Senate is accepted.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 5, line 2, strike out "$255,000" and insert "$1."

Mr. RICH. Mr. Chairman, we have heard of this administration burning wheat, we have heard of this administration killing pigs, and we have heard of this administration destroying cotton, but I want to read an article taken from the Sunday edition of the Pennsylvania Grit, showing the destruction they are now practicing, which is as follows:

GOVERNMENT ORDERS EQUIPMENT BURNED, BURIED AT C. C. C. CAMPS—COTS, BLANKETS, IMPLEMENTS, AND UTENSILS DESTROYED BY FIRE OR COVERED WITH EARTH

Inquiries by local residents concerning the possibility of leasing disbanded C. C. C. camps in the Williamsport vicinity have brought to light governmental policies which compel immediate destruction of utensils and furnishings hitherto used in conservation camps.

At Camp S–81, on Slate Run, 250 regulation Army cots, made of angle iron and equipped with metal springs; the metal parts of shovels, picks, and other digging implements, and an array of kitchen utensils, such as pots and pans, have been buried in a heap in the bed of an old dam adjacent to the C. C. C. camp, along with other articles that could not be burned.

All chinaware in the place was broken.

Fourteen hundred Army blankets served as fuel to burn the wooden handles of implements and other inflammable articles. All the cutlery used in the place was discovered in a blackened condition on top of the heap where the fire had been.

Immediately after abandonment of the camp, Government inspectors arrived to see that all movable property, excluding trucks, had been burned or buried.

Several persons visited Camp S–124 at Cammal, in an effort to purchase Army squad tents which had been used as living quarters while the wooden structures were being built. They were unable to buy these. Inspectors visited the camp, it was reported, slashed the canvas tents with knives, and, after piling them all together, set them afire.

May I say that if we do not stop these damnable acts of destruction on the part of some of the officials of this administration, every Member of Congress and every individual citizen of this country will surely come to want. I can think of nothing more outrageous than the policy of destruction advocated by this administration. It is appalling to think that the officials of the C. C. C. camps who have the authority would stoop so low as to go out and destroy all the articles in these camps when the camps are abandoned or are expected to be moved to some other quarter. When people where these camps are located ask for the old shoes and boots they are refused them, but instead they are burned. Think of the good camp blankets that could be fumigated and poor families who are begging for them; yet they are burned by order of the C. C. C. officials. O Mr. Chairman, I think it is terrible. O Mr. Chairman, I can think of nothing that is worse, the destruction of good blankets, the burning of good tents, the breaking up of dishes, the waste and destruction that is going on under this administration is a blight on the intelligence of the American people. It is an act that the people of this country will hold this administration accountable for. When will this administration ever learn that waste and destruction is a sin?

There are people in these localities, I am sure, who would be pleased to pay a small amount for such articles as blankets, rubber boots, and shoes, or purchase these household utensils. It seems to me unbelievable that a Nation that is supposed to be as enlightened as the United States would commit such atrocious acts.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. RANDOLPH. May I say in answer to the gentleman from Pennsylvania [Mr. RICH] that while I do not know about the truth of the dispatch he read from the Pennsylvania Grit, I do say, however, that it is not the policy of the Civilian Conservation Corps officers of the United States to destroy property where a C. C. C. camp has been transferred or abandoned. I am going to put such evidence in the RECORD later in the day.

Mr. HOOK. Mr. Chairman, I am rather surprised at the amendment of the gentleman from Pennsylvania to strike out $250,000 and insert $1. I wonder where he is going to get the money. [Laughter.]

I am surprised that the gentleman would want this Congress to legislate on newspaper articles carried in partisan newspapers or be influenced by a partisan editorial.

When I was a boy I delivered the Pennsylvania Grit in my community and I read that paper, and after reading it I made up my mind I could not be a Republican. If you want

to believe newspaper stories of this kind and ask the Congress to legislate on that basis, I think you are going quite far.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOOK. Yes.

Mr. RICH. The Pennsylvania Grit is a nonpartisan paper and the people associated with it are the finest people in this country. I will venture the assertion that the statement is true to the extent that I will pay the gentleman's expenses to go up there and have shown him the debris that is at these camps, so that he may be convinced that they have committed this destruction, and I will give the gentleman the names of the witnesses who can prove that this is the case.

Mr. HOOK. What is the gentleman trying to do—subsidize me?

Mr. RICH. I want to stop this administration from the damnable and outrageous destructive policy which they are pursuing.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. RANDOLPH. Certainly; the gentleman from Pennsylvania knows that there is an order of the War Department which would not allow the destruction of property.

Mr. HOOK. Certainly; that is true, and rather than raise a fuss on the floor of the House and try to indulge in partisan politics here, why does not the gentleman go to the proper law-enforcement agencies and make his complaints there? We know that there must be some reason why the gentleman would not go to such an agency and have this done. However, all these things that are brought up here are only halfway presented to the House, and I do not believe the gentleman would want us to legislate on such flimsy evidence.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RICH].

The amendment was rejected.

The Clerk read as follows:

Salaries and expenses: For an additional amount for salaries and expenses of the National Labor Relations Board for the fiscal year 1938, including the same objects specified under this head in the Independent Offices Appropriation Act, 1938, $867,500.

Mr. LEAVY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEAVY: On page 7, line 23, strike out "$867,500" and insert in lieu thereof "$1,735,000."

Mr. LEAVY. Mr. Chairman, I have already briefly discussed this matter for 5 minutes this afternoon, and I may, perhaps, reiterate in part what I have said.

My purpose in offering this amendment is to make it possible for the National Labor Relations Board to function. It is useless, it is worse than useless, to establish a tribunal of any character and then deny it the wherewithal to function.

The National Labor Relations Board is a kind of court. It is a quasijudicial tribunal and its findings and its decrees are appealable to the circuit court of appeals. It conducts formal hearings, both sides have an opportunity to present their cause and to be represented by counsel, and its findings are made; and since the Supreme Court of the United States has held the act constitutional, the volume of business has increased at the rate of 1,000 percent a month, and as heretofore stated, in one month they were able to settle 133 strikes in the United States. This was in the month of May. A single strike was causing a loss of $100,000 per day in pay rolls. They went in there and in 3 days were able to adjust the situation.

They now have pending 3,000 cases which they cannot give attention to because they do not have the personnel. Some 75 or 80 trained people could go into the field and conduct hearings and bring to a hasty and happy conclusion many an industrial strike that is now in existence or is in the making.

I feel keenly and seriously about this because I fear this Congress may unintentionally, unwittingly, and unknowingly permit a situation to be created where men and women would lose their lives, where millions of dollars of property would be destroyed, and where industrial strife would spread when such conditions could be checked.

The mere sum of $700,000 being cut off of this appropriation means that cases will be held in abeyance perhaps for months, and we know that an industrial strike in a few hours may flare into a situation that will be a catastrophe.

Without any reflection upon the splendid committee, of which I am a part, I hope the House will sustain my amendment, and there is ample evidence to support it. If you will examine this record of hearing you will find 26 pages on this subject (third deficiency appropriations, 1937; hearings, pp. 330–356) and you will find as splendid a record of facts upon which to base an appropriation as you will find with respect to any item of appropriation considered in this Seventy-fifth Congress.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield.

Mr. DUNN. Is it not a fact that the Board cannot function properly unless the gentleman's amendment is adopted?

Mr. LEAVY. Absolutely.

Mr. DUNN. The amount appropriated in the bill is not sufficient.

Mr. LEAVY. The situation is identical with saying to the courts of this land, we are going to cut off one-fourth or one-third of your appropriation and we will give you no money to mete out justice. That would be an identical situation. [Applause.]

Mr. ALLEN of Pennsylvania. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Washington [Mr. LEAVY]. This is purely and simply a question of whether or not you approve of the National Labor Relations Board and the work it has been doing since the time of its creation. As has already been said to the Members of this House, the National Labor Relations Board cannot function with the great case load which it now has to shoulder, with the appropriation which has been given to it. I want the members of this Committee to realize that the Budget allowed the National Labor Relations Board $1,735,000, and that the Appropriations Committee has cut this Budget estimate exactly in half and they have done so at a time when the case load on the National Labor Relations Board has increased eightfold in the past 3 months. On April 12, when the Supreme Court validated the National Labor Relations Act, the potential case load rose from 2,000,000 men who came under the jurisdiction of the act, to 15,000,000 employees and employers, overnight, and since April 12, the backlog of these cases which this Board has not been able to handle has risen from 600 to over 2,400, which are now on the docket and which cannot be handled because of the lack of personnel and money.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Pennsylvania. Yes.

Mr. O'MALLEY. Does the gentleman know how the personnel of that Board is selected? Are they civil-service employees?

Mr. ALLEN of Pennsylvania. I do not know.

Mr. O'MALLEY. Where does the personnel come from?

Mr. ALLEN of Pennsylvania. I do not yield further. Your question has nothing to do with my speech. There has been an erroneous impression created among the Members of this House that the National Labor Relations Board is biased or that it is partisan in favor of certain organizations, and that it is not friendly to the employers of the country. You have already heard one telegram which has been read this afternoon by the gentleman from New York [Mr. MEAD], from the president of the United States Line, urging that this appropriation of the full amount as set forth by the Budget committee be maintained in behalf of the employers as well as the employees in the shipping industry, and I have here excerpts from letters written by the president of the Jones & Laughlin Steel Corporation in Pittsburgh in which that gentleman says that—

This corporation is gratified that such an important issue has been so amicably settled by peaceful and democratic methods under the provisions of the Wagner Act.

That is what the president of the great Jones & Laughlin Steel Corporation in Pittsburgh says about this Board, and

I have another statement written by Alvan T. Macauly, president of the Packard Motor Car Co., of Detroit, Mich., in which he says that the—

Election which was handled by the National Labor Relations Board in Detroit was handled in the very best possible manner, that there was not the slightest doubt as to the accuracy and honesty of the voting, and the Detroit office of the National Labor Relations Board has acquitted itself admirably.

Let me repeat, if you are in favor of the National Labor Relations Board and the work it has done and what it stands for, you will support the amendment offered by the gentleman from Washington. If you do not support that amendment you are striking a death blow at the rights of labor to bargain collectively in this country, and you are setting back the cause of labor many years. Labor fought for 25 years for a labor relations board of this kind before it was finally given them.

Mr. VOORHIS. We all know the National Labor Relations Board has a very difficult task to do. It is called upon to protect the right of collective bargaining and try to establish industrial peace. There are forces which would like to undermine and discredit the Board. Is it not obvious that for the House to fail to give this Board the necessary funds with which to do the business it has before it would be to place a great and unnecessary additional stumbling block in its way and to give aid and comfort to those who seek to make more difficult the job it has to do?

Mr. ALLEN of Pennsylvania. The gentleman himself and the members of the committee can answer that question. With the inadequate funds now available there are over 2,400 cases on the docket that cannot be handled. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. O'CONNELL of Montana. Mr. Chairman, I move to strike out the last word of the amendment of the gentleman from Washington. For 25 years the laboring people of the United States have been fighting for what they have been able to obtain in the last few years, and the most momentous victory they won was when the Members of the House wrote on the statute books of the United States the Wagner Labor Relations Act, and set up the National Labor Relations Board, and the finest decision ever handed down by the Supreme Court was the decision upholding the Wagner Labor Relations Act, which was commended on all sides not only by progressives, but by reactionaries everywhere. Since that decision this great Board has been working as no other agency of the Government has worked before. It has done a marvelous job, a tremendous job. Ordinarily I speak the word of labor, I speak the word of the worker, but I came here today with some magazines, containing statements of business leaders and of business magazines upholding the stand of the Labor Relations Board and the work it has done. Here is the Employer and Employee Relations, which is published in the city of New York, which is a business publication and it says that the Labor Board is deluged with cases and that the work has risen each month from 239 new cases coming before the Board to 1,396 in June.

It further states that the Board is increasingly relieving the employer of his labor troubles and settling problems which once consumed months of his time in negotiations, and this is done without any costly strikes, and that out in the Pacific coast a maritime strike that cost the workers and the shippers and the maritime industry $1,000,000 a day, a justifiable and amicable settlement is being made that will save in one single day $1,000,000 for the American people. All they are asking here for is $700,000. In the Jones & Laughlin strike, which was costing over $700,000 a day to the workers and to the steel industry, they settled that in an amicable way.

In the Packard Motor Co. case, which the gentleman from Pennsylvania [Mr. ALLEN] has cited, that was costing almost $1,000,000 a day, they settled that strike. I say, you ought to give this Board enough money to carry on. You ought to give them the money so that they will not be crippled, so that they can settle these strikes, so that they can save money not only for the workers and laborers but for the industries of the United States.

I have another quotation from the same magazine, after an election in which the workers in the entire shoe industry in the State of New York participated to determine who would be their bargaining agent, both sides in that controversy praised the work of the National Labor Relations Board in conducting the election; and John P. Truxall, manager of the Shore Manufacturers Board of Trade, stated:

The shoe industry in New York wishes the closed shop. The only thing our members worried about was with whom they should bargain. The manufacturers in our organization desire nothing except a fair expression of the workers' will. That has been obtained through the efforts which the Labor Board put forth, to make the election manifestly fair.

Then I have here Business Week, another magazine of the industrial interests. It goes on to show the wonderful work that the Labor Relations Board has been doing.

The CHAIRMAN. The time of the gentleman from Montana [Mr. O'CONNELL] has expired.

Mr. WOODRUM. Mr. Chairman, I would like to ask that all debate on this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

Mr. MAVERICK. Reserving the right to object, if this amendment fails, can another amendment for another amount be filed?

Mr. WOODRUM. That is up to the Chairman.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes. Is there objection?

Mr. EBERHARTER. Reserving the right to object, Mr. Chairman, there are some other members of the committee who have amendments to offer to this section. If the gentleman from Virginia will ask unanimous consent that debate on this amendment close in 20 minutes, I do not think there will be any objection.

Mr. WOODRUM. This does not shut off other amendments. It simply closes debate.

The CHAIRMAN. The Chair will state that under the terms of the unanimous consent asked by the gentleman from Virginia, it would not close the door to other amendments but, of course, would close the door to debate.

Mr. WOODRUM. Mr. Chairman, in view of the interest manifested, I will amend that request to make it 30 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes. Is there objection?

Mr. MEAD. Mr. Chairman, reserving the right to object, in view of the fact that a number of Members have amendments at the desk, I believe they should be given an opportunity to explain those amendments within this 30 minutes' time.

Mr. WOODRUM. The Chairman can divide the time. Five minutes is all I want.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. McCORMACK. Reserving the right to object, and, of course, I shall not object; but in view of the interest, I wonder if the gentleman would not also ask unanimous consent that, aside from himself, those recognized by the Chair would be recognized for 3 minutes?

Mr. WOODRUM. That is within the discretion of the Chair.

Mr. RANKIN. I would object to that. If we are going to speak at all we should have 5 minutes.

Mr. HOOK. Mr. Chairman, I object.

Mr. MAVERICK. Reserving the right to object, will the gentleman from Virginia say that we can have 20 minutes on this amendment and then if that is defeated we can have other amendments?

Mr. WOODRUM. We have been very liberal, Mr. Chairman. We have had 3 hours of debate. There are other controversial matters in this bill. We want to pass the bill tonight. The time is getting on. Five minutes is all I want. I do not think gentlemen ought to prolong the discussion.

There have been any number of speeches made on this matter today.

The CHAIRMAN. Is there objection?

Mr. McCORMACK. Can we not agree on 3 minutes for each speaker?

The CHAIRMAN. The Chair may state if it would be satisfactory to the Committee the time could be divided into 4-minute intervals.

Mr. RANKIN. Mr. Chairman, there are many of us who have not participated in this debate, and I am one of them, and I want my 5 minutes. I would object to that arrangement.

The CHAIRMAN. Is there objection?

Mr. EBERHARTER. Mr. Chairman, I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 30 minutes.

The question was taken and the motion was agreed to.

Mr. SWOPE. Mr. Chairman, the Congress of the United States established an agency through which it is hoped industrial strife in America may be reduced. In considering the appropriation for the National Labor Relations Board we are simply faced with the question whether we are going to give this agency, the child of Congress, sufficient funds to solve the problems that come before it.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. SWOPE. Not at this moment.

Mr. Chairman, I have the greatest respect and admiration for the distinguished gentleman from Virginia, who has given the matters in this bill his usual great and careful study. This, however, is not a question of whether he is for or against something, it is a question of whether he is right or wrong in his opinion about the size of the appropriation for this agency.

I came to Congress recently, but I have voted for millions of dollars of appropriations, much of which could have been deferred to some later session of Congress. The amount involved in the item now under discussion is only $700,000 or $800,000 and the question revolves around the point whether this amount is necessary or not. I am sure the gentleman from Virginia feels that it is not necessary. He has put his great mathematical mind upon this subject and feels that it is not necessary.

It has been stated on the floor this afternoon that many serious industrial disputes have already been settled through this agency that was set up through congressional action. I know there is a concerted drive in a great part of the press of this country against the National Labor Relations Board. I do not speak for any particular group of people, but I do feel that I ought to speak for the three-hundred-thousand-odd people in my district who are not interested in the controversy of any particular group, but who are interested in keeping our industries going, so that our prosperity may remain at a high point. The only place in my district where the National Labor Relations Board has gone into action was at Hershey, Pa.; and there certainly was no suspicion on the part of anybody at Hershey that any employee of the National Labor Relations Board was partial or that he used any discrimination whatsoever in holding that election, and that election turned out two to one against the C. I. O.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SWOPE. I yield.

Mr. RANKIN. Are the employees of this Board members of the C. I. O.?

Mr. SWOPE. The gentleman from Mississippi may know that better than I. I am not interested in whether they are members of any particular lodge, church, or organization; I am interested only in knowing that they will go out and try to solve our industrial problems so that our industry may not be crippled from month to month and from year to year by strikes which rob the Nation of its prosperity.

Mr. Chairman, the Labor Board has requested more funds than the Committee on Appropriations has included in this bill. The Director of the Budget has approved the amount sought to be added by the amendment offered by the gentleman from Washington [Mr. LEAVY]. Let us give this new instrumentality a chance to make good. Let us not hamstring it virtually at the beginning of its career. The people of the United States are entitled to have industrial peace if that can be obtained. In its short history, the efforts of the Labor Board have proved to be phenomenally successful. While we expect the Board to improve its procedure as time goes on, we nevertheless should give it sufficient funds with which to set up an adequate organization. This is not an appeal from any particular group of our citizens; the work of the Board cannot help but be beneficial to all our citizens. I plead with my colleagues to vote for the adoption of this amendment, which will give the Labor Board the funds which have been approved by the Bureau of the Budget, and through that approval, by the President of the United States. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. MEAD] is recognized for 3 minutes.

Mr. MEAD. Mr. Chairman, there was a time when indentured labor was sold on the streets of England for enslaved labor purposes in the factories of the United States. Any man arrested on the particular charge of kidnaping workers was fined £2; but if he was arrested for stealing a horse, he was sent to jail for life. That barbarous system had its defenders then, just as the system we are here trying to establish has its opponents in this day of culture and civilization. We are trying to give to the working men and women of this great Nation the right to organize and bargain collectively; yet there are men opposing us who would deny the worker that God-given right.

You may rise and endeavor to eliminate this appropriation. You may cut it to the bone. You may slash it so that the cause of industrial peace is retarded. But the workers of America, the workers of any country where humaneness, intelligence, civilization, and sympathy live, will gain their point even over your opposition.

Although the Budget reduced this appropriation, and they had the right to do so, while our Committee on Appropriations cut it again, and they had the right, I realize that as a Member of this Congress I also have a right to exercise my prerogative to endeavor to restore the appropriation if in my judgment it is just. That is what I am going to do today, regardless of the attitude of the Budget and the subcommittee. I recognize your rights, and I also have some privileges. If the Members of this House want to restore the appropriation, if they want to give life to the Connery-Wagner Act, let them rise in their places and vote for the adoption of the amendment offered by the gentleman from Washington. Let us do our duty and give labor an opportunity to bargain collectively. The time will come when the men who oppose this right for labor today will be in the same category as the men who defended the indentured labor-slave practice back in the early days of our factory system. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] is recognized for 4 minutes.

Mr. RANKIN. Mr. Chairman, I do not yield to the gentleman from New York or to any other man in this House in my devotion to the cause of the man who toils for his daily bread. Ever since I have been in this House I have supported the cause of the laboring man, although there are probably fewer members of organized labor in my district than in any other district represented on this floor. But, Mr. Chairman, I am going to oppose this amendment because I believe that the Labor Relations Board is going entirely too far. I believe that the amount provided in this bill is ample to do what they ought to do.

I seriously question the statement made that they have reduced strikes. In my section of the country strikes have increased. They have caused industrial trouble where industrial trouble had not occurred before.

You have heard a great deal said and you have read a good deal in the press of the country as to what happened at Tupelo, Miss. They have a little cotton mill down there that has not paid a dividend in 18 years, but they kept going

all through the depression in order that the employees might have work. I have no financial interest in any manufacturing establishment anywhere. But I am interested in laboring people everywhere.

A small number of the employees of that mill put on a sit-down strike. The representatives of the Labor Relations Board came there and made speeches encouraging them. When they went to the manager, he said, "If you insist on your demands, we must liquidate the mill. It is now virtually insolvent."

The representatives of the Board said they could not liquidate—as if they could stop it. The mill owners went into court and asked for a receivership. The attorneys for this Labor Relations Board went into court and opposed the receivership. I have here a copy of the brief they filed, signed by "Samuel Lang, regional attorney; Gerhard Van Arkel, attorney, National Labor Relations Board."

The mill is now closed, and those poor people who depended on it for a living, for their daily bread, are without anything to do. They are helpless and out of work because the representatives of the Board went down there and disturbed a condition that was peaceful and forced, or helped to force, into receivership a mill that had not paid a dividend in 18 years, but had paid everything it made to its employees.

They attempted to close the garment factories in Tupelo—although they only got 8 employees out of 1,700 to attempt a sit-down strike.

Representatives of this Board went down there and put on a trial that was a farce and a mockery. They excluded from the record much of the testimony of the men who were operating the plant, but brought in every disgruntled element they could find and put them on the stand and poured into the record the most disgusting attacks you ever heard or read—hearsay testimony from people who were highly prejudiced or knew nothing about the case.

I have here affidavits from two different disinterested persons who state on oath that they heard these representatives of the Labor Relations Board say that they were going to close every factory in Tupelo. In other words, they were going to destroy these small plants that furnish employment to 1,700 women, over the protest of the women themselves, when only 8 out of 1,700 had filed any complaint at all.

Therefore, Mr. Chairman, I say that the amount appropriated in this bill is ample to carry on the legitimate activities of the Labor Relations Board without this amendment which increases it approximately $1,000,000. I think a great deal of this money is being wasted or used for the wrong purpose, and that the activities of this Board should be curtailed and limited to necessary cases, and then conducted in a legitimate way.

No man on earth can accuse me of undue sympathy for the great manufacturing interests of this Nation, but this administration cannot put itself in the position of persecuting every man who attempts to operate an industrial enterprise.

I know the men who are in charge of these plants at Tupelo are honest, patriotic citizens, and the treatment they have received at the hands of representatives of this Board was outrageous.

As every Member of the House knows, all my legislative service has been dedicated and devoted to the little fellow, to the workingman and the workingwoman who toil for their daily bread, whether they are organized or unorganized. I believe in organized labor; I think that in a great many instances it is the only way laborers have of protecting themselves. But the representatives of this Labor Relations Board, by these activities, are not only injuring industries of the country, disturbing public confidence, and arraying class hatred where it never existed before, but, in my honest opinion, they are cutting the throat of organized labor. If these activities continue, they will do the cause of labor infinitely more harm than they could ever hope to do them good.

In my opinion, the Labor Relations Act should be amended so as to guarantee all parties an honest and an impartial hearing. Then, by all means, we should have an honest and an impartial Board, with honest and impartial representatives who would give every man a square deal. [Applause.]

Mr. DEMUTH. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. DEMUTH. Does the gentleman think this Board that is backlogged with so many cases would have time to go out and promote strikes, as the gentleman has tried to make the Members believe?

Mr. RANKIN. I have merely stated the facts. This Labor Relations Board is hurting the cause of the laboring man and hurting this administration by these tactics—to say nothing of the injury they are doing to the small industries of the country, as well as the large ones.

WAGE AND HOUR BILL

Mr. Chairman, under permission given me to extend my remarks in the RECORD, I desire to discuss briefly the so-called wage and hour bill. I am charged in the press today with having prevented a Democratic caucus from passing a resolution to force that measure through the House in the dying hours of Congress. I was not preventing a majority of the Democratic Members of the House from passing a resolution to force this measure through, but I made a point of no quorum and prevented a minority of the Democratic Members of the House from passing a resolution to force it to the floor of the House and to bind the majority to vote for it.

I have no apology for my efforts to have this measure carried over to the next session. I want every interested human being in America to have an opportunity to read and study this bill and to know exactly what it means.

One western Member said to me today that he believed it was the most far-reaching and dangerous piece of legislation that had ever been presented to the American Congress. He said that, in his opinion, if this measure were passed and upheld by the Supreme Court, it would mean a complete change in our system of government, and the wiping out of those safeguards which the fathers of the Constitution wrote into that sacred document, and especially into that portion of it that contains the Bill of Rights.

Many Members from the Eastern States do not hesitate to tell you that they are for this measure because they think it will prevent industrial development in the South. They say that it will close down a great many southern industries and put them out of business, thereby forcing these activities back into the large cities of their sections of the country and throwing our southern laborers out of work.

The garment workers in my section of the country, as a rule, live out on the farm. I am informed that 85 percent of the women employed in the garment factories in and around Tupelo, Miss., live out in the rural districts. Of course, they do not have to pay the heavy house rent that is charged in cities like Boston, Philadelphia, New York, or Pittsburgh. Nor do they have to live out of a commissary. In other words, they do not have to live "out of a tin can and a paper sack." They have their own gardens, their own corn patches, pea patches, their cows that supply fresh milk and butter, they have their own chickens and eggs, the family raises its own corn, potatoes, and hogs and, therefore, produce their own meat and bread. If they had all this to buy, at the prices they have to pay in the large cities of the East, then necessarily their expenses would be multiplied many times.

The effect of this measure would be to throw out of employment men and women who could not obtain a minimum wage of 40 cents an hour. It would stop all piece work and all home work. Women who are now permitted to take work home with them would have to quit. One Member from an eastern State told me that was exactly what he wanted to do. One representative of a southern

industry said it would result in turning off one-half the women in his plant, but he said he could speed up the machinery, concentrate the work, and produce practically the same amount of goods he is now turning out with half the help.

What is going to become of all those people who are thrown out of work? They must either be turned back to the farm, where it is said overproduction now prevails, or they must be sent to the relief rolls to increase the now staggering burden of annual appropriations. Instead of diminishing our relief rolls as we hope to do, we would be compelled to increase them.

It would put a stop to the industrial expansion in the small towns and cities—especially in the South and West, and would cause the monopolization of what we call the small industries by the larger establishments in the big cities. They would be concentrated into the enormous plants in the large cities where machinery would automatically do most of the work, and the number of people employed for the amount of goods produced would be diminished. In other words, it would not result in putting people to work, but it would result in throwing people out of work, and forcing upon the whole country a wage scale based upon enormous rents and other high living expenses in the large congested centers such as Boston, Philadelphia, Pittsburgh, and New York.

Now let us see what effect it would have on organized labor. In my opinion, and in the opinion of a great many of the best friends labor ever had in this House, it would result in the dissolution of labor organizations. The Government would take control and the American Federation of Labor, which has done so much for the workingman in industrial establishments of this Nation, would soon become a thing of the past.

The minimum wage would inevitably become the maximum wage in the long run, and men who are now drawing more than 40 cents an hour would gradually be shaken down to that level. The laboring man would be placed in a strait jacket such as he has never worn in this country before. That is the reason so many of the more intelligent members of organized labor are protesting against the passage of this legislation.

HOW IT WILL AFFECT THE FARMER

Now let us see what effect it would have on the farmers of the Nation. It would greatly increase expenses of processing or packing and preparing for market all kinds of farm products, unless it is done by a cooperative, and even then the prices of boxes, baskets, and other containers would be increased. Since a very small portion, in fact an infinitesimal part of agricultural products are processed by cooperatives, there would be practically no processing plants exempt. It would not only embarrass them in regulating the hours in which they could operate, but it would add to the expense of processing farm products, which expense would be passed back to the producer and depress the prices of farm products. The same thing would be true of every little canning plant, every creamery, every ice-cream plant, every little bakery, slaughterhouse, every cotton gin, and every oil mill, as well as every little sawmill. It would close many of these small plants just as did the N. R. A., and force the people to patronize the larger establishments that would gradually monopolize the industries.

The proponents of this measure admit that it will result in raising the prices of manufactured commodities, thereby piling additional burdens on the backs of the consumer. This would fall most heavily upon the farmers of the Nation, real laborers who bow beneath the burning sun, fight the vicissitudes of Nature, the ravages of insects, and all the other adversities that agriculture is heir to, in order to wring a living from the ground and to feed and clothe the rest of us.

One manufacturer of work shirts told me that it would amount to almost a 50-percent increase in the prices that farmers would have to pay for their clothes. He said a work shirt that now sells for 40 cents would sell for 70 or 75 cents.

I asked one of the proponents of this bill how it could ever be made to work, since we could not regulate wages and hours in foreign countries. I pointed out that they could manufacture their goods, ship them in here, and sell them cheaper than they could be produced in the United States if this bill became a law. His answer was that we would raise the tariff to shut them out.

Shades of Thomas Jefferson. Are we going to adopt the Republican policy of a high-protective tariff with which the farmers have been bled for 60 years, raise it still higher, and pile upon the backs of the overburdened farmers this additional load in order to try out a half-baked proposition that is in flagrant violation of the Constitution of the United States?

If we do, the farmers of this country will be driven to the level of peonage. The great work which Cordell Hull, our distinguished Secretary of State, has been doing for the last 4 years to work out reciprocal trade treaties to restore our foreign trade and help to bring about the peace of mankind—that work would be repudiated and that policy reversed. Every nation on earth would erect retaliatory tariffs, put on quotas, inspection charges, and so forth, that would shut American goods out of foreign markets and leave us isolated from international trade. Then the only outlet left would be to pile this burden onto the backs of the unprotected people of the Nation, and especially the helpless farmers, and grind them into the dust, unless they revolted or the system collapsed.

Oh, but one enthusiastic fellow said we will raise the prices of farm commodities. All right; if you will raise the prices of farm commodities so that it will guarantee every farmer 40 cents an hour for his work, then I will vote for the bill. But the ones who are now supporting it would not vote for it when they realized what it would do.

It has been established time and time again that it takes a farmer working on an average of 250 hours to produce a bale of cotton; that is, to prepare his ground, plant, plow, hoe, pick, and market a bale of cotton. At the present time a bale of cotton is worth about 10 cents a pound, or about $50. Half of that goes to the laborer. If a landlord furnishes the land, the stock, the feed, the seed, and so forth, and his part of the fertilizer, the tenant does the work and gets half the crop. Therefore, out of that bale of cotton the tenant or laborer will get $25, which is exactly 10 cents an hour for the 250 hours it took to produce it. In other words, the farmer gets 1 cent an hour for his work for each 1 cent a pound he receives for his cotton. I know somebody will spring the proposition that cottonseed brings money, but it will take all the seed to pay for the fertilizer and for the ginning.

Now, since the farmer gets 1 cent an hour for each 1 cent a pound he receives for his cotton, for him to get 40 cents an hour for his labor, cotton should sell at 40 cents a pound, or $200 a bale. When cotton is 10 cents a pound, wheat, as a rule, is $1 a bushel. So that would mean that the wheat grower would be entitled to four times that amount, or $4 a bushel for wheat. When cotton is 10 cents a pound, corn, as a rule, is about 75 cents a bushel. Therefore, on this 40-cent basis, the corn grower should receive $3 a bushel for his corn, or four times what he is receiving now.

Milk, cream, chickens, eggs, oats, rye, barley, and other farm commodities should sell for about four times what they are bringing today if we are going to fix a minimum wage of 40 cents an hour for industrial workers of all kinds and if we expect to put the farmer on a parity with them.

I hope every farm community and every other community in America calls meeting after meeting, in the country school house, the village school house, the town hall, and the city hall, and that they discuss this measure thoroughly between now and the time the next Congress convenes, and let their representatives know exactly how they feel about it.

This is a matter that should be left to the people in the various States. The people of the State of Iowa know more about the local conditions in Iowa than do the people of Florida. The people of Mississippi know more about local affairs in that State than do the people of Maine. We do not all live in a Boston, Pittsburgh, Baltimore, New York, or

Philadelphia, and we cannot have our lives regulated by the pattern which they set.

As I said in the beginning, I have always been a friend of the workingman and the workingwoman, whether they belong to labor organizations or not, and I am unwilling to support a measure which I believe in my heart would redound to their injury if not to their destruction.

ADEQUATE APPROPRIATION NECESSARY FOR BOARD

Mr. MAVERICK. Mr. Chairman, I rise in favor of the amendment to give the Labor Relations Board an adequate appropriation to carry out its proper functions. It so happens when I read about the situation down there at Tupelo I called on the National Labor Relations Board to give me the record of what happened, and here is what the record shows.

It shows that the employees of the Tupelo cotton mill struck in April. It shows further that a consent election was called by the workers and by the company, mind you, by the company itself! It shows that the strikers won that election three to one. They won, gentlemen, in a peaceful, quiet consent—mind you—consent election. That is what the record shows, because I took the trouble to go down there and find out.

Mr. RANKIN. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Did they tell you about going in there and speaking to them?

Mr. MAVERICK. Why not? In any event the Board was entirely impartial. I cannot yield further. I tell you, my colleagues, they had a consent election and the record shows that the strike was called by unorganized employees.

It shows that the people of Tupelo, Miss., were working for $5 and $8 a week. That is what the record shows; and, as far as I have been able to find out, the National Labor Relations Board did nothing out of the way whatever.

I want the people to understand that I am not saying this in an unkind way, but a gentleman rose on the floor one day and said, "T. V. A. is socialism." Now, there is some ground for argument in that. It is government ownership, and I have heard it said there is some socialism about that.

T. V. A. AND N. L. R. B. ARE BOTH GOOD AMERICANISM

But the gentleman from Mississippi rose and stated, "It is not socialism. The T. V. A. is Americanism." I want to tell you that the National Labor Relations Board is just as much Americanism as the T. V. A., and I am for both of them. [Applause.]

The record further shows that the Tupelo Garment Co. has been involved in a strike down there. Eight employees were discharged because they joined a union. That is now in litigation at this time.

The gentleman from Mississippi says he wants an honest board. I have not had any responsible person tell me that this is not an honest board.

EVERYBODY KNOWS THE BOARD IS HONEST

It seems to me it is an honest board. Their attorneys are honest. Oh, everybody knows they are honest. The speeches made this afternoon show that responsible businessmen from all over the country have said that they favor it, the functions of the Board, and its ability to settle disputes. I believe that business needs this as much as they think they need the Supreme Court, and, as I said before today, it is a constitutional organization. The National Labor Relations Board is just as constitutional as anything we have created.

Mr. BURDICK. Will the gentleman yield?

Mr. MAVERICK. I yield to my friend from North Dakota.

Mr. BURDICK. Does not the gentleman from Texas believe if this Congress does not restore the appropriation the people of this country will charge this House with a deliberate attempt to destroy the act?

Mr. MAVERICK. Why, of course. And it will be true. I think we ought to go down the line and appropriate the money. I would like to read some things that businessmen have stated about this matter, but I have not time.

Mr. RANKIN. Will the gentleman yield?

Mr. MAVERICK. I am sorry; I only have a minute left. These businessmen have stated they do not care whether they sign a contract with the C. I. O., the A. F. of L., a railroad organization, or any other organization, just so they know which. They want someone to settle these disputes.

The $1,800,000 covered by this amendment is a very small amount in comparison to the importance of the Board. Gentlemen, this has been approved by the Bureau of the Budget of the United States. If we do not grant this reasonable sum of money, the number of industrial disputes will be increased. The Board will not be able to render effective service. We can help the cause of industrial peace, humanity, and good business by adopting this amendment. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, the question involved here is a very simple one, whether we are going by our vote to cripple one of the most important pieces of legislation passed during the present administration, or whether we are going to appropriate sufficient money in order that the National Labor Relations Board might effectively carry on its work.

The Committee on Appropriations has made a drastic cut in the appropriation as recommended by the Director of the Budget. I have heard the argument of the gentleman from Mississippi [Mr. RANKIN] and I have heard other criticisms along the same line. I think criticisms should be made where they are justified. I am not going to enter into a controversy with the gentleman from Mississippi over anything he has stated. I shall criticize the Board if it is wrong. However, the Board is a new board and must gain experience, and it is gaining experience. There are things done by the examiners of the Board which I do not like. The members of the Board should scrupulously investigate the actions, the efforts, and the work of their examiners and employees so there will be as little criticism as possible. The Board should remember that it is an agency of the United States, representing no one group of our citizenry but all of our people, and that it is sitting in a quasi-judicial capacity. However, the Board has been in existence only a short while. We all make mistakes, and the Board has made mistakes. I am surprised it has not made more mistakes than have been made.

The amendment offered by the gentleman from Washington [Mr. LEAVY] has for its objective replacing in the bill the amount which the Committee on Appropriations reduced from the Budget recommendations. This amount is necessary for the National Labor Relations Board to carry on its effective work. The amendment should be adopted. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, 2 years ago under the leadership of our late beloved colleague Billy Connery, I was one of those who helped to perfect and pass the legislation creating the Labor Relations Board. I believed then and believe now that the best way in the world under our democratic system of government for settling questions of hours and working conditions between employers and employees is mutual agreement across the table, and that is what the act is supposed to do.

I do not know anything about the questions raised by the gentleman from Mississippi [Mr. RANKIN], but if his statements are true, he should present them to the President of the United States and not hamstring the law which is designed to bring about democratic settlements in disputes between employers and employees. [Applause.]

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. No; I decline to yield. I do not have the time.

Mr. RANKIN. Then I shall not tell the gentleman what I would do, if he will not yield to me.

Mr. RAMSPECK. May I say to my friends in the South that I am not one of those who delude themselves with the idea that the working people in my section of the country are going to put up with sweatshop conditions any more than they are in any other part of the country. [Applause.]

The democratic way to settle these questions is across the conference table, as provided by this act. Unless we do settle them this way, we are going to be forced eventually to settle them by law, and I for one would prefer that such methods should not be necessary.

If the employers of this country had accepted this act in the proper spirit the Board would have had a chance to function, but the Board never had an opportunity to function until the Supreme Court ruled on the law last April. Let us give the Board a real chance to see if it can make this act work. I believe the Board can do this and will settle disputes before the men lose time due to the necessity of striking. I think the Board will assist employees to settle disputes peacefully, in a democratic way, across the table, as the railroad brotherhoods recently settled their controversy with the railroads of this country.

Mr. Chairman, I am going to support this amendment because the amount it proposes was recommended by the President and the Bureau of the Budget and because I believe it is in the interest of good government, in the interest of more peaceful conditions, and in the interest of a democratic method of settling labor disputes. [Applause.]

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Chairman, I know but little about the details of the workings of the National Labor Relations Board. It is an agency set up by this Congress, and I had the pleasure of voting for the measure creating it. With but one exception, I know no man or woman connected with the Board. It is my privilege to know the general counsel of the Board, and I may say to the membership of this House that I do not know a man more dignified and courteous, of greater integrity, or of more ability in his profession and finer character than Charles Fahy, the general counsel of the National Labor Relations Board.

There has been some criticism here of the handling of individual cases, but that is to be expected. We have here a new agency with many cases crowding its calendar. The Board did not have all trained men with whom to start. The men had to be trained for their work, and I think they are doing a pretty good job. Whether or not the Board has enough money to go along I do not know, but I do believe it should have a sufficient amount to carry on its work thoroughly, efficiently, and expeditiously. So far as I know, no case has been brought to my attention which was not settled equitably. There may be cases which have not been settled equitably, but certainly there is none within my knowledge. [Applause.]

[Here the gavel fell.]

Mr. BRADLEY. Mr. Chairman, for the first time in the history of this country there has been created an agency, the National Labor Relations Board, to see that labor receives justice, but if we provide insufficient funds for its operation we nullify the action of Congress which created it.

May I say for the information of the gentleman from Mississippi [Mr. RANKIN], that since he has spoken, I have checked up with the officials of the National Labor Relations Board, and they inform me no member of the Board is a member of either the C. I. O. or the American Federation of Labor.

Mr. RANKIN. I stated any employees.

Mr. BRADLEY. There are civil-service employees who belong to the American Federation of Labor, the same as such employees always have in the Government service. That is their right and privilege. I cannot yield further, Mr. Chairman, my time is too short.

I am going to speak about conditions in the gentleman's own State. It was not my intention to do so, and I dislike very much to have to do it. However, in the gentleman's remarks on this amendment he spoke of labor conditions in the State of Mississippi.

Mr. Chairman, I cite as an example of certain features of the labor question in a particular city, the city of Ellisville, Miss., where there was recently built with W. P. A. funds a vocational training school. To this school were taken foremen from the city of Philadelphia, from a hosiery mill there, at W. P. A. expense, where they proceeded to teach so-called vocational students the trade of hosiery knitting. What for? In order that they might be able to produce at a much less cost than they are able to produce in the city of Philadelphia. The foremen were employed as instructors and paid with W. P. A. funds. The wages paid to those who learned hosiery knitting, I am informed, were approximately $10 a week. Is it any wonder there is protest from labor unions against a condition of this kind. The hosiery produced under such conditions would in all probability in many instances find its way back to the consumer in communities near Philadelphia. Due to the protests of labor unions, who discovered this condition, an investigation was made by the Works Progress Administration and only yesterday officials demanded return of the Federal funds used in building the school.

Mr. Chairman, since the decision of the Supreme Court on April 12 of this year the number of cases pending before the Board has increased 400 percent. The work of this Board is only beginning. To reduce the figure below that recommended by the Budget Bureau, which the Appropriations Committee has done, would tie the hands of the Board and only serve the interests of those who are seeking to prevent collective bargaining and who wish to continue exploiting the American workingman. We are at present involved in controversy over the wage and hour bill, because we are unable to bring it to the floor of the House for a vote. I appeal to those who are friends of labor, who are interested in the efforts of the American workingman to organize and to secure a living wage, now, that there is an amendment actually before the House, which will benefit labor, to vote for this amendment proposed by Mr. LEAVY, which will increase the amount to $1,735,000 and which is essential in order to adequately provide the means for efficient operation of the National Labor Relations Board.

Mr. HOOK. Mr. Chairman, I believe I am correct when I say that when the rage of sit-down strikes was going on throughout this Nation I was the first man to rise upon the floor of this House and condemn them, and I condemn them today just as strongly as I did then; but previous to the time the Supreme Court declared the National Labor Relations Act constitutional we had that wave of sit-down strikes, and I am saying that the work of the National Labor Relations Board has done more to stop sit-down strikes and bring industrial peace to this Nation than the work of any other board or any other thing we could have done. [Applause.] It is the supreme court of labor; and if labor gets a break in the National Labor Relations Board, it will be the first court in this Nation where we have received a real break.

I believe we should give this Board sufficient funds to be able to operate properly. I do not believe we should shoot at the members of the Board. I do not believe in individual legislation. I believe in legislation that will represent a long-time point of view.

Mr. Chairman, let us vote in favor of this amendment. [Applause.]

Mr. LAMBERTSON. Mr. Chairman, I am opposed to the amendment and I shall support the recommendation of the committee. I think the committee has done a good job in analyzing what is needed now.

We will meet again in a few months, and they certainly have been provided with enough funds to take care of their needs at the present time.

I also wish to venture a conjecture with reference to the enormous number of strikes we have had. What has been the reason for them? I have not heard anybody mention this, but I do not know but what the very radical attitude of this Board has not been in the mind of labor and I do not know but what this has been one of the reasons

there have been so many strikes this year. I have it upon pretty good authority——

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I cannot yield now.

Mr. JOHNSON of Minnesota. Has not the reason been the low wages and long hours?

Mr. LAMBERTSON. I have it from good authority that the general counsel who was referred to here a moment ago is more than a Socialist. He is the counsel for this Board and he is a man, I have been told, who "pooh-poohs" the kind of Government we have today. [Laughter.] This is what good authority tells me, and if he is the guiding spirit of this Board, perhaps they had better start in a rather conservative way, and I am sure this amount will be adequate at least for the next 4 months.

[Here the gavel fell.]

Mr. BEAM. Mr. Chairman, this is an amendment which every Member of the House can enthusiastically support.

We are living in a great industrial age and in an era of great industrial dispute and unrest.

I was interested in hearing the gentleman from Montana assert that through the activities of the National Labor Relations Board the Jones & Laughlin steel strike was settled, the Packard Motor Co. strike was adjusted, and also the strikes at the steel mills in South Chicago and Pittsburgh areas were successfully terminated.

As a member of the Committee on Agriculture I have supported all bills for the rehabilitation of agriculture. I have voted for every agricultural measure whereby the farmer was benefited, but are we going now by our action today to handicap and impair the activities of this Board, which has to do with settling and adjusting industrial disputes for men who toil and labor in the industrial sections of our country?

Are we going today to cut this appropriation and so limit their operations as to become ineffectual and unable to cope successfully with the great task and responsibility which is theirs?

Are we going by our actions today to impliedly and tacitly sustain and commend the members of the Rules Committee who would deny the membership of the House the privilege to vote on the wage and hour bill, which would give the people who toil and labor the right to have an equal chance in this great country we call America?

The time has now come when by your vote here this afternoon you can restore this appropriation and put in the hands of the National Labor Relations Board the power to do away with strikes and bring industrial peace and contentment to all the workers throughout the United States. [Applause.]

Mr. WOODRUM. Mr. Chairman, I have always said that I thought the House of Representatives is the greatest body of men on the face of the earth. A cross section of it I believe will show real ability, industry, and devotion to duty, and yet it is a queer study in human psychology to see the House in one of these periods of emotion. One would think from hearing these impassioned speeches today, which have been made for the benefit of Mr. Fahy and his colleagues sitting in the gallery, telling them how much they love the National Relations Board, with them smiling down at the Members, approving their utterances, that the issue today is whether we were going to crucify labor or emancipate labor, a rather silly course of debate. I voted for the National Labor Relations Act. I have voted for just as much labor legislation as any gentleman on this side of the House, yet that does not mean just because I did that that I am going to give the Labor Relations Board a blank check on the United States Treasury. Now, let us clear the cobwebs away. We gave the National Labor Relations Board $785,000 for 1938 for their administrative expenses for this fiscal year, 2 months of which have already gone.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Not now. The committee proposes, in view of this increase in work, to give them another $917,500 for the remaining 10 months of this fiscal year, making a total for the year of $1,702,500. Nobody is criticizing the Board, nobody is making any attack on labor and their right to bargain, but we merely ask that the Board go ahead in a logical manner and organize this new activity along sensible, logical, conservative lines; and I say to you gentlemen who are so enthusiastic today, no more than I for them, you who are so impassioned, that the worst thing you can do for them is to give them more money than they can usefully spend in the next 10 months and permit them to go out into the highways and byways and hurriedly put a lot of people into the organization without careful scrutiny.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Not now. The gentleman and his supporters have been using 30 minutes of time, and surely I might be permitted to use my poor little 5 minutes. No attack is being made on this Board. There is no division here about the Labor Relations Board. I helped them with their appropriations for the fiscal year 1937 when they violated the law and spent $15,000 that they did not have. They came in to our committee and there was no question at all as soon as they explained it. We gave it to them. Examine the hearings and you will find that, while there has been an increase in the number of cases, that many of those upon examination are found to be useless, and this committee believes that with this added million dollars, which more than doubles their appropriation for the remaining 10 months, the Board can function just as Congress meant it to function, and that when we come back here in January, if they are in difficulties, we can do in the future just as we have done in the past, give them whatever funds they show they need to carry on the useful functions of their work. But do not let us raise any straw men here to knock them down.

This is your responsibility as much as it is mine. I think you will all bear witness to the fact that you have trampled upon me many times, when you did not agree with me. That is all right. It is your duty, just as well as it is mine, and now it is your duty also. I ask you to give them money wisely, do not give them any that they cannot use that way and that they do not reasonably need.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. WALTER. By what theory did the Committee on Appropriations cut exactly in half the amount recommended by the Budget?

Mr. WOODRUM. I ask the gentleman to turn to page 340 of the hearings. He will find that they testified that out of 2,382 cases, closed as of June 1, 324 were dismissed by regional directors or the Board before formal action, 1,297 were closed by agreement with both parties, 602 were withdrawn by petitioning parties, and 163 were closed in other ways, of which number formal orders were entered in 100 cases. There are only 25 cases in court. After the Supreme Court sustained the Labor Relations Act a great flock of people rushed to this Board. The act was new and people were emotional and excited, many coming with cases that did not amount to anything and in good management they advised them to dismiss them and those cases were dismissed.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. WILCOX. And if the bill should pass in the form as reported by the Committee what will be the total amount provided for this fiscal year for the Labor Relations Board?

Mr. WOODRUM. $1,700,000, or $900,000 for the next 10 months, more than is carried in the regular bill.

Mr. WILCOX. The total amount provided will be $1,700,000, according to the bill as now reported?

Mr. WOODRUM. That is right, as now reported.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. LEAVY].

Without objection the Clerk will again report the amendment.

There being no objection the Clerk again reported the Leavy amendment.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM)—there were ayes 101, and noes 95.

Mr. WOODRUM. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed Mr. WOODRUM and Mr. LEAVY to act as tellers.

The Committee again divided and the tellers reported there were ayes 125, and noes 112.

So the amendment was agreed to.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority fund: The appropriation under this head for the fiscal year 1938, contained in the Second Deficiency Appropriation Act, fiscal year 1937, shall, in addition to the objects specified under that head, be available for the reconstruction and relocation of the George Sam Houston Bridge across the Tennessee River at Guntersville, Ala.

Mr. MAGNUSON. Mr. Chairman, I move to strike out the last word. I just do this to ask a question of the chairman of the subcommittee. Some days ago the House unanimously passed a bill providing for a cancer-research institute to be set up in Washington, D. C. I was wondering if the committee had that item before it and, if they did, why it is not in this appropriation bill?

Mr. WOODRUM. I will say that the item did not come to the subcommittee in time to be included in this bill, but I am informed it has gone to the Senate where it will be considered on the bill when it gets to the Senate.

Mr. MAGNUSON. I thank the gentleman.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

THOMAS JEFFERSON MEMORIAL COMMISSION

For the purposes authorized under the provisions of the act approved June 3, 1936 (49 Stat. 1397), entitled "An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson", $500,000, to remain available until expended.

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: Page 8, line 12, strike out all of lines 12 to 17, inclusive.

Mr. SCOTT. Mr. Chairman, I offer to the chairman of the subcommittee a method of getting back $500,000 of the amount that was appropriated just a moment ago. I want to make this clear to every member of the Committee, that the adoption of this amendment will not put an end to the Thomas Jefferson Memorial Commission. It was created by law. This will simply hold up the proceedings for the rest of this session. I do that for this reason: The $500,000 appropriation was put into this deficiency bill without any hearings at all. The case for the appropriation was made by a member of the committee, but there was no opposition heard, although some requested an opportunity to appear before the committee. I doubt very much whether it is a good idea on the part of our subcommittee or on the part of the Committee of the Whole to make an original appropriation of $500,000 that carries with it an obligation of $2,500,000 more and the possibility of double that amount without first holding hearings before the committee. We do not know what the final cost of this memorial is going to be, but you can remember you will be asked later to appropriate $2,500,000 to carry out the original authorizing act and undoubtedly when the memorial is about one-half or three-quarters completed they will come back and say, "There is no sense in leaving an uncompleted memorial and we have to have more money." You are going to be in a ticklish spot when you decide whether to give them an additional sum to complete that which has been started.

I want to call attention again to the fact that the Commission has been in existence for 3 years and that the original law passed in 1934 or thereabouts has been in existence for 3 years, requiring them to make a report annually to the Congress as to the progress that the Commission has been making, and that up to date no report such as that has been filed with the Clerk of the House of Representatives. We are not therefore sufficiently informed to be able to act upon this particular appropriation. I am simply asking that it go over until the next session at least, during which time the Commission will have an opportunity to report on the progress it has been making. In the meantime there is the possibility that the Commission may change its mind as far as the type and style of architecture is concerned. They have changed their mind as far as the location of the monument is concerned and are now going to put it south of the original site, the Tidal Basin.

I also want it understood that I have absolutely no personal feeling, no antagonism upon which I am working, but I have the highest regard for the chairman of that memorial Commission. Let me say that I know of no man in the House who is more courteous or has been more courteous as far as debate on the floor is concerned, but in spite of that fact, I myself, no matter how highly I regard the chairman of that Commission, could not be led into voting for this just because I did have that high regard for him.

I do not believe that the case presented so far is sufficient to warrant the expenditure now of $500,000, especially when that means that $2,500,000 will be obligated and the possibility of vastly increased expenditures.

No man has a higher regard for Thomas Jefferson than I, but I do not interpret Jeffersonian democracy the way a lot of people do. I think we should have a memorial sometime, but not now under present circumstances.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts.

Mr. TREADWAY. Mr. Chairman, I have been interested in this matter as a member of the Committee on the Library which originally presented the authorization for the construction of the Thomas Jefferson memorial. I am still in favor of that measure, but I want to see a restriction placed on the legislation so that the Congress will know that it will be impossible to build on the Tidal Basin. The arguments that have been made in regard to the objections to the Tidal Basin site are well known and I shall not rehearse them. I shall refer, however, to the remarks made by my friend this morning, the chairman of the Thomas Jefferson Memorial Commission, our esteemed colleague, the gentleman from New York [Mr. BOYLAN]. I believe he used these words:

The revised plan adopted assures that the Basin will not be changed.

That assurance, he said, is contained in his report of July 13, which was published in the newspapers, he said, but not presented, as I understand it should have been, to the Speaker through the Clerk of the House.

He also said that the modified plans called for the location of the memorial south of the Tidal Basin. Here is a map of the city of Washington [showing a map] and my hand is pointing to the Tidal Basin. This is the north and south line of the Tidal Basin. If it is located in the south it will run into the railroad track or into the Potomac River, it seems, and must, from the description that was given of the modified location.

Mr. BOYLAN of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes, I shall be glad to yield to the gentleman to explain where else south of the Tidal Basin would be.

Mr. BOYLAN of New York. This morning the gentleman inquired as——

Mr. TREADWAY. Will the gentleman be brief, because I have only 5 minutes and I want to say a lot about this subject.

Mr. BOYLAN of New York. Oh, yes, certainly; and I told him that the distance in which we have to place the memorial is between the Tidal Basin and the railroad tracks and is approximately 1,000 feet.

Mr. TREADWAY. Will the gentleman point out on the map where the new location is?

Mr. BOYLAN of New York. If the gentleman will wait a minute.

Mr. TREADWAY. Answer briefly, because my time is running.

Mr. BOYLAN of New York. The space between the Tidal Basin and the railroad tracks is 1,000 feet. I also gave the gentleman that information personally.

Mr. TREADWAY. The gentleman told me downstairs in the lunch room that there was 1,000 feet between the Tidal Basin and the railroad tracks at the new location. This map shows the contour of the Tidal Basin which he says will not be changed.

Mr. BOYLAN of New York. And the 1,000 feet will be available for erection of the memorial.

Mr. TREADWAY. There is the railroad track [pointing], and there is the river. I submit that there is no place to put it south of the Tidal Basin in that neighborhood unless it runs into the river or subjects the Jefferson memorial to being hit by railroad trains. I want the House at this time to understand that the people of the United States want the Tidal Basin and the cherry blossoms protected, and we are going to have them protected by legislation if it is possible to do it. I fully approve, therefore, of the effort of the gentleman from California to strike out this appropriation of $500,000 until such time as we know where the new location is.

I may say also that I have looked through the 600 pages of hearings held by this subcommittee, but there is not a word in there in behalf of this $500,000. In other words, no hearing was held upon an appropriation of half a million dollars.

There are the facts of the case. We are glad to take the word of the gentleman from New York as to the merits of this matter.

Mr. BOYLAN of New York. But you do not take it.

Mr. TREADWAY. We do want to know, however, where the location is running south from the Tidal Basin that will not hit either the railroad or the river. The adoption of the amendment striking out the appropriation will settle the matter for the time being.

Further I desire to correct an error made by the gentleman from New York [Mr. BOYLAN] when he referred to me as the owner of 21 inns and therefore wanted to aid the hotel fraternity of the District of Columbia. He was only a little more than 10 times mistaken. I dislike to bring personalities into congressional debates, but it so happens that my hotel ownership consists of two modest inns in my home town of Stockbridge, Mass. I am proud of my former occupation of hotel management but do not wish to accept a greater degree of responsibility than I can properly acknowledge.

The Tidal Basin, with its spring bloom, is one of the greatest attractions this Capital City can offer to bring visitors to this ctiy and nothing should be done to detract therefrom. The immediate vicinity of the basin is already well provided with memorials. One to Thomas Jefferson should be placed in a more appropriate location, and the Congress is entitled to know where the Commission will locate it with the site it has recommended not being agreed to by this House.

Mr. BOYLAN of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who has just addressed the House stated this morning that his geography told him that there was not any land south of the Tidal Basin on which to erect the proposed memorial and not interfere either with the contour of the Tidal Basin or with the famous cherry trees. The Park and Planning Commission had already informed the Thomas Jefferson Memorial Commission that there was approximately 1,000 feet straight back of the Tidal Basin in a southerly direction. In order that I might confirm that information I called up the Park and Planning Commission. They reiterated their original statement.

The gentleman from Massachusetts would lead you to believe that we are going to build this memorial out in the Potomac River.

First, the gentleman was interested in cherry trees, then the Tidal Basin. But he did not come here exactly with clean hands. He is a leading stockholder in at least 21 inns in the United States.

Mr. TREADWAY. Will the gentleman yield?

Mr. BOYLAN of New York. I do not yield to the gentleman.

Mr. TREADWAY. The gentleman does not want to make a misstatement, which he is doing now.

Mr. BOYLAN of New York. Mr. Chairman, the hotel keepers of Washington and elsewhere were a little bit afraid if the cherry trees were removed they might not sell so many sandwiches or so many highballs or so many cups of coffee, so the gentleman immediately rises to beg us to protect the hotels and innkeepers. However, the thousand feet are there, and it is large enough to build a large hotel on. After everything is lost the gentleman will try to think of something else. May I say the gentleman does not want any memorial to the memory of Thomas Jefferson erected in Washington, and a certain other clique does not want it either. First, it is cherry trees. Then, their favorite architect has not been selected. Then, the boats on the Tidal Basin are going to be interfered with. The Lord only knows what the next subterfuge will be.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. I want to say to the gentleman from New York that for 5 years I have been trying to discover the reason for the existence in this House of the Republican Party, and I find now it is to protect cherry blossoms.

Mr. BOYLAN of New York. I do not exactly agree with the gentleman, because the vice chairman of the Commission is a distinguished Senator, the minority leader on the other side, and our own gentleman from New York [Mr. CULKIN] is a member. Both of those gentlemen have agreed unanimously with every plan made by the Commission.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, the gentleman from New York who has just spoken has taken 5 minutes to confuse us further as to where this memorial is to be located. None of us know yet where it is going to be located.

In view of the lack of harmony among the admirers of the immortal Thomas Jefferson as to the type of memorial to be erected to his memory, and because of our radical departure from the fundamental principles of government in which he believed, I would suggest that the memorial take the form of a monumental mausoleum in which to inter the Declaration of Independence and the Constitution of the United States. I would also suggest that President Roosevelt be invited to deliver the dedicatory address. In the cornerstone of this mausoleum should be placed copies of all the discarded New Deal legislation, together with copies of Secretary Morgenthau's many mistaken estimates of governmental receipts and expenditures.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. JOHNSON of Oklahoma. Mr. Chairman, reserving the right to object——

Mr. WOODRUM. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I yield to no one in my respect for the memory of Thomas Jefferson, but this matter has been considered more than once by the committee and has been turned down. I have the highest regard for the distinguished and able gentleman from New York who has labored tirelessly as chairman of the Thomas Jefferson Memorial Commission and nothing I shall say is any criticism of him. That is beside the issue. This bill, like the proverbial cat with nine lives, is back here once more after having been killed on more than one occasion.

Mr. BOYLAN of New York. Will the gentleman yield? The House has never turned it down.

Mr. JOHNSON of Oklahoma. I cannot yield now.

Mr. BOYLAN of New York. It was never put up to the House.

Mr. JOHNSON of Oklahoma. The committee has refused in the past to make this appropriation.

Mr. BOYLAN of New York. No; the committee never has turned it down.

Mr. JOHNSON of Oklahoma. Well, I am sure my distinguished friend is in error. This memorial, we were first told, would cost $3,000,000. Then it was found the $3,000,000 "baby" had suddenly grown to a $5,000,000 "youngster." Then it grew and grew to a $9,000,000 "giant." It was testified, as shown by the record, that probably $9,000,000 would be required for its construction, including the grounds, if the memorial should be placed in the boggy marsh where it is next to impossible to find rock bottom. That proposed site is so thoroughly impossible that I am amazed to hear the committee still insists on placing it there. Of course, it will never be constructed there. The unreasonable cost of such an impractical plan is clearly apparent.

But, Mr. Chairman, the mere matter of location is not my only reason for opposing this item. Possibly at some future time some kind of a suitable memorial to the memory of one of the greatest statesmen this world has ever known will, and ought to be, constructed, but certainly it is not an emergency at this time.

As a member of the Appropriations Committee I am naturally reluctant to oppose the chairman and majority of the members of that committee. I have followed the chairman of the Deficiency Committee on many matters of economy. But the Appropriations Committee refuses to allow a little $10,000,000 item for farm tenancy after both Houses of Congress have authorized such an item, which is a mandate to the committee to make the appropriations. With millions of farmers looking to this Congress to really do something about this perplexing problem of farm tenancy, these tenant farmers are ignored altogether, and then the committee has the audacity to bring an item of this kind in as a part of the deficiency bill and try to kid us into thinking it is an emergency. Just how any Member of this House can vote for such an item as this, which undoubtedly will mean an expenditure ultimately of $6,000,000 to $9,000,000, and then be able to look our tenant farmers in the face is beyond my imagination. [Applause.]

Mr. KELLER. Mr. Chairman, I am not a hotel keeper and I am not interested especially in cherry blossoms, although they are beautiful. I am very much interested in laying the facts before this Committee.

The Commission was duly appointed. But it has never reported to this body as the law provided it should. It has selected a place down there, first in, and then beside, the Tidal Basin, where it is impossible to put a foundation of sufficient size to support a monument of this magnitude.

To keep the Lincoln Memorial from going down we had to spend $500,000 to strengthen the foundations 2 years after it was built, because it is 55 feet to solid rock there. Down there where they are talking about putting the Jefferson Memorial it is 80 or 90 feet to bedrock. The borings show from 75 to 88 feet. It is impossible to put the memorial down there for another reason. That is because if you undertake to put it there, there will be no place for the traffic. I know because I go down there nearly every morning walking. Traffic there is already badly congested. I know that if you put this memorial down there you will spend twice as much as the cost of the memorial itself to make your roadways, walks and terraces around there, and you will tear up the Tidal Basin besides. There is no use fooling yourselves about this. If you are willing to go forward and put into this anywhere from $7,500,000 to $9,000,000, all right; you will do it by voting against this amendment to strike out this appropriation. If you are not willing to do so, you should vote for this amendment. Another reason this appropriation should be cut out of the bill at this time is that I am going to propose amendments to the present law to control this Commission in order to make it responsible to this body, as should have been done originally. I am for the Jefferson Memorial and shall continue to be until it is built and dedicated—as beautiful as can be built for $3,000,000. But it must be built in a place where reasonable foundations can be had, where traffic conditions will permit the millions of Americans to see and drink of the inspiration of this memorial to the author of our Declaration of Independence, of the statute of religious liberty, and the founder of the University of Virginia. [Applause.]

[Here the gavel fell.]

Mr. LUCKEY of Nebraska. Mr. Chairman, we have before us H. R. 8245, the third deficiency bill, calling for an appropriation of $78,000,000. The item to which I am objecting at this time is the amount of $500,000 to be expended for a Jefferson Memorial in the Tidal Basin here in Washington.

I want to state that I have the highest respect and admiration for Thomas Jefferson, to whom you and I and the whole American Nation owe a debt of gratitude that money can never repay, though we erect a monument in every State of the Union. Jefferson, the statesman, has given us a conception of democracy and a philosophy of government that has earned him the undying gratitude of the American people.

However, I object to this appropriation at this time for several reasons: First, if the monument is to be erected in Washington, it should not be placed in the Tidal Basin. That site would not be favorable from an engineering standpoint because there is a mud deposit 70 or 80 feet deep before bedrock is reached. It is estimated that it would cost all the way from three to six million dollars to build a solid foundation for the monument. Furthermore, the citizens of Washington are opposed to that location because it would detract from the world-famous Japanese cherry trees—a gift from the Japanese Nation to the American people. Visitors from all parts of the country come in blossom time to see these beautiful trees, and naturally they become a great source of revenue to the city of Washington. In addition to these objections, it would be necessary to construct costly roadways and streets to make the monument accessible to the public. The Tidal Basin location is also objectionable because it would crowd too many monuments together in close proximity.

Another reason why I am objecting to the expenditure of this huge amount at this time is in the interest of economy. The President has repeatedly urged Congress to practice economy, but here comes one bill after another, each one greater than it was in preceding years. The Treasury Statement of August 13 showed that our national debt was $36,889,684,026.29, while last year on that date it was $33,401,816,629.40. The public is justified in demanding that a halt be placed on this unprecedented spending, yet in the face of all this we go on spending money by the millions and billions like a bunch of drunken sailors. Have we lost all sense of proportion and values? The other day we voted for a measure calling for an expenditure of $21,000,000, which was railroaded through in 35 minutes by a well-oiled machine. A few weeks ago we voted $167,000 for a junket to Europe to dedicate war monuments. Here in Washington we have monuments by the hundred which no one looks at except to dodge them in auto traffic. All over the country the Federal Government is spending huge sums for monuments, many of them in out-of-the-way places. I mention as one example the half million dollars expended in the Black Hills for chiseling on the mountain side the faces of Washington, Jefferson, Lincoln, and Theodore Roosevelt. Few of the American people will ever see that memorial.

In St. Louis there is already a beautiful building in Forrest Park dedicated as a monument to Thomas Jefferson, yet the people of St. Louis are asking for another memorial, which, when completed, will cost approximately $9,000,000. On top of all this, another Jefferson memorial is being pro-

posed here in Washington which, when completed, may reach the huge sum of from six to nine million dollars. I cannot help but think of our poor farmers in the drought-stricken area of the Corn Belt who are again seeing their corn crop burn up by scorching heat right before their eyes. Cannot we economize on these innumerable and unnecessary monuments in order that we will have some money left to help those who are actually threatened with want for the necessities of life? We have no right to spend huge sums for needless projects and burden future generations paying these debts.

If you will remember, our National Budget prior to the World War was approximately $1,000,000,000. This year it will be close to $9,000,000,000. In the language of my good friend from Pennsylvania [Mr. RICH], "Where are we going to get the money?" I sincerely hope you will vote down this item for the Thomas Jefferson Memorial at this time. [Applause.]

Mr. WEARIN. Mr. Chairman, I assure the House that those of us who are opposing this appropriation of $500,000 yield to no one in our desire to properly memorialize Thomas Jefferson in the city of Washington, D. C. That is one of the reasons why we are opposing this appropriation at the present time. It is very unfortunate that the House has before it at the present time no reports from the Thomas Jefferson Memorial Commission, no information with reference to the proposed plans, and no accurate data as to what will be the ultimate cost of this project. These things are significant in the consideration of any move to memorialize that distinguished citizen, which I am sure we all heartily desire to do. I sincerely hope the House will reject this $500,000 item until such time as the Memorial Commission submits definite plans with reference to how it expects to expend the money and shows where the money is to be spent. The Commission should have selected the design for the memorial through the agency of an architectural competition; in fact, the designs for all such public buildings should be selected in that manner, thus developing the younger members of the profession and enriching the wealth of the Nation. In fact, such a provision should have been written into the act that created the body now supervising the Jefferson project. If such a procedure had been followed as in the case of other notable buildings in Washington, there would have been a much better feeling throughout the country. This situation, coupled with a lack of information on the present proposal, makes it advisable to postpone action upon this matter. [Applause.]

Mr. KNUTSON. Mr. Chairman, a parliamentary inquiry before we vote.

The CHAIRMAN. The gentleman will state it.

Mr. KNUTSON. Am I to understand this is to be a floating memorial?

The CHAIRMAN. That is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from California, Mr. SCOTT.

The question was taken, and on a division (demanded by Mr. Woodrum) there were—ayes 116, noes 50.

So the amendment was agreed to.

The Clerk read as follows:

UNITED STATES MARITIME COMMISSION

In addition to the contracts which may be entered into under funds available to the United States Maritime Commission for carrying out the provisions of the Merchant Marine Act, 1936, the Commission is authorized to enter into contracts for further carrying out the provisions of such act in an amount not to exceed $150,000,000.

Mr. LUDLOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW: Page 9, line 7, strike out "$150,000,000" and insert in lieu thereof "$75,000,000."

Mr. LUDLOW. Mr. Chairman, it seems to some of us who have given careful study to the merchant marine that the amount of $150,000,000 authorized by this paragraph is too high, and this amendment is offered to reduce the amount. The total sum which would be available to construct ships, even with this amendment, would be $144,000,000. I hope the chairman of the subcommittee will accept the amendment.

I believe so sincerely that the authorization of $150,000,000 carried in this bill for ship construction, superimposed on the $69,000,000 now on hand and available for that purpose and $27,440,000 which it is estimated will become available when shipowners make their first payments, is so high and so far beyond reason that I feel that it is my duty to make this motion to reduce the authorization.

The three items mentioned, comprising the total of money and authorizations made available, create the enormous fund of $246,440,000, or, in round numbers, a quarter of a billion dollars, which it is proposed by this bill to put into a high-pressure merchant-marine program of staggering proportions, a program which seems to be based on the philosophy that everything connected with the merchant marine has to be done in one day; that there will be no future in which to work out the difficult and tremendously intricate problems of the merchant marine in a logical and orderly way. I read in a newspaper yesterday that the total value of all public buildings in the city of Washington is $228,000,000. It is proposed in this one bill to spend $18,000,000 more than that amount on the merchant marine.

Would it not be the part of wisdom to go about the task of creating a merchant marine a little more deliberately and sure-footedly? Let us examine for a moment some of the pitfalls that may confront us if we proceed so precipitately.

In the first place, the Maritime Commission, with all due respect to the superb businessman and organizing genius at its head, Chairman Joseph P. Kennedy, is in no shape to proceed with the full program outlined in this legislation. Mr. Kennedy himself is the best witness to prove that the enormous authorization of $150,000,000 for ship construction carried in this bill is unnecessary and ill-advised. Since these estimates were first submitted to our subcommittee, Mr. Kennedy himself has halted the entire shipbuilding program because of the dangers and uncertainties involved. I hold in my hand a statement issued by Chairman Kennedy on August 10 last, announcing a suspension of the merchant-marine program until a thorough survey of the situation can be made by high-powered experts, a survey which he says in his statement is expected to require approximately 2 months.

He announced the names of the experts chosen to conduct the survey, including such names as H. L. Seward, professor of mechanical and marine engineering, Yale University; Thomas H. Healy, dean of the School of Foreign Service, Georgetown University; Grover C. Huebner, professor of commerce and transportation of the Wharton School of Finance; Col. James M. S. Waring, industrial analyst of New York; and Theodore J. Kreps, associate professor of business economics at Stanford University of California.

In announcing a halt in the program until this survey can be made, Chairman Kennedy said:

The Maritime Commission has been given the job of rehabilitating the merchant marine and placing it on a firm, long-range basis. This we have sought to do. As we dug into the problem, however, we were confronted with such a mass of unproven data and contradictory opinion as to make a ready solution impossible to achieve. It has been decided, therefore, to canvass the entire shipping situation in all the aspects before attempting to set up the long-range program contemplated by the act.

It is very evident from Chairman Kennedy's statement that he apprehends that there will be a stoppage of the merchant-marine program due to labor difficulties, for on that subject he says:

Another great obstacle to the development of American shipping, and one which assumes really serious proportions at this time, is the unsettled labor situation. No one is going to invest in an industry which is subject to such costly and prolonged interruptions as those which have characterized shipping during recent years. This is a problem that somehow must be solved if we are to interest the investing public and maintain a competitive position at sea. * * * The labor situation is to be the subject of special scrutiny, particularly because of the existing labor difficulties in the maritime field.

Summarizing the reasons for the survey Chairman Kennedy says:

> The purpose of this survey is to set forth as clearly as possible all the factors and their relative importance so that the taxpayer, the operator, the ship worker, and the investor will know the problem and the proper solution.

In addition to other factors which suggest deliberation as the part of wisdom is the fact that the records of the Government's shipping activities inherited by the new Maritime Commission are in frightful shape. Even a genius like Chairman Kennedy has not been able, up to date, to bring order out of chaos. He consumed page after page of testimony before our subcommittee in telling us what an awful jumble things are in. He testified that there has been no audit for 15 years; that the general ledger is away behind, and he described graphically his difficulties in trying to get a real audit that will reveal the true condition of the accounts. I am convinced, from all of these circumstances, that the Maritime Commission is not prepared to go ahead in a thorough and well-safeguarded way with all of the enormous program of letting contracts that is provided in this bill, and that it would be best to defer part of the program a few months until the results of the survey are known and the skies are clearer.

The shipbuilding program provided for in this bill is one of two prongs and I think I can point out where a cut can be made in the authorization without in anyway jeopardizing the purposes of the act.

It is proposed to build two groups of ships. One group is composed of ships to be built for operating companies and sold to them under title V of the act. The program calls for the construction of 43 ships of this class at a cost of $110,000,000. The other part of the program contemplates the construction of 52 ships to be owned by the Government and chartered to operating companies, provided any companies can be found that are willing to operate them under charter.

The most dubious part of the program is the operating of ships under charter.

That Chairman Kennedy himself has grave doubt of the success of chartering vessels is indicated by his testimony—page 248 of the hearings—where he says he expects the act to be modified so as to get a "better deal" for the Government in the chartering of vessels, adding:

> I think I will have a definite recommendation by the next Congress which would still be agreed to by the shipowners, and that would give the Government a much better break before we do anything as far as chartering ships is concerned.

In the agenda mapped out for the guidance of the experts who are to make the survey that has been ordered they are instructed to look into this question:

> If the Government builds vessels for charter, in what way can the public interest be safeguarded?

Why not give the experts an opportunity to look into this matter and report their conclusions before we authorize the construction of an enormous fleet of 52 vessels for charter at an approximate cost of $2,500,000 each, without knowing whether or not they can be chartered or whether the Government, according to Chairman Kennedy, would get a square deal even if they are constructed and chartered? If we build this great fleet and the ships cannot be chartered, we will have these ships clogging our bays and inlets, rotting at the piers, each ship as big a white elephant as the Washington Monument. Chairman Kennedy, in his testimony—page 225 of the hearings—said that it is intended to make contractual commitments covering all of these ships in this present fiscal year 1938.

Therefore, unless we reduce this part of the program the United States will be tied up in contracts before July 1 next covering all of these prospective white-elephant ships. These will be enforceable contracts, for all of Uncle Sam's contracts are enforceable and no one can foretell to what depths of useless and wasteful expenditures we may be led.

My suggestion, respectfully submitted, is that we authorize the 43 ships to be built and sold to operating companies because that gets the ships out into private industry and achieves the objective of the act, which is a strong privately owned and operated merchant marine, and I suggest that we do not authorize at this time the 52 ships to be built and chartered to private companies. With $69,000,000 on hand and an authorization of $41,000,000 the 43 ships can be contracted for. Under this amendment, therefore, the authorization carried in the bill will provide for these 43 ships and for the construction of about 30 ships to be chartered.

This amendment involves nothing whatever that is prejudicial to the merchant marine. Every dollar of construction subsidy and every dollar of operating subsidy that is payable under the program as outlined in the bill is payable under the amendment. It would simply defer for a time, and perhaps only for a very short time at that, the construction of some of the Government ships for charter. Congress will be in session again in four and a half months, and the Deficiency Subcommittee will be sitting and ready to function, and by that time we shall know much more about this matter as a result of the survey and we can act then in whatever way may seem wise. There is no reason why the most ardent friend of the merchant marine should not approve this amendment.

I know the argument will be made that any reduction in this enormous proposed outlay, totaling almost a quarter of a billion dollars, will have a bad psychological effect by creating the impression in other countries that America has weakened on its merchant-marine policy, but I do not believe that this argument is well founded. I think the psychological effect would be worse if we were to inaugurate a colossal ship-chartering program and fail. Besides, I am thinking of a different kind of psychological effect. I am thinking of the good psychological effect it will have on our business people and the taxpayers of America to know that we are holding down our governmental costs to the very limit as an approach to the goal of an ultimately balanced Budget, and that we are not authorizing the expenditure of one dollar beyond the requirements of actual necessity.

Mr. Chairman, I respectfully express the hope that my amendment reducing the authorization under this item to $75,000,000 will be adopted. This will provide, with cash on hand, a fund of $144,000,000, which I believe will be ample.

The merchant marine will not suffer and the taxpayer will be given a break.

Mr. WOODRUM. Mr. Chairman, the chairman of the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. LUDLOW].

The amendment was agreed to.

The Clerk read as follows:

UNITED STATES NEW YORK WORLD'S FAIR COMMISSION

For carrying into effect the provisions of the public resolution entitled "Joint resolution authorizing Federal participation in the New York World's Fair 1939", approved July 9, 1937, $3,000,000, to remain available until the termination of the Commission.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not opposed to this appropriation of $3,000,000 for the New York World's Fair, because the money is needed to carry out the obligations made with foreign governments that we have already invited to attend the fair. In inviting them we promised to construct buildings for each of these foreign nations or provide them with adequate space, and this $3,000,000 is, therefore, required in order to keep our word to the foreign nations that participate.

I have taken this time, however, to make certain comments and observations, first, about the appointment of Edward J. Flynn as United States Commissioner. Mr. Flynn is the Democratic boss of the Bronx. He is the Democratic leader of that section of the city of New York, and is likewise Secretary of State of the State of New York, drawing a salary of $12,000. This appointive position of secretary of state has numerous duties, and if Mr. Flynn applied all of his time he could not fulfill all the duties of that office. However, for some extraordinary reason he has

likewise been appointed United States Commissioner to the New York World's Fair at a salary of $10,000 to handle the $3,000,000 which the Congress is about to appropriate.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I would rather continue for a few minutes and then yield to the gentleman from New York.

Mr. Edward J. Flynn, however, now under criticism from Senator COPELAND, states he does not propose to accept the salary. I doubt if there is any Federal law in existence that permits any Federal officeholder to refuse to accept such a salary. This is the reason we had the $1-a-year men during the war. After a salary is established by law there is no way for anyone to refuse to accept it, as it is held in the Treasury subject to claim by the officeholder or his estate.

Mr. CURLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. I cannot yield just now.

Mr. CURLEY. The gentleman has made a false statement.

Mr. FISH. I doubt it very much. [Laughter.]

Furthermore, I want this statement to go into the RECORD so that Mr. Flynn will fully understand the status of his appointment. This is no criticism of Mr. Flynn; and, perhaps it is a matter of commendation to state that his firm, Flynn & Goldwater, is one of the most successful and productive practitioners before the S. E. C. and the R. F. C.; but if he takes this job, whether he attempts to waive the salary or not makes no difference, he is prohibited by an act of Congress from practicing before any department of the Government; and in order to save time I ask unanimous consent to place in the RECORD the law, United States Statutes at Large, Sixtieth Congress, volume 35, part 1, page 1107, section 109:

Whoever, being an officer of the United States, or a person holding any place of trust or profit, or discharging any official function under, or in connection with, any executive department of the Government of the United States, or under the Senate or House of Representatives of the United States, shall act as an agent or attorney for prosecuting any claim against the United States, or in any manner, or by any means, otherwise than in discharge of his proper official duties, shall aid or assist in the prosecution or support of any such claim, or receive any gratuity, or any share of or interest in any claim from any claimant against the United States, with intent to aid or assist, or in consideration of having aided or assisted, in the prosecution of such claim shall be fined not more than $5,000 or imprisoned not more than 1 year, or both.

This means that Mr. Flynn will have to give up this profitable revenue from appearing personally or by his firm, directly or indirectly, before any department of the Government; and I am reliably informed that the practice of his firm before the S. E. C. and R. F. C. is highly lucrative, running into six figures.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. CURLEY. Will the gentleman specify any particular department before which Mr. Flynn has ever appeared or any member of his firm?

Mr. FISH. I just stated the R. F. C. and the S. E. C.

Mr. CURLEY. When and where?

Mr. FISH. Just recently in behalf of Mr. Meehan, the New York stock broker, before the S. E. C. His firm lost the case before the S. E. C., so that Mr. Meehan was barred from operating on all the stock exchanges of the country.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. WOODRUM. Mr. Chairman, in view of the fact that we have conformed to the 5-minute rule all during the day I hope the gentleman will not insist on his request.

Mr. FISH. I have not yet taken any time on the bill.

Mr. WOODRUM. I am not going to object, but everybody has conformed to the 5-minute rule.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. CURLEY. Inasmuch as the gentleman has made a statement about Mr. Flynn and the salary attached to this position of $10,000, I want to say now to the gentleman that Mr. Flynn not only never accepted any salary, but has waived that salary.

Mr. FISH. And I am saying to the gentleman, in the first place, he has no right to waive a salary that is fixed by law. He must accept the salary as it is, and this is the reason during the war we had $1-a-year men. They had to receive at least a dollar a year, which was fixed by law. Mr. Flynn has no right or power to waive his salary under the law.

In the second place, I may say, in answer to the gentleman's question, that Mr. Flynn or his firm have repeatedly appeared and practiced before the R. F. C. and the S. E. C., and recently they lost a case in defending Mr. Meehan, the stockbroker, who was ruled out by the S. E. C. on account of unfair practices on all the stock exchanges of the country.

Mr. CURLEY. Nevertheless, the fact remains that Mr. Flynn never accepted the salary and does not intend to take it.

Mr. FISH. He has just been appointed, and while he has made that statement, the statement does not hold water, because he cannot accept the job and refuse the salary. Nobody can serve the Federal Government without pay, and the gentleman himself ought to know that. There is a very good reason why they should not be allowed to do so. The reasons for such a limitation were all threshed out in Congress long before the gentleman or myself became Members of the House. And I may add that they are good and sufficient reasons.

Mr. CURLEY. Mr. Chairman, will the gentleman yield for another question?

Mr. FISH. Yes.

Mr. CURLEY. Is it because the gentleman is sore because he did not get the appointment to the Commission that he is attacking Mr. Flynn?

Mr. FISH. I may have the right to be sore, but I am not attacking Mr. Flynn, although I think his dual appointment unfortunate. I stated that his appointment was most extraordinary, just as I said a few moments ago that it is most extraordinary for Mr. Michelson, having a $25,000 position as chief of Democratic publicity, to accept a $10,000 job from the Crosley Radio Co., which operates the huge experimental station of 500,000 watts for private profit and commercial purposes.

Personally I would not care to serve on the Commission, because it must be self-evident that Mr. Flynn will not have the time to conduct the office of secretary of state of New York and give an efficient and proper administration of the expenditure of $3,000,000 to be appropriated by Congress. In my opinion, the appointment of Mr. Flynn by President Roosevelt has injected partisan politics into the Government's participation in the New York World's Fair, and made it a spoilsmen's paradise for deserving Bronx Democrats. It is bound to develop into a partisan racket which will reflect no credit on the Congress and become a political football to be kicked around and around to the disgust of the well-wishers of the fair, be they Republicans or Democrats. Moreover, I am not sure that Mr. Flynn is eligible to hold an appointive Federal position while he still maintains a State appointment. Whether he is eligible or not, I am quite sure that his appointment as United States Commissioner to the New York Fair was a mistake that will plague President Roosevelt, Congress, and the fair authorities.

Mr. MERRITT. Mr. Chairman, I move to strike out the last two words. I am very grateful to the Speaker of this House, and also to the Members, for having been appointed on the New York World's Fair Commission, and I think it is one of my duties to stand here and defend the action of the man who has been appointed United States Commissioner. I know that Mr. Flynn will not take the salary that has been set aside for the Commissioner under my bill.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. Yes.

Mr. McREYNOLDS. For the benefit of the House, the day that Mr. Flynn was appointed Commissioner he was in

my office, later, and stated at that time that he was secretary of state of the State of New York and that of course he would not accept this salary of $10,000 as Commissioner.

Mr. MERRITT. I thank the gentleman. Before I came to Congress I was employed in the New York agency of the Reconstruction Finance Corporation. During the 2 years that I was there, I never on any day saw Edward Flynn in there representing an applicant who had appealed for a loan from that agency, and I say this without fear of contradiction from anyone. I have known Mr. Flynn for many years. I owe him nothing and he owes me nothing, but I cannot let anyone stand here and say that he has done a thing which I know is not the truth. Mr. Goldwater has been in that agency many times, but I am positive that Mr. Flynn has never been in the R. F. C. agency to represent any applicant there during my tenure of office.

Mr. Chairman, so far as the World's Fair is concerned, basing it on the experience of the Chicago fair, I am satisfied that the appropriation set up in this bill will find its way back into the Treasury of the United States more than five times, and I know that the members of this Commission will serve to the utmost of their ability, and I am confident that the United States Commissioner, Mr. Flynn, will prove to be a very valuable asset in making this celebration an outstanding success. [Applause.]

The Clerk read as follows:

BUREAU OF DAIRY INDUSTRY

The elimination of $313,020 on the amount which may be expended for personal services in the District of Columbia, contained in the Department of Agriculture Appropriation Act, 1938, under this head, is hereby increased to $334,860.

Mr. STARNES. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. STARNES: Page 13, after line 19, insert as a new paragraph the following:

"The Bankhead-Jones Farm Tenant Act: To enable the Secretary of Agriculture to carry out the provisions of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, $10,000,000, as authorized by title I of said act relating to farm tenancy, and $10,000,000 as authorized by title III of such act relating to the development of a program of land conservation and land utilization, including retirement of submarginal lands; in all, fiscal year 1938, $20,000,000."

Mr. STARNES. Mr. Chairman, my amendment will provide $10,000,000 for the purpose of carrying out the provisions of Bankhead-Jones Farm Tenancy Act, which was approved on July 22 of this year, as authorized under title I of the act; and $10,000,000 additional, as authorized by title III, relating to the development of a program of land conservation and land utilization, including the retirement of submarginal lands.

The Congress has considered the problems of farm tenancy and rehabilitation for the past 3 years. The President appointed a Commission to study and report their findings. This was done. The House and Senate Agricultural Committees have studied the problem. They brought us a bill which the House adopted by a record vote of 308 to 26 on June 29 of this year. That bill authorized the sums provided for in my amendment for the purposes of carrying out the provisions of the act with reference to farm tenancy and planned land use. Both our major political parties pledged their efforts to reduce farm tenancy and to enlarge the program for land utilization and the retirement of submarginal lands. Plans have been made by the Department of Agriculture to carry out this program. The Department can go no further without having funds available. If we withhold funds for the next 5 years I doubt if the Department could go any further than they have with their plans. They must have some money in order to advance their program to a point where its feasibility or its fallacy may be established.

I question the wisdom of the subcommittee and the full Committee on Appropriations in its attempt to nullify the established policy of the Congress on this highly important matter. It is not a policy making, nor a legislative committee. The overwhelming majority of the Congress and of the people of this country want action on this problem and they want it now. Much as I admire the very able and distinguished gentleman from Virginia, the chairman of the subcommittee handling this bill, I must insist upon the passage of this amendment.

The funds made available by the amendment will enable the Secretary of Agriculture to reorganize the Resettlement Administration. Under reorganization the Secretary of Agriculture will have direct supervision over and be charged with the responsibility of coordinating the land program. The land program heretofore carried on by the Resettlement Administration was a product of board consideration, a board composed of the Secretary of Agriculture, the Secretary of the Interior, and the Administrator of the Works Progress Administration. This for the first time would provide for a strictly agricultural land program. It would induce improved land use on land other than the land actually purchased. Associated with this and required by the original act, and essential to the most effective expenditures of the money and to the coordination of land purchase with flood control, prevention of soil erosion, and the other purposes of the major farm programs would be basic land studies.

The administration of the tenancy program is a logical and needed development of the rehabilitation program. The Department of Agriculture, our farm people, and the Congress feel that a tenancy program and a land purchase program are integral and important parts of a complete agricultural program. I believe that this committee should act to carry out the expressed will not only of the Congress but the expressed will of the people of this Nation in the elimination of the farm-tenancy evil which exists in this country to a greater degree than it exists elsewhere in the world today. The time has come when we must restore the agricultural ladder of hope and progress to the farmers of this country. The time has come when we must give to them that democracy of opportunity to which this large segment of our society is so richly entitled.

I am glad it is a modest beginning along that line. If, as the gentleman from Virginia, Mr. WOODRUM, said this morning, it is an experiment, we have an opportunity to choose from a select clientele or group from the Resettlement Administration to initiate this program. We can carefully select men of excellent character, good credit risks, and men of proven judgment to begin with, and proceed in an orderly manner on a modest scale without being burdened with a huge administrative set-up. If it is a sound and workable program, then we can increase the appropriation year after year, as provided in this act. If it is unsound, we can refuse to provide further funds and the cost would be relatively small.

The gentleman from Virginia made a plausible and subtle appeal to Members from metropolitan areas this morning to vote down this amendment to assist us in establishing homes for tenant farmers. On the morrow you will find you will be asking us to assist you in providing funds and a subsidy to build homes in the large cities and industrial centers fit and decent for American families to live in and thereby eradicating slums. We ask you to help us provide decent homes and an opportunity for a sweeter and richer life for the underprivileged farmers of this Nation.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. STARNES] has expired.

Mr. McMILLAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, in my judgment, will provoke a great deal of interest and debate. I yield to no Member of this House in my sympathy to the American tenant farmer as we know him. I was born and raised on a farm and I have been associated with tenant farmers, as such, all of my life. I believe I am to some extent familiar with this problem.

Now you will hear this afternoon, as perhaps you have already heard, that the authorization for this appropriation has already passed the Congress, and passed by an overwhelming vote, and for this reason the appropriation should

be allowed. That is true, but you have also heard, time and again, and you have heard it before in this House, of so many authorization bills having been passed, and later on it was hoped that nothing would be done insofar as an appropriation was concerned. Such is this bill, but I want to say to the Members of this House today I am at least consistent in my opposition, because I am one of those of this House who voted against the passage of this bill a month ago.

If you will take the hearings you will find that the Department officials who appeared before the committee, testified that this was an experiment. In these hearings you will find that the committee seriously undertook to find just what the program was insofar as the operation of the administration of this measure was concerned. I challenge any Member of this House, in reading these hearings, to find one definite single proposal where anything has been worked out. To the contrary, these officials from the Department admitted that the matter was of such a staggering character, so immense in its operations, that it was impossible to set up any definite program in the hearings before the committee.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. Not now. The gentleman will have time later.

Now, this is an experiment, as is admitted by the proponents of this amendment. It is an experiment, but every Member of this House knows that when we once begin a program of such a character and the camel gets his nose under the tent, the good Lord only knows what will be the effect in years to come. Unfortunately we have tenant farmers. We will always have tenant farmers. We have farmers in America who have never made a success and who will never make a success, regardless of what this Congress of any other Congress will do.

Human nature and mankind are synonymous. If you go into the forest, you will find some trees larger than others. If you go out and take a walk on the sands of the seashore, you will find again pebbles of all sizes, some larger than others. So it is by nature with mankind. Men are born with different talents and the authority for this is found in Holy Writ. There are farmers in American who had a humble beginning, but for initiative and ability have made good. There are others where the reverse is true. Similar experiences are observed in all walks of life. Some make good while others fail. Such, in my judgment, is fundamental and no legislation, whether enacted by this Congress or any other Congress, which seeks to change or improve conditions and circumstances so fundamental as these will ever succeed when undertaken to be put into practical operation.

But, aside and apart from these fundamentals which all of us must recognize, there are other factors present here that in my judgment we should carefully consider before launching into a program of such a colossal magnitude.

It is estimated, if you will refer to the hearings of this legislation, that there are approximately 3,000,000 tenant farmers in America. That there are approximately 3,000 agricultural counties in America and that if this program is undertaken as provided for under the law, which has authorized this appropriation, an average of one tenant farmer may be selected and subsidized with Federal funds out of each of the 3,000 agricultural counties per year. In all frankness, how can a program of this character be justified, and how may it be successfully defended? What will be your reply to Farmer Smith and Farmer Jones when their neighbor, Farmer Brown, is set up in the farming business with Government funds, when they as a matter of right feel that they are as much entitled to these benefits as he? What is your answer to the farmer who has experienced years of adversity and hard times, plugged along in spite of these conditions, and who has taken his chances with the climate, and gambled with the boll weevil and other pests, to now initiate a program of this kind and set up in competition to him a man without the outlay of a single dime on his part? The hearings on this legislation reveal the fact that this program to provide a farm for anyone who cares to avail himself of the provisions of this bill, would eventually cost the taxpayers of this country more than 15 billions of dollars. Is it therefore any wonder why we should not pause and carefully consider this proposal before launching such a gigantic program?

Under the provisions of this law the Secretary of Agriculture is authorized to make a loan of 100 percent on the assessed valuation of the farm for which the loan is to be secured by mortgage covering the property. Where is there a businessman, or a banker, having money to loan who would extend credit to any such extent? The most successful and best-recognized farmer of any community would not be accorded such consideration. Several existing agricultural agencies now maintained by the Government, to wit, the Federal land bank, the intermediate credit bank, or the land-bank commissioner, are not authorized to make loans in excess of 80 percent of the appraised valuation of any farm. While here, I repeat, a loan of 100 percent is authorized.

As Members of Congress we serve our constituents in the capacity of a trustee, and having that responsibility as an individual Member of this body, which under the terms of the Constitution has the authority to levy and collect taxes and expend them, I could not in good conscience support the legislation authorizing this appropriation, and I cannot now support this amendment providing for the initial appropriation to carry out the terms and provisions of this law. My duty, as I see it as a Member of this body, is to endeavor to represent the people of my country with devotion and charity to all, but with special privileges to none. This amendment, if adopted, will launch us into a program of spending, not thousands, or millions, but billions of dollars in years to come, without any appreciable benefits to be derived therefrom. It is my solemn judgment that no legislation of this character can ever be successfully administered.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McMILLAN] has expired.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. LAMNECK. Mr. Chairman, a point of order. I make the point of order that 5 minutes has been used in defense of this amendment and 5 minutes in opposition, and that is all the time that is permitted under the rules.

The CHAIRMAN. The gentleman from Oklahoma [Mr. JOHNSON] has moved to strike out the last word, an amendment to the amendment.

The gentleman from Oklahoma is recognized for 5 minutes.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I have a profound respect for the distinguished gentleman from South Carolina, a member of the committee, who has just spoken. Also I have great respect for the distinguished gentleman from Virginia, chairman of the subcommittee handling the deficiency bill, and as much as I regret to do so, I am unable to follow these able gentlemen in their opposition to making the appropriation to begin a farm-tenant program in the United States. Certainly I cannot follow the argument of the gentleman from South Carolina with reference to the matter of the farm-tenancy bill. We have thousands of tenant farmers in Oklahoma and other States throughout the Nation who, through no fault of their own, have found themselves landless and homeless. I cannot find it in my heart to turn a deaf ear to the tenant farmers of the country while making vast appropriations in the interests of the great shipbuilders. True, these farmers have not been able financially to purchase or own their own farms, but certainly that is no reason for criticism. I am amazed at the suggestions of the gentleman from South Carolina insinuating very strongly that many tenant farmers are trifling. Many tenant farmers are broke as well as farm owners for the reason that the prices of farm commodities during the past several years have gone to the lowest point in the history of the country. On the other hand, the farmers have had to pay high prices for everything they have been forced to buy. Interest has been high, and it has been impossible to borrow money at any rate. But I am not one of those who say there is no hope for the future.

It is true, as the gentleman from South Carolina suggested, that this Congress has passed an authorization bill which at least some members of our Committee on Appropriations felt was a real mandate to this House to follow it with an appropriation. Simply to say that $10,000,000 is not enough to make a start, and therefore we will do nothing about it, is a mighty poor excuse for the committee not bringing in anything at all for the tenant farmers in this bill. True, it is a mighty small beginning. Some of us made a fight to get a real farm-tenant program started this year, but we were not successful. But it is a beginning, and for this committee to make no appropriation at all is absolutely indefensible. [Applause.] The distinguished gentleman who preceded me, as I recall, stated he is afraid the camel will get his nose under the tent, that next year we will get $25,000,000 and the following year $50,000,000 in order to try to solve one of the most perplexing problems that faces America today. The gentleman hit the nail on the head. He is opposed to this legislation and boasts that he is one of some twenty-odd Members of this House that voted against the bill. Those other 25 Members of the 435 who voted against the bill will, no doubt, vote with the committee. But let us not try to camouflage the issue. Let us not say, "We are for this program, but." Let us fight it out on the real issue involved.

Tomorrow we shall be called upon by you Members from the cities to vote not $10,000,000 but $500,000,000 to help the housing situation of the country; and I, coming from an agricultural district, am going to support that bill although it may be to my disadvantage politically to do so. I shall, however, support that bill. I am going down the line tomorrow with the other Members of the House and support that bill to help the folks in the cities because I know of the distressing situation in many of the cities. Merely because the bill will not carry enough money tomorrow fully to solve your problem in the cities will be no reason why any of you city Members will vote against the housing bill. To say that because $10,000,000 will not solve the farm tenancy problem we will not now embark on it but will ignore the entire matter is no argument. That is absurd, that is an excuse that will not satisfy one's conscience who is really fighting to better the conditions of the millions of worthy but helpless farm tenants of America. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, my distinguished and ingenious friend from Oklahoma assures you Members from the city that it will mean nothing to him politically to vote for the housing bill tomorrow, but between the lines he would appreciate a little vote for the farm tenants today.

To you Members from the cities I say that the few little houses that will be built in the cities as a result of the housing bill will look very insignificant when this farm-tenacy program really develops in its fullness. And when you have 2,800,000 tenant farmers all buying their farms on Government subsidies, maybe you will be able to explain to the other farmers in your district, the other 90 percent of your farmers, who are trying to make a living by their own brain and brawn, where the justice and equity comes in. You gentlemen from Alabama, taking your constituents and making cotton farmers out of them, teaching them how to raise cotton, loaning them money to buy the farm, know full well you have to come back to the Public Treasury to get the money to stabilize the price of cotton they raise in order that they may make a living.

With all deference to the beloved, distinguished, and able gentlemen who are interested in this—and they are among our best friends and we love them—with all deference to them, honestly, this is the craziest thing I ever heard of in my life. Can you beat it?

Mr. COOLEY. Mr. Chairman, the gentleman voted for the bill.

Mr. WOODRUM. No; I did not.

Mr. COOLEY. The RECORD shows the gentleman did.

Mr. WOODRUM. The RECORD shows that I did, but the RECORD also shows that it was corrected to show that I was not in the city at the time the vote was taken, that had I been here I would have voted against the bill. As a matter of fact that afternoon I took a plane for my home city, Roanoke. Had I been here I would have voted against the bill.

That is beside the question. Do you know what we have done for the farmers since President Roosevelt came into office? Counting the bonds that we have guaranteed in connection with the farm mortgage corporation, agriculture has received about $5,000,000,000, and yet we are told today it is a languishing industry.

Mr. CUMMINGS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. CUMMINGS. The gentleman does not consider that $5,000,000,000 as a gift, does he? Most of that is secured by mortgages on land.

Mr. WOODRUM. About three and a half billion of it is a gift and about that amount we will not get back.

Mr. CUMMINGS. In farm mortgages?

Mr. WOODRUM. We put over $2,100,000,000 in the Agricultural Adjustment program and we will not get any of that back. There is only about $700,000,000 of this in loans and capital stock aside from the guaranteed farm-mortgage bonds.

I am not quarreling with it, because I voted for all of that, but, listen, buying farms for four tenant farmers in each congressional district this year, or 25 next year, or 50, or 100 next year will not solve the problem. If that would solve the problem I would vote for this appropriation. There is only one thing that will solve it. There is only one thing that will stop the mad rush of men getting out of the farm business and turning them over to tenants and that is the stabilization of the industry itself. If you can find the answer to that, then you will find the answer to the farm-tenancy problem and men will start buying farms again.

Mr. McFARLANE. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. McFARLANE. Did the gentleman vote for this bill?

Mr. WOODRUM. I did not.

Mr. McFARLANE. Does the gentleman expect to vote for the housing bill?

Mr. WOODRUM. I will cross that bridge when I get to it.

Mr. McFARLANE. Will the gentleman answer the question?

Mr. WOODRUM. No; because it is not apropos to this. If the gentleman is around tomorrow when the roll is called, he will find the gentleman from Virginia on one side or the other.

Mr. McFARLANE. Usually with the minority.

Mr. WOODRUM. I do not know about being with the minority. The Good Book says, "Join not the multitude to do evil." [Applause.]

I do not, when I take the Well of the House as a member of the committee, always discuss the popular side. If I did, I would follow my friend, who is a past master at that. I try to do what is right.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Arkansas [Mr. TERRY] is recognized for 5 minutes.

Mr. TERRY. Mr. Chairman, as a member of the Appropriations Committee I usually follow the leadership and recommendation of the subcommittee that has in charge legislation. In the present instance I feel I am justified in departing from that usual custom by reason of the very apparent and obvious distaste and prejudice that the distinguished chairman and other members of the subcommittee of the Appropriations Committee have for the present legislation.

It is admitted by the members of the subcommittee reporting this bill that the committee saw no good in it. They are not primarily concerned with whether we make this small appropriation today or not. They do not want an appropriation at all to alleviate farm tenancy. They say this is merely an experiment and therefore we should not approve the appropriation today.

Mr. Chairman, from the beginning of the history of this country the question of farm tenancy has been an ever-increasing problem. At the beginning of the Republic nearly every farmer owned his own land. He had a small farm and he produced his own living from that farm; but with the passing of years farm tenancy increased. The statistics show that in 1880 farm tenancy amounted to about 25 percent. In 1935 farm tenancy had increased to 42 percent, and it has increased since that time.

The Democratic administration and the President of the United States have recognized that farm tenancy is one of the major problems of this country. Until we settle this problem, until we do something for that great and ever-increasing number of people of our Nation, we cannot have permanent prosperity.

The members of our subcommittee talk about this being a mere experiment and that we should not approve the appropriation today. Mr. Chairman, this is the greatest experiment before the Nation at the present time. If we do not begin the attempt to solve the evil of farm tenancy, then we are permitting this cancer to continue to gnaw at the vitals of the economic body of our Nation. On tomorrow the agricultural sections of the country will be called upon to go along with you Members from the metropolitan areas in passing the Wagner bill to aid in solving your housing problems; and I say to you that you should go along with us and approve this appropriation, which is a small and modest beginning toward the solution of the great problem of farm tenancy. The great Agriculture Committee approved the bill authorizing the appropriation; the Congress passed the bill almost unanimously in accordance with the platform of the Democratic Party, which recognized the necessity of this form of economic readjustment. I ask you in the name of justice to vote for this amendment. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

Mr. McFARLANE. Mr. Chairman, reserving the right to object, the chairman of the committee gets his 5 minutes, then he wants to cut off the rest of the Members. I would like to know what time we will get if the request is granted? There are some 10 or 12 Members who want time.

Mr. WOODRUM. I would not want to take the responsibility of depriving the House of the views of the gentleman from Texas.

Mr. McFARLANE. We would hate to be deprived of the gentleman's views on things.

Mr. WOODRUM. I am not trying to cut the gentleman off. The gentleman may get 5 minutes out of the 30.

Mr. McFARLANE. I doubt it.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I think that up to 1920 the legislative committees of the House used to do most of their own appropriating, if not all. At that time the rules of the House were amended, and all the appropriating power was vested in one committee, the Committee on Appropriations. I take it, therefore, that after substantive legislation has been authorized by the House, it becomes something of a mandate on this committee to provide funds. However, I am satisfied that no Member of the House believes the Committee on Appropriations should act automatically and simply rush through an appropriation bill to cover every authorization which has been enacted by the House. I am satisfied it is intended that the Committee on Appropriations as an arm of this House should exercise its best possible judgment in order to make the appropriations as effective and as efficient as possible.

This preliminary is stated for this reason. The farm tenancy bill was authorized by the House. Therefore, it becomes a mandate, in my judgment, upon the Committee on Appropriations. However, it becomes necessary in order to carry out the wishes of the House to examine into this matter further, so that appropriations may be justified and made as efficient as possible. In line with this, those who are about to administer the Farm Tenancy Act came before the subcommittee on deficiencies. Did they have a definite idea of their program? Indeed not. They had a very nebulous and hazy idea on what they were going to do. If you will examine the record you will find it to be true that they have ascertained that there are 2,500 agricultural counties in the United States of America. Take the $10,000,000 proposed in this amendment, deduct 5 percent for administrative expense, and apply the $9,500,000 to these counties, and what have you? You have the prospect of buying farms for four farmers in one county in each rural congressional district in the United States of America, or the prospect of using this money to help only 2,500 farmers in the next fiscal year.

What else did they submit to the committee? They said that 40,000 farmers are slipping from ownership into tenancy every year. You are going to dip down into this great, abundant well of tenancy and help 2,500 farmers, but what are you going to do with the excess 37,500, who will have slipped from ownership into tenancy in the same year? Under such circumstances what does the committee suggest? That we thwart the will of the House? Oh, no! Simply that we defer this matter until it can be regularly submitted to the Subcommittee on Appropriations which handles the agricultural appropriation bill. That is all.

Here sits the distinguished acting chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], who has just as acute a tenancy problem in his district in Missouri as you will find in any State in the Union. Do you think he is not sympathetic with this program? Yet he joins with the rest of the committee in wanting to scrutinize this thing before we get off the reservation and become bogged down in an inefficient program which is going to redound to the discredit rather than to the credit of the House of Representatives. It is only a little while until January, and then we will be back here. Hearings will start. The same gentlemen who are going to administer the Tenancy Act will come in and lay the cards on the table. We will have some weeks in which to go into the matter and to determine what is the feasible way to administer this tenancy problem. Is not this the fair thing to do?

Quite contrary to the sentiment that has been so often repeated on this floor this afternoon, the omission of this item for the farm-tenancy program is not an effort to thwart the will of the House. It is not an effort to sidetrack this legislation. I am just as sensible of the evils of farm tenancy as any Member of this House but at the same time firmly believe that the matter should be adequately considered before the appropriation is made to make an administrative set-up to carry out that program.

In the past few years there has been an amazing amount of duplication of functions by different boards, agencies, and commissions because the matter was not adequately considered. In the past few years millions have been wasted because of the inefficiencies that creep in as a result of haphazard and hasty setting up of administrative functions. Is it then the purpose of this House to ignore the real issue involved in this matter and rush a program in which the administrative functions and expenditures should be most carefully considered? If so, it is for the House to speak, but it is most unfortunate that it must speak with so much of misunderstanding to becloud the real issue.

Much has been said by way of comparison between this program and a housing program. The two are far from analogous. In the housing program no question of private ownership is anywhere involved. Administrative set-ups have already been made which will work through duly constituted public-housing authorities. The question of unemployment is not involved in the farm-tenancy program. Many substantial differences could be pointed out.

This farm-tenancy program involves the embarkation of the Government upon a long-range farm-ownership program for some 2,800,000 tenant farmers; it involves long-term loans and supervision; it involves the broad question of enforced farm management as required in the farm-tenancy bill; it involves the setting up of county committees and a new administrative board in Washington; and it involves the immense pressure that must inevitably come when, as a beginning, only enough funds are provided in the amendment to take care of 2,500 farmers in the first year, or less than 1 in every 1,000 farmers. Is it asking too much that the proper subcommittee of the Appropriations Committee explore this matter with the administrative heads of the Department of Agriculture to see just where we are going and how this program can be best administered?

Mr. JONES. Mr. Chairman, I am very much in favor of the Starnes amendment to carry out the Tenant and Land Purchase Act. I do not believe there is another measure which has been presented at this session in which I have as deep a personal interest. You will recall that this is the measure which our Speaker, with his great heart and mind, felt such an interest in that he left the Speaker's chair and made a speech on the floor of the House in behalf of its enactment.

The President recommended this legislation. Both branches of the Congress passed it by overwhelming vote, and it has Budget approval.

I am persuaded to believe that the Appropriations Committee, due to the great number of items calling for attention, have not had time to go into the matter thoroughly. Otherwise I believe they would have provided for the appropriation.

The argument is made that the amount sought to be appropriated is not enough to cure the problem. Of course, it is not. It took 75 years for this condition to develop. You do not heal typhoid fever overnight. If I were pretty sick, I would hate to have a doctor, or a group of doctors, hold a conference over me and say, "He is so sick a few doses of medicine will not cure him overnight. He will have to have a barrel of medicine at once, therefore we shall not give him any medicine until next July, a year from now." This just does not make sense.

The same argument would apply next July as applies today. The administrator cannot be appointed until there is some money available. The officials in charge of this work cannot make their plans until there is some money available. This amount is something with which to start the program, that is all. I would rather the program should be started modestly, as all great programs are, than that it be started with a big slush and break down, thus setting the plan back 20 years.

Home ownership is tremendously important. The immortal ballads, Home Sweet Home and Little Gray Home in the West, were not inspired by a rented shack, but by a home in the real sense of the word. Every great country has tackled this problem. Ireland tackled it along almost the same lines nearly 40 years ago, except that its plans were not as well thought out as ours. We have had the benefit of the experience of others. At that time 90 percent of Ireland's farmers were tenants, but now less than 10 percent of them are tenants. [Applause.] After Ireland started its program she had to add about 20 different amendments in 20 different years. She started modestly, as she should have started.

The first road program was started with $75,000. If you will go down to the Smithsonian Institute and look at the first automobile, you will probably conclude that you would not attempt to go from here to Alexandria in it. But did they run that into the ditch because it was not perfect? No; they improved it and kept working on it, and the genius of America has builded the fine cars which are on the streets today.

I hope we are starting one of the greatest programs this Congress has ever fashioned. We may make some mistakes. I do not want a lot of money wasted. The first bill I introduced called for a billion dollars, because I thought that was the way to start. But when we went into the question thoroughly we found it fraught with so many difficulties that I was willing to start with less. I think it should have been more than we are asking, but even with this amount available we should make a start on this all important task.

This program has another feature in which I am even more interested, that is, the Great Plains program and the submarginal land program. You have seen the dust come over the city of Washington. The Great Plains area is a fine country. Over a period of years it has produced more, both gross and net, per tilled acre, than almost any other part of our country. But it has its peculiar problems just like every other section.

You and you are vitally interested in what is to be done for that great productive area. If your foot had blood poisoning the rest of your body would not say "I have no interest in it." Else it might mean paralysis for your entire body.

I have seen the hot winds come and sweep a blistering trail across those prairies and the heavens become brass and the earth iron, with the people almost choking and the dust sweeping all over the breakfast tables of the Nation. I believe there is a way to remedy this. I believe they have found a way to handle this situation before it spreads like a poisonous growth over the Nation. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, only a few weeks ago this House, by an overwhelming majority, passed a bill authorizing an appropriation of $10,000,000 this year to begin the farm-tenancy program. Nothing happened since that time to change the situation in the least. Every argument that could be made for the program at that time exists today.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not right now. Nothing has happened to change the situation. The only thing that has happened is that the members of the Committee on Appropriations, not having had an opportunity up until this time to study the farm-tenancy situation, have been a little appalled at what they found after studying the problem for a few hours. The Committee on Agriculture studied this problem for more than 3 months. A committee appointed by the President made a thorough study of it, and every argument that has been made here this afternoon by the able gentlemen who say we ought not to begin this program has been made time and time again by those who are opposed to the program.

There are arguments against this program; but the Committee on Agriculture, the President's Committee on Farm Tenancy, and the House and the Senate have all considered these objections and have decided that they are not sufficient and that we ought to embark, as have many other nations, upon an attempt to solve this problem of farm tenancy. The fact that this is a great and serious problem which can only be solved as the result of a long-range program makes it all the more important that a beginning be made this year. The fact that this legislation is more or less experimental is no argument for postponement but rather a reason for making an early beginning.

The statement has been made today that those who are to administer this program did not have a program to present. I have read the hearings and I thought they had just as definite a program as could be worked out until the actual appropriation is made. If you will study the questions that were asked by the members of the Appropriations Committee at the hearings you will find that the main thing which seemed to be bothering them was what they were going to tell their constituents who might not be able to get a loan because the program is on such a small scale.

I have had many letters from those who want to come in under this program, and I have been telling them frankly that there is very little likelihood that they would be able to come in the first year or the second year or even the third year, because this is a vast problem, a situation which cannot be met except over the course of a long period of

years; but just because it cannot be met all at once is certainly no reason why we should delay the beginning. To delay this matter now means we are going to let it go over for another year and I cannot see how those down in the Department who will administer this program can come before the committee a year from now or 6 months from now and be any better prepared to say what they are going to do until they know they are going to get the money and can start the program.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not just now.

The other feature of this amendment that has been mentioned by the gentleman from Texas [Mr. JONES], the chairman of the Committee on Agriculture, is also very important. It is important as a matter of dollars and cents and is really a program of economy because unless the Federal Government goes out into the Dust Bowl and other Great Plains areas and does something at once to attack this problem of wind erosion that is going on out there, the cost is going to be tremendously increased. If you delay this matter even a few months, it is going to cost this Government a great deal more than it is going to cost if you go in there now. Plans are ready to resume land purchases in the Great Plains area just as soon as funds are available. As I pointed out earlier this afternoon, the United States Government already has a great stake in the matter because of the many millions of loans made in the area by governmental agencies, and because a continued relief program will be necessary until conditions are stabilized. [Applause.]

Mr. McFARLANE. Mr. Chairman, I want to call your attention to what the Democratic platform of 1936 says on farm tenancy:

> We recognize the gravity of the evils of farm tenancy, and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rate of interest and over a long term of years.

Mr. WALTERS. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I am sorry; I will yield in just a moment.

In keeping with the Democratic platform, I want to call your attention to the President's Madison Square Garden speech of October 31, in closing last year's campaign, in which he said on the question of farm tenancy:

> We will persist in successful action for better land use, for reforestation, for the conservation of water all the way from its source to the sea, for drought and flood control, for better marketing facilities for farm commodities, and for definite reduction of farm tenancy.

Now, Mr. Chairman, you have heard the eloquent appeal of the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], that brought forth this legislation which was passed by this House with only a few dissenting votes. You have heard the chairman of the subcommittee who led the fight in eliminating the whole appropriation in the subcommittee and in striking from the bill the whole appropriation in the full committee, and what was the argument of these gentlemen who were 2 of the 26 who voted against this bill out of the 435 Members of the House? Their argument in the entire Appropriations Committee, where the vote was tied at 12 to 12, was, first, it is an experiment that we ought not to go into at this time.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I cannot yield now.

Mr. CANNON of Missouri. The vote was 20 to 5.

Mr. McFARLANE. The information I have was that the vote was 12 to 12.

Mr. CANNON of Missouri. That is on another question.

Mr. McFARLANE. I am sorry if I have misstated the vote. The gentleman knows I was temporarily called out of the committee and I was later told the vote was 12 to 12. Mr. Chairman, gentlemen heard the argument made here by the gentleman from Virginia [Mr. WOODRUM] that it will help only 4 out of 796 farmers and they thus argue that it does not go far enough and for that reason they are opposed to it; however, the record shows these gentlemen opposed the legislative authorization and voted against the bill permitting this meager beginning. Why should we help only 4 out of 796 farmers, he asked? This same argument will be made against you gentlemen from the industrial areas when the housing bill comes up tomorrow. You mark my words.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. WALTER. I am assuming the gentleman believes that we ought to carry out the provisions of the Democratic platform. Does he not feel the same way with respect to the wage and hour bill?

Mr. McFARLANE. Yes; I do; and that is why I quoted from the platform. I am in favor of the wage and hour bill. I do not believe in stabbing these bills in the back and then trying to alibi to your constituents back home that some provision of the bill was perhaps unsatisfactory when no doubt the only thing those so alibiing did was to oppose in every way possible the legislation and never offer any corrective amendments to the bill. I appeal to you Democrats to keep faith with the farmers and support this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MASSINGALE. Mr. Chairman, I am here to support the amendment to put the appropriation for the Farm Tenancy Act back into this bill. We have a terrible condition obtaining in this House, it seems to me. The distinguished chairman of the subcommittee, the gentleman from Virginia [Mr. WOODRUM], after the Congress has passed a farm-tenancy act, gets up here and sets aside what Congress has done and says that he is not going to let us have any of the $20,000,000 if he can keep us from it. Mr. Chairman, we have this sort of a proposition facing us here. You have $20,000,000 that you authorized to be appropriated for tenant farmers of the country, and now the Committee on Appropriations says that we are not going to let the tenant farmers have that money, but that the committee is going to take that $20,000,000 and lend it to the fellows who want to build some ships, and that the tenant farmer will have to wait for a more convenient season. The committee wants to let shipbuilders have $150,000,000 for the purpose of building up the merchant marine and, in the interest of economy, they want to take the money Congress authorized for the tenant farmers and hand it over to the shipbuilders. The Government is handing over a subsidy of $150,000,000 to the shipbuilders and taking $20,000,000 of this from tenant farmers.

It is all right to build ships, and I am for building ships, but you have got to take into consideration that the 2,800,000 tenant farmers in this country, which the chairman of the committee referred to, might be envisoned also as ships. They are human ships that are out of repair and can scarcely be kept afloat, and they are not going to be repaired as long as we take the philosophy of the chairman of the subcommittee and appropriate the money to build ships and in aid to warships, instead of giving it to the 2,800,000 farmers. These tenant farmers may be far more useful as auxiliaries to the United States Navy than the wooden ships they contemplate building. The argument of the chairman of the subcommittee in opposition to restoring this money is no argument at all. He says that the farmers are looting the Treasury. He says that we have spent four or five billion dollars on the farmers. Economy is the word when we begin considering anything for the farmer. He ought to know that the appropriations that have been made to farmers under the Soil Erosion Act were made to the land farmers and not to the 2,800,000 tenant farmers. These tenant farmers have never looted or received anything from the Treasury. The well-being of even one family of tenants is worth more to the United States than the $150,000,000 worth of ships this committee proposes to build with money authorized for the benefit of these tenants. I believe that the heart of the chairman of this subcommittee is right. I just believe that he does not know much about tenant farmers. God knows the few crumbs they get from soil conservation are not going to balance the Budget. Mr.

Chairman, let us restore this $20,000,000 as the House wants us to do. This is the first and only gesture Congress ever made for the tenant and let us show him we mean to help him start now.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GREENWOOD. Mr. Chairman, a few weeks ago when we had the farm-tenant bill under consideration in presenting the rule I made the first argument in behalf of the bill. We all know that we are confronted by many serious problems and have been during the last 4 years that this administration has attempted to solve. Outstanding among those problems is the ownership of homes. We have strengthened the Federal land bank to help prevent foreclosure of farm mortgages. We inaugurated the Home Owners' Loan Corporation and guaranteed the bonds to help people in small towns and cities to own their homes. A few weeks ago we inaugurated a policy to help solve the problems of farm tenancy which is growing and which is one of the menacing problems of the day. We declared that policy. Congress voted on it and I join with my friend from Oklahoma [Mr. MASSINGALE] and others by saying that I do not believe the Committee on Appropriations ought to come here and reverse the policy of the House of Representatives and of the Congress of the United States.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. SABATH. I recognize the gentleman is broad-minded, and he is trying to secure the passage of the housing bill, and I know that he also realizes that since 1929 thousands upon thousands of farmers, good men, have lost their farms.

Mr. GREENWOOD. I thank the gentleman for his contribution, but must insist upon using my own time. One of the greatest problems we have to solve is the matter of the ownership of homes in the city and on the farm. The civilization of America rests upon the ownership of homes. This is a declaration of policy of a long-distance program and, so far as I am concerned, I am not willing to follow the Committee on Appropriations that proposes to annul that declaration of policy on which rests the future happiness and welfare of our Nation. [Applause.]

Mr. LAMBERTSON. Mr. Chairman, I want to support the committee. This is not annulling the tenancy authorization. I voted for it; but this is a deficiency bill. Why should we start something in a deficiency bill when it has not even been before the subcommittee on agriculture? Is that not sense? I appeal to you that it is. This is a deficiency bill. Within 4 months the subcommittee on appropriations for the Department of Agriculture will be meeting to take up new things that have been authorized. This is a new thing, not a deficiency.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. Yes; I yield.

Mr. GREENWOOD. A deficiency bill is to carry out the authorizations of the House of Representatives made at this session of the Congress.

Mr. LAMBERTSON. A deficiency bill is to carry out deficiencies and not to carry out new policies, unless they are emergencies. Now that much for the committee.

This committee voted 5 to 20, because this subcommittee on agriculture has not had an opportunity to hear the plans. They have not very much of a plan yet.

Mr. GREENWOOD. Will the gentleman yield further?

Mr. LAMBERTSON. Briefly.

Mr. GREENWOOD. How can you expect any agency of Government to have any plan before you have even given them a dollar to build a plan with?

Mr. LAMBERTSON. This administration is creating things before they are authorized and is going off half-cocked a good deal. Here is a chance to let the Committee on Agriculture consider this thing. This is not a deficiency. I want to say, as a farmer from a farming district, I never earned a dollar any other way in my life, I am going to quit voting for every fool thing for the farmers that is proposed. I do not want to be tantalized even by this thing in my district. I have farm tenants in one county to be benefited in each congressional district. The farmers of the United States, as I interpret them—I am one of them—are primarily for two things: They are for cheap interest rates and they are for a protected market. You can take the rest and throw it away as far as I am concerned, if you give us these two things. Give us cheap interest rates and then give us a protected market. This tenancy is a high-sounding thing that means nothing. I am for sustaining the committee. [Applause.]

[Here the gavel fell.]

Mr. VOORHIS. Mr. Chairman, all I want to do in the couple of minutes at my disposal is to make a prophecy. I want to venture the prediction that this problem of farm tenancy and the uprooting of thousands of our farm people from the homes which admittedly is to be attacked in only a small way even if this amendment is carried, is going to be one of the most serious problems of this Nation in the next two or three decades. It has its roots in great changes now going on in the methods of farming in certain parts of our Nation, especially increased use of machinery and large-scale agriculture. This amendment certainly should be passed not only because it is just for us to try to help even a few farm tenants but because it is most important to make a beginning at developing methods of meeting this very great problem of the uprooting of American farm families in certain parts of this Nation and the breaking down of the very fundamental of American life, namely, security on the farm. That is a problem which must challenge us if we care about our Nation's future. People who have seen some of these folks driven by drought or economic conditions from their old homes and compelled to wander about this country will know what I mean when I prophesy that this problem will demand our first attention as time goes on.

I want to call attention to what the gentleman from Texas, chairman of the Agriculture Committee, said about the importance of the part of this program that has to do with the purchase of submarginal lands. That, too, is of tremendous importance, and it is not too soon for us to make a beginning to get at these things, to work as hard and fast as we dare at conserving our soils, at better planning and practice in the use of land, and at establishing a new balance in our national agriculture, and a new security for our farm people. Therefore I heartily support this amendment.

[Here the gavel fell.]

Mr. McCLELLAN. Mr. Chairman, it was not my purpose to speak on this measure, but I cannot refrain from expressing my sentiments in regard to this appropriation in view of the issue having again been raised in this House.

When we voted on this measure on the 29th of June I thought the issue was then settled whether this program would be put into effect. [Applause.] To me consistency still has some virtue, and I give my commendation to the members of the Appropriations Committee who opposed this legislation in saying that they now oppose the appropriation, but I also give my commendation to 308 other Members of this House who voted to put this program into effect. You, too, can be consistent by voting for an appropriation to put this law into operation. To be consistent, you should vote for this amendment.

Yes; I recognize it is an experiment. So was democracy. So was this Government in the beginning, and it has proven a noble experiment for the blessing of mankind. I recognize, too, that this farm-tenant legislation is only a gesture, but there are two kinds of gestures. There are those that are forceful and effective and there are others that are idle and useless. Those of you who voted for this legislation on the 29th of June, if you vote against this appropriation now, will have committed an idle and useless gesture. If you vote for this appropriation now you will have made a forceful and effective gesture. Which do you want to do? [Applause.]

I regret time is so limited. I would like to discuss this thoroughly, but I cannot do it in 3 minutes.

Just this further suggestion and I close: There can never be anything accomplished without a start. For those opposed to this legislation there will never be a time to start. For those of us who believe in a program to help make home owners out of tenant farmers now is the appointed time to begin. My vote will be to begin now, and with the hope the adventure will prove a success. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] for 3 minutes.

Mr. COOLEY. Mr. Chairman, obviously it would be impossible for me to discuss the merits of the Jones-Bankhead Farm Tenant Act in the short space of time allotted to me. At any rate I do not think that it is proper for anyone at this time to question the necessity or the philosophy or wisdom of that legislation. Frankly, there is something in me that causes me to resent the position taken by the Committee on Appropriations. I resent the setting up of super-self-constituted legislative committees—committees which seek to clothe themselves with authority which they do not possess and with powers which have never been granted to them by this House. The Appropriations Committee in this instance has constituted itself a court of review, sitting in judgment upon the wisdom of the action taken by this body. As has been said many times during the course of this debate, the farm-tenant bill, together with its provisions for rural rehabilitation and land utilization, passed this House by a vote of 308 to 26. The Democratic platform—and, for that matter, the Republican platform—had a very definite declaration with reference to the subject of farm tenancy. The President advocated farm-tenancy legislation and called the country's attention to that particular plank in our party platform. A special committee was appointed by the President to study the subject. The committee filed its report, and the President sent a special message to Congress. The subject was considered by the Agricultural Committee of the House for more than 3 months. Finally a bill was drafted, agreed upon, and reported, and came to the floor of this House under a rule which permitted full and ample debate. The bill passed the House by an overwhelming vote, passed the Senate, was signed by the President, and is now the law of the land; and yet members of the Appropriations Committee have the audacity to question its wisdom and efficacy.

We are told by the distinguished gentleman from Virginia, the chairman of the subcommittee, that he was not here at the time this matter was discussed, but was at Hoover Airport preparing to take a flight to some unnamed destination. He was, therefore, not here at the time others of us were battling for the farm tenants of the Nation. Neither was the gentleman from Illinois [Mr. DIRKSEN] present at the time of the debate and the passage of the bill on June 29, but, lo and behold, they finally returned and now give us the benefit of their views. They take the position that we have made a colossal mistake, in that we have fulfilled a platform promise, we have advocated something for the "little pebble" referred to by the distinguished gentleman from South Carolina; that we have passed crazy legislation; and that we did not know what we were doing. I knew what I was doing, and I am sure that other Members of the House likewise knew what they were doing, and I for one do not like the attitude taken by some of the members of the committee in coming in here at this late hour and in effect saying that the 308 Members of the House are nothing but a bunch of political demagogues and ignoramuses and that they and only they are capable of passing upon the wisdom of redeeming platform pledges and enacting legislation which seeks to relieve those of our citizens who find themselves in submerged insecurity in the rural sections of this Nation.

They take the position that they did not have time to fully and completely investigate the subject; that it is of great importance and should be more carefully considered by members of the Appropriations Committee. The fact is that 50 pages of this record are taken up by an investigation of the subject under consideration, and I note that the very distinguished chairman of the Subcommittee on Agriculture of the Appropriations Committee was present and participated in that discussion. Now we are told that they do not know enough about the subject and want time for further study. I, for one, am unwilling to recognize the Appropriations Committee as a superlegislative committee which claims for itself the right to hold post-mortem examinations on legislation enacted by this House. [Applause.]

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] is recognized for 5 minutes to close the debate.

Mr. CANNON of Missouri. Mr. Chairman, I would like to talk to the friends of the tenant farmer. I would like to talk to those who are interested in the solution of this pressing problem. I would like to talk to those who wish to carry out the pledges of the Democratic platform. Let us approach this question with the mutual purpose of putting into effect at the earliest date possible an effective administration of the law authorizing this amendment. If you have any preconceived notions on the subject, if you entertain any hastily formed convictions in this respect, let me ask you to put them aside for the time being. Let us approach this proposition with an open mind. And especially let us analyze the proposal presented by this motion so as to understand just what it is we are called on to decide in voting for or against the amendment. What is the proposition before the committee? It is not a question of denying the appropriation. It is not a question of vitiating the law, as has so frequently been suggested. It is a question not of denying but of deferring the appropriation until opportunity has been afforded for the formulation of a practical plan of administration.

Mr. Chairman, few questions have been considered by the Congress in recent years that equal the tenancy law in either importance or difficulty. It is a plan so vast and so far reaching as to challenge comprehension. Nothing just like it has ever before been tried in the history of any nation. And the expenditures it ultimately involves aggregate not millions but billions. I think all will agree that under all the circumstances it behooves us to proceed with care and be certain of our premises and the nature and purpose and methods of expenditure before we finally and irrevocably commit ourselves and the Government on this stupendous experiment.

The subcommittee opened these hearings with every expectation of providing for immediate enforcement of the law. But to our surprise the plans presented were so vague and indefinite or so far afield as to be wholly impracticable. And the supplementary letter which has been read into the record here today does not touch on the real difficulties of the proposition nor add any appreciable light on the subject.

I wish, Mr. Chairman, there was time to discuss the proposition. That is the unfortunate feature of attempting to study intricate business and economic problems under the 5-minute rule.

Mr. Chairman, whenever the Committee on Appropriations errs—and it errs frequently—it invariably errs on the side of prodigality. As between two extremes it always appropriates too much rather than too little. And the reason for that is obvious. The committee is under constant pressure to spend. The departments seek to secure the largest amounts possible. The interests and industries affected bombard the committee, individually and collectively, with letters, telegrams, telephone calls, and personal delegations, urging larger expenditures. The Members of Congress, from both Houses, importune the committee for money for every local and provincial activity. Everybody, every lobby, every influence urges the committee to spend, spend, spend. And absolutely nobody suggests saving. Is it any wonder then that practically every appropriation reported is too large and every bill is loaded down with expenditures that ought not to be made, or at best ought to have further study and consideration.

So, when a Budget estimate is cut or an appropriation, demanded by some good friend of the committee, or some Member of the House, is omitted, or is deferred, as in this case, there is a real reason for it, and the sober deliberate judgment of the committee arrived at after exhaustive study and sympathetic consideration ought not lightly to be disregarded.

Mr. Chairman, this is too big a thing to be passed on hastily. If we get off on the wrong foot, if we make a mistake in the beginning, it may be difficult to correct it. Let us be certain before we start. We will be back in extra session November 1. Surely, we can afford to wait 2 months to be certain we are on the right road in a matter which affects 2,000,000 tenants and untold billions of dollars. Let us look before we leap.

I ask you, when you go home, how are you going to explain to the other counties in your district, if you get one county, and some of you will not get that, why they should not have the same privilege? When you go out into your counties and 800 farmers come to you and say, "I want to be rehabilitated, I want one of these farms, I want one of these loans", and 4 of them are picked out, how are you going to explain to the other 796 why you did not choose them?

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Alabama [Mr. STARNES].

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 128, noes 63.

So the amendment was agreed to.

Mr. FERGUSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

On page 13, after line 19, insert the following:

"FARM FORESTATAION AND WOODLAND MANAGEMENT

"To enable the Secretary of Agriculture to carry into effect the provisions of the Cooperative Farm Forestry Act, approved May 18, 1937 (Public, No. 95, 75th Cong.), including the employment of persons and means in the District of Columbia and elsewhere, the purchase of reference books and technical journals, printing and binding, the purchase (not to exceed $9,000), operation, and maintenance of passenger-carrying vehicles, the construction or purchase of necessary buildings and other improvements, fiscal year 1938, $500,000: *Provided*, That the cost of any building purchased, erected, or as improved, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, shall not exceed $7,500."

Mr. FERGUSON. Mr. Chairman, may I say first that the committee was very sympathetic to me in the presentation of a grass-breeding project, and I feel reluctant to offer this amendment. However, the Congress passed the Norris-Doxey bill, which authorized an appropriation of $2,500,000 annually for farm forestry. The Budget sent an estimate to the committee for $1,000,000.

I have taken the liberty of cutting the Budget estimate in half and making provision for $500,000 to carry out the provisions of the Norris-Doxey bill. I may say to absolutely curtail the expenditure for farm forestry would cause the loss of nursery stock now owned by the shelterbelt project.

Last year I urged this House to include an appropriation for the liquidation of the shelterbelt, which was done in the Senate, and I am glad to report to the House that these trees were distributed to the farmers, planted in advantageous places, and the farmers report to me that 80 percent of the trees are living, in spite of the worst drought we have experienced.

Mr. Chairman, I am not talking about something I know nothing about, because I planted at my own expense 160 acres of trees this year, and over 50 percent of them are still alive. The committee was under the impression that 75 years were required to grow a tree. That may be true in the case of walnut or other hardwoods. The committee got that impression from an official of the Department who testified before the committee to that effect, and the members of the committee might easily have gathered that impression. But because the Department head who testified before that committee did not know what was actually going on out in the field is no reason to cut off this worthy project for the growth of trees. This appropriation applies in every area of the United States. Planting trees on land that has been eroded or is nearly worn out will help solve the wind- and water-erosion problem. Not only that, the planting of trees and native grasses is the answer to how to get the land that causes the agricultural surpluses out of production. I hope this committee will adopt my amendment and not be a party to stopping this beneficial work.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, of the amount carried in the Budget estimate of $1,000,000 for cooperative farm forestry, half of it is for the shelterbelt tree-planting project, and for that project the Department already has $700,000 allotted to it for 1938 from emergency funds. The balance of it is for the so-called wood-pile project, which is the development of farm forestry in order that the farmers may have trees for a money crop.

Maybe the officials of the Department did not know what they were talking about, as the gentleman from Oklahoma says they were mistaken, and maybe they did not know what was going on, but they did say it takes 75 years for hardwood trees to grow to maturity. This project is not an emergency and it is not a deficiency. The committee felt that perhaps a delay of 1 year in connection with the matter of a growth of a tree which would take 75 years would not amount to a great deal and felt that the matter should go to the regular subcommittee on agricultural appropriations.

Mr. Chairman, I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. FERGUSON].

The amendment was rejected.

Mr. WOODRUM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the interest of expediting the bill, so far as I know, there are no controversial paragraphs in the remaining part of the bill. In the interest of expediting its consideration, I ask unanimous consent that the remaining part of the bill may be considered as having been read and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. TABER. Mr. Chairman, reserving the right to object, amendments may be offered at any place?

Mr. WOODRUM. Amendments may be offered. I would suggest that the titles be called and as we come to the particular title the amendments may be offered.

Mr. TABER. Will it be understood that points of order will be available where Members may desire to raise points of order?

Mr. WOODRUM. Yes.

Mr. COLLINS. I have an amendment, on page 33, line 20.

Mr. WOODRUM. The gentleman can offer it.

The CHAIRMAN. The Chair may state that if this request is granted, we shall go through the bill by titles in regular order so that amendments may be offered in the order in which they would ordinarily be presented.

Mr. COLLINS. With this understanding, Mr. Chairman, I withdraw my reservation of objection.

Mr. MICHENER. Reserving the right to object, Mr. Chairman, the gentleman from New York inquired about making points of order. As I understand, if any part of the bill is debated under this unanimous-consent request, then it will be too late to make the points of order. In other words, under the request made by the gentleman from Virginia, it will be necessary for all those desiring to make points of order to reserve the points of order now.

Mr. WOODRUM. All points of order have been reserved on the bill.

Mr. TABER. Mr. Chairman, I understand it would be up to those who wanted to make points of order to make them before amendments were offered.

The CHAIRMAN. The gentleman is correct.

Mr. TABER. However, a point of order would take precedence over any attempt to offer an amendment.

The CHAIRMAN. The gentleman is correct.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. The bill being considered as read, amendments are in order to any part of the bill which has not been discussed?

The CHAIRMAN. I may say to the gentleman that the Chair had intended to go through the bill by titles, and as the amendments were proposed at their proper place they would be considered if no points of order were made against the paragraph to which an amendment was offered.

Mr. MICHENER. If the gentleman from Virginia follows that order, it will be all right.

Mr. FISH. May I suggest to the gentleman from Virginia that the bill be read by title and debate confined to the title as we go along?

Mr. ENGLEBRIGHT. Reserving the right to object, Mr. Chairman, I desire to make a point of order against one section of the bill. Will I have this privilege?

Mr. WOODRUM. I am not trying to take any rights away from anybody. I am just trying to save a little time.

Mr. FISH. The gentleman is going to restrict reading of the bill to the titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON of Missouri. As each title is read it will first be in order to present points of order?

The CHAIRMAN. The gentleman is correct.

Mr. CANNON of Missouri. If no points of order are presented amendments will then be in order, and after a Member is recognized to offer an amendment further points of order cannot be entertained?

The CHAIRMAN. The gentleman is correct.

Mr. CANNON of Missouri. If no amendments are offered, then the Clerk will pass to the next title?

The CHAIRMAN. That is the understanding of the Chair.

The first title is "Department of Commerce." Are there any amendments to be offered to the title "Department of Commerce"?

The next title is "Department of the Interior."

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

For settling disputed land claims along the shores of the Potomac and Anacostia Rivers: To enable the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to conclude equitable adjustments of conflicting claims of title and interests between the United States of America and adverse claimants to rights and interests in lands, in, under, and adjacent to the Potomac River, the Anacostia River, or Eastern Branch and Rock Creek, including shores, submerged lands, and made lands, for the purpose of establishing the title of the United States as provided by the act of April 27, 1912 (37 Stat. 93), and the act of June 4, 1934 (48 Stat. 836), fiscal year 1938, $15,000.

BUREAU OF INDIAN AFFAIRS

Indian agency buildings: For improvement of the sewer system, Pawnee Agency, Okla., fiscal year 1938, $15,000.

Purchase and transportation of Indian supplies: Not to exceed $30,000 of the unobligated balance of the appropriation under this head contained in the Interior Department Appropriation Act for the fiscal year 1936 is hereby made available for the same purpose for the fiscal year 1935.

Vehicles, Indian Service: The limitation of $160,000 on the amount of applicable appropriations for the Bureau of Indian Affairs contained in the Interior Department Appropriation Act, fiscal year 1937, that may be expended for the purchase and exchange of motor-propelled, passenger-carrying vehicles for the use of employees in the Indian field service, including the transportation of Indian school pupils, is hereby increased to $185,000.

The limitation of $290,000 on the amount of applicable appropriations for the Bureau of Indian Affairs contained in the Interior Department Appropriation Act for the fiscal year 1937, that may be expended for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of employees in the Indian field service, including the transportation of Indian school pupils, is hereby increased to $430,000.

Santa Rosa Band of Indians, California: For the acquisition of land for the use and benefit of the Santa Rosa Band of Mission Indians in California, as authorized by the act of April 17, 1937, fiscal year 1938, $500.

Payment to Sioux Indians for failure to receive allotments: For payment to various Sioux Indians of the Pine Ridge Reservation, S. Dak., or their heirs, on account of allotments of land to which they were entitled but did not receive, and for compensation of attorneys for services performed, all as authorized by the act of June 29, 1937, fiscal year 1938, $79,038, to remain available until expended.

Maintenance assessments, Indian lands, Middle Rio Grande Conservancy District, New Mexico: For operation and maintenance assessments on newly reclaimed Indian lands within the Middle Rio Grande Conservancy District New Mexico, fiscal year 1935, $12,570, or so much thereof as may be necessary, reimbursable.

Construction, operation, and maintenance of sundry Indian irrigation projects: The unobligated balances of appropriations for the Indian Service for the construction, operation, and maintenance of sundry Indian irrigation systems and power systems in connection therewith, as were repealed by section 4 of the Permanent Appropriation Repeal Act, 1934, together with the unobligated balances remaining in any receipt limitation account appropriated pursuant to said act, shall be added to and become a part of the receipts accruing during any subsequent fiscal year.

BUREAU OF MINES

Acquirement of land, helium plant: For acquirement from Gilbert D. Landis of 331 acres (more or less) of land in Potter County, Tex., for disposal thereon of wastes from the helium plant at Amarillo, Tex., fiscal year 1938, $10,000: *Provided*, That no part of this appropriation shall be expended until all claims against the United States in the case of Gilbert D. Landis against United States of America in the United States District Court for the Northern District of Texas are extinguished and valid title, free of encumbrances, to the 331 acres (more or less) of land involved in said case vests in the United States of America: *Provided further*, That payment hereunder together with any payments from other appropriations made by the United States on account of said claims, shall not exceed the amount of the judgment heretofore awarded in said case.

NATIONAL PARK SERVICE

Yosemite National Park, Calif.: For the acquisition of certain lands, including expenses incidental thereto, as set forth in the act approved July 9, 1937 (Public, No. 195, 75th Cong.), the President is authorized to allocate not to exceed $2,005,000, from funds made available by secion 1 of the Emergency Relief Appropriation Act of 1937, such amount having been heretofore earmarked for such purpose.

Acquisition of land: For completing payment of awards in condemnation proceedings for the acquisition of certain lands to carry out the purposes of the act of March 31, 1933 (48 Stat. 22), in areas designated by Executive Order No. 6542, dated December 28, 1933, the President is authorized to allocate not to exceed $192,568 from funds made available by reappropriation of unexpended balances by section 1 of the Emergency Relief Appropriation Act of 1937.

Ackia National Memorial Commission and Battleground National Monument: The unexpended balance of the appropriation to carry out the provisions of the act entitled "An act to provide for the commemoration of the 200th anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes", approved August 27, 1935, contained in the Supplemental Appropriation Act, fiscal year 1936, is continued available for the fiscal year 1938 in order to provide for the commemoration during that year of the 200th anniversary of the Battle of Ackia.

OFFICE OF EDUCATION

Cooperative vocational rehabilitation, residents of the District of Columbia: For an additional amount for personal services, printing and binding, travel and subsistence, and payment of expenses of training, placement, and other phases of rehabilitating disabled residents of the District of Columbia under the provisions of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia", approved February 23, 1929 (45 Stat. 1260), as amended by the act approved April 17, 1937 (Public Act No. 41, 75th Cong.), fiscal year 1938, $10,000.

GOVERNMENT IN THE TERRITORIES

Territory of Alaska: For an additional amount for the repair and maintenance of roads, tramways, ferries, bridges, and trails, Territory of Alaska, to be expended under the provisions of the act approved June 30, 1932 (48 U. S. C. 321a–321d), fiscal year 1935, $11.56.

Government of the Virgin Islands: For an additional amount for salaries of the Governor and employees incident to the execution of the act of March 3, 1917 (U. S. C., title 48, sec. 1391), fiscal year 1938, including the same objects specified under this head in the Interior Department Appropriation Act for the fiscal year 1938, $4,250.

Mr. ENGLEBRIGHT. Mr. Chairman, I make the point of order against that portion of the title appearing on page 18, beginning on line 5, and reading as follows:

Yosemite National Park, Calif.: For the acquisition of certain lands, including expenses incidental thereto, as set forth in the

act approved July 9, 1937 (Public, No. 195, 75th Cong.), the President is authorized to allocate not to exceed $2,005,000, from funds made available by section 1 of the Emergency Relief Appropriation Act of 1937, such amount having been heretofore earmarked for such purpose.

That it is legislation on an appropriation bill, that it is directory in character, that it changes existing law, and is unauthorized.

If the Chair will permit, may I call the attention of the Chair to certain authorities?

Mr. WOODRUM. Mr. Chairman, if the matter is subject to a point of order, there is no use prolonging the agony.

The CHAIRMAN. The Chair is ready to rule.

The language in this paragraph seeks to authorize the President to allocate funds not heretofore allocated to this park. This is purely legislation upon an appropriation bill. Therefore, the point of order is sustained with reference to that portion of the title "Department of the Interior" which appears on page 18, lines 5 to 12, inclusive, under the heading, "National Park Service."

Mr. WIGGLESWORTH. Mr. Chairman, I make the point of order against the paragraph appearing at the top of page 17, that it is legislation on an appropriation bill. The paragraph reading as follows:

Construction, operation, and maintenance of sundry Indian irrigation projects: The unobligated balances of appropriations for the Indian Service for the construction, operation, and maintenance of sundry Indian irrigation systems and power systems in connection therewith, as were repealed by section 4 of the Permanent Appropriation Repeal Act, 1934, together with the unobligated balances remaining in any receipt limitation account appropriated pursuant to said act shall be added to and become a part of the receipts accruing during any subsequent fiscal year.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. WOODRUM. No, Mr. Chairman, the paragraph is subject to a point of order.

The CHAIRMAN. The Chair understands that the point of order is made against the entire paragraph, beginning with line 1 on page 17 and extending down to and including line 10 on that page.

Mr. WIGGLESWORTH. The Chairman is correct.

The CHAIRMAN. The Chair is ready to rule.

This paragraph clearly falls in the same category as the paragraph covered by the preceding ruling. It is legislation on an appropriation bill. Therefore, the point of order is sustained.

Are there any amendments to the title "Department of the Interior"?

If not, the next title is "Department of Justice." Are there any amendments to this title?

If not, the next title is "Navy Department":

NAVY DEPARTMENT

OFFICE OF THE SECRETARY

Claim for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled, "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels", approved December 28, 1922, as fully set forth in House Document No. 316, Seventy-fifth Congress, $1,431.58.

BUREAU OF YARDS AND DOCKS

Public works, Bureau of Yards and Docks: For the following public-works and public-utilities projects at a cost not to exceed the amount stated for each project, respectively:

Navy Yard, New York, N. Y.: Improvement of facilities for battleship construction, $285,000 is hereby made available from the appropriation, "Replacement of Naval Vessels, Construction, and Machinery."

Navy Yard, Philadelphia, Pa.: Improvement of facilities for battleship construction, $250,000 is hereby made available from the appropriation, "Replacement of Naval Vessels, Construction, and Machinery."

Navy Yard, Mare Island, Calif.: Replacement of paint and oil storage building and accessories, destroyed by fire, $275,000.

St. Inigoes, Md., Memorial: For acquisition of land and erection thereon of the memorial authorized by the act approved June 15, 1937, $2,000.

The two sums immediately preceding this paragraph, together with unexpended balances of appropriations heretofore made under this head, shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

MARINE CORPS

For expenses of the United States Marine Band in attending the National Encampment of the Grand Army of the Republic to be held at Madison, Wis., September 5 to 10, 1937, as authorized by the act approved July 28, 1937, $7,500.

Mr. SUTPHIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: Page 22, after line 10, insert a new paragraph, as follows:

"That the powers and duties conferred by law or regulation upon selection boards for the Navy now established or which may be established during the remainder of the fiscal year ending June 30, 1938, shall not be exercised after the date of the enactment of this act and prior to July 1, 1938, and no recommendation or action of any such board shall be effective during the remainder of the fiscal year ending June 30, 1938."

Mr. WOODRUM. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill and changes existing law.

The CHAIRMAN. Does the gentleman from New Jersey [Mr. SUTPHIN] desire to be heard on the point of order?

Mr. SUTPHIN. Mr. Chairman, I admit the amendment is legislation, but respectfully submit that it is in order under clause 2 of rule XXI, the so-called Holman rule.

That rule requires that a legislative proposition in the first place must be germane to the subject matter of the bill, and, if germane, that it shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill.

The first requisite is that the legislation must be germane to the subject matter of the bill. This is a bill, according to its title, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes. The truth of the matter is, the bill is very largely a bill making supplemental or additional appropriations for the fiscal year 1938—the current fiscal year.

Among other subdivisions is one pertaining to the Navy Department. Whether there be a Navy Department subdivision or not, however, or whether there be any provision under the Navy Department section dealing with personnel or not, I submit that the bill adds to appropriations already made by Congress for the fiscal year 1938 for various governmental agencies, and provides, besides, additional appropriations for such fiscal year, and that if an amendment would be in order adding to an appropriation already made for a purpose authorized by law (the question of germaneness would not lie against such an amendment), it would be just as logical to hold in order an amendment the effect of which would be to reduce an appropriation already made, to wit, the appropriation "Pay of the Navy, 1938." The Chair is acquainted with the ruling holding in order on an appropriation bill a provision repealing an appropriation already made. The amendment proposed in effect repeals in part an appropriation already made.

Now, as to the expenditure-retrenchment phase, I should like to point out, so as to remove any doubt, how the amendment would bring about a "reduction of the compensation of any person paid out of the Treasury of the United States."

Section 2 of the act of July 22, 1935 (49 Stat. 487), provides that except in time of war there shall not be in the line of the Navy on the active list, exclusive of officers carried as additional numbers, more than 58 rear admirals, 240 captains, and 515 commanders. Therefore it is self-evident that in order for a commander to be advanced to the grade of captain there must be a fewer number than 240 captains; and likewise, in order for a captain to be advanced, there must be a fewer number than 58 rear admirals.

Advancement of officers of the Navy above the grade of ensign is contingent upon selection for promotion by a board

of naval officers. There are a number of laws on the subject, but it should suffice here merely to cite section 291 of title 34 of the United States Code.

On page 859 of the hearings on the naval appropriation bill for the fiscal year 1938, a table appears—inserted by the Chief of the Bureau of Navigation, the Personnel Bureau of the Navy Department—giving by fiscal years actual and estimated retirements of officers owing to nonselection for promotion over the period 1934 to 1944, both inclusive. As to that portion which is an estimate, I might say that the appropriation for pay of the Navy for the fiscal year 1938 or any fiscal year is based upon estimates of the personnel situation prepared by the Bureau responsible for the table to which I have invited the Chair's attention.

According to that table, 16 captains will be retired during the fiscal year 1938 owing to nonselection. The table shows other retirements, but I shall not go further in the interest of brevity and clarity. The enforced elimination of those 16 captains will admit of the advancement of 16 selected-for-promotion commanders, which, in turn, would admit of the advancement of a like number of selected lieutenant commanders.

Those advancements, besides bestowing additional rank, will occasion added expense. Under the Joint Services Pay Act of 1922 (sec. 1, title 37, U. S. C.), the lieutenant commanders of normal service tenure would move into a higher pay period and would become entitled to a higher rental allowance, while the advanced commanders of normal service tenure also would move into a higher pay period, but would receive a lesser subsistence allowance, considerably more than offset, however, by the increase of pay.

I might go further and say that increased rank necessitates a change of station, which entails travel expense from the old to the new station, including the expense of moving dependents, where there are dependents. That is not conjectural in any sense. The amount of the expense necessarily would be, however, because we have no way of knowing either the present or new duty stations.

So, Mr. Chairman, as to the retrenchment phase, there can be no manner of doubt that the amendment will effect a substantial saving. I only have cited advancements from two grades in the interest of brevity and clarity. The rule does not deal with the degree of saving.

Mr. WOODRUM. Mr. Chairman, the amendment on its face does not show any saving or retrenchment and it is purely speculative whether or not there would be any saving. As a matter of actual experience we know that if put into operation there would not be a saving, and the amendment in order to be in order must show positively that there is to be a saving to the United States Treasury.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I do not think there is any necessity to take the time of the Committee. The amendment changes existing law and is legislation on an appropriation bill and therefore is not in order.

Mr. DITTER. Mr. Chairman, may I be heard in answer to the gentleman from Virginia on one question, the matter of retrenchment.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania.

Mr. DITTER. Mr. Chairman, the amendment definitely provides for a retrenchment in the saving of funds that otherwise would be paid to the retired officers which, during the current fiscal year of 1938, would amount to approximately $100,000. Therefore the amendment definitely provides for retrenchment.

Mr. COLLINS rose.

The CHAIRMAN. For what purpose does the gentleman from Mississippi rise?

Mr. COLLINS. To make an observation on this proposed amendment. Instead of saving money, as has been stated, this amendment, if adopted, it seems to me, would increase expenditures rather than reduce them.

Mr. SUTPHIN. In what way?

Mr. COLLINS. I do not mean immediately. I rather suspect the purpose is ultimately to do away with selection in the Navy and adopt the Army system of promotion by seniority. If that were done, there would be no saving. I had the opportunity to go into this subject very definitely a few years ago, when it was proposed to retire 2,000 of the older Army officers and replace them with younger men, and I found that we could put in their stead younger officers, pay their salaries, and pay the salaries of the retired officers whose places the younger men would take, and save in excess of $1,400 average on every one of the older officers retired, and that statement is in the RECORD and has been in the RECORD for a long number of years, and no one has yet shown that it is an untrue statement. As a matter of fact it is based on figures furnished me at that time by the War Department.

The CHAIRMAN. The Chair is prepared to rule. This amendment takes away the powers of the board now appointed for promotion in the Navy. Therefore, clearly it is legislation on an appropriation bill. Furthermore, it is not shown on the face of the amendment that there is any retrenchment of expenditures, and in order to come within the province of the Holman rule, such retrenchment must be certain and not conjectural or speculative. The gentleman from New Jersey [Mr. SUTPHIN] in arguing his point of order has emphasized that speculative feature of his amendment, if it should be adopted. The Chair, therefore, sustains the point of order.

Mr. HAMILTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HAMILTON: On page 23, after line 14, insert as a new paragraph the following:

"REPLACEMENT OF NAVAL VESSELS

"The appropriations for construction and machinery, and armor, armament, and ammunition, as contained in the appropriation for replacement of naval vessels appearing in the Naval Appropriation Act for the fiscal year 1938, approved April 27, 1937, are hereby made available, including the same objects and under the same conditions and limitations prescribed under these heads in said appropriation act, for the commencement of one seaplane tender, one destroyer tender, one minesweeper, one submarine tender, one fleet tug, and one oiler, as authorized by the act approved July 30, 1937."

Mr. HAMILTON. Mr. Chairman, the amendment I have offered simply provides ways and means for the commencement in the present fiscal year of the construction of six naval auxiliary vessels already authorized by the present Congress. This construction is strictly in accord with the program of the President. The Navy Department asks the opportunity of starting in the present fiscal year the six authorized auxiliaries, and the Bureau of the Budget, as shown by committee report, has presented request to make existing appropriation in the 1938 Naval Appropriation Act for the replacement of naval vessels, as adopted by Congress at its present session, available for carrying out the provisions of the act of July 30, 1937, authorizing the construction of the auxiliaries in question. The six much-needed auxiliaries are to cost a total of $50,000,000, but no funds are asked to be appropriated at this time. The six ships proposed to be built, with their respective cost, are as follows:

Seaplane tender: Hull and machinery, $11,281,800; armor, armament, and ammunition, $637,000; total, $11,971,800.

Destroyer tender: Construction and machinery, $11,967,200; armor, armament, and ammunition, $412,000; total, $12,379,200.

Mine sweeper: Construction and machinery, $1,906,000; armor, armament, and ammunition, $148,000; total, $2,054,000.

Submarine tender: Construction and machinery, $12,341,200; armor, armament, and ammunition, $379,000; total, $12,720,200.

Fleet tug: Construction and machinery, $1,611,000; armor, armament, and ammunition, $148,000; total, $1,759,000.

Oiler (oil tanker): Construction and machinery, $8,806,800; armor, armament, and ammunition, $362,000; total, $9,168,800.

Grand total, $50,000,000.

The necessity for these naval auxiliary vessels has been clearly shown at hearings held both before the Naval Affairs

Committee and the subcommittee of the House Committee on Appropriations considering the third deficiency bill now before us. And the necessity for their early construction has also been shown. To build these vessels will take practically 3 years and to delay their start, now that authorization has been made, will postpone again the commencement of naval auxiliary ships, the necessity of which has been so very apparent for several years past. In 1936 the Navy's actual need for 54 auxiliary vessels—6 gunboats and 48 auxiliaries—was strongly pointed out to the Seventy-fourth Congress. The fact that the number of auxiliaries has been reduced from 48 to 6 as now authorized by the present Congress, does not mean that the need for 48 auxiliaries no longer exists, but it means that the 6 are most urgently needed and this has been forcibly impressed at extended committee hearings, not only by Admiral William D. Leahy, Chief of the Naval Operations, but by Rear Admiral William G. DuBose, Chief of the Bureau of Construction and Repair, and by other bureau chiefs of the Navy Department. The sum that will be expended in the present fiscal year for the commencement of the six auxiliary ships in question will not exceed $2,000,000. This will come out of funds appropriated and available at the present time for naval replacements to the extent of some $211,000,000. The budget officer of the Navy, Captain Kimmel, estimates that during the current fiscal year $134,000,000 of this sum will be spent under "Construction and machinery", with $48,000,000 to be spent under "Armor, armament, and ammunition."

Captain Kimmel has estimated that on June 30, 1938, there will be a carry-over from present appropriation of $11,183,959, under construction and machinery, and a carry-over of $18,000,000, under "Armor, armament, and ammunition", or a total carry-over as of June 30, 1938, of $29,183,959. The six authorized auxiliaries must at all hazards be built. There is no way to eliminate this. The ships are a necessity and must be had. Why delay their construction when the money is available from funds already appropriated for the Navy. What possible good can be accomplished by delay. The next Congress will be asked for the major part of the $50,000,000 total needed for the construction of the six authorized vessels.

A break-down of the funds needed for the construction of these vessels as work will proceed in the succeeding fiscal years has been given by the Navy Department, as follows:

For the fiscal year ending June 30, 1938, the estimated expenditure is $2,000,000 under "Construction and Machinery", and $150,000 under "Ordnance."

For 1939, fiscal year, that would be $15,000,000 under "Construction and Machinery", and $750,000 under "Ordnance."

For the fiscal year 1940, it would be $18,000,000 under "Construction and Machinery", and $1,000,000 under "Ordnance."

In the fiscal year 1941, it would be $10,000,000 under "Construction and Machinery", and $186,000 under "Ordnance."

The break-down of the figures of the 4 fiscal years gives the total of $50,000,000.

Already it has been legislated that the construction of the six new auxiliaries shall be divided between Government and private shipyards, providing the public interest, of course, must always be protected both ways. To adopt the amendment I have offered, which I repeat is in fullest accord with the program of the President, means that estimates from Government navy yards and bids from private shipbuilding companies can be asked by October or certainly by November, with award of contracts and commencement of construction early in 1938. This will mean work for men in both governmental and private yards, and work, too, that will be much needed in 1938. Failure of Congress to make the provision the amendment I have offered calls for will mean nothing less than useless delay in the naval auxiliary construction and loss to mechanical trades and industry in all parts of the country from which materials of construction are supplied.

Why let wanton procrastination delay needed naval ship construction and prevent men and industry generally from absorbing now, in the time of need, that which must by necessity come in later time. In the committee report on the third deficiency bill, now under consideration, the statement was made that the Navy Department did not know what the vessels would cost or whether they could be constructed to serve their destined mission in the Navy for more or less than $50,000,000, and the further statement was made that the Navy Department has estimated the total cost of these vessels would be from $48,000,000 to $60,000,000.

The testimony of the Navy Department representatives before the committee definitely brings out the fact that the Secretary of the Navy does intend to have these six vessels built at a cost that will not exceed the $50,000,000 authorized by Congress. Information has been obtained that should the total of the navy yard estimates and private shipyard bids which the Navy Department intends to obtain exceed $50,000,000, minor modifications in the plans and specifications will be made so as to keep the total cost for the six vessels within the $50,000,000 authorized limit. Rear Admiral William G. Du Bose, Chief Constructor of the Navy, stated that it was confidently believed by the Navy Department that the six vessels could be built within the $50,000,000 authorization and without any material sacrifice of their characteristics. I am further in possession of some personal knowledge obtained from a governmental yard to the effect that advance estimates they have made, and carefully made, too, indicate that the vessels can be built for a figure that will fall below the $50,000,000 legislative limitation. There seems to be an idea prevalent that by deferring consideration until the next regular naval appropriation bill comes up for consideration more complete cost data will be available. Unless the Navy Department is authorized to proceed with these vessels it will not be possible to advertise and obtain bids from private shipyards, and therefore the Navy Department will not be in a position to furnish any more accurate cost data for the privately constructed auxiliaries than is now available. Attention is further invited to the fact that costs of labor and materials are rising and will probably continue to rise; and, in view of this fact, it is highly desirable for contracts to be placed at the earliest practicable date for those vessels which are to be built by private shipyards. I urge you, my colleagues, not to delay this important naval-auxiliary construction work. I urge you to vote for the adoption of the amendment I have offered which is the proposal of the Navy Department itself, sustained by both the Bureau of the Budget and the President.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. Yes.

Mr. MAGNUSON. The purpose of the gentleman's amendment is merely to allow the Navy Department to take some money they already have and start building these auxiliary ships, and it adds no additional cost to the United States Government.

Mr. HAMILTON. That is correct.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. Yes.

Mr. PHILLIPS. I am not authorized to speak for the chairman of the Committee on Naval Affairs, but lest somebody might wonder where he is, I regret to announce that information has come to me that he is absent because his mother has just passed away.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate close on this in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, the amendment offered by my colleague from Virginia is, of course, of interest to all of us because it carries out the naval construction program for auxiliary vessels which has been authorized by the Congress.

The estimate for this came to the Appropriations Committee and was very carefully considered, but was left out of this bill for two reasons. In the first place, we felt it was

the beginning of a construction program and that the regular subcommittee of the Committee on Appropriations handling naval affairs should consider it; that there was no emergency connected with it.

In the second place, you will recall the fact that the authorization bill passed the House for $50,000,000 for the construction of these six ships. The Navy Department told the Senate that the ships could not be built for $50,000,000, and the Senate increased it to $60,000,000. The matter came back to the House and the House cut out $10,000,000 and left the cost at $50,000,000.

In hearings before our subcommittee the officials of the Navy Department said it was impossible for them to tell, until they got definite cost figures, whether the vessels could be built for $50,000,000 and serve their purpose, although they did say the ships would be built within the $50,000,000 limitation.

I cite that to show that there is great uncertainty about the matter, which emphasizes the need for careful consideration and study by the subcommittee of the Appropriations Committee of this House.

Mr. STACK. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. STACK. Does the chairman of the subcommittee want us to believe that he thinks the Naval Affairs Committee and the President's program does not mean anything as far as national defense is concerned?

Mr. WOODRUM. I do not know of anything I have said that would cause the gentleman to make such a suggestion as that.

Mr. STACK. At the hearing they showed the immediate necessity for such a program to go through.

Mr. WOODRUM. Nobody has shown anything of that kind at the hearings before our committee.

Mr. STACK. The Naval Affairs Committee hearing.

Mr. WOODRUM. I am talking about the Appropriations Committee.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAGNUSON. The gentleman said he did not think there was an emergency. The chairman of the Naval Affairs Committee is not here, but we went into this matter very carefully and we believed there was an emergency, as far as the Navy was concerned, on auxiliary ships. We are away behind on our auxiliary-ship building, and if we do not start them now it will be a matter of 6, 7, or 8 months before we start the shipbuilding program. All this amendment does is to take money that is down in the Navy Department and let them start with the auxiliary ships. I need not point out to the gentleman what is happening now. The whole fleet is in the Pacific, and we need auxiliary ships. The Navy thinks it needs them. There is some trouble over there.

Mr. WOODRUM. Our committee is unanimous on it. We think the subcommittee on Naval Affairs of the Appropriations Committee ought to have a chance to study the program.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The question is on the amendment offered by the gentleman from Virginia, Mr. HAMILTON.

The question was taken; and on a division (demanded by Mr. HAMILTON) there were ayes 50 and noes 73.

Mr. HAMILTON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. HAMILTON and Mr. WOODRUM to act as tellers.

The committee again divided; and the tellers reported there were ayes 60 and noes 81.

So the amendment was rejected.

The CHAIRMAN. Are there any other amendments to the title "Navy Department"?

The next title is "Department of State":

DEPARTMENT OF STATE

Contingent expenses: For an additional amount for contingent expenses, Department of State, fiscal year 1938, including the same objects specified under this head in the Department of State Appropriation Act, 1938, and including not to exceed $1,400 for the purchase and exchange of typewriters, adding machines, and other labor-saving devices, $8,000.

Payment to Government of Great Britain: For payment to the Government of Great Britain for the account of N. J. Moosa, $15.59; the Shanghai Electric Construction Co., Ltd., $78.60; and the estate of Samuel Richardson, $1,000; in all, $1,094.19, as authorized by and in accordance with the acts of May 6, 1937 (Public Acts Nos. 60, 63, and 75th Cong.), $1,094.19.

Payment to Government of China: For payment to the Government of China for the account of Li Po-tien, $300; Ch'u Shih-hsiang (Cheu S. Ziang), $300; Ma Jui-hsiang (Mo Zung Poo), $300; Chang Hsi Ying, $500; Li Ying-ting (Li Ing Ding), $1,500; Ling Mau Mau, $1,500; Yao Ah-Ken, $1,500; Chiang Ah-erh (Tsiange Ah Erh), $1,500; and the family of Ts'ao Jung-K'uan (Dzao Yong Kwer), $1,500; in all, $8,900, as authorized by and in accordance with the acts of May 6, 1937 (Public Acts Nos. 66, 67, 69, 70, 72, and 73, 75th Cong.), $8,900.

Payment to Government of Netherlands: For payment to the Government of the Netherlands for the account of the family of Miguel Paula, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 61, 75th Cong.), $3,500.

Payment to French Government: For payment to the French Government for the account of Henry Borday, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 62, 75th Cong.), $1,000.

Payment to Government of Canada: For payment to the Government of Canada for the account of Janet Hardcastle Ross, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 64, 75th Cong.), $920.45.

Payment to Government of Chile: For payment to the Government of Chile for the account of Enriqueta Koch v. de Jeanneret, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 67, 75th Cong.), $2,000.

Payment to Government of Nicaragua: For payment to the Government of Nicaragua for the account of Mercedes V. de Williams and others, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 74, 75th Cong.), $18,508.55.

Payment to Government of Dominican Republic: For payment to the Government of the Dominican Republic for the account of Mercedes Martinez Viuda de Sanchez, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 71, 75th Cong.), $500.

Payment to Government of Japan: To reimburse the Government of Japan in the amount of yen 156,798.39 ($48,000) together with such additional amount due to increases in rates of exchange as may be necessary to purchase this amount of yen, as authorized by and in accordance with the act of May 21, 1937 (Public Act No. 99, 75th Cong.), $48,000.

Payment to Mrs. M. N. Shwamberg and others: For payment to (1) Mrs. M. N. Shwamberg, as an act of grace, and without reference to the legal liability of the United States, as full indemnity for personal injuries sustained by her as a result of a collision between a public jinrikisha in which she was riding and a United States Marine Corps ambulance on Seymour Road, Shanghai, China, on January 31, 1935, Mexican $1,000; (2) the Country Hospital, Shanghai, China, for treatment furnished to Mrs. Shwamberg on account of this accident, Mexican $374.50; (3) Dr. Ed Birt, Shanghai, China, for medical treatment furnished Mrs. Shwamberg on account of this accident, Mexican $170; as authorized by the act of May 6, 1937 (Private Act No. 70, 75th Cong.), $500, together with such additional amount due to increases in rates of exchange as may be necessary for this purpose.

Payment to Government of Mexico, and executors or administrators of estate of R. E. Fishburn, deceased: For payment to the Government of Mexico for the account of Gen. Higinio Alvarez, $15,000, and to the executors or administrators of the estate of R. E. Fishburn, deceased, $5,000, in all $20,000, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 68, 75th Cong.), $20,000.

Payment to certain Foreign Service officers and employees: For payment of the sums of money authorized by and in accordance with the act entitled "An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war, catastrophes of nature, and other causes", approved June 22, 1937 (Private Act No. 170, 75th Cong.), $20,174.46.

Interest payments on American Embassy drafts: For payment, as authorized by Public Law Numbered 771, approved June 24, 1936, to the following individuals and corporations, or their attorneys in fact in the United States, of the amounts specified, representing interest at 4¾ percent on certain drafts drawn on the Secretary of State by the American Embassies in Russia and Turkey and transfers which the Embassy in Turkey undertook to make by cable communications to the Secretary of State during the period from 1915 to 1920, payment of which was deferred: Credit Lyonnais, Paris, France, $3,569.35; Riggs National Bank, Washington, D. C., $1,607.95; Brown Bros. & Co., New York, N. Y., $2,763.96; Bank of New York & Trust Co., New York, N. Y., $6,216.86; Berg Bergamali, Manchester, England, $36.36; and the Wiener Bank Verein, Berlin, Germany, $30,208.67; in all, $44,403.15.

Salaries of ambassadors and ministers: For an additional amount for salaries of ambassadors and ministers, fiscal year 1938, for the salary of an envoy extraordinary and minister plenipotentiary to Lithuania at $10,000 per annum, $8,333.34: *Provided*, That the appropriation for salaries of ambassadors and ministers, fiscal year

1938, shall be available for payment of the salary of an envoy extraordinary and minister plenipotentiary to Estonia and Latvia at $10,000 per annum.

Eleventh International Dairy Congress, Berlin, Germany: For the expenses of participation by the Government of the United States in the Eleventh International Dairy Congress, to be held in Berlin, Germany, in 1937, as authorized by and in accordance with Public Resolution No. 38 of the Seventy-fifth Congress, approved June 3, 1937, fiscal year 1938, $10,000.

International Pacific Salmon Fisheries Commission: For the share of the United States of the expenses of the International Pacific Salmon Fisheries Commission, under the convention between the United States and Canada, concluded May 26, 1930, including personal services; traveling expenses; charter of vessels; purchase of books, periodicals, furniture, and scientific instruments; contingent expenses; rent in the District of Columbia and elsewhere; and such other expenses in the United States and elsewhere as the Secretary of State may deem proper, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, to be expended under the direction of the Secretary of State, fiscal year 1938, $7,500.

Telecommunication Conference, Cairo, Egypt: For an additional amount for Telecommunication Conference, Cairo, Egypt, 1937 and 1938, including the same objects specified under this head in the Department of State Appropriation Act, 1938, $30,000.

Seventh World's Poultry Congress and Exposition: For the expenses of participation by the Government of the United States in the Seventh World's Poultry Congress and Exposition, to be held in the United States in 1939, as authorized by and in accordance with the public resolution of July 30, 1937, $100,000, to remain available until December 31, 1939.

Mr. FISH. Mr. Chairman, I make a point of order against the language on page 28, lines 4 to 12, inclusive, as constituting legislation on an appropriation bill, not authorized by law. It creates a new position, that of Minister of Lithuania. The President has no constitutional right and is empowered by no act of Congress to create additional positions. Therefore, I make the point of order, Mr. Chairman, and if the Chair is in doubt I would like to speak a little further on the matter and cite some precedents.

The CHAIRMAN. Does the gentleman make the point of order on lines 4 to 12, inclusive?

Mr. FISH. Yes. If that is all stricken out, the situation remains the same as it is today, one minister for the three different countries.

The CHAIRMAN. Does the gentleman from Virginia desire recognition on the point of order?

Mr. WOODRUM. Mr. Chairman, I think the item is subject to a point of order for the reason that the Minister has been appointed but not confirmed. The President has the right to appoint, but if the minister has not been confirmed the Congress would have no right to appropriate. There has been no confirmation. I think the gentleman's point of order is well taken, if he chooses to make it.

Mr. FISH. I maintain, Mr. Chairman, that this is a similar case to the one that was decided in both the House and the Senate under President Hoover, who appointed an Ambassador to Poland and then had to wait 6 months until the Congress by legislation created the position of Ambassador to Poland, where hitherto we had a Minister. The Congress must create the official positions and appropriate the salary by law.

The CHAIRMAN. The Chair is ready to rule. As stated by the gentleman from Virginia, the President has the right to appoint. At the present time, however, the Senate has not confirmed the appointment. The appropriation, therefore, is subject to a point of order.

The Chair sustains the point of order.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 29, after line 20, insert a new paragraph, as follows:

"Evacuation of American citizens from the danger zones in China: For the expenses of relief activities in connection with moving American citizens by the Government of the United States from the danger zones that exist or may exist in China, $500,000, to be expended under the direction of the Secretary of State."

Mr. WOODRUM. Mr. Chairman, I make a point of order against the amendment.

Mr. FISH. Mr. Chairman, will the gentleman withhold his point of order for 2 minutes to permit me to make a statement?

Mr. WOODRUM. No; I do not think this is a matter that should be debated now.

Mr. Chairman, I make the point of order against the amendment that it is legislation upon an appropriation bill.

The CHAIRMAN. The Chair is ready to rule.

Mr. FISH. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman briefly on the point of order.

Mr. FISH. Mr. Chairman, this is an emergency. It is almost the right of the State Department to use money out of its funds for the relief of American nationals who are in danger whether in China or any other place. Such action has been taken by other Congresses, and in this case the President of the United States is making a similar demand, according to the Associated Press and the United Press.

Mr. WOODRUM. Mr. Chairman, I make the point of order that the gentleman from New York is not addressing himself to the point of order.

Mr. FISH. I admit that.

The CHAIRMAN. Can the gentleman from New York cite a specific case in which a similar appropriation was made by Congress in a deficiency bill without authorization?

Mr. FISH. Mr. Chairman, in an emergency of this kind no point of order should lie. American lives are in danger at this moment in China, several American citizens have already been killed, and it is the duty of the Congress and the administration to provide immediate relief and protect the lives of our nationals by moving them out of the danger zones.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from New York constitutes legislation upon an appropriation bill, and is therefore subject to a point of order.

The Chair sustains the point of order.

The Clerk read as follows:

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Payments to Federal land banks on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay each Federal land bank such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such land bank have been reduced during the fiscal year 1938, and prior thereto, in accordance with the provisions of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act (12 U. S. C., 771) as amended, $25,000,000.

Payments to the Federal Farm Mortgage Corporation on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such Corporation have been reduced during the fiscal year 1938, in accordance with the provisions of section 32 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C. 1016), as amended, such payments to be made quarterly, beginning as soon as practicable after October 1, 1937, $8,000,000.

OFFICE OF COMMISSIONER OF ACCOUNTS AND DEPOSITS

Not to exceed $5,200 of the amount appropriated for "Contingent expenses, public moneys", in the act making appropriations for the Treasury Department for the fiscal year 1938, may be transferred to the appropriation for "Salaries, office of Commissioner of Accounts and Deposits, 1938."

BUREAU OF CUSTOMS

The appropriation "Collecting the revenue from customs", fiscal year 1938, is hereby made available for the construction of a gate on one of the two highways across the international boundary at Nogales, Ariz., at a cost of not to exceed $3,500.

BUREAU OF NARCOTICS

The appropriation for salaries and expenses, Bureau of Narcotics, contained in the Treasury Department Appropriation Act, 1938, is hereby made available for the payment of expenses in administering and enforcing the provisions of the Marihuana Tax Act of 1937.

COAST GUARD

That portion of the appropriation for pay and allowances, Coast Guard, contained in the Treasury Department Appropriation Act for 1938, reading "and two civilian instructors", is amended to read "and three civilian instructors".

OFFICE OF THE TREASURER OF THE UNITED STATES

Refunding to national bank associations excess of duty: For refunding excess duty collected during the fiscal year 1937 and

prior years authorized under section 547, title 12, United States Code, $276.36.

The provision in the Treasury Department Appropriation Act for 1938 authorizing transfers to certain appropriations of the Treasury Department from funds available to the several agencies enumerated therein, to cover the expenses incurred on account of said agencies in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor, is hereby amended to authorize transfers to the same appropriations from funds available to the Civilian Conservation Corps and to corporations and banks under the supervision of the Federal Home Loan Bank Board, and the limitation contained in such act on the total amount which may be transferred to such appropriations is hereby increased from $250,000 to $400,000.

PROCUREMENT DIVISION—PUBLIC BUILDINGS BRANCH

Sites and construction, public buildings, act of May 25, 1926, as amended: For continuation or completion of construction in connection with any or all projects authorized under the provisions of sections 3 and 5 of the Public Buildings Act, approved May 25, 1926, and the acts amendatory thereof approved February 24, 1928, and March 31, 1930 (U. S. C., title 40, secs. 341-349), within the respective limits of cost fixed for such project, there shall be available not to exceed $175,000 from any appropriations heretofore made for specific public-building projects under section 3 of the act of May 25, 1926, as amended (U. S. C., title 40, secs. 341-349), or balances thereof which are unobligated upon the date of the approval of this act, which appropriations or balances thereof shall be consolidated into the fund established by the provisions of the "Second Deficiency Act, fiscal year, 1930", out of appropriations made pursuant to section 5 of said act of May 25, 1926, and shall be available to the same extent and for the same purposes as other moneys included in such fund.

Emergency construction of public buildings outside the District of Columbia: For emergency construction of public-building projects outside of the District of Columbia (including the acquisition, where necessary, by purchase, condemnation, exchange, or otherwise of sites and additional land for such buildings; the demolition of old buildings where necessary, and construction, remodeling, or extension of buildings; rental of temporary quarters during construction, including moving expenses; purchase of necessary equipment for buildings and such additional administrative expenses and salaries as may be required solely for the purpose of carrying out the provisions of this paragraph, there is hereby authorized to be appropriated a total amount of $70,000,000 for expenditure over a period of 3 years, toward which amount $22,500,000 is hereby appropriated; such projects, including the sites therefor, to be selected by the Secretary of the Treasury and the Postmaster General, acting jointly, from the public-building projects specified in House Report No. 1879, Seventy-third Congress, second session, as revised May 17, 1937; and the projects so selected shall be carried out within the respective estimates of proposed limits of cost specified in such revised report and those hereafter fixed by the Secretary of the Treasury and the Postmaster General under the provisions of this paragraph, except that the unobligated balance of the $2,500,000 fund established by the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1061), as augmented by the First Deficiency Appropriation Act, fiscal year 1936 (49 Stat. 1638), shall be available for the augmentation of limits of cost of projects selected under the provisions of this paragraph in an amount not exceeding 10 percent for any project in addition to a further sum of $500,000 which is hereby appropriated for the same purposes as specified in this and previous acts: *Provided*, That with a view to relieving country-wide unemployment the Secretary of the Treasury and the Postmaster General, in the selection of towns or cities in which buildings are to be constructed, shall endeavor to distribute the projects equitably throughout the country so far as may be consistent with the needs of the public service; and the Secretary of the Treasury and the Postmaster General may also select for prosecution under this program such projects not included in such revised report as in their judgment are economically sound and advantageous to the public service, including the purchase of property at 1212 Lake Shore Drive, Chicago, Ill., at a cost not to exceed $450,000, and for the remodeling and furnishing thereof for the accommodation of Government activitites: *Provided further*, That the Secretary of the Treasury is authorized to direct the preparation of all sketches, estimates, plans, and specifications (including supervision and inspection thereof), and to enter into all contracts necessary for carrying out the purposes of this paragraph: *Provided*, That the total obligations under the $70,000,000 program herein authorized shall not exceed $30,000,000 for the fiscal year 1938, but the Secretary of the Treasury is authorized to enter into contracts for any or all of the projects selected under this program in amounts not exceeding the respective estimated total costs of individual projects, and he is hereby authorized, when deemed by him desirable and advantageous, to employ, by contract or otherwise, the personal services of temporary professional, technical, or nontechnical employees to such extent as may be required to carry out the purposes of this paragraph, without reference to civil-service laws, rules, regulations, or to the Classification Act of 1923, as amended: *Provided further*, That in the acquisition of land or sites for the purposes of Federal public buildings and in the construction of such buildings provided for in this paragraph the provisions of sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply.

Government Printing Office, annex buildings: For continuation of construction of annex buildings for the Government Printing Office, $1,500,000: *Provided*, That the limit of cost fixed by the Second Deficiency Appropriation Act, fiscal year 1935, for acquisition of necessary land and construction of annex buildings for the Government Printing Office is hereby increased from $5,885,000 to $7,500,000.

Bureau of Engraving and Printing, additional building: For completion of construction of an additional building for the Bureau of Engraving and Printing and other Treasury Department activities, $2,325,000.

Acquisition of premises designated as 1724 F Street NW., Washington, D. C.: For purchase of premises designated as 1724 F Street NW., Washington, D. C., and described as lot 28 in square 170 on the records of the surveyor of the District of Columbia, comprising a six-story and basement brick office building and approximately 13,200 square feet of land, to provide necessary office space for permanent Government organizations, $200,000.

Grand Central Station Post Office and Office Building, New York, N. Y.: For carrying out the provisions of the act approved July 12, 1932 (47 Stat. 656), authorizing purchase of land and building thereon, for a post-office building and/or for other Government purposes, $10,107,065.94, payment from such sum to constitute complete settlement.

Treasury Building, Washington, D. C.: For renewing the electric wiring system of the Treasury Building, except elevators, and changing said system from direct current to alternating current, including feeders, switches, transformer vaults, switchboards, panel boards, and other requisite equipment, fiscal year 1938, $100,000.

Honolulu, Territory of Hawaii, Schofield Barracks post-office station: There is hereby transferred to the jurisdiction and control of the Secretary of the Treasury, as a site for a post-office building, a portion of the military reservation at Schofield Barracks, Oahu Island, Territory of Hawaii, particularly described under this heading in House Document No. 215 of the Seventy-fifth Congress.

Winchester, Va., post office: The limit of cost authorized under the provisions of the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, for the acquisition of additional land and the extension and remodeling of the post-office building at Winchester, Va., is hereby increased from $62,000 to $65,753.

Memorial to persons killed in the wreck of the Navy dirigible *Shenandoah:* For carrying out the provisions of the act of May 22, 1936, entitled "An act authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah*", as amended by the act entitled "An act to permit the erection of the Shenandoah Memorial in or near Ava, Ohio", approved August 2, 1937, fiscal year 1938, $2,500: *Provided*, That no part of this appropriation shall be available for expenditure until title to the land upon which the tablet or marker is to be erected is acquired by the United States.

Mr. COLLINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Page 33, line 20, strike out the word "expenditure" and insert in lieu thereof the word "obligation", and strike out the word "three" and insert in lieu thereof the word "two."

Mr. COLLINS. Mr. Chairman, the amendment I have offered is for the purpose of clarifying this situation. This provision relates to Government buildings throughout the United States other than in the District of Columbia. The proposal is to authorize $70,000,000, according to the language of the bill, for expenditure over a period of 3 years. That means that $70,000,000 would be expended in 3 years. I know, however, from conversation with members of this subcommittee that that is not intended. What really is meant is that $70,000,000 will be obligated over a period of 3 years. If the word "obligation" were substituted for the word "expenditure", as I have proposed, it would mean that $70,000,000 would be expended in about 5 years instead of 3 years, because the department would obligate the last year and it would take about 2 years to construct the building, and that would mean that this particular public building would extend over a period of about 5 years. So, the amendment I propose changes the word "expenditure" to "obligation" and then undertakes to change the 3-year period to a 2-year period, which would mean that the program would be completed within a period of 3 years. If the word "expenditure" is left in the bill as it now is, it is problematical if the appropriation could be used in its entirety.

Mr. HOUSTON. Will the gentleman yield?

Mr. COLLINS. I am stating facts, and only a few. If the members of the Committee wish to save money, as I am sure they do, then accept this amendment, because if the word "expenditure" is left in the bill it would mean the

difference between $70,000,000 and $22,500,000 must be appropriated next year if the $70,000,000 is to be expended within the 3-year period of time. I insist in the interest of clarity that the amendment I have proposed be adopted, so that the $70,000,000 will be expended for public buildings within a 3-year period of time. That is all that is proposed by the amendment

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 8 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Chairman, I rise in support of the amendment, and sincerely hope the amendment proposed by the distinguished gentleman from Mississippi [Mr. COLLINS] will be adopted.

As I understand this bill, it is not likely that we would average a post office within a Congressional district in a less period than 3 years. I have in my Congressional district 18 cities that are qualified now and rated so by the Post Office Department, which are entitled to post-office buildings.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Yet under this bill the gentleman has no assurance he will get one Federal building unless the word is changed as suggested by the gentleman from Mississippi?

Mr. O'CONNOR of Montana. If the policy written in this bill is carried out, it would be a period of 54 years in my congressional district, and I imagine every Member is in the same position, before we would get the last post office to which we are entitled and ought to have now. I therefore hope the amendment will be agreed to.

Mr. O'CONNOR of Montana. There are 18 cities and towns in my district of which the postal receipts are sufficient to entitle them, each and every one, to a public building. These towns are, respectively, Baker, Big Timber, Chinook, Conrad, Cut Bank, Forsyth, Fort Benton, Hardin, Harlowton, Laurel, Malta, Plentywood, Red Lodge, Roundup, Shelby, Sidney, Wolf Point, and Billings, the third largest city in the State, where the post office quarters are crowded, and an enlargement of the building is imperative to accommodate 14 departments of the Government, at present leasing quarters outside of the Federal building. The building, as it at present stands, was completed in 1934, but owing to the enactment of the Economy Act it was necessary to curtail the expenditure on the building, and one part of it was left incompleted. The estimated cost of remodeling and completing the building is $85,000. Billings has a population of 16,380, and the postal receipts last year were over $234,000. It is a thriving city and growing rapidly. It is the center of one of the best farming and sugar-beet sections of the State, and has a promising future.

None of the other cities named has a Federal building. The post offices are quartered in rented buildings, all of them, with one exception, inadequate for the purposes for which they are used, poorly lighted, and inconveniently arranged and, in many instances, badly located to suit the convenience of the patrons of the office. In other instances the equipment is in bad condition, according to the reports of the post-office inspectors, and needs to be replaced. Other buildings constitute fire hazards.

Some of the small towns in Montana have had a remarkable increase in postal receipts, owing to gas and oil development and beet-sugar manufacturing. These towns include Baker, Chinook, Conrad, Cut Bank (where the postal receipts have increased enormously during the past year), Hardin, Laurel, Shelby, and Sidney.

The city of Big Timber is in a fine agricultural and stock-raising section, which is its principal industry. It is well settled by a permanent class of people, and the postal receipts of this office are twice as large as any other city of its size in my district. A post-office building is badly needed in this city.

One of the larger cities in eastern Montana is Forsyth. It is an important railroad town and is also in an agricultural section. It maintains a steady growth, both in population and postal receipts, which will no doubt continue in the future as it has in the past.

Fort Benton is one of the older cities of the district. It also is in a farming and livestock section, and continues to show a normal growth, year by year, both in population and postal receipts.

Harlowton is the county seat of Wheatland County. It is a prominent railroad center and also in a section of the State devoted largely to the raising of livestock. Many of the large sheep ranches of Montana are in this part of the State. It, like the cities recently mentioned, continues to grow year by year, and is entitled to a Federal building as soon as funds are available.

One of the larger cities in the second district, and an important one, is Red Lodge. With the exception of Billings, it is the largest city on the list of 18. It has many large coal mines and is the center of a thriving coal-mining industry. It is the county seat of Carbon County. It is also the eastern terminus of one of the most scenic roads in the United States—namely, the Red Lodge-Cooke City Road—which furnishes an additional and most beautiful entrance to Yellowstone National Park, the western terminus, Cook City, being but a few miles from the park. Yellowstone National Park is the finest park in the United States from the standpoint of scenic beauty. The mountain peaks rise out of the clouds and into the heavens, vieing with each other for the first kiss of the rays of the morning sun. It is also the fisherman's paradise, and also here is located the matchless Canyon of the Yellowstone, which may be seen in all of its various colors, which include every color of the rainbow. Red Lodge will continue to grow, and no doubt in a few years will be the metropolis of that section of Montana.

Other towns which are eligible for Federal buildings are Malta, which is the county seat of Phillips County, whose chief industries are farming and stockraising; Plentywood, the county seat of Sheridan County, in northeastern Montana, where livestock raising is the principal industry; Roundup, the county seat of Musselshell County, in central Montana, where the chief industries are coal mining, farming, and cattle-raising, there being extensive coal mines, producing an enormous amount of coal which is purchased by the Milwaukee Railroad annually; and Wolf Point, the county seat of Roosevelt County, which is also a farming section. This town also has several other Federal agencies, for which suitable quarters should be provided.

In addition to the cities above named, two border stations are badly needed, at White Tail and Wild Horse Tail. These are necessary to meet the requirements of the Government customs and immigration services.

As I stated at the commencement of my remarks, there is not a Federal building in any of the cities named, except Billings, and there are only a few others in the entire Second Congressional District. Therefore, I trust that the amendment which I have offered will be adopted, in order that Montana may be more adequately provided with suitable post-office quarters.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi [Mr. COLLINS].

Mr. Chairman, the subcommittee on deficiency appropriations gave a great deal of time and thought in working out this building program and at the same time staying within the Budget as well as affording relief to congressional districts where there is great need for public buildings.

The program which we have worked out takes care of the increased cost of some projects which have already been undertaken. It takes care of some of the major projects in a number of the larger cities in which there is pressing need for additional space in order to save the high rentals which the Government is now paying. In addition to that, this provides for one project for each congressional district within

the life of the program, while at the same time staying within the President's expenditure estimates.

The committee feels that it has done a good job and we have brought a program to the House which each Member can justify when he goes home. I hope the Committee of the Whole will not interfere with this program. We have consulted with the Procurement Division, which division has assisted us in this work and this legislation. There is a general understanding that every Member of the House will be provided for if his district has an eligible project.

Mr. THOMPSON of Illinois. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. THOMPSON of Illinois. Is there a limit to the cost of any project in each congressional district?

Mr. WOODRUM. There is an eligible list printed in our hearings in which the limit of cost is fixed on the different projects in each State.

Mr. THOMPSON of Illinois. Suppose a project in a particular congressional district was a very expensive project, running to seven or eight hundred thousand dollars. Would that district get the project?

Mr. WOODRUM. I think it would. Of course, the matter would be in the discretion of the Secretary of the Treasury and the Postmaster General, to do under this program as they have done in the past and that is to try to spread it as much as possible.

Mr. THOMPSON of Illinois. That is the complaint I have. They say if we put six or seven hundred thousand dollars in one town or one city we do not spread the work far enough. So they would rather build six or seven in another district.

Mr. WOODRUM. The gentleman need not have any fear about the larger projects being taken care of. If there is any criticism it is the other way. Under this program the smaller districts will be taken care of. I have a letter from director of procurement in which he says that unquestionably under this program, because of the speed with which they can award contracts in the smaller places, that the smaller places will be taken care of.

Mr. MAY. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kentucky.

Mr. MAY. I received a letter from the Treasury Department today stressing the fact that the Procurement Division was required under the terms of this bill to spread this sum among all the districts as much as possible and that the first and most needed projects would be taken up first.

Mr. WOODRUM. That is right.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Do I understand that only one-third of the districts will get a building the first year?

Mr. WOODRUM. It is not divided that way. This is a 3-year program. Each district during the period will get a building. The Department will go to work immediately. I have a letter, which I shall ask permission to include in the RECORD, stating that because of the speed with which they can get the smaller districts taken care of, of course, the smaller districts will be given first consideration and those projects will have first attention.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. I see in this report there is listed a post office for Woolrich, Pa., which is my home town. If you spend $75,000 building a post office in my home town I would think the Congress is crazy. It is absolutely ridiculous, and you should not spend this amount of money. The people up there would think I was trying to get them a post office, and I do not want it. [Applause.]

[Here the gavel fell.]

TREASURY DEPARTMENT,
PROCUREMENT DIVISION,
Washington, August 17, 1937.

MY DEAR MR. WOODRUM: This is in answer to your verbal inquiry concerning the order in which obligations will be made for public-building projects to be selected under the provisions of the $70,000,000 authorization contained in the third deficiency appropriation bill, fiscal year 1937, now before Congress.

While the limitations on expenditures and obligations will necessarily mean a slowing down of the output of the Procurement Division for the fiscal years 1938, 1939, and 1940, there will be no change in the administrative procedure incident to the selection of sites, the preparation of drawings and specifications, and the awarding of contracts. As in previous programs, the Treasury and Post Office Departments propose to announce selection of projects under the $70,000,000 authorization, and advertise for all sites as soon as the bill becomes a law. Site investigations and selections will be made as rapidly as in previous years and the drawings and specifications for the projects will be taken up in the order in which sites are selected. From past experience it is reasonable to assume that nearly all of the sites for the small projects will be selected before decisions are reached and negotiations concluded for properties required for the larger buildings. The difficulty in selecting sites in the larger cities, together with the time required to complete drawings and specifications for major buildings will cause contracts for the smaller projects to be let considerably in advance of those for the larger ones. The exceptions would be the very urgent major projects where sites are already owned.

Our best estimate is that the obligations for construction during the next 12 months will be almost wholly on account of the smaller projects.

Very truly yours,

W. E. REYNOLDS,
Assistant Director of Procurement.

HON. CLIFTON A. WOODRUM,
Committee on Appropriations,
House of Representatives, Washington, D. C.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLLINS].

The question was taken; and on a division (demanded by Mr. COLLINS) there were—ayes 39, noes 81.

So the amendment was rejected.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN: Page 31, after line 18, insert a new title and paragraph, as follows:

"Public Health Service, Division of Venereal Diseases: The President is hereby authorized to allot to the Public Health Service, Treasury Department, for the fiscal year 1938, not to exceed $200,000 out of unexpended balances made available by section 1 of the Emergency Relief Appropriation Act of 1937, for the purpose of continuing the operation and maintenance of the Hot Springs Transient Medical Center Infirmary, located at Hot Springs National Park, Ark."

Mr. WOODRUM. Mr. Chairman, I reluctantly make a point of order against the amendment. There is no estimate from the Bureau of the Budget and we have had no hearings on this matter. I think there may be great merit in the gentleman's amendment, but we know nothing about it except what our friend the gentleman from Arkansas has stated to us.

Mr. McCLELLAN. Mr. Chairman, will the gentleman withhold the point of order?

Mr. WOODRUM. Mr. Chairman, I withhold the point of order for a few minutes.

Mr. McCLELLAN. Mr. Chairman, I sincerely trust the chairman of the Appropriations Committee will not insist upon this point of order. I wish to express to the chairman and to the members of the Appropriations Committee, with whom I have talked regarding this matter, my appreciation of the courtesy which they have extended to me.

At the time I talked with the members of the Appropriations Committee there were some things in connection with it which had not been worked out, but since that time, as the gentleman from Virginia [Mr. WOODRUM] knows, I have taken the matter up with the Bureau of the Budget and am assured by it this amendment is satisfactory in both form and substance. The chairman of the Appropriations Committee has been so advised by the Director of the Budget, I am informed. I trust no point of order will be made against this amendment. This is not a "pork-barrel" proposition. I hope I may be granted 2 or 3 minutes extra to present the matter to the House in its true light.

Hot Springs National Park, one of the greatest health resorts in the world, is in my district. It is the oldest national park in this Nation. At this health resort miraculous thermal waters come from the bowels of the earth and possess wonderful healing qualities. People come to Hot Springs from all over the world to bathe and be restored to health. The Indians, before our forefathers came to America, fought with

each other for control and possession of these springs. In 1878 the Federal Government established at this famous resort and has since maintained a free bathhouse and clinic for the purpose of treating indigent, diseased, and afflicted people who come there seeking to find relief and be cured. In 1921, under a new regulation, this bathhouse and clinic were placed under the Public Health Service. Since that time the Federal Public Health Service has operated and supervised this bathhouse.

In 1933, due to the depression and the economic conditions that obtained during that time, the number of free bathers and patients so greatly increased that the load became heavy. Many people were there to get free baths. May I say in this connection that those who come there to get the free baths and treatment are required by this Government to take a pauper's oath before they are granted this free service. These people come there from every State in the Union, afflicted with all manner of diseases. They are not our people in Arkansas. This is not something merely for local benefit. These people are there today from 28 States. During the past year they have been there from 48 States in the Union. They are your people, from your communities, who come to these Government institutions to get cured. Many of them are afflicted with highly infectious diseases that make them a nuisance to society. After treatment these people go back home and return to society without being a menace to the health in the community where they live.

Mr. WOODRUM. Will the gentleman give us further information as to where the funds for the present operation of the clinic are coming from in the current fiscal year?

Mr. McCLELLAN. In 1933 this load became so heavy that the State of Arkansas, with moneys from the F. E. R. A. fund allotted to the State of Arkansas, built structures on a 34-acre tract of land that was donated by the citizens of Hot Springs. These buildings are of a permanent nature and cost over $106,000, the purpose being that these people who come there in this diseased and infectious condition could be better treated and that it would be safer for the community if they were isolated in a detention camp. This camp, known as the Hot Springs Transient Medical Center Infirmary, since 1933 has been supported from F. E. R. A. funds allotted to the State of Arkansas for such use as it might make of them. So, up until now the State, from F. E. R. A. funds allotted to it, has maintained this camp.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. I yield to the gentleman from Pennsylvania.

Mr. DUNN. May I say to the gentleman that his method is very humane, but I do not like the word "pauper." This word should not be in the dictionary, anyway.

Mr. McCLELLAN. I regret I am unable to correct the dictionary to please the gentleman.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McCLELLAN. I yield to the gentleman from Kentucky.

Mr. MAY. Is it not a fact that, should the gentleman's amendment be adopted, the appropriation contained in this bill would not be increased at all? The sum would come out of one pocket instead of another.

Mr. McCLELLAN. Yes.

[Here the gavel fell.]

Mr. McCLELLAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. ANDREWS. I object, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I withdraw the point of order and ask recognition on the amendment.

Mr. Chairman, the gentleman from Arkansas was about to tell me from where the funds come for the present operation of this clinic.

Mr. McCLELLAN. These funds are not used for the clinic. The clinic receives a regular appropriation under the Health Service and is maintained by the Government. However, this detention camp since 1933 has been maintained and supported by the State of Arkansas out of F. E. R. A. funds which were allotted to the State of Arkansas. These funds are now exhausted.

Mr. WOODRUM. Such funds are no longer available?

Mr. McCLELLAN. No.

Mr. WOODRUM. The gentleman's amendment provides $190,000 for the fiscal year 1938.

Mr. McCLELLAN. One hundred and eighty-nine thousand dollars is the estimated amount. The language in the amendment is not to exceed $200,000, and the President makes the allotment.

Mr. WOODRUM. Will the gentleman tell me where he got the estimate? Is this an estimate from the Public Health Service?

Mr. McCLELLAN. From the Public Health Service, and I may say to the gentleman that the Bureau of the Budget has the estimate. I have gone through every channel to get this matter brought to your attention, and all we want to do is to take funds that are going to be expended and are already appropriated for relief through the F. E. R. A. These are carried-over funds, and I am asking that this allotment be made to continue this operation until next year. In the meantime we can determine whether a regular appropriation should be made to continue this service.

Mr. WOODRUM. And these people are indigent and therefore unable to provide for themselves?

Mr. McCLELLAN. That is correct, and I may say to the gentleman that they come there from all over the United States.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. TERRY. I may say to the distinguished chairman of the subcommittee that this is not an Arkansas problem.

Mr. WOODRUM. I understand that.

Mr. TERRY. These people come there from all over the United States.

Mr. McCLELLAN. May I also give the gentleman this information? At present there are 376 patients at this camp, representing 28 States. The average number per month during the past year has been 355. Since November 1933, 19,750 cases have been handled, and since March 1935 there have been 7,344 cases.

Mr. WOODRUM. Mr. Chairman, I believe there is great merit in this amendment. Theoretically it should not be considered here, but I realize the practical effect of it. The Bureau of the Budget has told us informally they have no objection to it, and if we should insist upon the point of order the result would be that the matter would be taken up in another body and put on there. It is in the gentleman's district and the gentleman has worked hard for it, and, so far as I am concerned, I shall be pleased to see the amendment adopted. [Applause.]

The amendment was agreed to.

Mr. MURDOCK of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Utah: Page 38, after line 8, insert a new paragraph, as follows:

"Cedar City, Utah, Post Office: The authorization for the purchase of a site and the construction of a post office at Cedar City, Utah, contained in the second deficiency appropriation act, approved July 3, 1930, as decreased by act approved June 30, 1932, is hereby extended to include the purchase of an additional tract of land for the purchase of a post-office site."

Mr. WOODRUM. Mr. Chairman, we have no objection to the amendment.

The amendment was agreed to.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose and the Speaker having resumed the Chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, re-

ported that that Committee, having had under consideration the bill, H. R. 8245, the third deficiency appropriation bill, fiscal year 1937, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. BOYLAN of New York. Mr. Speaker, I demand a separate vote on the so-called Scott amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the remaining amendments in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the so-called Scott amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: On page 8, line 12, strike out all of line 12 to 17, inclusive.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BOYLAN of New York. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. BOYLAN of New York. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and ninety Members present, a quorum. The yeas and nays are refused.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill.

The SPEAKER. The Chair is of opinion that that right has already been granted.

COMMISSION ON UNITED STATES HOUSING AUTHORITY

Mr. O'CONNOR of New York, from the Committee on Rules, reported the following resolution for printing under the rule, which was referred to the House Calendar and ordered printed:

House Resolution 320

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1685, an act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

HOUR OF MEETING TOMORROW

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that proceedings on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

HARRY BRYAN AND ALDA DUFFIELD MULLINS

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1640) for the relief of Harry Bryan and Alda Duffield Mullins and others, with House amendments thereto, disagreed to by the Senate, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill S. 1640, with House amendments thereto, insist on the House amendments, disagreed to by the Senate, and agree to the conference asked by the Senate. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, Mr. CASE of South Dakota.

MRS. CHARLES T. WARNER

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1637) for the relief of Mrs. Charles T. Warner, with House amendments thereto, insist on the House amendments disagreed to by the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland.

There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The Chair appointed the following conferees:

Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, Mr. CASE of South Dakota.

LUCILLE M'CLURE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 707, with House amendments thereto, disagreed to by the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, Mr. CASE of South Dakota.

WIDOW OF ALBERT EDWARD IRVINE HARTER

The Speaker laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, House of Representatives bill no. 1114, entitled "An act for the relief of Agnes Ewing Harter."

This bill grants to the beneficiary thereof, widow of Albert Edward Irvine Harter, late first lieutenant, Air Corps Reserve, United States Army, who was killed while voluntarily participating in an aerial training flight, a gratuity equal to 6 months' pay at the rate said Lieutenant Harter would have

received had he been on active duty at the time of his death. Such a gratuity would amount to $1,575.

The act of December 17, 1919 (41 Stat., p. 367), authorizing the payment of gratuities in cases of death of commissioned and enlisted personnel of the Army, provides as follows:

SEC. 2. That nothing in this act shall be construed as making the provision of this act applicable to officers or enlisted men of any forces or troops of the Army of the United States other than those of the Regular Army and nothing in this act shall be construed to apply in commissioned grades to any officers except those holding permanent or provisional appointments in the Regular Army.

An exception was made to this law by the act of March 27, 1934 (48 Stat., p. 508), which provided that if Reserve officers performing duty under such act in carrying the mails by air should be injured or killed, such officers and/or their dependents and beneficiaries should be entitled to the same benefits as in the case of officers of the Regular Army and/or their dependents and beneficiaries. No such provision has been enacted respecting any other class of Reserve officers.

With the exception cited, section 2 of the act of December 17, 1919, has been, since its enactment, applicable in equal measure to all persons coming under its provisions and, while I have the greatest sympathy for the widow of the Reserve officer in question, who gave his life for his country, I do not feel that it would be just to single her out for preferential treatment not accorded the widows or other dependents of other Reserve officers who have heretofore or may hereafter suffer death while on active duty or while voluntarily participating in aerial flights in an inactive duty status.

During the second session of the Seventy-fourth Congress I withheld my approval of a similar bill—S. 920, for the relief of Ruth J. Barnes—for essentially the same reasons recited above. In my message on that bill, printed as Senate Document No. 266, I stated:

In this connection I would suggest the propriety of the Congress giving consideration to the changed conditions affecting the employment of Army Reservists which have intervened since the passage of the above-mentioned act of December 17, 1919, with a view to remedying such inequalities and inequities as may be found to exist between the treatment accorded personnel of the Regular Army and that of the Army's reserves.

I renew this suggestion.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 17, 1937.*

The SPEAKER. The message of the President will be spread upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the veto message and bill be referred to the Committee on Claims.

The motion was agreed to.

PROCEEDINGS IN ADOPTION IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up a conference report upon the bill S. 2281, to regulate proceedings in adoption in the District of Columbia, and ask unanimous consent that the statement be read in lieu of the conference report.

The SPEAKER. The gentleman from Maryland calls up a conference report on the bill S. 2281 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 2.

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "If an investigation already has been made by a social agency approved by the court, the Board of Public Welfare shall accept it instead of making one itself: *Provided*, That the foregoing provisions of this section relating to investigations and reports by the Board of Public Welfare or an approved social agency shall not apply, if an investigation has already been made by a recognized religious or fraternal organization, having under its care minors for adoption, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and if such organization appears in the proceeding and reports to the court the results of its investigation and its recommendations with respect to the adoption."; and the House agree to the same.

VINCENT L. PALMISANO,
AMBROSE J. KENNEDY,
EVERETT M. DIRKSEN,
Managers on the part of the House.

WILLIAM H. KING,
JOHN H. OVERTON,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

On amendment no. 1: This amendment changed the provisions of the bill relating to investigations of adoptees so as to provide that investigations made by nonprofit organizations having under their care minors for adoption should be accepted by the courts. The Senate recedes with an amendment which limits the organizations whose reports may be so accepted to recognize religious or fraternal organizations.

On amendment no. 2: This amendment provided that records filed by a social agency or institution in adoption proceedings should not be open to inspection by any person without the consent of such agency or institution. The House recedes.

VINCENT L. PALMISANO,
AMBROSE J. KENNEDY,
EVERETT M. DIRKSEN,
Managers on the part of the House.

Mr. PALMISANO. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

JUVENILE COURT, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 4276, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. PALMISANO, Mr. NICHOLS, Mr. DIRKSEN.

REAL ESTATE COMMISSION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 6563) to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 6563, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 3, line 25, after "guardians", insert "trustees."
Page 26, line 6, after "association", insert "insurance company."

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were agreed to.

DIVISION OF WATER POLLUTION CONTROL

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2711) to

create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, with a Senate amendment, disagree to the Senate amendment and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none and appoints the following conferees:

Mr. MANSFIELD, Mr. DEROUEN, Mr. GREEN, Mr. SEGER, and Mr. CARTER.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include therein a table which I have prepared.

The SPEAKER. Without objection it is so ordered.

There was no objection.

CIVILIAN CONSERVATION CORPS EQUIPMENT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, this afternoon during the consideration of the third deficiency bill, the gentleman from Pennsylvania [Mr. RICH] made certain statements about the disposition of C. C. C. equipment at an abandoned or transferred camp in Pennsylvania. At that time I said I would put in the RECORD later in the day, evidence showing that it is not the policy of the Civilian Conservation Corps to destroy that equipment. I ask unanimous consent to include as a part of my remarks a letter addressed to me by the Acting Director of the Civilian Conservation Corps at this point.

The SPEAKER. Is there objection?

Mr. RICH. Will the gentleman also include in that list what articles were destroyed in that camp?

The SPEAKER. Without objection the request is granted.

There was no objection.

The letter is as follows:

CIVILIAN CONSERVATION CORPS,
OFFICE OF THE DIRECTOR,
Washington, D. C., August 17, 1937.

Hon. JENNINGS RANDOLPH,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RANDOLPH: In response to your telephone inquiry as to the policy followed upon closing a C. C. C. camp, the following information is furnished.

Under date of May 11, 1936, this circular letter prescribed instructions which superseded those in previous circular letters. All fixtures and equipment in camp buildings of a built-in nature, such as water tanks, water lines, waste-disposal systems, electric wiring, remain in the camp until final disposition is determined, under the act of May 29, 1935, by the Director of Procurement, United States Treasury.

To avoid the expenses of reinstallation in event a vacated camp is reoccupied, the War Department includes in the inventory, at the time buildings are turned over to the Technical Service taking custody, certain items such as stoves, ranges, generators, ice boxes, fire extinguishers, etc. All such equipment is returned to Army custody for C. C. C. use elsewhere before the camp is turned over to the acquiring agency when such transfer is authorized by the Director of Procurement, United States Treasury.

The above regulations in fact operate to return everything in the camp for which there is further C. C. C. use and this often results in the removal of screen doors, windows, and such other items by the War Department to satisfy the maintenance demands of other camps.

Authority to salvage camp buildings, where the materials obtained are certified by the Technical Service concerned to be needed for further C. C. C. use, is given by this office and the salvage operations are conducted by the service having custody of the camp. Nothing which can be used by the C. C. C. is ever thrown away or destroyed. This is the responsibility of the Cooperating Service performing the salvage operations.

All tools, automotive equipment, dishes, and similar items are removed when the work company leaves the camp for another location. This is done at the time because the commanding officer of the camp, assigned by the War Department, is financially responsible for all accountable property in the camp, under regulations of the War Department, and his accountable records cannot be cleared until this property has been properly checked by the nearest War Department district authorities.

Hoping that this is the information you desire.

Sincerely yours,

J. J. MCENTEE,
Acting Director.

EXTENSION OF REMARKS

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I am making at this time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the New York Herald Tribune and also include as a part of my remarks an article printed in the National Young Democrat of May–June issue, written by Irene Juno, as well as an article written by Reuben Maury, of the American Newspaper Guild.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNN. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. The gentleman already has that permission.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and make some comments with respect to the record made by one of my colleagues from Pennsylvania while a Member of the House of Representatives.

The SPEAKER. The Chair is of the opinion the gentleman already has that permission.

EXTENSION OF CERTAIN PROSPECTING PERMITS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4277) to provide for the extension of certain prospecting permits, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That oil and gas prospecting permits issued under authority of an act entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain', approved February 25, 1920, as amended, outstanding on December 31, 1937 (a) which have been committed in whole or in part to a cooperative or unit plan of development and operation that on December 31, 1937, has been approved or prescribed by the Secretary of the Interior, or is in process of revision or reconsideration pursuant to prior review, without rejection, in the Department of the Interior; or (b) which, together with one or more other permits, have been committed in whole or in part to a cooperative or unit plan of development and operation for the whole of any single oil or gas pool or field (or reasonably compact area), that was filed before January 1, 1937, and rejected pursuant to instructions of said Secretary; or (c) under which approved drilling was actively in progress at some time within the calendar year 1937; or (d) under which at least one well shall have been drilled to a depth of not less than 2,000 feet subsequent to August 21, 1935; or (e) which have been issued subsequent to August 21, 1935, and for which timely compliance has been made with the drilling requirements of section 13 of said act of February 25, 1920, to the extent required by December 31, 1937, or, in the absence of such timely drilling, for which an acceptable cooperative or unit plan of development and operation has been filed on or before said date are all hereby extended to December 31, 1939, the provisions of any other act or acts to the contrary notwithstanding, subject, however, to the applicable conditions of the permits and of unfulfilled conditions of any prior extensions. All oil and gas prospecting permits shall cease and terminate without notice of cancelation on the final date of their current term, including any extension herein granted, and no extension of any permit beyond December 31, 1939, shall be granted under the authority of this act or any other act."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DEROUEN]?

Mr. RICH. Reserving the right to object, is that a unanimous report from the committee?

Mr. DEROUEN. It is.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Under special order of the House heretofore granted, the gentleman from Ohio [Mr. BIGELOW] is recognized.

ISSUES OF 1938

Mr. BIGELOW. Mr. Speaker, one of the serious problems which has met with much discussion in this session of the

Seventy-fifth Congress, and on which there will probably be legislation in the next session, is the question as to what can be done to raise wage levels in the worst sweated industries.

We are confronted with the fact that one-third of our people are either jobless or so poorly paid that their buying power is too low to provide for their own well-being and too low to purchase the output of farm and factory. We must try in some way to increase the buying power of these 40 millions of people who, the President says, are ill-housed, ill-clad, and ill-fed.

FIFTY DOLLARS A MONTH PENSION

I propose that we at once raise the purchasing power of these 40 millions by paying to all of them who have reached the age of 65 an old-age pension of $50 a month, or rather, a guaranteed income of that amount. If this were done it would increase the buying power of this one-third of our population about $1,250,000,000 a year. Undeniably, this would go a long way toward expanding our home market, making new jobs for the unemployed, raising the level of all wages, while increasing the profits of business enterprise. There could be no question about the wide and deep effects for good of such a measure, provided that these pension funds were secured in the right way.

Adhering to the pattern of title 1 of the Social Security Act, it seems advisable that pension funds should come in part from the Federal Government and in part from the State treasury. Instead of the 50-50 division as provided in the Social Security Act, the Federal Government might properly be expected to bear two-thirds of the cost.

There is on the Clerk's desk discharge petition no. 19, which seeks to bring to a vote the Connery bill—H. R. 5780—which would amend title 1 of the Social Security Act, to provide that the Federal Government shall contribute $2 for each dollar of State funds, and that the maximum pension allowed under the act shall be $45 a month instead of $30.

WHERE TO GET PENSION FUNDS

Assuming that substantial increases in pension allowances throughout the country are in prospect, it is important for the Congress and the country to give thought to the question as to how these pension funds should be raised. The Federal Government's share of this expense, which would approximate a billion dollars a year, should, I believe, be raised in either one or both of two ways.

TAX ON HIGHER INCOMES

If those who are now getting net incomes of from $25,000 a year up, after their present income taxes have been paid, were required to pay still more on such incomes—for old-age pension purposes—it is not likely that there would be any appreciable reduction in the amount such persons would spend to meet their living costs. Their children would not go to school shoeless nor underfed, nor would they buy fewer clothes, nor deny themselves automobiles, nor otherwise cut down on their living expenses. Drawing funds from such sources would not contract the present purchasing power for current consumption. It would merely deprive such persons of some of the funds for which they would otherwise seek investment. When people have funds which they do not need for their own living, and which they have no opportunity of investing in new capital facilities, they usually either bid up the securities representing existing plants or they invest in land values.

In either case, the result of such investment is to create an artificial speculative price of both securities and land values, which is an unhealthy condition for the economic order. To draw on such funds for old-age pensions would be to bring new purchasing power into the market, and thus actually swell the Nation's business in consumption goods.

DIRECT ISSUE OF MONEY

Another way available to the Federal Government would be to issue Treasury notes, "greenbacks", if you please, to meet this annual pension bill. To do this, we would have to discard our orthodox views on the subject of the currency. But has not the time come when these views should be discarded?

Obviously, it requires a larger amount of circulating medium to transact a large volume of business than to transact a small volume of business. It is self-evident that, as population grows and the volume of the Nation's business expands, there is need for an increasing amount of available currency. It is estimated by some students of the problem that the expanding business of the Nation requires an expanding currency of more than $1,000,000,000 a year. This need of an expanding currency is now met by expanding bank loans. It is coming to be pretty well understood that this is a process by which the equivalent of money is manufactured by the banks. The banks, of course, charge interest on this "manufactured" money. Would not the Nation's business escape some interest burden if this increase of a billion dollars a year were fed into the system—not through the medium of bank loans, but by a direct issue of money for the payment of pensions?

It is difficult to see how one process is more inflationary than the other. This would supply pension funds by the creation of new purchasing power. The Federal Government might wisely combine both of these methods.

THE STATE'S FUNDS

Now consider how a State government should meet its share of the expense. A State cannot issue money. That is a function of the Federal Government. It cannot go very far in taxing incomes since there would always be the danger of driving incomes out of the State. The problem is to find something to tax which not only cannot run away from the State but which can be taxed without subtracting anything from the amount of money that would otherwise be spent in the market for goods. Real estate cannot run away, but excessive taxes upon improvements on real estate would discourage improvements which would amount to driving improvements out of the State.

Homes and farms certainly should not be subjected to such increased taxation. They are too heavily taxed now. All of our States would be justified in following the example set by some of them in exempting from taxation at least part of the present value of homes and farms.

LAYING FIELD TO FIELD

But although it may seem like "eating one's cake and keeping it too", there are taxes that a State could impose which would be a positive benefit instead of a burden. Newspapers of recent date carried the story that Mr. John J. Raskob has purchased 286,000 acres in the State of New Mexico. A vacancy was recently filled in the United States Senate by a gentleman reputed to own 30,000 acres of land in his State. The landholding of one American family, now said to possess 1,500,000 acres in another State, has been widely publicized.

This tendency to invest surplus wealth in large landed estates is evil. What we want is a Nation of many small owners, not of a few large ones.

TAX-EXEMPT INVESTMENTS

Buying tax-exempt bonds is not the only way men have of escaping taxation. Here, for instance, is an example of another way. A chain-store magnate had a million dollars to invest and, naturally, wanted to escape taxation. He solved the problem in this way. There was a fraction of an acre of ground in the center of the city on which a dry-goods company owned a large building. The land was held on a 99-year lease, with the privilege of renewal. This chain-store magnate invested his million dollars in that fraction of an acre of ground. He knew what his income from the lease would be. He knew the tax that was being paid on the land. He subtracted the annual tax from the annual ground rent, which left him a net income of $50,000 a year. He paid a million dollars for this property. That gave him a 5-percent tax-free investment.

It would be disturbing and give us some restless nights and much troubled thought about the future, if we could realize the extent to which this sort of thing is going on. Our country is being bought up right under our eyes, while the masses of the people are sinking under the weight of taxes and monopoly prices.

EXEMPT HOMES AND FARMS

Now, as one way to counteract this tendency, I propose that all the States would be wise, and I am urging this proposal upon the State of Ohio, to classify land—separate and apart from improvements—for tax purposes. I would put $10,000 of land value in the first class, and I would provide that there should be no increase in taxes on this first $10,000 of land value. Indeed, I think that there should be a decrease in taxes on the improvements on such land. If we were to exempt the first $10,000 of land value from increased taxation, we would be exempting all homes in the State and substantially all farms.

Now, I propose that—on the aggregate holdings of any person, company, or corporation of land values in excess of $10,000—there should be put an extra tax for old-age pension purposes on such excess, and that the rate of this extra taxation on such excess holdings of land value should be adjusted to meet the State's pension bill.

If the $50 a month for Ohio were met—one-third by State funds and two-thirds by Federal funds—it would mean that there would be some $80,000,000 a year of pension money spent in Ohio, and of this sum Ohio would have to raise something under $30,000,000 a year.

TAX THE LARGER LANDHOLDINGS ONLY

I submit that, if we raised the tax rate on this millionaire's half-acre lot referred to above, he would not spend any less money than he is now spending for his consumption goods. We would merely be taking some of his surplus funds which he would otherwise use to buy more land. There is no useful purpose in millionaires buying up the earth on which poor people have to live and work. Thus, when you divert such funds to the pockets of ill-fed, ill-housed, and ill-clad people, you are not only doing an act of social mercy, but you are actually increasing the amount of the Nation's spending. And by this increased spending, you are moving goods on merchants' shelves, multiplying jobs for unemployed men, raising not only the lowest wages but raising the level of all wages, and increasing the profitableness of business enterprise generally. This, I believe, is one of the most important things we could do to help the forty millions of people whom your President and my President wants to help and whom we all want to help.

The Government may do something to fix wages and raise them to a higher level. But, if we could cause a billion and a quarter a year of new spending, we would be creating a new demand for labor which automatically would bring wages up.

This we could do, if we would pay an old-age pension of $50 a month—provided that we got these pension funds in these three socially beneficial ways:

1. Tax the higher incomes.
2. Issue new money.
3. Tax the large holdings of land value at a higher rate than the small holdings.

It is common newspaper talk that the Republicans are going to start early in a fight to capture a hundred of the seats in Congress which they lost last year.

They think that they have Roosevelt on the run. They tasted blood on the Court bill and they are now out for raw meat.

I, myself, in the Second Ohio District, will not evade one of the controversial issues. The people are entitled to know just where we stand, and to elect or defeat us on the record we have made and on our declarations on future policies.

THE COURT

I am with Roosevelt in his effort to liberalize the Supreme Court. My speech on the subject is in the CONGRESSIONAL RECORD to show that I preferred to submit the matter to a vote of the people. It is now understood to be the intention of the President to ask for the submission of a Constitutional amendment. I will, with all my heart, support the President in this endeavor.

Since we do not know what form this amendment will take, the best I can do is to state the form I wish it would take. My preference is for a constitutional amendment which would provide as follows:

When the Supreme Court declares an act unconstitutional, Congress, by a majority vote, shall have the power to cause the question to be submitted to a direct vote of all the people of the United States at the next congressional election. By such a referendum vote the people shall, if they wish, overrule the Court and declare the law constitutional.

I believe that in these changing times we need a more expeditious way of deciding issues than by constitutional amendments submitted to 48 different State legislatures. The present system, which permits one branch of the legislature in 13 States to defeat constitutional amendments, is not democracy. It represents the fear of democracy which good men had 150 years ago. But, to defend this kind of minority rule now represents a contempt for democracy which ill becomes American citizens in our day.

WAGES AND HOURS

I am with President Roosevelt in his support of the Labor Relations Act. I think that the Government should insure to the workers the same right to organize that their employers enjoy. I think that honestly led and democratically governed labor unions are the best means to maintain decent wage levels. As to the most helpless workers, who cannot be organized into unions, I would do everything possible to help them that the Government can do under the Constitution.

It goes without saying that we should try to avoid hasty and blundering legislation. But because we cannot please everbody is no reason why we should not try to do our duty. It is the first duty of government to help the needy. Congress is constantly importuned to help the people who are well able to help themselves. There is no outcry against legislation to favor the rich and the powerful. But what an outcry there is if Congress shows any pitying interest in the poor and the weak! The New Deal is not beyond criticism. Who is satisfied with everything that has been done? But this Roosevelt administration deserves the affection of the masses for really trying to check the mighty and uplift the lowly.

MONEY

We cannot expect perfection of a President. Neither can we expect a President to lead on all battle fronts at once or to get too far ahead of his army. But it is my opinion that the most important question before us is the money question, and on this question I think both Mr. Roosevelt and the Congress need educating.

I have joined a group in Congress which has framed and introduced a bill to take over the Federal Reserve System. I would go further than that. I believe that we shall continue to flounder between booms and depressions until we establish a system of managed currency and set up the mechanism to control the price level by expanding and contracting the quantity of the country's circulating medium. I believe that there is a way by which we could so control the flow of money that we could finance all the unemployed back into jobs and finance production to the complete abolition of unemployment and poverty. We are suffering now chiefly, as I believe, because we still adhere to a money system which makes for monopoly and centralization. Much industry that we might have is strangled by a restrictive money policy. The idea that underlies this system is as absurd in our time as the idea would be that the earth is flat. It seems to me a colossal stupidity to let the bankers make money by book entries, or to say that it would be wicked inflation for the Government to do what it permits the bankers to do.

I believe that all the emergency relief spending which the Roosevelt administration has done should have been done by the direct issue of money. This would not have been one whit more inflationary than what was done. The only difference would be that we would not now have these billions of debt on which we must pay principal and interest.

UNEMPLOYMENT AND RELIEF

I cannot say that I am satisfied with the way the administration is handling the unemployment and relief situation. We may well be thankful for what has been and is being done. But not enough is done. It is not defensible to

be helping only a part of those who need help. A determined effort should be made, by a new-money policy, by the payment of a liberal old-age pension, by public-works projects, and so forth, to distribute purchasing power and abolish unemployment. But if, in spite of such efforts, unemployment cannot be abolished, if extensive unemployment must be accepted as a permanent problem, I believe that city, State, and Nation should unite to establish cooperative industries to permit the unemployed to produce their own consumption goods. Surely, with idle skilled labor, and with abundant resources, and with command over our own credit, it should not be an insuperable task to organize the productive capacity of the unemployed to permit them to create their own wealth, and exchange their own goods, and support themselves.

NEW LABOR POLITICS

Organized labor has been gaining membership by the millions. The new militancy of labor is expected to play hob with the old politicians and parties. Already in Ohio there have been startling upsets. It is predicted that this new labor power will settle scores with the chamber of commerce at the next Democratic primary and general election, with Davey's march to the Presidency sadly interrupted. It will be unfortunate if Davey is defeated by a Republican reactionary. Perhaps the situation may yet be saved. There has been some wild newspaper talk that I would become labor's candidate for Governor against Davey. I have no intention of doing that. But I do not relish supporting any Democrat who is being praised to the skies by the Ohio Chamber of Commerce. In view of what has happened, I think Davey should come out so emphatically for a progressive program that not even labor, sore as it now is, could doubt that he would go through with it. Ohio Democrats should commit themselves to a State labor relations board, a State wage and hour law, a $50-a-month old-age pension, and should agree to cut the signatures necessary for referendum voting from 300,000 to 100,000. If the Davey people would come out for such a program and convince labor that they really meant it, the chamber of commerce might put Davey back on the blacklist, so that labor would relent. As for myself, I will never ask people to vote for me for anything on the ground that I am a Democrat. These party names mean nothing. They serve only to divide and defeat the people. I want to know what kind of a Democrat a man is before I will support him. If that is party treason, the politicians may make the most of it. But I do believe that Ohio Republicanism is too set in reaction to serve the people. Our only hope is for labor and Progressives to fight in the Democratic primaries to root out the Democrats who are Republicans in everything but name, and establish a Democratic leadership that is honestly and courageously progressive. That is what I hope the new labor power will do for the Democrats up the State, and that is what I am going to keep on trying to do here in my own corner of the State.

The SPEAKER. Under the previous order of the House the gentleman from North Dakota [Mr. BURDICK] is entitled to be recognized for 15 minutes.

THE FARM PROGRAM

Mr. BURDICK. Mr. Speaker, I would not take the time of the House at this late hour were it not that I felt that the Members would benefit from the information I have to give them.

Since the World War there has been put forward many theories of farm legislation, all backed by strong public opinion. Up to the Seventy-fourth Congress, these theories revolved around three well-advertised plans, namely, the McNary-Haugen bill, the Hoover Farm Board, the Roosevelt A. A. A. and Soil Conservation Acts.

In my opinion, the first one named, the McNary-Haugen bill, offered the best solution of the three. The bill never became a law as it was passed by Congress twice and twice vetoed.

The Hoover Farm Board Act became a law, and the general manager of the International Harvester Co. was put in control of the administration of the act. Instead of making an effort to determine the cost of production for wheat consumed in the United States, paying the farmer that cost, and selling the surplus on the world's market for what it would bring, or storing it for future emergencies, the Board went into the gambling business and bought and sold wheat on the boards of trade in an effort to keep up the world's price. This plan was doomed to failure on principle and the results proved it. It was a dismal failure and in the end the cost of the experiment will total approximately $344,900,000.

Along toward the close of Hoover's administration, he saw his plan failing and in the campaign of 1932 suggested that we "limit production" by destructive processes. He proposed plowing down cotton and shooting dairy cows. President Roosevelt was then a candidate when this novel scheme was proposed and condemned the plan in vigorous language. Those who have forgotten the President's attitude then can glean some extremely startling information by reading Franklin D. Roosevelt's speech at Topeka, Kans., on September 14, 1932, delivered in the very heart of the agricultural belt. When Mr. Roosevelt condemned the Hoover plan of agricultural scarcity by destruction, most everyone in the farm belt said "Amen", and Hoover was voted out. Mr. Roosevelt was right in his attitude toward the Hoover plan of "destruction."

Roosevelt was inducted into office on March 4, 1933, and the farm people had high hopes of the passage of a bill that would establish a price that would stand up against disastrous fluctuations. No President in our history had favoring him the good wishes of so many farmers in the Union.

Before the Seventy-third Congress got well started, Representatives and Senators from the Farm Belt began to inquire as to the administration's program for farm legislation. President Roosevelt surprised every farmer in the United States when he proposed his policy of scarcity and the reduction of surplus by the process of destruction. A thunderbolt on a clear day would have been no greater surprise to Members of Congress from the Farm Belt. Remember, too, that the applause which greeted Mr. Roosevelt when he condemned this plan had scarcely died away, before he himself, as President of the United States, proposed the same Hoover plan of crop control.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. DUNN. I was always under the impression from the information I had received that the Democrats were the first to originate the idea of plowing under cotton and other crops that could have been used so advantageously to sustain human life.

Mr. MARTIN of Colorado. And killing pigs.

Mr. BURDICK. No; that was proposed by the Republicans, except pigs were not included—that pig program was, I believe, the sole invention of Wallace.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. ANDRESEN of Minnesota. The Democrats, of course, were the ones to put it into effect.

Mr. BURDICK. Yes; the gentleman from Minnesota is correct. The A. A. A. was patterned after the President's plan of a New Deal for agriculture, and it attempted to force farmers in the various States to sign up contracts limiting production. Contracts were signed, because the farmers were helpless before the awful depression and the plan started out. Pigs were destroyed, cotton was plowed up, and wheat in excess of the stipulated contract allowance was destroyed, and the farmer punished by being arbitrarily deprived of the cash purchase price of these contracts.

A process tax was placed against hogs, to be paid by the processor, namely, the packers. When hogs were offered for sale, $2.25 per hundred pounds was deducted from the regular price and the rest paid to the farmer. Millions of dollars were in this manner extracted from hog raisers who were helpless before the law to do anything else than sell under the prescribed plan.

If they signed up one of the hog-corn contracts, they received back enough of the tax to compensate them for reducing their herds. The farmer who did not sign was left holding the empty sack. In the State of Iowa alone, nonsigners had approximately $40,000,000 taken away from them under this process tax invention.

Many thought that this process tax was passed on to the consumer, but that was not the case at all. It was taken out of the farmer's price. The packers so testified before the Committee on Agriculture of the House. The packers also raised the consumer's price. In addition to this, the packers added on 25 cents per hundred extra to the process tax for good measure and this was deducted from the farmer's price. This extra tax they kept as they claimed it was for clerical help entailed in reporting the tax. At the time action was instituted in the A. A. A., $213,000,000—not then paid to the Government in process tax—was impounded in court, and after the decree this money was returned to the processors. There is absolutely no question at all that this $213,000,000 belongs to the producers.

During the period the process tax was in operation, unmolested by any court action, the processors paid into the Treasury of the United States $852,382,985. This was taken from signers and nonsigners alike. Add to this the $213,000,000 impounded in court and returned to the processors and you can see what was taken out of the producer's price. The total was $1,065,382,985. Not all of this tax was authorized by the A. A. A., as the processors added an extra charge for their clerical expense as herein stated.

The proper set-up of this tax and the amount extracted from the producers is as follows:

Authorized deductions in price paid the producers	$985,382,985
Extra deductions not authorized by law	80,000,000
Total deductions	1,065,382,985
Direct appropriation to carry out contracts with farmers	500,000,000
Total income for the operation of A. A. A.	1,565,382,985

In my judgment, the decision of the Supreme Court, declaring the A. A. A. unconstitutional, was the only conclusion the Court could draw, but the Court grossly erred in its order to return this $213,000,000 to the processors. The producers were not represented in Court either directly or as friends of the Court; hence the showing as to who paid this process tax was meager, but since the decision, one class of the processors, namely the packers, have admitted that they deducted this tax from the producer. In arbitrarily handing over a fund as large as this to anyone, the Court should have been sure of its position. The Court, fortunately, however, did not shut the door in that decision to the producers. They can still come into Court and prove ownership of that fund. The order of the Court should have been to leave this fund in Court to be taken out only upon proof of ownership. The Government has attempted to tax this eighty million from the processors, but up to date only six million has been paid in.

As further proof that this process tax was taken out of the farmer's price, we only need to say that very soon after the Supreme Court of the United States declared the A. A. A. unconstitutional, the price paid to farmers for their hogs immediately went up in a like amount.

I cite this hog tax to indicate how the farmers of Iowa, Illinois, and other hog-raising States paid the penalty of a fool agricultural idea just at a time when they could ill afford to lose this money. So far this Congress has done nothing to compensate these farmers for this stupendous loss. This money belongs to the growers of hogs and everyone knows it. The tax assessed against nonsigners belongs to them and everyone knows it. The nonsigners were simply held up on the market and robbed by Government demand. The same situation prevailed as to cattle. The consumer did not pay the tax, but the grower did. His price was lowered to the extent of the tax.

The entire A. A. A. program was based on the theory of the control of the production of farm commodities, and the destructive methods were adopted to make an artificial scarcity in farm products. If the theory had been to control the marketing of products and not the production of crops, the plan would have been both economically sound and in practice the scheme would have worked. But it did not work, and after spending approximately a billon dollars, we are just where we started with these slight exceptions:

The taxpayers of the Nation are one-half billion dollars deeper in debt and are struggling to pay interest on Government bonds sold to pay the bill. The contract signers suffered no loss as what they lost on deducted price was made up in benefit payments, but the nonsigners paid a tremendous bill, under a law that was clearly unconstitutional and so declared. These nonsigners are also taxpayers and hence they have been taxed twice for a scheme from which they received no benefits at all. The farmers, too, show a still more deplorable balance sheet. Over one-half million of them have been foreclosed on since March 4, 1933, and about a million more farm homes are now soon to pass under the auctioneer's hammer. Nothing has been done to effectively prevent this system of wholesale foreclosures and the reason why it has not been done is due entirely to the fact that the President and the Secretary of Agriculture, Wallace, are still floundering around with their program of forced scarcity and the autocratic control of production. The President said on August 9 that no program of loaning on agricultural products would be inaugurated until the production of crops could be effectively controlled.

This shows, without the slightest doubt, that the President still believes in the arbitrary control of production. As long as that theory is followed, in my judgment, there can be no effective farm relief adopted. In other words, with this theory still uppermost in the thought of the administration, there is actually no hope for any relief to agriculture.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. Yes; for a brief question.

Mr. WEARIN. Was not that something on the order of the ever-normal granary plan?

Mr. BURDICK. I cannot find anybody in this House who can explain that to me.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. BURDICK. I am the most yielding fellow you ever saw. [Laughter.]

Mr. CRAWFORD. What is the difference between the ever-normal granary plan as now advocated and letting production alone so that every year we have a good carry-over of foodstuffs?

Mr. BURDICK. I have not time to explain that now but I shall be glad to do so in an extension of my remarks. I have just about 8 minutes left and a number of other things to present.

Mr. MILLARD. Mr. Speaker, it seems to me that the distinguished gentleman from North Dakota deserves a quorum to hear this speech.

Mr. BURDICK. Enough Members are here to suit me, and more than I have seen on many occasions. [Laughter.]

The SPEAKER. Does the gentleman insist on his point of no quorum?

Mr. MILLARD. Mr. Speaker, I withdraw the point of no quorum.

Mr. SHORT. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Missouri.

Mr. SHORT. In spite of the huge Government expenditure, we have not solved the agricultural problem?

Mr. BURDICK. We have not.

Mr. SHORT. Is the gentleman going to tell us about Joseph and what happened that year?

Mr. BURDICK. Yes.

Mr. SCHNEIDER of Wisconsin. In this experiment, we find that the consumption of products has decreased constantly?

Mr. BURDICK. Yes.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. The gentleman has stated a number of times the tax was taken from the producer. I presume he means the processor paid it indirectly, then passed it on to the producer?

Mr. BURDICK. I mean when the farmer from Iowa shipped his hogs into the market, $2.25 a hundred was taken out of the farmer's price the day he delivered the hogs.

Mr. MARTIN of Colorado. By the processor who paid the tax?

Mr. BURDICK. Yes.

Mr. MARTIN of Colorado. Without passing the tax back, and that applies to everything; not only to that transaction but to all transactions?

Mr. BURDICK. Yes.

Mr. BIERMANN. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Iowa.

Mr. BIERMANN. When the A. A. A. was invalidated in 1936, in spite of the fact the processing tax was repealed, the price of hogs did not change at all?

Mr. BURDICK. Yes; the price did change. The gentleman is mistaken.

Mr. BIERMANN. Not $2.25 a hundred. Maybe 10 or 15 cents.

Mr. BURDICK. Within 34 days after the Supreme Court held the A. A. A. unconstitutional the price of hogs raised exactly the amount that had been taken out before.

Mr. BIERMANN. That is news to me.

Mr. BURDICK. Mr. Speaker, I have been a Member of this House for quite a while and I have been considerate of all of you gentlemen when you were speaking and I have always been willing to yield. I want to answer any questions now if I can secure an extension of time, but I would like to present what I came here for the purpose of presenting.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. We have heard how much has been spent by the farmers and for the farmers, but the farmers have paid some of the bill?

Mr. BURDICK. This money was taken away from the farmers. I may say to the farmers of Iowa that the same amount was taken out of the price of their hogs and the nonsigners lost $40,000,000 by the transaction.

Mr. BIERMANN. I may say to the gentleman these hog farmers of Iowa were getting about $2 a hundred for prime hogs in March 1933 and after the A. A. A. had been in effect for 2 years they were getting $9 and $10 a hundred.

Mr. BURDICK. But this whole sum was taken away from the growers, whether they signed contracts or not, and the farmers who signed the contracts got some of it back.

Mr. BIERMANN. I was interested in what the gentleman from Missouri [Mr. SHORT] said about not solving the farm problem. We probably have not solved it and probably never will solve it. However, the income of the farmers of America now is more than twice what it was in 1932.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. The price of hogs has advanced today until it is about three times what it was in 1920. The trouble is that the farmers do not have any hogs to sell.

Mr. BURDICK. This is an example of starting out looking for an elephant and shooting a jackrabbit.

I have the right to complain about the theory of Mr. Wallace, who states we should regulate production. I say that is wrong, and it never can become right. However, I have no right to make this statement unless I am willing to say what is right. What is the plan before this Congress? What can be done?

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman thinks, then, that we can get along with plenty much better than we can with scarcity?

Mr. BURDICK. Yes.

Mr. SHORT. I wish the gentleman would tell us about Joseph.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Illinois.

Mr. LUCAS. How does the gentleman explain that in 1932 when we had plenty we did not have any prices for our crops?

Mr. BURDICK. I do not know how it worked in Illinois, but in North Dakota in 1932 when we had plenty of crops and the price was low none of us was starving to death. We had plenty to eat. All we had to do was to grind wheat.

Mr. LUCAS. Then the gentleman wants to go back to 1932?

Mr. BURDICK. No.

[Here the gavel fell.]

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Does this meet with the approval of the gentleman from Iowa [Mr. WEARIN], who is entitled to be recognized next?

Mr. WEARIN. It does, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Is it not a fact that since Roosevelt has been in office the farmers have received a great deal of consideration?

Mr. BURDICK. Yes.

Mr. DUNN. Amen.

Mr. BURDICK. The gentleman must agree entirely that I think that way because I have supported Democratic measures here about 90 percent of the time.

Mr. DUNN. The gentleman is a good scout for doing it.

Mr. BURDICK. I would not say that.

Mr. Speaker, I decline to yield further.

I propose to support either of two bills now before this Congress. I refer to the Massingale and the Eicher cost-of-production bills which have been before Congress for 3 years. Neither bill attempts to control the world price, as was attempted by the Hoover Farm Board. Under neither of these bills does the Government enter into buying and selling grain with the grain gamblers. These bills refer only to the domestic price, the price of crops grown and used in the United States.

If there is a surplus, that surplus is sold on the world's market or stored for future emergencies and taken off the market. If the domestic price of wheat is $1 per bushel, or the average cost of production, and the world price is 75 cents, every farmer who is responsible for this surplus will lose money on that portion of his crop. Common sense will tell him to eliminate this loss next year. He will do it himself—no one needs to force him to sign a contract. The historic base of production has already been established; the quotas for home consumption would be nothing more than mathematical computations under machinery already set up. Nothing new in organization of field force is necessary.

The cost-of-production program does not attack production at all. It leaves every farmer free to grow whatever he wants to grow. It leaves Nature free to produce crops when weather conditions are favorable. These bills take the crops as they come—and apply common sense to the sale of the crops. We have never yet produced in the world a surplus. During short periods we have produced more than a normal market would absorb, but in the end all crops are needed by someone.

Another thing that can be done is, in event of a surplus, this Government can store this grain. The gentleman from

Missouri wants to know about Joseph. I will tell you that, too.

If we have been producing these mountains of foodstuffs since Joseph accumulated the surplus crops in Egypt 4,000 years before Christ, where are some of these surpluses? If Joseph had followed the program of scarcity advocated by the President and Secretary Wallace, where would the people have secured food in the days of the famine? For 7 years the producers of wheat on the Nile raised too much wheat. Joseph did not interfere with the production; he let God Almighty attend to that. He handled the crops after they were produced. He saw that these crops were not given away for nothing; he stored them. He thought of the future. He had a hunch that the seven-lean-cow story was true, and he bided his time. Sure enough, the famine came and everyone wanted wheat. Joseph had it and the people were saved. We can contemplate what would have happened if Wallace were handling the situation. At the first surplus crop he would have jumped on his jackass and ridden around among the long-whiskered farmers on the Nile and had them sign contracts to cut down production. [Laughter and applause.] If the farmers had too many sheep, they would have killed off some of them; if they had too much wool on hand for clothing, they would have burned the wool, and in the end the Israelites would have perished. Joseph let God Almighty attend to production, and we ought to be willing ourselves to let the same authority handle our production. [Applause.]

We never can produce too much—we cannot produce enough. There never has been, in the history of the entire world, any surplus, and there never will be any. The Almighty does not plan things that way. We can and do have, too frequently, underconsumption.

Would the United States be favorably situated if we had food enough on hand to last us 12 months? We get panicky if we have over 3 month's food in sight. Would this be a powerfully defended nation if the world knew we had bread enough to last us through any war? If we had, we would have no use for battleships. Wars are not won by battleships—they are won by food. I have called this to the attention of the House before—that every major war in all history was won because of food. Every army in those battles gave up the cause only when they were starved to it. The North would have never defeated the South if the Confederate soldiers and their families at home had had enough to eat. Give this Nation enough to eat, and we do not need to fear any power. What did England do when faced with a world war? She began to accumulate something for her people and for the army to eat. That was her first act of self-defense. No nation can be said to be poorly defended that has access to enough food supplies to satisfy the wants of her people.

But this great national defense of food is totally abandoned under this program of forced scarcity.

The argument is advanced that if we did fix a price on wheat that would give our farmers the cost of production, that the people of the United States would not buy that wheat; they would purchase wheat imports at a less figure. They would not for the reason that an embargo against imports could be established precisely as every country in Europe has done since 1929. When their crops are short the embargo is lifted, and when crops accumulate the embargo goes on. The result is that the prices in those countries have been stable, or practically so, for the last 8 years.

That is all that is intended by the cost-of-production bills. It means a living price for what is grown and consumed in the United States. The surplus can be sold if the Government thinks it advisable. The Government can hold back enough of nonperishable products, such as wheat, pork, and cotton, to insure us against droughts and for the defense of the Nation.

When that is done we can cut our annual expense for the Army and Navy 50 percent; the seed-grain appropriations annually made by Congress can be reduced 90 percent; aid to farmers can be eliminated save in limited areas; farm homes can be saved from foreclosure and the millions now fed by the Government can become self-sustaining; purchasing power will then be in the hands of the farmer and everyone knows the place the farm, in normal times, occupied in the purchase of fabricated merchandise. In normal times the farmers bought 40 percent of the steel output of the United States, giving employment to men who made steel; in normal times the farmers purchased 42 percent of the output of the leather mills and 45 percent of the output of the textile mills.

I now ask you, Did the A. A. A. or does the Soil Conservation Act increase the buying power of the farmer? Has the farmer received more than a dole, in many cases not keeping him off the relief rolls? Has any small farmer ever paid his farm mortgage with an A. A. A. check or a Soil Conservation check?

That, it would seem, should be the test. Does any one of these schemes save the farm home and revive business? If none of them have done more than prolong the agony, why cling to a program that cannot show the results that are so vitally necessary to the Nation?

Mr. LUCAS. The gentleman knows that Joseph drove a pretty hard bargain with the farmers back in the ancient days.

Mr. BURDICK. Yes.

Mr. LUCAS. He compelled the farmers to give up their land before he would return the wheat to them.

Mr. BURDICK. Yes; it was a good deal like the situation of the farmers now.

I am not making this criticism as a political speech, because I have not any place to go. [Laughter.] I am trying to tell you the truth, and I am not worrying because I am not a member of the Democratic Party.

Mr. MARTIN of Colorado. Come on over.

Mr. BURDICK. And I am not shedding any tears because I am not acceptable to the Republican Party. We are going to settle this matter some time, but this Congress has no right to say there is nothing before us to settle. You cannot go home and say we could not do anything, because you are just as able to write a farm bill in this Congress now as you will ever be, and every Member of this Congress knows it.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. HOFFMAN. Does the gentleman think the Committee on Agriculture can write a bill without the consent of the Department down there?

Mr. BURDICK. Yes; we have done that right along. We cannot hide behind the President, because we have turned the President down time and again. We must stand on our feet. [Applause.]

While I have definite and decided views as to what should be done, I am not so obstinate as not to yield to other views which have a like purpose. This Congress is as capable of writing farm legislation now as it ever will be. Because farm organizations differ is no reason why we should not do our best. If we do that, the people generally will be satisfied. To do nothing is indefensible.

The farmers of the United States have long since refused to believe that their prosperity can be established without having established at the same time the prosperity of every other class. The interest of labor, the manufacturer, and the distributor is all bound together in one common enterprise. Reduce the farmer to starvation prices and drive him from his home and the burden immediately falls upon other classes for help and assistance. Destroy the farmer and you have destroyed the Nation.

In my opinion, as a Member of this House, without official standing on either side of the aisle, this Nation cannot be restored to prosperity until two questions are settled in this Congress. First, give the farmer a chance to live on his farm and maintain himself. Second, use the money and credit of this Nation for all of the people and outlaw the private use of Government money and credit. There is much more involved than the establishment of prosperity

in this issue. The very perpetuity of the Republic itself depends upon the action of this Congress upon these issues.

For years we waited for the Republican Party to do the job; the people became dissatisfied and ruthlessly eliminated that party; for 5 years now we have waited for the Democrats to act, and still the people are in distress while the public debt has mounted to $36,000,000,000—all borrowed and entailing an annual interest harvest of nearly a billion and a half. The administration still holds firm to its policy of enforced scarcity and the bankers are still furnishing money to the Government and drawing interest, while at the same time they receive the money from the Government for nothing. This policy is as wrong as anything can be and the further pursuit of it cannot but make our condition worse.

A private debt hanging over the heads of the people which every sane man or woman in the United States knows they cannot pay, is the result of this policy. How long it will be before the people come down to Washington and disband Congress, as Cromwell did Parliament, I do not know, but as surely as I stand before you, the distressed millions cannot forever be pacified or bribed with doles. We are the Representatives of these people—this Congress can do the job if it will. We cannot say we are not responsible; we cannot say it is too hot here in Washington; if we do not act soon, it will be too hot when we get home. The people of the United States are depending upon the honesty, the intelligence, and the energy of their chosen Representatives. Are we equal to the task, or shall we meekly submit to theories that most of us know to be wrong and go home and say it could not be done? Better for us to say in the words of General Grant, "We will fight it out on these lines if it takes all summer." [Applause.]

The SPEAKER. Under the previous order of the House, the gentleman from Iowa [Mr. WEARIN] is recognized for 20 minutes.

Mr. WEARIN. Mr. Speaker and Members of the House, several days ago I filed petition no. 27 on the Clerk's desk with a view to discharging the House Committee on Agriculture from further consideration of the Flannagan bill, H. R. 7577, with a view to getting general farm legislation of some description before this body prior to adjournment. I was fully aware of the fact that the measure was not perfect, but let us remember that the rules permit amendments after a measure has been brought to the floor in such a manner.

In view of the above facts I cannot see much occasion for the disturbance and some of the remarks made before the House subsequent to the filing of the petition. It was my desire to be helpful to the Congress and to the farmers of this Nation whose welfare is at stake. No one who believes in the New Deal disputes the fact that the Roosevelt administration and even this session of Congress have done much for the American producers of raw goods, but outside of the extension of the Soil Conservation Act and the Tenancy Act, both of which I have always favored, most of the legislation has been of an emergency or temporary character, such as the continuation of reduced interest rates on land-bank mortgages. There is no question but what moves of that nature are all helpful, but the thing that we need to keep before us constantly until we reach the goal is the necessity for stability in the business of agriculture.

Within that one thought is embodied the future prosperity of the industry and much, if not practically all, of the solution of our present tennancy problem. We cannot attain stability for the industry with emergency or stopgap legislation; we can attain it only with a well-rounded program that is not going to come out of any committee in any one measure. Whatever we do today will probably have to be amended from time to time, so that is all the more reason why we should not put off the beginning until tomorrow. If the Flannagan bill could be reported to the House or any other general farm bill such as the one generally looked upon as being the product of the House Committee on Agriculture, or the measure introduced by Mr. EICHER, of Iowa, it could be discussed and amended and, if passed this session, serve as a basis for commodity loans that may be urgently necessary before fall, applied to the wheat crop to be planted this year and, if found to be wanting in the meantime, then amended or revised at the next session of Congress.

The statement has been made upon this floor to the effect that it was impossible to report out a general farm bill at the present time because the farm organizations are not in entire agreement. In the first place it should be the responsibility of Congress to compose differences when legislating and obtain the best composite agreement possible with a view to solving the problem.

But let us look into this matter of disagreement among farmers about pending legislation. In the first place, H. R. 7577 was not sent to the committee from the White House, as has been charged in the case of some legislation. The suggestion was made early in the session that the farmers be permitted to write their own bill, so their chosen representatives were invited to Washington early last winter. Out of a few over 70 representing the various farm organizations and groups approximately 63 agreed to the essential principles of the so-called Flannagan bill. Six others either did not express themselves or were called home before the vote; and there were three outstanding critics, among them Mr. L. J. Tabor, national president of the Grange, and, as far as I know, an able man, but a Republican politician, having been a candidate for the United States Senate on the Republican ticket in Ohio or else a candidate for the nomination for that high office—I do not know which—but in either event his activities in that field may have served to prejudice him against an agricultural program originating in a Democratic administration. The fact of the matter remains that the farmers were in agreement at that time and only of recent date has any great difference of opinion developed. The fact that the Farm Bureau has taken the lead in the fight to effect the passage of the bill I am seeking to have considered certainly ought not to be anything against it, and certainly that incident could not have been avoided on the part of the Department of Agriculture or anyone else. There should not be any jealously over credit for bringing aid and stability to the agricultural industry in the United States. As far as I am concerned, personally I would be willing to consider amendments to H. R. 7577 incorporating features of the measure that it looked for a time would be reported out as the committee bill.

It is quite true that we want to give the American farmers the best legislation possible that will stabilize farm income, but the plea for additional time is not very appropriate at this moment, with a need for commodity loans to stabilize farm prices that should, of course, be secured by general farm legislation in order to make certain that the taxpayer's interest therein will not be jeopardized. Let us give him full measure for every dollar we have promised him; but the Roosevelt administration pulled the American farmer into the boat when he had gone down for the third time in the panic of 1931 and 1932. We have doubled his income since that time, and one might say appropriately that we have rowed him to the dock and are about to lift him up over his present bumper crops to sound, stable footing. Let us not drop him unceremoniously in the water between the boat and the dock while we spit on our hands in order to be sure that we have a firm hold on his welfare. It is such periodic duckings that we want to get away from as soon as possible, and our job will not be completed until we succeed in that respect.

It is my understanding that we are about to throw the tiller of the soil another life belt tomorrow in the form of a resolution guaranteeing that farm legislation will be the first order of business when Congress convenes again. I expect to vote for it, but it is not what the American farmer expected of us in the way of constructive legislation. I realize that there is a wide difference of opinion as to what form a farm bill should take, but the discussion of any measure on the floor under an open rule with an opportunity for amendments would be a sign of encouragement, and the fruits thereof

might surprise all those who are so certain that such a move would come to a disastrous end.

I am anxious to cooperate with the able members of the Committee on Agriculture and of the entire Congress with a view to obtaining constructive legislation aimed at preventing sudden and terrific price fluctuations in agricultural products that too often serve to enrich the speculator rather than the producer. With such a program we can anticipate the future to a far greater extent than at present and be reasonably assured of a consistent farm income which will, in turn, remove many of the difficulties arising now through excessive debt, bankruptcy, and their handmaidens tenancy.

I desire to take this opportunity to again urge the membership to sign my withdrawal petition no. 27, on the Clerk's desk, with a view to getting a farm bill before Congress this session for discussion and amendment, if necessary or advisable, and in order that we can be assured of adequate commodity loans and make a constructive start toward stability for American agriculture.

Mr. JACOBSEN. Mr. Speaker, I arise at this time to urge most earnestly the members of this body to sign petition no. 27, presented by my distinguished colleague, Mr. WEARIN, of Iowa, discharging the Committee from further consideration of H. R. 7577 and bringing it before the House for disposal. In doing so, I do not undertake to pass upon the merits or possible demerits of the provisions of this bill. I do believe, however, that by this procedure we shall have an opportunity to amend it and thereby enact legislation so urgently necessary to the very life of agriculture. I, as a Representative from a farm State, am interested in getting commodity loans, but I want further to insure the protection of the taxpayers' money. That is one of the most potent reasons for the necessity of a general farm program.

Congress has been in session for more than 7 months. During all that time, President Roosevelt has frequently urged that farm legislation in keeping with the will of the people be enacted. Thus far we have failed to discharge our duty in this regard, when we should never have hesitated in the very beginning, nor at any time during the long period of this session to complete this most necessary work.

I personally am not only willing but anxious that Congress remain in session more months, if necessary, to bring forth a constructive, well-planned, and permanent farm program, thereby keeping faith with those who so confidently expect such accomplishment on our part.

EXTENSION OF REMARKS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a radio speech delivered by the gentleman from Texas, Mr. MCFARLANE.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 18. An act to establish a National Safety Standards Commission, to reduce the danger of accidents at highway grade crossings and drawbridges, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 371. An act for the relief of William R. Kellogg; to the Committee on Claims.

S. 667. An act for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald; to the Committee on Claims.

S. 992. An act to make electricians licensed officers after an examination; to the Committee on Merchant Marine and Fisheries.

S. 1138. An act to amend the statutes providing punishment for transmitting threatening communications; to the Committee on the Post Office and Post Roads.

S. 1327. An act for the relief of certain purchasers of lots in Harding town site, Florida, and for the relief of the heirs of Lewis G. Norton; to the Committee on the Public Lands.

S. 1629. An act to amend the act entitled "An act to regulate the sale of viruses, serums, toxins, and analogous products in the District of Columbia, to regulate interstate traffic in said articles, and for other purposes", approved July 1, 1902, to make it applicable to surgical ligatures and sutures; to the Committee on the District of Columbia.

S. 1691. An act to provide that residence requirements for judges shall not be held to apply to judges who have retired or resigned; to the Committee on the Judiciary.

S. 2022. An act for the relief of Lt. V. Balletto, and others; to the Committee on Claims.

S. 2113. An act to provide benefits on account of disability or death due to service in the armed forces of the United States in the event of war, and for other purposes; to the Committee on Military Affairs.

S. 2120. An act for the relief of Mrs. C. G. Eidnes; to the Committee on Claims.

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs; to the Committee on Agriculture.

S. 2316. An act to authorize the award of a decoration under certain conditions to Lewis Hazard for distinguished conduct; to the Committee on Military Affairs.

S. 2338. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

S. 2339. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended; to the Committee on Public Buildings and Grounds.

S. 2403. An act to prohibit the transportation of certain persons in interstate or foreign commerce during labor controversies, and for other purposes; to the Committee on the Judiciary.

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers; to the Committee on Civil Service.

S. 2580. An act to amend existing laws so as to promote safety at sea by requiring the proper design, construction, maintenance, inspection, and operation of ships; to give effect to the Convention for Promoting Safety of Life at Sea, 1929; and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2638. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; to the Committee on Flood Control.

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers; to the Committee on Flood Control.

S. 2765. An act to grant recognition to distinguished military service; to the Committee on Military Affairs.

S. 2838. An act to establish a public airport in the vicinity of the National Capital; to the Committee on Military Affairs.

S. 2892. An act to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree; to the Committee on the District of Columbia.

S. 2893. An act to confer jurisdiction upon certain United States commissioners to try certain civil suits wherein the United States is plaintiff; to the Committee on the Judiciary.

S. 2918. An act to authorize the striking of an appropriate medal in commemoration of the one hundredth anniversary of the establishment of Chicago, Ill., as a city; to the Committee on Coinage, Weights, and Measures.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 413. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects;

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana to be used for the purposes of a public park and recreational site;

S. 1282. An act to amend Articles of War 50½ and 70;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1696. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington;

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 2249. An act providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma;

S. 2401. An act for the relief of sergeant-instructors, National Guard, and for other purposes;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet;

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act;

S. 2751. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.; and

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that the committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 854. An act for the relief of Robert Coates;

H. R. 1375. An act for the relief of Wayne M. Cotner;

H. R. 1767. An act for the relief of the Rowesville Oil Co.;

H. R. 2014. An act to amend an act entitled, "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

H. R. 3406. An act for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia;

H. R. 3426. An act for the relief of Rose McGirr;

H. R. 4489. An act for the relief of Stella Van Dewerker;

H. R. 4582. An act to amend the act, approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind;

H. R. 5927. An act for the relief of Walter G. Anderson;

H. R. 6167. An act to provide a surcharge on certain air mail carried in Alaska;

H. R. 6762. An act to amend the act know nas the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended;

H. R. 7127. An act authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938;

H. R. 7172. An act for the relief of Jesse A. LaRue;

H. R. 7430. An act for the relief of Mary Lucia Haven;

H. R. 7949. An act to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits;

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936;

H. J. Res. 171. Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues;

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive;

H. J. Res. 406. Joint resolution to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne; and

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties, together with the properites of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 15 minutes p. m.), the House (in accordance with its previous order) adjourned until tomorrow, Wednesday, August 18, 1937, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

804. A communication from the President of the United States, transmitting veto message on H. R. 1114, an act for the relief of Agnes Ewing Harter (H. Doc. No. 361); to the Committee on Claims and ordered to be printed.

805. A letter from the President of the United States Civil Service Commission, transmitting herewith the sixteenth annual report of the Board of Actuaries (H. Doc. No. 362); to the Committee on the Civil Service and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 317. Resolution providing for the consideration of S. 1722; without amendment (Rept. No. 1575). Referred to the House Calendar.

Mr. O'CONNOR of New York: Committee on Rules. House Concurrent Resolution 20. Concurrent resolution to provide for the creation of a Joint Committee on Hawaii; without amendment (Rept. No. 1576). Referred to the House Calendar.

Mr. LANHAM: Committee on Public Buildings and Grounds. S. 537. An act to provide suitable accommodations for the District Court of the United States at Glasgow, Mont.; with amendment (Rept. No. 1577). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. Senate Joint Resolution 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof; without amendment (Rept. No. 1578). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 2675. An act to amend certain sections of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.); without amendment (Rept. No. 1579. Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMPSON of Illinois: Committee on Ways and Means. H. R. 1481. A bill to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; without amendment (Rept. No. 1580). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 320. Resolution providing for the consideration of S. 1685; without amendment (Rept. No. 1582). Referred to the House Calendar.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. STEAGALL: Committee on Banking and Currency. House Resolution 307. Resolution directing the Chairman of the Federal Home Loan Bank Board to transmit to the House the total number of mortgages and liens secured by the Home Owners' Loan Corporation in the State of Louisiana, and for other purposes (Rept. No. 1581). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8215) for the relief of the State of Missouri; Committee on Claims discharged, and referred to the Committee on the Judiciary.

A bill (H. R. 8021) for the relief of Mrs. George Orr; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. O'DAY (by request): A bill (H. R. 8259) to provide that religious views or philosophical opinions against war shall not debar aliens, otherwise qualified, from citizenship; to the Committee on Immigration and Naturalization.

By Mr. THOMPSON of Illinois: A bill (H. R. 8260) authorizing the city of Rock Island, Ill., or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Rock Island, Ill., and to a place at or near the city of Davenport, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON (by request): A bill (H. R. 8261) to provide for proportional representation and preferential voting in the election of Senators and Representatives in Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. LUECKE of Michigan: A bill (H. R. 8262) to provide for promotion on a seniority basis of employees within a department or independent establishment of the Government; to the Committee on the Civil Service.

By Mr. BLAND: A bill (H. R. 8263) to amend section 6 of the act approved May 27, 1936 (49 Stat. L. 1380); to the Committee on Merchant Marine and Fisheries.

By Mr. PACE: A bill (H. R. 8264) to provide for the establishment and maintenance of a research laboratory or experiment station for the cultivation and fertilization of peanuts and other agricultural products, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 8265) to deny admittance into the United States to all immigrants and to deport all aliens; to the Committee on Immigration and Naturalization.

By Mr. SCHULTE: A bill (H. R. 8266) to amend the District of Columbia Traffic Act, as amended; to the Committee on the District of Columbia.

By Mrs. O'DAY: Resolution (H. Res. 318) providing for the appointment of Joseph W. Hanley as a messenger by the Doorkeeper of the House of Representatives; to the Committee on Accounts.

By Mr. ANDRESEN of Minnesota: Resolution (H. Res. 319) authorizing the appointment of a Select Committee to Investigate the Federal Land Bank System; to the Committee on Rules.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 488) authorizing the erection of a memorial to the late Guglielmo Marconi; to the Committee on the Library.

By Mr. SOMERS of New York: Joint resolution (H. J. Res. 489) authorizing the calling of an international monetary conference, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KOPPLEMANN: Joint resolution (H. J. Res. 490) to establish a Board of National Defense and define its purposes; to the Committee on Military Affairs.

By Mr. JONES: Joint resolution (H. J. Res. 491) to amend section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, and for other purposes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ATKINSON: A bill (H. R. 8267) for the relief of Mr. and Mrs. Joe T. Stephens; to the Committee on Claims.

By Mr. DIXON: A bill (H. R. 8268) for the relief of James W. Chaille; to the Committee on Naval Affairs.

By Mr. HEALEY: A bill (H. R. 8269) for the relief of Richard E. Mooney; to the Committee on Military Affairs.

Also, a bill (H. R. 8270) for the relief of Daniel F. Healey; to the Committee on Naval Affairs.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 8271) for the relief of Charles Recht, Horace S. Whitman, H. Rozier Dulany, Jr., William Lee Rawls, William L. Narbury, Jr., Victor A. Gartz, Rose Weiss, and Osmond K. Fraenkel; to the Committee on Claims.

By Mr. LUCKEY of Nebraska: A bill (H. R. 8272) granting a pension to Elvira M. Birkner; to the Committee on Pensions.

By Mr. SIMPSON: A bill (H. R. 8273) granting an increase of pension to Hannah Treece; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 8274) to confer citizenship on George Gray; to the Committee on Immigration and Naturalization.

By Mr. WHITE of Idaho: A bill (H. R. 8275) for the relief of Stanley Kolitzoff and Marie Kolitzoff; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3279. By Mr. CLASON: Petition of George A. Picard, Raymond A. Lyman, and Vincent B. Dignam, selectmen of the town of Easthampton, Mass., requesting Congress to consent to the ratification of the Connecticut River flood-control compact, as approved by the Legislatures of the States of Massachusetts, Vermont, Connecticut, and New Hampshire; to the Committee on Flood Control.

3280. By Mr. COFFEE of Washington: Petition of the Teachers' Federation of Pierce County, P. E. Drew, secretary, pointing out that the adult education program of the Works Progress Administration has performed an important educational function in the State of Washington during the past 2 years and therefore should be enlarged to meet the great demand for this type of education, and that steps should be taken to insure 12 months' tenure, and that workers' education should be placed under a separate Federal project, so as to more effectively meet the demand it was created for; to the Committee on Appropriations.

3281. Also, resolution in the form of a telegram of the International Woodworkers of America, Harold J. Pritchett, international president, pointing out that reduction of appropriations for National Labor Relations Board will have the effect of destroying efficiency of such Board and is a palpable attack upon labor itself, and therefore demanding the appropriation by the Congress to such Labor Relations Board in an amount as originally requested; to the Committee on Appropriations.

3282. Also, petition of the Washington State Federation of Teachers, B. M. Patten, secretary, pointing out that whereas an alarming portion of the population of the United States is inadequately housed; that this evil condition is not a current question only but one of long standing; and that because the Wagner-Steagall housing bill, now pending before Congress, seeks to eradicate some of the existing social ills in housing, it should be passed by the Congress of the United States; to the Committee on Banking and Currency.

3283. Also, petition of the Washington State Federation of Teachers, B. M. Patten, secretary, pointing out that peace is an impossibility so long as private munitions interests are allowed to ship arms abroad to warring nations or to noncombatant nations engaged in the resale of armaments and the continuation of a war, and that Congress should pass the proposal made by Senator GERALD NYE and Representative HAMILTON FISH, asking for legislation prohibiting the export of arms, ammunition, and implements of war to foreign countries during times of peace in this Nation; to the Committee on Foreign Affairs.

3284. Also, resolution in the form of a telegram of the executive board of the Washington Commonwealth Federation, Howard Costigan, executive secretary, insistently demanding there be no reduction in appropriation for the National Labor Relations Board; to the Committee on Appropriations.

3285. Also, resolution in the form of a telegram of the Committee for Industrial Organization, Richard Francis, regional director, opposing reduction in appropriation for Labor Relations Board and stating that the Labor Relations Board is the surest guarantee of peace and prosperity in industry; to the Committee on Appropriations.

3286. Also, resolution in the form of a telegram signed by Mary Lytle, outstanding Democratic leader, representing numerous liberal organizations, protesting reduction of appropriations of the National Labor Relations Board; to the Committee on Appropriations.

3287. Also, resolution in the form of a telegram of the Federal employees of Sixth Congressional District, demanding that the House of Representatives consider and vote favorably upon the wage and hour bill before adjourning; to the Committee on Labor.

3288. By Mr. CURLEY: Petition of Local 802, American Federation of Musicians, Associated Musicians of Greater New York, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3289. Also, petition of the American Labor Party, New York State, urging enactment of the Wagner-Steagall housing bill as originally presented; to the Committee on Banking and Currency.

3290. By Mr. HEALEY: Petition of the Cooks and Stewards Division of the National Maritime Union of America, at their last regular business meeting, Friday, June 25, 1937, expressing their condolence and sympathy with the bereaved family of Congressman William P. Connery, late chairman of the House Committee on Labor, as it is the opinion of the membership that, in the death of William P. Connery, Congress has lost a valued and progressive Member and labor an irreplaceable proponent; to the Committee on Labor.

3291. By Mr. PETERSON of Georgia: Petition of citizens of Screven County, Ga., concerning the old-age pension bill (H. R. 2257); to the Committee on Ways and Means.

3292. By Mr. SADOWSKI: Petition of the Banana Belt Timber Co., Manistee, Mich., commending the United States forest supervisor and his staff on the able manner in which his office is conducted; to the Committee on Agriculture.

3293. Also, petition of the Board of Supervisors, Keweenaw County, Mich., urging the Federal Government to adopt some means whereby counties and townships in which national parks are incorporated be reimbursed for the financial loss sustained by the removal of such lands from the tax roll; to the Committee on the Public Lands.

3294. By Mr. TURNER: Petition of citizens of Perry County, Tenn., urging Congress to enact the old-age pension bill as embodied in House bill 2257; to the Committee on Ways and Means.

SENATE

WEDNESDAY, AUGUST 18, 1937

(Legislative day of Monday, Aug. 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, August 17, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Radcliffe
Andrews	Davis	La Follette	Schwartz
Ashurst	Donahey	Lee	Schwellenbach
Austin	Ellender	Lewis	Sheppard
Bankhead	Frazier	Lodge	Shipstead
Barkley	George	Logan	Smathers
Berry	Gerry	Lonergan	Smith
Bone	Gillette	Lundeen	Steiwer
Borah	Glass	McAdoo	Thomas, Okla.
Bridges	Green	McGill	Thomas, Utah
Brown, Mich.	Guffey	McKellar	Townsend
Brown, N. H.	Hale	Minton	Truman
Bulkley	Harrison	Moore	Tydings
Burke	Hatch	Murray	Van Nuys
Byrd	Herring	Neely	Wagner
Byrnes	Hitchcock	Nye	Walsh
Capper	Holt	Overton	Wheeler
Caraway	Hughes	Pepper	White
Chavez	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Pope	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from Mississippi [Mr. BILBO], the Senator from South Dakota [Mr. BULOW],

the Senator from Missouri [Mr. CLARK], my colleague the junior Senator from Illinois [Mr. DIETERICH], and the junior Senator from North Carolina [Mr. REYNOLDS] are absent as members of the committee appointed to attend the celebration commemorative of the three hundred and fiftieth anniversary of the birth of Virginia Dare at Roanoke Island, N. C.

The senior Senator from North Carolina [Mr. BAILEY], the Senator from Connecticut [Mr. MALONEY], and the Senator from Nevada [Mr. MCCARRAN] are absent because of illness.

The Senator from Wyoming [Mr. O'MAHONEY] is necessarily detained from the Senate.

I ask that this announcement stand in the RECORD for the day.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON], having been appointed a member of the committee to attend the dedication of the battle monuments in France, is absent on that official duty.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia.

The message also announced that the House insisted upon its amendment to the bill (S. 707) for the relief of Lucille McClure, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CASE of South Dakota were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 1637) for the relief of Mrs. Charles T. Warner, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CASE of South Dakota were appointed managers on the part of the House at the conference.

The message also announced that the House insisted upon its amendments to the bill (S. 1640) for the relief of Harry Bryan and Alda Duffield Mullins, and others, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CASE of South Dakota were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. DEROUEN, Mr. GREEN, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

(Subsequently, a message from the House of Representatives informed the Senate that Mr. GAVAGAN was appointed a manager at the conference above referred to on the amendment of the Senate to House bill 2711, vice Mr. GREEN, resigned.)

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PALMISANO, Mr. NICHOLS, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4277) to provide for the extension of certain prospecting permits, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6563) to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes; and

H. R. 8266. An act to amend the District of Columbia Traffic Act, as amended.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 413. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects;

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana, to be used for the purposes of a public park and recreational site;

S. 1282. An act to amend Articles of War 50½ and 70;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1696. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington;

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 2249. An act providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma;

S. 2401. An act for the relief of sergeant-instructors, National Guard, and for other purposes;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet;

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act;

S. 2751. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property

within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.;

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes;

H. R. 4277. An act to provide for the extension of certain prospecting permits, and for other purposes;

H. R. 7909. An act to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes; and

H. J. Res. 363. Joint resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission.

SAFETY DEVICES ON RAILROADS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 29) to promote the safety of employees and travelers on railroads by requiring common carriers engaged in interstate commerce to install, inspect, test, repair, and maintain block-signal systems, interlocking, automatic train-stop, train-control, cab-signal devices, and other appliances, methods, and systems intended to promote the safety of railroad operation, which were, on page 1, to strike out lines 3, 4, and 5 and to insert "That section 26 of the Interstate Commerce Act, as amended (U. S. C., 1934 ed., title 49, sec. 26), is hereby amended to read as follows:"; on page 1, line 6, to strike out "47" and insert "26"; on page 1, line 7, and page 2, line 1, to strike out "the Interstate Commerce Act" and insert "this part"; on page 2, to strike out lines 11 and 12; on page 2, line 13, to strike out "(c)" and insert "(b)"; on page 2, line 13, after "investigation", to insert "if found necessary in the public interest"; on page 2, line 25, to strike out "approval of this section" and insert "enactment of this amendatory provision"; on page 3, line 11, to strike out "(d)" and insert "(c)"; on page 3, line 14, to strike out "three" and insert "six"; on page 3, line 15, to strike out "approval of this section" and insert "enactment of this amendatory provision"; on page 4, line 13, to strike out "(e)" and insert "(d)"; on page page 4, line 19, to strike out all after "the" down to and including "no" in line 20 and insert "subject. Such persons shall be in the classified service and shall be appointed after competitive examinations according to the law and the rules of the Civil Service Commission governing the classified service. No"; on page 5, line 1, to strike out "(f)" and insert "(e)"; on page 5, line 12, to strike out "(g)" and insert "(f)"; on page 5, line 24, to strike out "40, 41, and 42 of this chapter" and insert "3, 4, and 5 of the act entitled 'An act requiring common carriers engaged in interstate and foreign commerce to make full reports of all accidents to the Interstate Commerce Commission, and authorizing investigations thereof by said Commission', approved May 6, 1910 (U. S. C., 1934 ed., title 45, secs. 40, 41, and 42)"; on page 5, line 25, to strike out "(h)" and insert "(g)"; on page 6, line 5, to strike out "(i)" and insert "(h)"; on page 6, line 16, to strike out "of" and insert "showing"; on page 6, line 17, to strike out "Interstate Commerce"; and to amend the title so as to read: "An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes."

Mr. BARKLEY. I move that the Senate concur in the House amendments.

The motion was agreed to.

PROVISIONAL OFFICERS OF WORLD WAR

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1040) placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes, which were, on page 1, line 6, after "life", to insert ", or who entered the Navy from civil life and who were promoted to commissioned or warrant grades or ranks"; and on page 2, line 9, to strike out all after "law" down to and including "pay" in line 11.

Mr. SHEPPARD. I move that the Senate concur in the House amendments.

The motion was agreed to.

EXTRA PAY TO ENLISTED MEN

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1283) to increase the extra pay to enlisted men for reporting, which was, on page 1, line 3, after "men", to insert "of the Army."

Mr. SHEPPARD. I move that the Senate concur in the House amendment.

The motion was agreed to.

PAYMENT TO AMERICAN WAR MOTHERS, ETC.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1516) to authorize certain payments to the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc., which were, on page 2, to strike out all of section 2 and to insert:

SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to divide said special fund into six as nearly equal parts as is possible and to pay one such part to each of the following organizations: The American Gold Star Mothers of the World War and the American War Mothers, Inc.; and two such parts to each of the following: The Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.

And to amend the title so as to read: "An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc."

Mr. SCHWELLENBACH. I move that the Senate concur in the House amendments.

The motion was agreed to.

DIVISION OF WATER POLLUTION CONTROL

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist on its amendment, agree to the conference asked by the House of Representatives, and that the Chair appoint the conferees on the part of the Senate, who will be named later.

The VICE PRESIDENT. The question is on the motion of the Senator from Kentucky.

The motion was agreed to.

Subsequently, the Presiding Officer (Mr. GERRY in the chair) appointed Mr. COPELAND, Mrs. CARAWAY, Mr. GUFFEY, Mr. CLARK, and Mr. WHITE conferees on the part of the Senate.

PAYMENT OF CLAIMS AGAINST THE GOVERNMENT OF MEXICO—CONFERENCE REPORT

Mr. PITTMAN. I submit a conference report on House Joint Resolution 437 and ask for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 5. Section 6 of the Act approved April 10, 1935, creating the Special Mexican Claims Commission, and for other purposes, is amended to read as follows:

"'SEC. 6. The Commission shall complete its work within three years from the date on which it undertakes the performance of its duties, at which time all powers, rights, and duties conferred by this Act upon the Commission shall terminate. If the President finds the Commission has completed its work prior to such expiration date, he may terminate all such powers, rights, and duties of the Commission by Executive order.'"

And the Senate agree to the same.

KEY PITTMAN,
TOM CONNALLY,
Managers on the part of the Senate.
S. D. MCREYNOLDS,
SOL BLOOM,
JOE W. MARTIN,
Managers on the part of the House.

Mr. AUSTIN. Mr. President, I should like to ask the Senator on what Senate amendments the Senate conferees receded?

Mr. PITTMAN. The Senate conferees did not recede on any amendment. The House agreed to the first Senate amendment and agreed to the second Senate amendment with an amendment. The amendment which the House added provided that while the life of the special Commission should be extended 1 year, the President should have authority to discontinue the special Commission upon the completion of the work, if it should be completed at an earlier date. I move the adoption of the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

SPECIAL COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES

The VICE PRESIDENT. The Chair appoints the Senator from Delaware [Mr. HUGHES] as a member of the Special Committee on Conservation of Wildlife Resources, created under authority of Senate Resolution No. 246, Seventy-first Congress, second session, as subsequently extended, to fill the cancancy caused by the death of Hon. Peter Norbeck, late a Senator from the State of South Dakota.

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS

The VICE PRESIDENT laid before the Senate nine communications from the President of the United States (together with the accompanying letters from the Acting Director of the Bureau of the Budget), transmitting, pursuant to law, supplemental estimates of appropriations, which, with the accompanying papers, were referred to the Committee on Appropriations and ordered to be printed, as follows:

A supplemental estimate of appropriation for the United States Coast Guard, Department of the Treasury, amounting to $77.89, for the payment of the claim of Samuel A. Vansant against the United States and adjusted by the Secretary of the Treasury under the provisions of the act approved June 15, 1936 (S. Doc. No. 104);

A supplemental estimate of appropriation for the Veterans' Administration, the Navy Department, and the War Department, amounting to $497,106.82, for payment of judgments rendered by the Court of Claims against the United States under those departments and obligated by the acts approved September 30, 1890, and April 27, 1904 (S. Doc. No. 105);

A supplemental estimate of appropriation for the Department of Justice, amounting to $233.88, for payment of damage claims resulting from the activities of Federal Bureau of Investigation employees and adjusted by the Attorney General under the act approved March 20, 1936 (S. Doc. No. 106);

A supplemental estimate of appropriation for payment of claims allowed by the General Accounting Office, amounting to $78,410.44, as covered by certificates of settlement under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874, and for the services of certain executive departments and independent offices (S. Doc. No. 107);

A supplemental estimate of appropriation for the Navy Department, amounting to $313.63, for payment of damage caused by the U. S. S. *Unadilla* and adjusted by the Secretary of the Navy under the act approved December 28, 1922 (S. Doc. No. 108);

A supplemental estimate of appropriation for payment of claims allowed by the General Accounting Office, amounting to $9,576.62, covering judgments rendered in the United States District Court for the Southern District of New York against the Collector of Customs, port of New York, N. Y. (S. Doc. No. 109);

A supplemental estimate of appropriation for certain executive departments and independent offices, amounting to $4,746.27, for damages to privately owned property and adjusted under the provisions of the act of December 28, 1922 (S. Doc. No. 110);

A supplemental estimate of appropriation for the Department of State, fiscal year 1938, for payment to Cecile C. Cameron, widow of Alfred D. Cameron, late a Foreign Service officer at London, England, $4,400 (S. Doc. No. 112); and

A supplemental estimate of appropriation for the Department of State, fiscal year 1938, for emergencies arising in the Diplomatic and Consular Service, amounting to $500,000 (S. Doc. No. 111).

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from the Chinese Student Association of North America, Ann Arbor, Mich., relative to the pending Sino-Japanese crisis in the Far East and expressing the hope that the United States will take no action in the premises that might inure to the benefit of the alleged aggressor nation, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution adopted by the City Council of Everett, Mass., opposing the bringing into the United States of orphaned children from foreign countries, which was referred to the Committee on Foreign Relations.

He also presented resolutions endorsed by the selectmen of Amherst, Blandford, and Easthampton, all in the State of Massachusetts, favoring the prompt approval and ratification, without amendment, of the Connecticut River Interstate Flood Control Compact, so that immediate construction of impounding reservoirs may be possible, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted at a mass meeting held under the auspices of the Kings County Consolidated Civic League, Brooklyn, N. Y., favoring the prompt enactment of legislation to reduce the interest rate from 5 to 3 percent on all Home Owners' Loan Corporation mortgages, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Genesee Conservation League, Inc., Rochester, N. Y., favoring the enactment of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. MCGILL, from the Committee on Pensions, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 5787. A bill granting pensions and increases of pensions to certain soldiers who served in the Indian Wars from 1817 to 1898, and for other purposes (Rept. No. 1243); and

H. R. 7531. A bill to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes (Rept. No. 1244).

Mr. BROWN of Michigan, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1858. A bill for the relief of Charles E. Names (Rept. No. 1245);

H. R. 2192. A bill for the relief of Paul and A. B. Johnson (Rept. No. 1246);

H. R. 2195. A bill for the relief of Oliver Z. Hoge (Rept. No. 1247); and

H. R. 2215. A bill for the relief of Gallup's, Inc. (Rept. No. 1248).

Mr. ELLENDER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2339. A bill for the relief of Orba Caress (Rept. No. 1249);

H. R. 2451. A bill for the relief of Jerome H. Howard (Rept. No. 1250);

H. R. 2455. A bill for the relief of Bertha L. Frank (Rept. No. 1251);

H. R. 2649. A bill for the relief of Elva T. Shuey (Rept. No. 1252);

H. R. 2994. A bill for the relief of Lamar Snipes and Luther S. Snipes (Rept. No. 1253); and

H. R. 3276. A bill conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc. (Rept. No. 1254).

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (H. R. 4291) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, reported it without amendment and submitted a report (No. 1255) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 7849. A bill authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss. (Rept. No. 1256); and

H. R. 8167. A bill to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa. (Rept. No. 1257).

Mr. ASHURST, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2702. A bill to permit grand-jury extensions to be ordered by any district judge (Rept. No. 1258); and

H. R. 5900. A bill to amend the bank-robbery statute to include burglary and larceny (Rept. No. 1259).

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which were referred the following bills, reported them each without amendment:

S. 2912. A bill to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes; and

H. R. 6747. A bill to amend section 3 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the resolution (S. Res. 167) requesting the Secretary of Agriculture to investigate flaxseed prices and matters affecting same (submitted by Mr. NYE on the 4th instant), reported it without amendment.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 201) for the relief of certain persons conducting farming operations whose crops were destroyed by hailstorms, reported it with an amendment and submitted a report (No. 1260) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act, reported it with an amendment and submitted a report (No. 1261) thereon.

Mr. WALSH, from the Committee on Finance, to which was referred the resolution (S. Res. 144) directing the Tariff Commission to investigate the production costs of cemented shoes (submitted by Mr. WALSH and Mr. LODGE on June 14, 1937), reported it with an amendment and submitted a report (No. 1262) thereon.

ASSISTANT CLERK, COMMITTEE ON COMMERCE

Mr. COPELAND, from the Committee on Commerce, reported a resolution (S. Res. 180), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 55, Seventy-fifth Congress, agreed to February 10, 1937, authorizing the Committee on Commerce to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of $1,800 per annum during the first session of the Seventy-fifth Congress, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On August 17, 1937:

S. 854. An act for the relief of James O. Cook; and

S. 2871. An act for the protection of certain enlisted men of the Army.

On August 18, 1937:

S. 413. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects;

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana, to be used for the purposes of a public park and recreational site;

S. 1282. An act to amend Articles of War 50½ and 70;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1696. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington;

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 2249. An act providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma;

S. 2401. An act for the relief of sergeant-instructors, National Guard, and for other purposes;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet;

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), subject to prior leases issued under section 15 of the said act;

S. 2751. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.; and

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm

Springs Reservation, Calif., for public airport use, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 2979) for the relief of Glenn Morrow; to the Committee on Claims.

By Mr. POPE:

A bill (S. 2980) to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. RADCLIFFE:

A bill (S. 2981) for the relief of Charles Recht, Horace S. Whitman, H. Rozier Dulany, Jr., William Lee Rawls, William L. Marbury, Jr., Victor A. Gartz, Rose Weiss, and Osmond K. Fraenkel; to the Committee on Claims.

By Mr. TRUMAN:

A bill (S. 2982) granting a pension to Anna Elliott; to the Committee on Pensions.

By Mr. McADOO:

A bill (S. 2983) to authorize the registration of certain collective marks; to the Committee on Patents.

By Mr. MOORE:

A bill (S. 2984) to provide retired pay for Members of Congress after 20 years' service; to the Committee on Appropriations.

By Mr. WALSH:

A bill (S. 2985) for the relief of John F. Fahey, United States Marine Corps, retired; to the Committee on Naval Affairs.

By Mr. COPELAND:

A bill (S. 2986) to amend section 6 of the act approved May 27, 1936 (49 Stat. L. 1380); to the Committee on Commerce.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 211) establishing a Springfield-Greenville Memorial Commission to formulate plans for the construction on Memorial Common, Springfield, Ohio, of a monument to commemorate the Battle of Piqua, and for the construction of a memorial building to commemorate the Treaty of Greene Ville, at Greenville, Ohio; to the Committee on the Library.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes; to the Committee on Appropriations.

H. R. 8266. An act to amend the District of Columbia Traffic Act, as amended; to the Committee on the District of Columbia.

MEASUREMENT OF VESSELS USING PANAMA CANAL—AMENDMENTS

Mr. COPELAND submitted five amendments intended to be proposed by him to the bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT TO THIRD DEFICIENCY BILL

Mr. BYRNES submitted an amendment intended to be proposed by him to House bill 8245, the third deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place to insert the following:

"Notwithstanding any other provisions of section 32 of Public, No. 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution 207, Seventy-fifth Congress. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the 10 spot-cotton markets on the dates of sale of the cotton first marketed by the producer, to the extent of that portion of his crop for which payments are authorized under this section, but in no case shall exceed 3 cents per pound. Such payments with respect to each farm shall be based upon the aggregate normal yield of the cotton base acreage that was or could have been established under the provisions of the 1937 agricultural conservation program less the aggregate normal yield of the maximum acreage for which a diversion payment offer was made under said program. Such payments shall be divided among cotton producers in the proportion that they were entitled to share in the 1937 cotton crop, or the proceeds thereof, under their lease or operating agreement and the facts constituting the bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture."

STATUS OF DEBTS OWED THE UNITED STATES BY FOREIGN GOVERNMENTS

Mr. LEWIS. Mr. President, I submit a resolution and ask that it may be read, and I give notice that I purpose taking up the subject tomorrow.

The VICE PRESIDENT. The resolution submitted by the Senator from Illinois will be read.

The Chief Clerk read the resolution (S. Res. 181), as follows:

Resolved, That the Secretary of State, if not incompatible with public interests, report to the United States Senate if there is now existing proceedings addressed to the collection, adjustment, or cancelation of the debts of the nations indebted to the United States, particularly that which arises from and through the World War and immediately following the World War in form of debts for commercial industry; and that the Secretary of State report to the Senate if there be now prospects from his point of view of collection, adjustment, cancelation, or disposition of the debts in the immediate future, and at about what time or date the result could be expected.

Mr. LEWIS. I ask that the resolution lie on the table.

The VICE PRESIDENT. The resolution will lie on the table.

ASSISTANT CLERK, COMMITTEE ON EDUCATION AND LABOR

Mr. THOMAS of Utah submitted the following resolution (S. Res. 182), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 20, Seventy-fifth Congress, agreed to February 10, 1937, authorizing the Committee on Education and Labor to employ an assistant clerk, to be paid from the contingent fund of the Senate at $2,000 per annum during the first session of the Seventy-fifth Congress, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

NINE-FOOT CHANNEL, MISSISSIPPI RIVER—ARTICLE FROM MINNEAPOLIS JOURNAL

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD an article from the Minneapolis Journal of July 18, 1937, relative to the advantages of a 9-foot channel in the Mississippi River, which appears in the Appendix.]

BANKING CONDITIONS IN MARYLAND—ARTICLE FROM BALTIMORE SUN

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD an article from the Baltimore Sun of the issue of Aug. 11, 1937, entitled "Maryland Banks Make Sharp Gains", which appears in the Appendix.]

WORK OF THE NATIONAL LABOR RELATIONS BOARD

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a table and comment from Business Week of the issue of July 24, 1937, on the work of the National Labor Relations Boards, which appear in the Appendix.]

PROCEEDINGS AT FARLEY TESTIMONIAL DINNER, FEBRUARY 15, 1937

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the proceedings at the testimonial dinner for Hon. James A. Farley at the Mayflower Hotel, Washington, D. C., on Feb. 15, 1937, which will appear hereafter in the Appendix.]

SPEECHES BY SENATORIAL MEMBERS OF BATTLE MONUMENTS COMMISSION

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Vermont [Mr. GIBSON] may be permitted to print in the CONGRESSIONAL RECORD any addresses delivered by them during their mission in France in connection with the American Battle Monuments Commission.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, is the request to print the addresses in the Appendix of the RECORD or in the body of the RECORD?

Mr. BARKLEY. In the Appendix of the RECORD.

Mr. CONNALLY. Mr. President, reserving the right to object, I did not understand the request of the Senator from Kentucky.

Mr. BARKLEY. My request was that the three Senators now in France in connection with the American Battle Monuments Commission may have permission to insert in the Appendix of the RECORD any addresses delivered by them while on that mission.

Mr. CONNALLY. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PROCEEDINGS IN ADOPTION IN THE DISTRICT—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2281) to regulate proceedings in adoption in the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 2.

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "If an investigation already has been made by a social agency approved by the court, the Board of Public Welfare shall accept it instead of making one itself: *Provided*, That the foregoing provisions of this section relating to investigations and reports by the Board of Public Welfare or an approved social agency shall not apply, if an investigation has already been made by a recognized religious or fraternal organization, having under its care minors for adoption, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and if such organization appears in the proceeding and reports to the court the results of its investigation and its recommendations with respect to the adoption"; and the House agree to the same.

WILLIAM H. KING,
JOHN H. OVERTON,
ARTHUR CAPPER,
Managers on the part of the Senate.

VINCENT L. PALMISANO,
AMBROSE J. KENNEDY,
EVERETT M. DIRKSEN,
Managers on the part of the House.

The report was agreed to.

CIVIL-SERVICE STATUS FOR LEGISLATIVE EMPLOYEES

Mr. TOWNSEND. Mr. President, I desire to make an explanation of Senate bill 2024, to amend the civil-service law to permit certain employees of the legislative branch of the Government to qualify for positions under the competitive classified civil service, which is on the calendar.

This bill amends the civil-service law by granting a civil-service status to persons who have served not less than 4 years as clerks or assistant clerks in the legislative branch of the Government.

In effect, it simply gives the executive branch the opportunity to draft into civil-service positions such experienced legislative employees as may be needed in the various departments, and gives to such employees the opportunity to be so employed by the executive branch. It does not establish a civil-service register for former legislative employees, nor does it in any way give them a preference over other persons with a competitive civil-service status.

The bill does not make employees of the legislative branch eligible for civil-service status regardless of merit. It specifically provides that appointments may be made only after the Civil Service Commission has approved the qualifications of the appointee through "such tests of fitness as the Commission deems proper." It is evident, therefore, that the Commission will always be provided with a weapon with which to bar from appointment in the competitive civil service such persons as may fail to meet the qualifications established by the Commission. In this respect the bill is on all fours with the Executive orders which give a civil-service status to White House employees of 2 years' service.

The bill is drawn on the theory that 4 years or more of service to Congress should be equivalent to a competitive civil-service examination for positions of like nature. I cannot believe that any Member of Congress who takes into consideration the qualifications of any of his 4-year employees will take issue with that theory.

In this respect the bill gives to legislative clerks and assistant clerks of 4 years' service the recognition given to professional classes, such as lawyers, whose experience and training are accepted in lieu of a competitive examination.

The Civil Service Commission has expressed dissatisfaction with the bill as a matter of policy. The Commission holds that the fundamental principle of competitive examinations should not be violated. In the case of the proposed legislation that argument does not hold. Legislative employees are already Government employees who have seen service in the most exacting branch of the Government. They are in the same status as the employees of the White House. I would call to the attention of the Senate that for more than 25 years the principle of transferring White House employees with 2 years' service to a civil-service status has been established. Such transfer does not require a special order. It is made under the provisions of Executive orders of January 9, 1909, and February 1, 1912. This bill merely applies the same principle to legislative employees, but requires 4 years of employment instead of only 2. No violation of policy is involved. Rather is there involved the matter of extending the policy with respect to other experienced persons—both in and out of Government service—the substitution of experience for competitive examination.

Legislation of this character has long been needed. I think every Member of Congress is aware of the many obstacles in the way of applying the competitive civil-service principle to legislative positions. It is not only impractical but impossible. When they have proved their worth in a long service these clerks should not be penalized, nor should the Government be denied their future services.

Clerks and assistant clerks may have the finest stenographic experience possible; they may have accumulated wide detailed knowledge of the various bureaus and departments of government; their training and experience may be sorely needed in other branches; yet, despite all this, they cannot be employed in the executive branch of the Government because they are outside the civil service. This is true even though they may have given 20 years of their life to their Government.

The Congress is well aware of the jeopardy of a legislative position. Death of the Member of Congress and the uncertainty of elections place the employees of Members of Congress beyond the pale of even reasonable security. Many of the clerks to Members of the Senate and House have served as much as 20 years, some even longer. They have moved from Senator to Senator, Representative to Representative, Democrat to Republican, and they have been loyal and efficient workers. Their experience is more varied than that acquired by those in any other branch of the Government. Is it not reasonable that the executive branch should be permitted to utilize their training and experience, particularly when they are separated from the service through no fault of their own?

There are Members of the House and Senate who have served as much as 30 years. In many cases they have retained the same employees throughout that period. These clerks have given a lifetime to legislative work. They are among the best-informed persons in the Government service. And yet, should death strike their immediate employer, the Member of Congress whom they have served faithfully, they

are removed from the Federal pay roll at the end of a single month on the Senate side of the Capitol, the sixth month on the House side, without hope of employment in other branches of the Government. It is a desolate and obviously cruel position in which we leave them.

Some may argue that such employees may take the regular competitive examinations. Have they considered that death may strike without warning of a single hour, while it may be 2 or 5 or even 10 years before an open competitive examination, which will fit the qualifications of unemployed clerks may be held? Is it fair to reward a half lifetime of loyal service with the long hope of taking a doubtful examination several years in the future? In many cases these employees, regardless of long service, regardless of ability, regardless of loyalty, regardless of experience, will be completely disqualified by reason of age or training prior to the termination of their employment in the legislative branch.

The threefold purpose of the bill should recommend it to approval without a moment's hesitation: One, to enable the various departments and bureaus of the Government to utilize the services of well-trained legislative employees who, through no fault of their own, have been separated from their positions; two, to provide a modicum of security for loyal clerks and assistant clerks; three, to reward loyal and able employees with the opportunity of continuing in the profession for which they are specially trained—Government service.

This is not only humane legislation, it is practical and wise legislation. It should be adopted without further delay.

CONNECTICUT VALLEY FLOOD-CONTROL PROGRAM

Mr. LONERGAN. Mr. President, the catastrophe of 1936, when many States of the Nation suffered a great property damage and some loss of life as a result of floods, is still fresh in the memory of most Senators.

The terror, the heartaches, and the losses made a definite impression upon Congress that something should be done immediately to prevent such disasters in the future, insofar as the ingenuity and skill of mankind make such prevention possible. Accordingly, the Congress passed the Flood Control Act of 1936, authorizing, among other things, the formation of compacts among the various States affected in any flood area, to cooperate with the Federal Government in a flood-control program. Under this act, the States are required to bear a portion of the cost, and the Federal Government already has made available by authority of Congress approximately $30,000,000 for starting work in various areas.

The flood disaster in the Connecticut River Valley States of New England was perhaps the most disastrous of any in the Nation. The States of Connecticut, Vermont, New Hampshire, and Massachusetts set about immediately thereafter to comply with the provisions of the Flood Control Act. This being the first effort of this kind between the States, there were naturally many delays, and in order to cooperate with the States and help to expedite the formation of their compact, the Secretary of War in February 1937 wrote to Gov. Wilbur L. Cross, of Connecticut, suggesting a conference on flood control between the Governors of the four States and the representatives of the Federal Government. In this letter the Secretary wrote as follows:

> The President is deeply interested in the necessary agreement between the States and the Federal Government being effected at an early date, and approves of my suggestion for a conference having this end in view. If you and the Governors of the other three States would arrange for this conference early in March, I would be pleased to attend with representatives of the Department qualified to explain the proposed plan in full detail. I believe that a conference might prove helpful in establishing full accord among the several agencies and may assure you of the cooperation of the War Department in any helpful way.

The proposed conference was held in Hartford on March 8, 1937, with the Secretary of War and the Chief of Engineers, General Markham, present, as well as the Governors and other representatives from each of the four States.

After working strenuously, with the help of the War Department experts the form of the compact was drawn, and soon was on its way for ratification by the various States. The Connecticut compact, as ultimately adopted by the States, meets all the requirements of the Flood Control Act; and the States have naturally expected that, since the Federal Government urged them to undertake the compact as promptly as possible, they would have no difficulty here in having it approved immediately.

Certain typographical errors have been corrected, and the Senate Committee on Commerce has reported Senate Joint Resolution 177, granting consent of Congress to the compact as ratified by the States, and it is urgent that this consent be granted by Congress before adjourning, so that the money now available may be applied to start the work of building dams and reservoirs in the Connecticut Valley.

I do not know whether any States in the Ohio River Valley or other areas which suffered flood damage have attempted to form a compact. If they have, they no doubt understand the difficult experience of getting States together into a definite agreement which at the same time would be acceptable to the Federal Government. I believe that this first compact to come before the Congress from the Connecticut Valley States is just about as near perfection as possible. I congratulate the States and their Governors and other officials upon their work in this respect.

In submitting to the terms of the compact requiring certain contributions by each State to the total cost of the flood-control program, it was natural that the States should seek to limit their obligations under the compact to flood control alone, and to reserve or keep to themselves all rights already vested in them for conservation, power storage, or power development. These reservations are questioned by the Federal Power Commission, whose counsel believes that they go beyond the authority of the compact as granted in the Flood Control Act of 1936, and that in effect these reservations would contravene the existing Federal authority over power development under the Water Power Act of 1920 and the comprehensive amendment thereto of 1935.

I believe, however, that these contentions are answered by the committee in its report, which explains the provisions of article 8 of the compact containing the reservation, and states that—

> Before any State can make available the rights reserved, namely, those of water conservation, power storage, or power development, the terms and conditions under which any such State shall act must and can only be as a result of a separate agreement or arrangement between such State and the United States.

The important thing we must consider here, Mr. President, is the urgent necessity for beginning the flood-control program in Connecticut. The Senate will realize that in the usual legislative measure coming before this body, questions of form and policy may arise, and even though they may be of small consequence, the measure can quickly be amended so that the bill may pass in perfected form. In granting consent to a compact, however, any amendment adopted by Congress, except to correct inconsequential typographical or grammatical errors, would make it necessary for the compact measure again to be submitted to the States for ratification, thereby causing endless delay. If, therefore, there is any cause for amendment of this measure in either House, it must be kept in mind that this is not an ordinary piece of legislation, and that if the flood-control program is to be undertaken in time to prevent disastrous floods in years to come, such amendments should be withheld for the sake of passing this measure. As the President himself has stated, we sometimes cannot see the forest for the trees, when looking at legislation. In considering this measure, we must look more to the broad humanitarian benefits that would be derived from its immediate passage, and not permit controversial amendments to delay effectiveness of the compact, unless such amendments do seek to correct defects which may be regarded as of extremely serious importance. I am sure that while the compact may not be perfect, there are no serious imperfections, either in form or in policy, and I join with other New England Senators in urging its prompt approval by the Congress.

I wish to say further, Mr. President, that the success of the flood-control project in Connecticut has been one of the most important objectives of my service in Congress over a period of years. During my 8 years in the House of Representatives and 4 years in the Senate, I have worked for a flood-control program, and will regard its accomplishment as one of the most satisfying experiences of my legislative work. No one who has lived as I do, in the city of Hartford, or at any place along the banks of the Connecticut River, and has witnessed its devastating floods, would deny the major importance of protection to life and property in that area. The improvement of navigation on the Connecticut River, and control of the floods, will always be regarded by me as an important duty of the Federal Government, with the cooperation of the States.

REGULATION OF AIR TRANSPORTATION

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill 2, having to do with the regulation of air transportation.

Mr. TRUMAN. Mr. President, it is my desire to take a few minutes of the time of the Senate to explain briefly Senate bill 2, on which there has been a one-man filibuster for the last week. I am going to take only a few minutes, and when I get through I hope the able Senator from Tennessee [Mr. McKELLAR] will allow the Senate to vote on the pending motion.

First, I wish to read to the Senate from the report which I made to the full committee and which was submitted by the committee as its report to the Senate:

The Committee on Interstate Commerce, to whom was referred the bill (S. 2) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by air carriers operating in interstate or foreign commerce and for other purposes, having considered the same, report the bill back favorably with an amendment with the recommendation that it be passed at this session.

The bill provides for the economic regulation of all air carriers who operate as common carriers. The regulation is adapted to the special characteristics of transportation by air and is carried no further than is necessary in the interest of the public and of the carriers. The safety provisions originally incorporated in S. 2 have been separated therefrom and will be considered separately by the committee in reporting on S. 1760.

The Interstate Commerce Act, which the Commission now administers, applies to steam railroads, electric railways, express companies, sleeping-car companies, pipe lines, motor carriers, and steamship lines controlled by railroads, and to the joint operations of rail and water lines. Air carriers are not now subject to regulation by the Interstate Commerce Commission except as to air-mail rates.

This bill, as part III of the Interstate Commerce Act, is a part of a complete and coordinated program of legislation touching all forms of transportation, and follows the program recommended by the President and approved by the Congress in enacting part II of the Interstate Commerce Act regulating motor carriers. The ultimate objective of the entire program is a system of coordinated transportation of the Nation which will supply the most efficient means of transport and furnish service as cheaply as is consistent with fair treatment of labor and with earnings which will support adequate credit and the ability to expand as need develops and to take advantage of all improvements in the art. All parts of such a system of transportation should be in the hands of reliable and responsible operators whose charges for service will be known, dependable, and reasonable, and free from unjust discrimination. This bill proposes to bring about such conditions among the interstate, overseas, and foreign air carriers, the only form of transportation which is now practically unregulated by Federal authority.

In recent years there has been an extraordinary growth of transportation by air. The air lines cover the country carrying over a million passengers a year and much express and mail and are engaged in intensive competition with each other and with railroads and other carriers. This competition is being carried to an extreme which tends to undermine the financial stability of the carriers and jeopardize the maintenance of transportation facilities and service appropriate to the needs of commerce and required in the public interest and the national defense—

Particularly, I may say, in the national defense—

Aviation in America today, under the present laws, proves unsatisfactory to investors, labor, shippers, and the carriers themselves.

The committee has fully considered the fact that during the early stages of air transportation air mail was undoubtedly one of the most important of the factors contributing to its growth and development. The technological advances of recent years, together with the rapid increase of air-passenger and air-express patrons, has reduced the revenues accruing to the air carriers from air mail from a major factor to an increasingly minor factor.

Mr. President, in the Seventy-fourth Congress, in 1935, the Interstate Commerce Committee considered Senate bill 3027 introduced by the junior Senator from Nevada [Mr. McCARRAN], and Senate bill 3420, likewise introduced by that Senator. The subcommittee which considered those bills consisted of the Senator from Ohio [Mr. DONAHEY], the Senator from Vermont [Mr. AUSTIN], and myself. We made a favorable report during the Seventy-fourth Congress recommending passage of the bill. The Senate did not reach the bill for consideration.

In January 1937, on the 6th day of January, to be exact, the Senator from Nevada [Mr. McCARRAN] reintroduced the bill as Senate bill 2. I was appointed chairman of a subcommittee to consider the bill, together with the Senator from Florida [Mr. ANDREWS], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Vermont [Mr. AUSTIN]. We made an exhaustive study of the situation. Everyone interested in air transportation was given an opportunity to appear before the subcommittee and place before it all information necessary to enable the committee to write a good bill.

The hearings comprise 599 printed pages and cover every phase of the situation. The Post Office Department, the Commerce Department, the State Department, and all others were given an opportunity to be heard before the subcommittee and to state exactly what they thought should be incorporated in the bill.

The bill was completely rewritten by the subcommittee and by the Senator from Nevada [Mr. McCARRAN]. It follows exactly sections 1 and 2 of the Interstate Commerce Act so far as they can be applied to air transportation. Every feature of the bill is intended to regulate air carriers strictly in the public interest. That part of the bill which refers to air mail treats air mail just as mail on railroads is treated. Section 304 (a), 305 (f), 305 (g), and 305 (m), and all of section 311 are devoted exclusively to the mail, and control and regulation of the mail is left completely in the hands of the Postmaster General. When certificates of convenience and necessity are issued by the Interstate Commerce Commission under Senate bill 2, the Postmaster General may offer mail to any air carrier which has a certificate of convenience and necessity, and such air carrier must carry the mail.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Kentucky?

Mr. TRUMAN. I yield.

Mr. BARKLEY. I wish to ask the Senator a question purely for information. The Interstate Commerce Commission has always been regarded as an agency of Congress for the fixing of rates on railroads and other transportation facilities, and also to regulate their practices in dealing with the public. It has never been regarded as a development agency for the fostering of new transportation facilities. Does the bill which the Senator is discussing, in addition to transferring the rate-making functions to the Interstate Commerce Commission, contain any provision which would require the Commission to act in the capacity of sponsor or developer of aviation?

Mr. TRUMAN. All of that is left to the Department of Commerce. It is specifically left there by a provision of the bill.

Mr. BARKLEY. I have been asked about that matter by Members on the floor of the Senate, and I was anxious to have the Senator's view regarding it.

Mr. TRUMAN. All the bill does is to give the Interstate Commerce Commission the same authority over air transportation that it already has over rails and busses and trucks and pipe lines.

Mr. BARKLEY. I should like to ask the Senator a further question. Under the reorganization bill which has been reported by the Senator from South Carolina [Mr. BYRNES]

from the Committee on Reorganization, the Interstate Commerce Commission and the Federal Trade Commission and other independent establishments which are supposed to be agencies of Congress in the regulation of interstate commerce are exempted from any power on the part of the President to deal with them, not only in their quasi-judicial functions but in their administrative functions. The bill as first introduced proposed to transfer certain administrative functions from these independent establishments to the departments to which they might be allocated; but under the bill as revised and as reported these establishments are taken completely out of the reorganization program, so that the President has no authority to interfere with them, not only in their quasi-judicial functions but in their administrative duties, except that they have to go to the Budget Bureau in order to present their requests for appropriations from Congress.

To what extent would the passage of this bill, if enacted prior to the enactment of the reorganization bill, interfere with the theory of that bill by making it impossible for the President to take anything out of the Interstate Commerce Commission and allocate it to any other department?

Mr. TRUMAN. It would not interfere at all with that. Before I reported the bill I wrote the President a letter and asked him what he thought about it; and he said he hoped that no new administrative functions that could be allocated to the Federal departments under Cabinet members would be given to the Interstate Commerce Commission by this bill.

This is strictly a regulatory bill. The administrative function that formerly was included in the bill is now in Senate bill 1760, which affects the Commerce Department, and is not a part of Senate bill 2 at all. This is strictly a bill for the regulation of the air carriers.

Mr. BARKLEY. Under the bill which is now on the calendar, I presume the Interstate Commerce Commission would have authority to appoint the personnel that dealt with the fixing of rates of air carriers, just as it now does in the case of railroads and other transportation facilities over which it has jurisdiction.

Mr. TRUMAN. That is correct.

Mr. BARKLEY. So air transportation would take the same status in the Commission that is now occupied by the other agencies.

Mr. TRUMAN. It would have exactly the same status.

I desire to make it particularly clear that, so far as the control of the United States mails is concerned, the authority of the Postmaster General is in no way interfered with. I submitted this bill to the senior Senator from Wyoming [Mr. O'MAHONEY], who has been First Assistant Postmaster General. He told me that the bill is satisfactory and merely suggested two or three minor amendments which the committee is perfectly willing to accept, as they refer only to matters of language.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New York?

Mr. TRUMAN. Certainly.

Mr. WAGNER. Is it not a fact that all the pilots of all the different lines, who, as we know, are extremely intelligent men and have a great interest in aviation and its safety, are unanimously in favor of this proposed legislation?

Mr. TRUMAN. There is no question about that. The manufacturers, the pilots, every air-line company in the United States, and all those who are interested in the progress of the air lines of this country, are for the bill; and almost all the press of the United States is for it. There seem to be only two persons who are against it, namely, the senior Senator from Tennessee [Mr. MCKELLAR] and the Solicitor for the Post Office Department, who, of course, is anxious to retain control of the air lines, and I do not blame him for that. He now has the only control that there is over the air lines in the United States. The lines are not controlled as to rates. They are not controlled in any way whatever except as to safety under the Commerce Department.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. TRUMAN. I yield.

Mr. MCKELLAR. Does the Senator know that the Interstate Commerce Commission, since it has had charge of fixing air-mail rates during the past 2 or 3 years, has constantly raised the rates, and that deficiency appropriations are constantly required to keep up with the Interstate Commerce Commission in raising the rates?

For example, the Budget estimate for the Post Office Department at the existing rates during the past year was, I think, something like $780,000,000, all or substantially all of which is paid from the Department's income. After that estimate was submitted, along came the Interstate Commerce Commission and raised the rates, say, one or two million dollars. Incidentally, I may say that just a few moments ago I left the Appropriations Committee, and there is before that committee a supplemental Budget estimate for several hundred thousand dollars, as I recollect the sum—at any rate, a considerable amount—to cover increases of rates that the Interstate Commerce Commission has made since the regular appropriation bill was passed.

In other words, as matters are now, the Post Office Department, having nothing to do with fixing rates, and the Interstate Commerce Commission having the power to fix rates, the Post Office Department never knows what it will have to pay. It never knows when it will have a deficiency. That is something that it cannot control in any way, shape, manner, or form. Under the Senator's bill, instead of lessening that evil, the Interstate Commerce Commission, having already demonstrated by its actions that it is constantly raising the rates that may be charged by the air-mail companies, what is going to become of us? Does the Senator think the Treasury will be strong enough to pay the amounts that will be necessary?

Mr. TRUMAN. If the Senator from Tennessee will give me a chance to make a statement of facts, I can tell him exactly what the cause of this condition is.

Mr. MCKELLAR. I do not care anything about the cause. Does the Senator think it is all right to do that?

Mr. TRUMAN. The increase in the cost is primarily due to the increase in the volume of mail carried; and the cost per pound-mile is less now than it ever has been in the history of the air mail.

Mr. MCKELLAR. Yes; and that is because of the laws which were passed in 1934 and 1935 putting a limitation on the rates that the Interstate Commerce Commission may fix. They cannot, except by indirection, fix a rate over 33⅓ cents a pound, but they have arranged matters so that certain companies——

Mr. TRUMAN. I did not yield to the Senator to make a speech. He may make a speech in his own time.

Mr. MCKELLAR. If the Senator does not want to answer questions, very well.

Mr. TRUMAN. I will say to the Senator from Tennessee that the Interstate Commerce Commission is the rate-making body created by Congress for that purpose, and if the Congress does not want the Interstate Commerce Commission to make the rates, it ought to repeal the law. If, however, the Interstate Commerce Commission is going to make the rates for mail on the railroads, and other rates for railroads and busses and trucks and in every other line of transportation endeavor, the same condition ought to prevail so far as the air carriers are concerned. That is all there is to it.

The bill contains what is called a grandfather clause, section 305 (d), which allows carriers that are already in business, and have established a line of business, to be issued a certificate of convenience and necessity for that very reason. Every other air carrier that desires to establish a line for carrying passengers, freight, mail, or express must obtain from the Interstate Commerce Commission a certificate of convenience and necessity. The same thing applies to foreign air carriers, but carriers in the foreign

field must also first have the approval of the Secretary of State before they may obtain a certificate of convenience and necessity.

The labor provisions of the bill are exactly similar to the provisions of the Railway Labor Act and the labor provisions of the Air Mail Act of 1934 as amended.

Section 308, the rate-making provision of the bill, is exactly parallel with the rail rate-making provisions. The bill provides exactly the same control over air carriers as is exercised by the Interstate Commerce Commission over busses, trucks, and railroads.

The bill has been approved by the Brookings Institution. I quote:

> Regulatory functions now exercised by the Bureau of Air Commerce relative to air transportation, accompanied by those regulatory functions now exercised by the Division of Air Mail of the Post Office Department, which are not indispensable to the proper administration of air-mail service, should be in the Interstate Commerce Commission.

Mr. President, this bill is simply a regulatory measure which does for the air carriers exactly what is done for railroads and for busses and trucks. I cannot too strongly emphasize that fact. The bill was very carefully drawn. Every possible expert was consulted in regard to the provisions of the bill, and every department of the Government was consulted with regard to it.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Wisconsin?

Mr. TRUMAN. I yield.

Mr. LA FOLLETTE. One thing that disturbs me about the bill involved in the pending motion is my understanding that it does not contain certain safeguards against monopoly that are contained in the existing law.

For example, my understanding is that the existing law provides against interlocking directors of air-line companies.

Mr. TRUMAN. I call the Senator's attention to section 312 (b) (5), which explicitly prohibits that very thing.

Mr. LA FOLLETTE. The existing law provides against joint stock ownership. It provides against equipment companies being owned or controlled by air lines, or there being a joint ownership of stock in equipment companies.

I am merely asking the Senator whether the information I have received is correct or whether it is not.

Mr. TRUMAN. It is not correct. The provision referred to by the Senator is contained in the bill, in section 312.

Mr. LA FOLLETTE. It covers all the points covered in the existing law?

Mr. TRUMAN. It does.

Mr. McKELLAR. Mr. President, the Senator from Missouri will not yield, but I will say to the Senator from Wisconsin in a few moments that substantially none of the provisions contained in the present law are contained in this bill.

Mr. WHEELER. Mr. President, will the Senator from Missouri yield?

Mr. TRUMAN. Certainly.

Mr. WHEELER. Let me say to the Senator from Wisconsin that I have no particular interest in this bill, and I have paid very little attention to it, but I submitted the matter to Commissioner Eastman, for whom I think the Senator has very high regard, as I do. Commissioner Eastman went over the bill after it came out of the committee, and I suggested that he get together with the Post Office Department and try to meet the objection which the Senator from Tennessee [Mr. McKELLAR] has, and Commissioner Eastman tells me that every single objection made by the Senator with reference to monopolies was taken care of in the bill.

Mr. McKELLAR. Mr. President——

Mr. WHEELER. Just a moment; the Senator from Missouri has yielded to me, and I insist——

Mr. McKELLAR. The Senator is quoting me.

Mr. WHEELER. No; I am not quoting the Senator.

Mr. McKELLAR. And I will not be quoted incorrectly. Mr. Eastman never came to me at all.

Mr. WHEELER. I am not quoting the Senator. Far be it from me to quote him.

Mr. McKELLAR. When he does, I hope the Senator will quote me correctly.

Mr. WHEELER. I certainly will.

Mr. McKELLAR. The Senator said Mr. Eastman had a conference with Senator McKELLAR.

Mr. WHEELER. Oh, no.

Mr. McKELLAR. That statement is not true.

Mr. WHEELER. I did not make any such statement.

Mr. McKELLAR. I am glad the Senator did not make the statement, because——

Mr. TRUMAN. Mr. President, I have the floor.

Mr. WHEELER. If the Senator will pardon me further, I stated that I asked Commissioner Eastman to go over the objections and to consult with the Post Office Department with reference to the objections, and he told me that he had done so, and he stated that the objections which had been made were all taken care of in this bill.

If there is one man in the Government service in any of the departments who has been fighting against monopoly, and trying to protect the people against monopoly, and to be conscientious about it, it has been Commissioner Eastman, of the Interstate Commerce Commission.

Mr. McKELLAR. Mr. President, will the Senator from Missouri yield?

Mr. WHEELER. I have implicit confidence in him. As I stated, I appointed a subcommittee to handle the bill. I paid very little attention to it, because I was engaged in other work; but I relied and do rely implicitly upon what Commissioner Eastman said to me.

Mr. LA FOLLETTE and Mr. McKELLAR addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Missouri yield; and if so, to whom?

Mr. TRUMAN. I yield first to the Senator from Wisconsin.

Mr. LA FOLLETTE. Will the Senator give me the citation of the section number again?

Mr. TRUMAN. It is section 312. If the Senator will read it, he will find that it covers the matter entirely. If the Senator from Wisconsin desires to read it, he will find it in the printed bill. He may not find it in the comparative print. I yield now to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, if it was the purpose to continue these provisions, why does section 320, on page 118, appear in the bill? It reads:

> Sections 2 (b) (2) and (3), 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, and so much of section 8 as reads: "; and any person not ineligible under the terms of this act who qualified under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes

And all other statutes on the subject "are hereby repealed." Why are they repealed?

Mr. TRUMAN. Because——

Mr. McKELLAR. Why are these laws regulating the industry to be repealed?

Mr. TRUMAN. If the Senator will give me opportunity, I will answer.

Mr. McKELLAR. I hope the Senator will.

Mr. TRUMAN. They are to be repealed because the safeguards included in this bill are much stronger and more in the public interest than the sections he has read.

Mr. McKELLAR. In what section?

Mr. TRUMAN. Section 312 covers the whole situation.

Mr. President, I sincerely hope the Senator from Tennessee will allow the Senate to vote on this measure.

Mr. AUSTIN. Mr. President, I had not intended to debate the air transportation bill at this time, but I have been requested to do so by other members of the subcommittee who heard testimony relating to the bill.

I desire to say that I appreciate, and I think all other Senators would appreciate if they knew the circumstances as thoroughly as I do, the great sacrifice, the extraordinary

effort, and high degree of intelligence applied to this problem by the Senator from Nevada [Mr. McCARRAN], whose presence in the Naval Hospital at this time is in part due to his service in this connection, and on his behalf I want to express the hope that the Senate may see fit to vote upon this measure before it adjourns, regardless of what may occur in the meantime.

As I have listened to the opposition to the bill it has struck me as peculiar. It had a very familiar ring about it. It sounded of fraud and scandal and collusion and spoils meetings, as if to throw enough dirt upon this very carefully prepared bill to smear it in the eyes of Senators who have not had the time to make a careful study of it. I have heard with some disgust the use here of the old, old story that has long since been discredited, that the origin of the present law, the Air Mail Act of 1934, is in the scandal and collusion and wrong and fraud alleged to have been committed in a former administration, by a former Postmaster General and nine contractors, who held the contracts of the United States Government which, in their operation, created the skeleton of all that there is today that can be claimed to be the grandest air-mail system, the grandest air-transport system in all the world. Boast is made of the magnificence of that system by comparison with anything else in the world, and at the same moment it is undertaken to smear the great pioneers who built that system.

This compels me to bring again to the attention of the Senate and of the public the story of the air-mail cancelation, and in order to save the time of the Senate, I ask unanimous consent to insert in the RECORD, in lieu of an oral statement by me, a written statement which I made May 18, 1937, relating to the cancelation history, and bringing it down to that date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

CANCELATION HISTORY

I am sending you part II of the hearings before the subcommittee of the Committee on Interstate Commerce of the Senate, marked at pages 186–190, 191, 203–205.

These pages graphically bring before us the most recent chapter of the air-mail tragedy.

The specific point which I emphasize now is that, as late as April 7, 1937, the Department of Justice admitted:

"As it would not be appropriate to approve a settlement of a civil controversy if criminal proceedings growing out of the same matter are contemplated, the conclusions of this Department [Department of Justice] with reference thereto, should be stated. * * * While the course pursued by you [Post Office Department] in this respect was amply warranted, it is our opinion that the irregularities referred to are not such as to justify or require criminal prosecution. * * *

"The controversy is, therefore, one which, in the exercise of a sound discretion, may appropriately be compromised." (Hearings, p. 203.)

The rational inference follows that the so-called spoils conference, fraud, collusion, conspiracy, blackmail, and combinations to prevent bids, which were charged against the air-mail contractors, were not substantiated by the 2-year investigation pursued by the Department of Justice.

The brief history of the litigation, the settlement of which is referred to above, appears at hearings, pages 186, 187, 202.

It is noteworthy that the district court of appeals held that the contracts were property of which the contractors were deprived without due process of law. That is, without notice or hearing.

To realize the importance of this as a manifestation of Government by force rather than by law, it should be observed:

1. That the settlements left the contractors with no remedy respecting the millions of dollars of damages that were unliquidated and paid to them only the amount of liquidated damages, to wit, $601,511.03 (hearings, p. 203);

2. Every person is disqualified for life to enter upon the performance of, or to hold an air-mail contract whose contract was canceled. This penalty also attaches to every partnership, association, or corporation which has a member, officer, or contractor, or an employee performing general managerial duties who is regarded by the administration as coming within section 7 (d) of the Air Mail Act of 1934 in respect of being "an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails * * *." (Public, No. 308, 73d Cong., p. 4; p. 119, Laws Relating to Postal Air Service, copy of which is enclosed herewith.)

Revised Statutes, section 3950 (act of June 8, 1872), under which the annulments were made, automatically penalized the contractors by such disqualification for 5 years, but the Air Mail Act of 1934 perpetuated the penalty so long as section 7 (d) shall remain the law.

One of the effects of the McCarran bill, which is now under consideration, would be to repeal this vindictive feature of the law.

For your information I furnish the following from the record, which is scattered through different sources and probably will take some time for you to search out:

On January 30, 1934, Postmaster General Farley testified before a Special Air Mail Committee with reference to the contracts subsequently annulled:

"I have not disapproved any, and I would assume the fact that I have not made any change might be considered an approval up to the present day, if that is what you have in mind." (Hearings, p. 2690.)

On February 2, 1934, independent operators pressed for cancelation. (Tr. 8050.)

On February 9, 1934, 29 air-mail contracts, held by 9 different contractors, were canceled, to become effective February 19, 1934.

On the same day a request for hearing was made by telegram.

On the same day the Postmaster General issued to the public press a statement that the President and the Attorney General concurred in the cancelation order.

On the same day, the President issued, in connection with the cancelation, an order "that the Secretary of War place at the disposal of the Postmaster General such airplanes, landing fields, pilots, and other employees and equipment of the Army of the United States needed or required for the transportation of mail * * *."

On February 14, 1934, the Postmaster General issued a release, addressed to the chairman of the Special Committee on Investigation of Air Mail and Ocean Mail Contracts, notifying it of the cancelation, and stating:

"It is incontrovertible that the 1930 meeting was held, that it was confined to those who subsequently obtained the contracts, that the provision of law calling for competition in bidding was not carried out, and that all the present domestic air-mail carriers secured contracts based on conspiracy or collusion, with the possible exception of the national parks airways, which will be given further consideration."

On February 16, 1934, five air-mail contractors pointed out misinformation contained in the letter of February 14, and asked for a hearing before cancellation should go into effect.

No hearings were granted. I had called attention on the floor of the Senate to this matter, as follows:

"As one member of the committee, I desire to go on record as not ready to pass on that question (fraud) until the evidence is in and men charged with wrong-doing have an opportunity to be heard." (RECORD, 73d Cong., 2d sess., Feb. 10, 1934; permanent Record, p. 2314.)

Meantime, many lieutenants in the Army Air Corps lost their lives or were injured either in preparing to carry or in carrying the mail.

On February 24, 1934, in the special committee above referred to, I asked the Postmaster General: "Now, do you intend to take the testimony of these operators who have not testified yet?" And the Postmaster General replied: "To be perfectly frank with you, we have not reached that decision." (Hearings, pt. 6, p. 2729.)

On March 8, 1934, the President sent a letter to the chairman of the Committee on Post Offices and Post Roads of the Senate, recommending a law which would make permanent the cancelation of contracts and the penalty imposed on the contractors without notice and hearing, containing:

"Obviously, also, no contract should be made with any companies, old or new, any of whose officers were party to the obtaining of former contracts under circumstances which were clearly contrary to good faith and public policy."

On March 9, 1934, a bill was introduced containing:

"* * * and no person shall be eligible to bid for or hold an air-mail contract if it or its predecessor is asserting or has any claim against the United States because of a prior annulment of any contract by the Postmaster General."

On March 10, 1934, the President ordered cessation by the Army Air Corps of carrying the mails.

On March 28, 1934, invitations for bids were issued by the Postmaster General containing:

"No bids shall be considered or received from any company which previously had a contract for the carriage of air mail and whose contract was annulled under Revised Statutes, section 3950 * * *."

It has been expressly claimed that all of the cancelations had been made under that section.

On June 12, 1934, the Air Mail Act, which is in effect today, was adopted. It contains the perpetuation of the vindictive penalty laid upon contractors without notice or hearing.

On April 3, 1937, Solicitor General Crowley identified these contractors (hearings, p. 189). Of course, the cancelation order identified them.

The instant cause for writing you is the fate of the air-mail legislation now pending. I believe that it has many virtues to recommend it other than the abolition of the vindictive characteristic of the present law. But if the present law should not be repealed the penalties imposed by it will continue.

The contractors ought to have the benefit of publicity of this recent admission of nothing more than irregularities in the letting of the contracts to relieve them, as far as possible, of the opprobrium which was attached to the cancelation, as shown by

the foregoing. After 2 years of very thorough study, the administration found no ground for civil or criminal prosecution. This admission of the Department of Justice, dated April 7, 1937 (hearings, p. 203) corroborates a news item published on February 29, 1936, which was placed by me in the CONGRESSIONAL RECORD of March 2, 1936, at page 3013. You may want to look that up because it refers to the upset as a figurative bombshell, and prophesied that the Ristine report would be forthcoming: "It is expected to be made public on the ground that, no matter how politically damaging, it will be easier to face the report itself than another storm of criticism for suppressing something adverse to the New Deal."

On April 6, 1936, I asked the Attorney General for a copy of the Ristine report, and on April 8, 1936, he replied:

"The proposed report to which you allude has not been prepared."

(All of the internal evidence shows that it had been prepared.)

Mr. Crowley testified:

"He made a report; I am sorry I have not read it." (Hearings, p. 189.)

Afterward, at another hearing, Mr. Crowley testified:

"I am informed there is no such report." (Hearings, p. 205.)

The inference is clear.

Mr. AUSTIN. It is my opinion that an examination of that history will show that the charges of scandal and fraud and collusion and conspiracy and spoils conferences are all met by the confession of the Department of Justice of the United States that after 2 years of special study and investigation it found nothing that would justify either civil or criminal prosecution.

Moreover, if anything more than that were needed, examination would establish the fact that these cancelations were made by sheer force and tyranny, that they were made without notice, without an opportunity to be heard, and that they were declared by one of the dignified courts of this land to have been made without due process of law, and that these contracts constituted property, which was seized and taken away from the owners without due process of law.

What more than that record need be shown in order to disqualify all of this stuff that we hear today, which is used for the purpose of casting a cloud upon the measure that is before the Senate?

Then I have heard with astonishment the boast that, as the result of the air-mail contracts, there has been a marvelous development of the air transportation industry in this country. The facts are completely to the contrary. The development of this industry, the really grand progress that occurred in this industry, occurred before the cancelation of the air-mail contracts.

There has been development since, and it is not for me to stand here and throw mud at the Postmaster General or the Post Office Department, or at the Secretary of Commerce or the Department of Commerce, and that I will not do. On the contrary, I will say that, despite all the disadvantages of the Air Mail Act of 1934, and of the set-back caused by cancellation, those two great departments of our Government have helped to develop this industry; but it has not developed anywhere near at the rate or to the extent it developed before the cancelation of the air-mail contracts.

In order to prove that, I ask unanimous consent to insert in the RECORD at this point certain facts which I would gladly state here were it not that I feel that it is taking too much of the time of Senators for me to go into this quite long statement in respect to that matter. So I make the request for unanimous consent to insert at this point in the RECORD a statement of the progress made since and the progress made before the cancelation of the air-mail contracts.

Mr. McKELLAR. Mr. President, who made the statement?

Mr. AUSTIN. Mr. President, this is a statement that I adopt—not all of it, because I have canceled some of it. I adopt it. I am responsible for it. If the Senator wishes to object to it being inserted in the RECORD as my statement, I will take the pains to read it.

Mr. McKELLAR. If the Senator will give the author of it I shall have no objection. The Senator, however, did not prepare that himself, surely?

Mr. AUSTIN. I certainly did not, but some of these facts are quite well known to me. I have made a somewhat special study of this subject myself. I adopt them, and I am responsible for them.

Mr. McKELLAR. I understand that. The Senator's responsibility is very fine, and I do not object to the Senator putting anything in the RECORD that he desires to put in the RECORD, but I think it is fair to the Senate, if the Senator is going to put figures in the RECORD, that the Senate should know who prepared the figures. That is all I ask. I shall have no objection to the matter going into the RECORD if the Senator will say who prepared the figures. Otherwise I shall object to the statement being placed in the RECORD.

Mr. AUSTIN. Very well; Mr. President, I will state these facts.

Between the years 1929 and 1933 the cruising speed of the most representative type of equipment used by the domestic air lines increased from 122 miles an hour, in the case of the Ford tri-motor, to 170 miles an hour, in the case of the Boeing, 247. This increase of 40 percent in cruising speed of commonly used airplanes is the most pronounced speed advance ever made in the history of air transport aviation, and, Mr. President, this occurred prior to cancelation.

It was several years before cancelation that the Ford Motor Co. installed the first radio-range system over a particular route. This system has been adopted as standard by the Department of Commerce and all domestic air lines. The basis of the now universally used radio-range system was this original adaptation of a design by Ford engineers and subsequent intensive operating experience on the Ford-operated air lines. With the beginning of the fiscal year 1934 governmental funds for the maintenance and improvement of airway radio-range, lighting, and weather-observation and communications systems were drastically curtailed. Any progress made in this important and necessary phase of air transport and other forms of aviation was made before the air-mail contracts were canceled. Just recently the present Congress has indicated its willingness to appropriate funds for a resumption and continuation of this program. For the fiscal years 1928 to 1932, inclusive, the average annual expenditures from regular appropriations for the construction of new and additional radio ranges and airway lighting was one and two-thirds million dollars. During the fiscal years 1933 and 1934 such expenditures were zero. For the fiscal year 1935 they were $287,900, and in 1936 they were $87,000. The current year's regular appropriation is $882,000, and out of that sum it appears probable that the amount likely to be spent for these purposes will not exceed $600,000. The indications are that the appropriation for these projects during the fiscal year 1938 will be approximately $3,000,000—plus authority to obligate an additional $4,000,000 to be provided out of future appropriations—no more than enough to make up in some measure for the set-back received from 1933 to 1936, which was the period subsequent to the cancelation.

No one acquainted with these facts, which are irrefutable, will doubt the tremendous progress made prior to the cancelation of the air-mail contracts. This rate of progress is being continued, thanks to the development work and experience of the 1926 to 1934 period, which had its birth with the action by Congress in 1924 and its growth nurtured by means of a feeling of assurance on the part of the operators that their contracts would be continued and that they could raise money and spend it for sound business expansion.

If we had a chart showing the progress of the air lines, in point of miles scheduled and miles flown, from the fiscal year 1926 to the fiscal year 1937, you would note, Mr. President, a decided decline in 1934, and you would note that the rate of increase since 1934, the time of the cancelation of the air-mail contracts, has been by no means so rapid as the rate which existed from the fiscal year 1930, when the business really got under way, through the fiscal year 1933. These years of rapid increases in all factors of air-transport progress, it should be considered, were the years when national income and industrial production were on their most drastic

downward trend—that is, the years before cancelation—and yet, in spite of that drastic downward trend in general business conditions, there was rapid growth in the air-transport industry.

Upon cancelation on February 19, 1934, the lowest point was naturally reached in miles scheduled and miles flown on the air lines. During the fiscal year 1931 miles flown were approximately 21,500,000, with miles scheduled 23,000,000. For the fiscal year 1932, miles flown were 32,200,000, or 50 percent over those for the year preceding, and miles scheduled were 34,500,000, also a 50-percent increase. No such increase as that in either of these quantities has ever been attained since cancelation. The facts give eloquent evidence that the cancelation dealt the air-line industry a blow which slowed its progress, and from which it has not yet recovered and may yet be a long while in recovering.

Mr. President, an important matter to consider is that curtailment of revenue to air-mail contractors did not begin upon the cancelation of contracts.

I will later point out that this cancelation was not on the basis of cost. I will also point out that while this cancelation was taking place the Postmaster General was before the Appropriations Committee asking for an appropriation of $14,000,000 plus for this domestic air-mail service.

So, I repeat, an important matter to consider is that curtailment of revenue to air-mail contractors did not begin upon the cancelation of the contracts, but as early as the fiscal year 1932, when the appropriation was reduced by $538,000. Simultaneously the average cost per mile to the Government was decreased from 62 cents to 54 cents. Revenue to contractors from passengers and express was at a rapid rate of ascent at this time, for by then public acceptance of this most modern medium of transportation had become well established.

A 57.5-percent increase occurred from the fiscal year 1930 to 1931 in miles of air-mail route. Nothing like that has occurred since.

As further evidence that the status of the present airline system is based on the impetus given the industry during those earlier years is the fact that it was in 1926 to 1929, inclusive, that the major part of the investments were made by private capital upon which the industry's foundation was laid.

Probably the most significant set of statistics on this subject is comparisons of the average number of miles flown daily for certain years. In 1930, 87,500 miles were flown daily, which represents an increase of 43.4 percent over the 61,000 miles flown in 1929. This is the largest increase in volume of steady scheduled flying in the history of the business. In 1931 there was a further increase, bringing the miles flown daily up to 117,000, or 33.1 percent over the preceding year. The 1936 increase in miles flown daily was but 18.4 percent over the preceding year.

Observe that the increase was 18.4 percent as against 43.4 percent in one case and in the other case 18.4 percent against 33.1 percent.

To put this another way, more progress was made in reducing coast-to-coast travel time before cancelation than after. The reduction in the best coast-to-coast time in 1933—when it was 19 hours and 30 minutes—from the best scheduled time in 1930—when it was 29 hours and 32 minutes—is 34 percent. The reduction in 1936, when the corresponding time was 15 hours and 22 minutes, from the best time in 1933, when it was 19 hours and 30 minutes, is 21 percent. In other words, the contrast is that before cancelation there was a reduction in the travel time of 34 percent, while after the cancelation there was a reduction of only 21 percent.

From maps issued by the Department of Commerce, it is indicated that there were but 142 cities served directly by air mail in 1931. In 1933 there were 181 cities served, a 27.5-percent increase over those for the previously mentioned year. No such increase has taken place since cancelation. In July, 1934, after Air Mail Service again started operating under contract, only 173 cities were served. In January 1936 there were 187 cities served, or 8.1 percent over those served in 1934.

Between the years 1929 and 1933 the cruising speed of the most representative type of equipment used by the domestic air lines increased from 122 miles an hour, in the case of the Ford trimotor, to 170 miles an hour in the case of the Boeing 247. This increase of 40 percent in cruising speed of commonly used airplanes is the most pronounced speed advance ever made in the history of air transport aviation. This occurred prior to cancelation.

Mr. President, I am sorry that the Senator from Tennessee is not at the moment in the Chamber, for I should like to ask him if this statement does not convince him of the fallacy of the claim which he has been making here of benefit to the service and to the great institution of air transportation being due to the cancelation of the air-mail contracts and whether it does not show, on the contrary, that the really important constructive work made by this industry in the building of its great plant largely occurred before cancelation, and that such progress as has been made since has been made in spite of that cancelation, and the set-back that it caused, and the subsequent vindictive and restrictive Air Mail Act of 1934, to which I hope to call attention before I finish.

I have also heard the claim made by the Senator from Tennessee that there has been an increase in air-mail pay under regulation of rates by the Interstate Commerce Commission. Mr. President, the history of the regulation of rates by the Commission is directly contrary to the claim made here. It is clear that as volume has mounted the unit cost to the Government for transportation of mails by air has steadily decreased.

Another thing that is apparent is that the numerous existing gaps in our airway system should be filled in. To support these two doctrines, on April 19, 1937, I drafted a letter to a person who was interested in the subject. I am the author of what is contained in this letter, and I stand back of it at the present time. I ask permission to have inserted in the RECORD the part of the letter which deals with the facts relating to increase in air-mail pay under regulation of rates by the Interstate Commerce Commission according to the act of 1934.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

The cancelation of the air-mail contracts was not founded upon excessive payment for transportation of the mails.

You will observe from an examination of hearings on the Post Office appropriation bill for 1935 (73d Cong., 2d sess., p. 250) that Mr. Howes justified the domestic air-mail appropriation of $14,998,993. This reflected reduced rates of pay (p. 251); there was a gradual increase in the number of miles flown and a gradual decrease in the amount paid (p. 252).

Mr. Howes testified that in the effort to agree with the Bureau of the Budget on the amount to be appropriated for the year starting July 1, 1933, "we sent another letter to the contractors, saying that starting July 1, 1933, we would temporarily pay only 75 percent of what the rate of pay for the service under the existing contracts called for; we would take off 25 percent. We did do that, until finally the figure of $14,000,000 was arrived at as the amount we would spend for the current fiscal year" (p. 251).

It was not necessary to cancel the contract to reduce the rates. The rates were not regarded as too high.

After cancelation of the contracts, with its sequel of funerals and penalties imposed without trial by court, a face-saving device was necessary. Therefore, contracts were let only on a sacrifice basis. Bidders well understood the situation, and the rates tendered by competing contractors were absurdly low.

Thus the total cost for transportation of mail by air was reduced to the point you mention, $11,700,000, as shown at page 279 of the hearings on the Post Office appropriation bill for 1938. This was not wholesome because the contractors could not continue on such a basis, save only for the purpose of keeping in a strategic position to get a fair contract in the future.

I need not go into the reduction in service involved in this reduction in cost.

The Interstate Commerce Commission raised the annual cost at 100 percent to $13,244,128.16, as shown at the same page, 279. It seems to me that the permanence and stability of the service, to say nothing of its development, require such an increase as this shows.

Mr. Graddick testified, as appears at page 276:

"I can tell you briefly some of the items that affect the increase in the current fiscal year." (That is contained in the identical

figure above referred to as shown in Mr. LUDLOW's statement on p. 276). "Some of the increase is indirectly due to the Interstate Commerce Commission increases, some due in part to the law, and due in part to changes by the Department of Commerce of routing and mileage and more stringent regulations relative to flying, and due to increased air-mail poundage and increasing excess pay."

I do not understand that by your second paragraph you intend to say that the increase in air-mail postage revenues was the consequence of rate making by the Interstate Commerce Commission. I interpret your words "after the Interstate Commerce Commission had done its dirty work" to mean only that in point of time, namely, following the making of rates, an increase of over $3,000,000 in air-mail postage revenues occurred.

With respect to this paragraph of your letter, you probably do not mean "total revenues of the air-mail contractors." I assume that you mean what is shown at page 281, namely, air-mail postage revenues.

I cannot agree in an inference that the effect of rate making by the Interstate Commerce Commission has been uneconomical. My examination of the facts shown in that table on page 281, which comprehends the figures referred to on page 275, is that the experience under rate making by the Interstate Commerce Commission is to reduce the gap between payments made to contractors and air-mail-postage revenue to a marked extent. Thus, the difference, or gap, was as follows:

1934	$6,392,423.64
1935	2,223,735.77
1936	2,333,188.24

It is our objective to increase the postal revenues until there will be no gap.

Referring to your paragraph third: I wonder if you regard the increase of $4,000,000 in the gross income of air-mail carriers as a point for criticism, or as a cause for change in the rate-making authority.

The drop in payments to contractors from $19,000,000 in 1933 to $12,000,000 in 1936, was accompanied by an increase in express and passenger revenues paid to the contractors of from $6,000,000 in 1933 to $18,000,000 in 1936. It does not appear to me that the increase of $4,000,000 in the gross income of the air-mail carriers arises from payments to contractors for carrying the mail. Moreover, it does appear to me that the Government is interested to have revenues from carriage of persons and property other than mail increase until these contractors become self-sufficient and do not require a subsidy.

There seems to be little doubt that the air-mail situation in respect to payments to contractors, was more satisfactory in 1936 than in 1933.

In 1933 the average mail pay per mile was 54 cents, while in 1936 it was 31.1 cents; in 1933 the pounds transported were 6,741,788 and in 1936, 15,377,993; a direct subsidy was reduced from a little over $13,000,000 to a little over $2,000,000.

I do not understand that the condition spoken of at page 278 by Mr. Graddick, namely: "the less mileage they fly the more pay they get for it. The more mileage they fly the less pay they get" can be accepted without qualifications, but if it can be accepted, then is the question not as to whether the Interstate Commerce Commission is justified in its rate making, rather than a question of changing the rate-making authority.

Specifically, the question that arises is whether the I. C. C. is justified in increasing rates during 1936 so as to aggregate $1,539,229.45.

During the hearings on the McCarran bill there was more than a hint of a feeling somewhere that the rate-making power should be returned to the Postmaster General.

When the hearings on the McCarran bill, S. 2, are available, it will be worth while to go over them for evidence affecting this question.

In discussing the making of the increase in rates Mr. LUDLOW appears to have said (House hearings, p. 290):

"Mr. LUDLOW. On page 165 of the justifications we find given the causes of the increase in this appropriation. The annual rate has been increasing month after month, without the authorization of any additional service on any of the routes, due to several reasons, among which are, first, rate increases granted by the Interstate Commerce Commission; secondly, a steady increase in the poundage of air mail transported, resulting in excess-poundage payments on a number of routes; thirdly, increased mileage, due to a resurvey of the routes by the Bureau of Air Commerce of the Department of Commerce. It seems that the total length of routes has increased from 29,197 miles on July 1 to 29,440 on November 1, 1936, due to the restatement of distances, even though no new routes or extensions have been authorized."

According to the testimony of the Superintendent of Air Mail Service, the resurvey of routes is a matter of safety which results in the air-mail contractors not being permitted in every instance to fly the shortest line, but being required to fly over emergency landing fields.

With regard to reasons first quoted, it appears that the Interstate Commerce Commission rates are based on a sliding scale and are affected by both poundage and mileage. The reference "less mileage * * * more pay"—"more mileage * * * less pay" excites reference to the fact that the base rate of pay is affected by increase or decrease in monthly mileages flown. (I will try to remember to mark a copy of the printed hearings at the place where this matter is discussed.)

Each 10-percent increase over base mileage reduced the rate 1 cent; each 10-percent decrease increases the rate 1 cent.

With regard to excess poundage, the increase in rates works as follows: The average load fixed by law is 300 pounds as a base unit. If there should be an average load of even 1 pound more than 300 pounds the contractor would get a 10-percent increase in the base rate. For example, on route 1—Newark to Oakland—the base pay as of November 1 was 31 cents per mile. On any load of from 301 to 400 pounds United Air Lines would get 3.1 cents increase, or a total of $34.10. On this route, furthermore, the poundage increased to the point where the contractor was receiving not 31 cents per mile but 40 cents per mile, and if the law had not established a maximum of 40 cents the contractor would be entitled to receive 43.4 cents. This extra poundage, according to the Superintendent of Air Mail Service, aggregates about $1,000,000 a year.

Taking this same route 1 under the old rates, the base rate was 33⅓ cents instead of 31, and the rate applicable to load mileage as of November 1, 1936, would have been on this basis: 38 cents instead of the 40 cents the contractor is now receiving. The average base rate in 1935 was 28.3, so that the increase on a rate basis amounts to 2.8 cents. This does not seem to me to be a point for criticism.

From the foregoing, my impression is that one should examine the facts bearing more particularly upon the question whether the rate-making methods of the Interstate Commerce Commission should be changed. The testimony on S. 2 will throw some light upon this question.

Of course, it should be decided with due regard for the Government's subsidy policy to build up a national system of air lines, not only for carriage of mail but also for general commercial and defense purposes.

Supplemental to letter to Hon. JOHN TABER, dated April 19, 1937:

As volume has mounted, unit cost to the Government for transportation of mail by air has steadily decreased.

The numerous existing gaps in our airways system should be filled in.

Mr. AUSTIN. Mr. President, I ask permission to have inserted in the RECORD at this point an editorial entitled "Travesty", dealing with this subject, published in Time of June 14, 1937.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Time for June 14, 1937]

TRAVESTY

United States airlines are in much the same position as adolescent children of divorced parents. By the terms of the divorce (the Air Mail Act of 1934, passed after the celebrated Farley-Roosevelt air-mail cancelation), "Mother" Interstate Commerce Commission has "influence", some jurisdiction. But "Father" Post Office—by control of the air-mail subsidy—has the whip hand. "Mother" I. C. C. would like to let the growing business expand in healthy exuberance. "Father" Post Office, remembering the air-mail scandal, treats the air lines like boys in a reform school.

This situation has resulted in freezing the lines in practically the same status they found themselves in when the Air Mail Act of 1934 was passed. Though there are many places in the United States where extension of routes would benefit both Nation and air lines, such expansions have almost always been forbidden. Sample case was the rejection 2 months ago of Transcontinental & Western Air's application to inaugurate useful service between Albuquerque and San Francisco (Time, Mar. 22). Last week American Air Lines was similarly forbidden to inaugurate service between Detroit and Cincinnati and between Detroit and Indianapolis via Fort Wayne. The Air Mail Act prohibits a new service which might compete with an established one, even if the public's best interests might thus be served.

To improve this awkward arrangement, no less than seven bills were introduced in the present Congress. Two have now merged into the McCarran-Lea bill which would put the airlines almost entirely under the nonpolitical jurisdiction of the I. C. C. This bill emerged from committee last week and is soon to face a vote. Few sincerely air-minded persons in the United States oppose it. The Air Line Pilots' Association unanimously voted in favor of I. C. C. jurisdiction; all the air lines devoutly hope the McCarran-Lea bill will pass. They have, however, been slow to say so because they fear offending the potent Post Office, which also has a bill in Congress—the Mead bill giving it even greater power over aviation than it has now.

This legal rivalry has smoldered for months in Washington. To oppose the McCarran-Lea bill, the Post Office has lately softened its harsh attitude toward the lines, gone out of its way to give them what they asked. Example was permission to United Air Lines last month to fly into Denver (Time, May 10). To make this new service jibe with the Air Mail Act, Solicitor Karl A. Crowley had to devise a totally new concept—that an air line is a "zone of influence" instead of a geometric line. Last week Post Office men in Washington revealed that they will soon advertise for bids for a number of important new air-mail routes, one of which is the flight from Winslow to San Francisco that was denied to

T. W. A. only 2 months ago.[1] Almost every air line in the United States is seriously affected by these proposed new routes, and airline officers last week freely predicted that the scramble for contracts would rival the furor caused by the 1934 cancelations. How most of them feel was expressed in an editorial in a new magazine named American Aviation, whose first issue appeared last week.[2] Excerpt:

"The Post Office opposition is no mystery. A politician has to have in his bag of tricks a group of favorites. In the present situation the air lines are one of the pawns. Political groups must pay communities off in the cheapest coin necessary. Air mail is one way of paying political debts. * * * Only the other day some ebullient Congressman introduced a bill to set aside May 28 as 'Aviation Day.' What a travesty!"

Mr. AUSTIN. Mr. President, Senate bill 2 comprehends more than the Air Mail Act of 1934. It is a broad, general, comprehensive proposal intended to regulate all phases of air transportation. One of its chief objectives is the safety of the men, women, and children traveling by air. It undertakes to prescribe regulations which have for their objectives safeguards, security, protection, and regulation. This is not a bill for monopoly by the Government. Here, thank God, is a bill which can be passed without Senators feeling that they are transgressing American institutions and American principles. Here is a bill which has the old, old American doctrine running all through it—the doctrine of regulation rather than monopoly by the Government. The Government does not by this bill stick its nose into private business. Here we are not thrusting private business aside and trying to crush it and run over it with a huge governmental monopoly. Here we are undertaking to apply a well-known and well-tried means of regulation.

Here we are employing an institution which stands well before the people of the country because of its record. The Interstate Commerce Commission has been tried and proved to be effective. It has accomplished great good and has accomplished no harm and no wrong. What the bill undertakes to do is not merely to cover the regulation of air mail, to which the Air Mail Act of 1934 was limited, but to extend its provisions to the entire air-transportation business.

Someone asked me, "What is the attitude of labor relating to this matter?" I am glad to answer that question. I cannot speak for it save by virtue of its communication to me under date of August 2, 1937, in which it hands me a sort of brief description of the McCarran air-safety bill of 1937 and refers to Senate bill 2 in this way:

Cost to Government less. In the first place the cost to the Government of regulating interstate air transportation under the proposed McCarran air-safety bill will be less because under the Interstate Commerce Commission there will be a more efficient administration of these air transportation safety regulatory functions. To bear this out we wish to invite attention to the fact that the Interstate Commerce Commission now employs 2,236 people and regulates the railroads, busses, pipe lines, and some waterways, both as to safety and economic regulation. On the other hand the Bureau of Air Commerce, Department of Commerce, employs over 2,100 people to regulate a comparatively small industry and then only in regard to safety because they have nothing to do with rate fixing and problems of necessity and convenience.

The attitude of labor toward this bill herein expressed is that of a desire to have it passed. That is the definite answer on that point.

Mr. President, there is another matter to which I desire to invite attention. Reference to this particular matter might be regarded as a bit of temerity on the part of a Republican, a member of the minority in the United States Senate who wishes to gain the votes in the Senate which are substantially all on the other side of the aisle. But I would not be faithful to my convictions, I would be ashamed of myself, if I did not refer to this particular matter.

More than that I have such confidence in the probity and fairness and justness of the Members of the Senate that I feel a reference to it will be given due consideration today, which it did not have at a former time and perhaps could not have had in view of the emotional situation which existed here at the time the Air Mail Act of 1934 was passed.

I refer to the vindictive clause in that act. Not only were the contracts canceled without hearing, without notice, without the presence of any of the contractors, and without any judicial proceedings whatever, and by sheer force and tyranny, but there was caused to be inflicted upon the contractors a punishment without any judicial judgment of guilty. Those who had been the pioneers, the great constructive geniuses in this industry, were caused to suffer one of the greatest penalties that could be suffered by men who had committed all their energies to such an enterprise, and that was that they were prohibited for a period of 5 years from entering into a contract with their Government. I know of no other punishment, save loss of freedom, loss of liberty, loss of life, more severe than that disgraceful and opprobrious punishment which was caused to fall upon these contractors.

Not content with this disability for 5 years, what further do we find? The President himself sent a message to the committee of which the Senator from Tennessee [Mr. McKELLAR] is chairman, the Senate Committee on Post Offices and Post Roads, recommending the disqualification for life of these men from entering into any such contracts. How does it come about? It comes about through various forms which are described in the document which I have caused to be inserted in the RECORD, but it finally comes about in the form of section 7 (d) of the Air Mail Act of 1934:

No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bid to carry the mails.

I suspend the reading to point out that these contractors would not be more specifically pointed out if their names were inserted right in that section. I asked the solicitor of the Post Office Department the question, Who were intended to be included in that prohibition for life? He testified—and it is in the hearings on this bill—that it was the contractors whose contracts were canceled by the Postmaster General.

I continue to read:

Provided, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination—

Familiar, is it not?—

to prevent the making of any bid for carrying the mails, nor any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer—

Is not this amusing in the light of what occurred yesterday?—

if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

The Black-McCarran Act forbids anybody connected with these air lines having, although they may earn it, compensation of any kind, whether it includes emoluments or no emoluments, salaries or fees or whatever it may be, exceeding $17,500 per year; and we as a Congress laid that down in this statute condemning for life these contractors.

If there is any one thing that would persuade me, if I felt doubt about this McCarran air-transport bill, to support it here, it would be the fact that thereby it would be possible to repeal that disgraceful, vindictive law. I

[1] Others in order of probability: Washington to Buffalo via Baltimore and Harrisburg; Jacksonville to Mobile via Tallahassee; Pittsburgh to Chicago via Dayton; Houston to Corpus Christi; Huron, S. Dak. to Cheyenne; Denver to Kansas City, Memphis and Birmingham.

[2] An informative, slick-paper bi-monthly selling for $3 a year, edited by outspoken Wayne W. Parrish, one-time editor of National Aeronautics Magazine. Copublishers with him are the Stackpole Bros. (Maj. Albert Hummel and Gen. Edward James), publishers of the 104-year-old Harrisburg (Pa.) Telegraph.

hope the Senate will exercise its prerogatives as well as its duty, and attend to that matter at this session.

Mr. WHEELER. Mr. President, it seems that every time we discuss air transportation in the Senate, we have a great deal of heated argument with reference to the subject. We are faced with the situation that, as I understand, one Senator today indicates that he is going to filibuster to prevent a vote being taken on a bill of which the overwhelming majority of the Senate, I believe, is in favor. I merely wish to say that if that takes place, we may expect to be here for a considerable period of time, because I do not think it is fair to the Senate of the United States that one Senator should be permitted, in the closing days of the session, and at the expense of every other Senator, simply to announce that he is going to try to prevent a vote being taken here.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. If the Senator has been in the Senate Chamber during the debate on this bill—and I think he has been—he knows that the Senator from Nevada [Mr. McCARRAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Vermont [Mr. AUSTIN] have talked more about the bill than I have. Does the Senator include them in the filibuster about which he is talking?

Mr. WHEELER. Let me ask the Senator from Tennessee a question. Will the Senator from Tennessee permit a vote to be taken on the bill?

Mr. McKELLAR. Not until the Senate has the facts concerning the bill.

Mr. WHEELER. Will the Senator agree upon a time to vote on the bill?

Mr. McKELLAR. No; I will not. The Senator from Montana is the fourth Senator to speak in advocacy of the bill. Its advocates have presented their side. I have not yet presented my side. I desire to present it, and I shall do so if I have a chance to do so.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CONNALLY. As a bystander and a neutral in this controversy, I wish to challenge somewhat the sentiments expressed by my distinguished colleague, the Senator from Montana [Mr. WHEELER].

Nobody can defend a filibuster just for the sake of consumption of time; but, at the same time, I am not in favor of ever limiting debate in this body. It is the one place in America where there is freedom of debate and freedom of discussion. When I became a candidate for a seat in this body the first time, one of the planks in my platform was a pledge not to vote for cloture in the United States Senate.

I think filibusters are sometimes justified. I think until the country thoroughly understands a question, Senators have the right to utilize their privileges on this floor to hold up action, and to delay action until the country can be aroused, and until the country knows what it wants to do.

There was no filibuster, for instance, on the recent Supreme Court bill; yet if the Judiciary Committee had not held that bill in the committee legitimately—not for filibustering purposes, but legitimately—until such time as complete hearings could be had, and the country could be advised about it, the result might have been different. So I hope the Senator from Montana will not undertake to convert the Senate to the theory that just because somebody wants to get a bill up we are going to bring it up without proper discussion.

Mr. WHEELER. I think the Senator from Texas misunderstood me. As a matter of fact, I have never voted for cloture in this body, and I never shall.

Mr. CONNALLY. I congratulate the Senator.

Mr. WHEELER. Like the Senator from Texas, I never shall vote for cloture in this body; but I do think it is unfortunate when one Senator says he is going to hold up a bill, as I have understood the Senator from Tennessee has said he was going to do.

Mr. BORAH and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield first to the Senator from Idaho.

Mr. BORAH. Mr. President, I desire to say to the Senator from Montana and the Senator from Texas that there is creeping into the practice of the Senate a form of cloture to which I think we ought to give considerable attention. That is the disposition, which has been put in practice several times of late, to move to lay a matter on the table before discussion can be had; and several times the motion has been carried.

Mr. CONNALLY. If the Senator from Montana will yield further——

Mr. WHEELER. I yield.

Mr. CONNALLY. I desire to say that I probably have sinned in voting sometimes for motions to table; but as a rule I think it is a bad practice, and it is really contrary to the theory which the Senator from Texas was just expressing. I think the United States Senate is one place where all public questions ought to be thoroughly discussed, and plenty of time given. What is time? We are going to be here or somewhere else all the time, and we are supposed to serve the people of the United States all the time; and if the proper consideration of a question requires us to stay here from now until the first day of January, it is our duty to do so.

Mr. BORAH. Mr. President, if the majority utilizes the practice of moving to lay matters on the table whenever it sees fit to do so, then we have cloture in the Senate.

Mr. CONNALLY. In a limited sense, but not on the final passage of a bill.

Mr. BARKLEY. Mr. President, if the Senator will yield——

Mr. WHEELER. I yield.

Mr. BARKLEY. In that connection, I will say to the Senator from Idaho that the only time within recent weeks that I know of when a motion has been made to lay on the table was when a wholly different subject was sought to be engrafted upon a bill under consideration, one which had no connection whatever with the bill under consideration; and to have debated that subject as long as it was subject to debate, and with the probabilities of its extension, would have made it impossible to vote on the main bill under consideration. In the two instances I have in mind which occurred recently, the motion to lay on the table was not because of any desire to shut off legitimate debate, but because the conduct of an extensive and indefinite debate on an amendment offered would have prevented action on the bill which was under consideration.

As a matter of principle I agree with the statement of the Senator that ordinarily a motion to lay on the table is one that ought to be resorted to only in the most extreme cases, or where it is necessary to secure action on legislation which the Senate wishes to consider. I do not think the two instances in recent days ought to be regarded as establishing a practice or undertaking to inaugurate a custom in the Senate.

Mr. BORAH. I hope not; and I am delighted to have the majority leader's view upon that matter. The particular instance to which the Senator refers was not the instance which was in my mind when I made the observations I did make; but I am certainly pleased to have the majority leader in a sense discourage the practice.

Mr. WHEELER. Mr. President, when this bill was introduced by the Senator from Nevada [Mr. McCARRAN] it was referred to the Committee on Interstate Commerce. As chairman of that committee, I did what is ordinarily done with a bill which I deem of importance; I appointed a subcommittee, and it held hearings with reference to the bill. The subcommittee was composed of the Senator from Ohio [Mr. DONAHEY], the Senator from Wyoming [Mr. SCHWARTZ], the Senator from Missouri [Mr. TRUMAN], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Vermont [Mr. AUSTIN]. Subsequently, the Senator

from Ohio [Mr. DONAHEY] became ill, and I appointed the Senator from Missouri [Mr. TRUMAN] chairman of the subcommittee. They held hearings. The Post Office Department was heard, the Interstate Commerce Commission was heard, the air transportation people were heard, and everybody who wanted to be heard was given an opportunity to be heard.

After the bill was favorably reported by the subcommittee to the full committee, it was unanimously reported by the full committee to the Senate. Before it was reported, however, the Senator from Tennessee [Mr. MCKELLAR] came before the committee, and was given an opportunity which is accorded to very few persons. He came there and cross-examined for days and days practically every witness that he wanted to cross-examine. There has never been a bill before the Committee on Interstate Commerce on which there has been a fuller or fairer hearing than on the present bill.

This bill is in accord with the President's views with reference to air transportation. He has repeatedly sent messages to the Congress in which he has said that air transportation should all be consolidated under one commission. I have his messages here on my desk.

The Senator from Tennessee has complained about the provision in the bill with reference to consolidation. That provision was taken from the Railroad Transportation Act, and has been passed on by the Supreme Court of the United States. It is the same provision that is in the Motor Carrier Act, and it goes further to make illegal consolidations impossible than either the Railroad Transportation Act or the Motor Carrier Act. In no instance can a consolidation take place unless it is first submitted to the Interstate Commerce Commission and found to be in the public interest. The bill goes so much further than does the present air-mail law with reference to regulation of air transportation that there is no comparison.

There is reference to consolidations by the Post Office Department. I can point to case after case where there has been a consolidation by the Post Office Department under the present law, and where, as a matter of fact, the Post Office Department has permitted consolidations of competing carriers in violation of the present statute, under their own admission.

Mr. POPE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. POPE. It appears that all those in my State who are interested in air transportation, the pilots, and everyone else, are for the bill, and it is interesting to me to hear from the Senator that the restrictions in this bill are greater than those in the present law. It seems to me a little unusual that those who are to be regulated are favorable to the bill, if the regulations are more strict than are those found in the existing law.

Mr. WHEELER. I think the reason for that is that air transportation has been a political football, and favors have been granted. I do not know that this has happened under the present administration of the Post Office Department, but we do know that under a former Postmaster General the air transportation of this country was kicked around like a political football, and favors were granted to this particular individual and to that individual, to the man who had the greatest political pull.

I do not know one single individual who either owns one of these companies or is interested in air transportation. It just so happens that I have never come in contact with them, and have never seen them before the committee, except when I acted as chairman of the subcommittee temporarily, so I do not know any of them, and I have never come in contact with them. But I think they are interested because they feel that the bill makes for stability in the industry, and I think they are for it because they feel that this is the way to get the business out of politics.

The Senator knows, as we all know, that when the first bill proposing the regulation of the railroads through a commission was introduced and the Interstate Commerce Commission was created, most of the railroads were opposed to it, because they said it was going to ruin the railroads. Today, in my judgment, they feel that it makes for stability, and the rules and regulations of the Interstate Commerce Commission are carried out in a legal manner, and the roads have a right to appeal to the courts of this country. If there were an attempt to repeal the interstate-commerce law, the railroads, the railroad brotherhoods, all the business interests, as well as the shippers, would come before the Congress and ask us not to repeal the law.

It is easy to stand before the Senate and say that the air-transportation interests want this bill and, consequently, we should not pass it. It is easy for me or anybody else to stand before the Senate and try to appeal to the prejudices of Senators because some individual appeared and advocated the enactment of the bill.

When this bill came before the committee and the hearings were started, I wrote to Mr. Miller, Chairman of the Interstate Commerce Commission, and called him on the telephone and asked him if he would not send one or two of his experts to cooperate with the committee so that we could work out a good bill for air transportation. He sent two experts from the Commission to work with the subcommittee.

As I have said, not only are the people who are interested in air transportation in favor of the bill—at least some of them, though perhaps not all of them—but the air pilots as well are interested, as are the people out in the western section of the country and many cities there. They are in favor of the bill. The American Federation of Labor has endorsed it; the railroad brotherhoods have endorsed it; all the great labor organizations in the country have endorsed it; and all the air manufacturers have endorsed it. Practically all those in the country who are interested in air transportation, and the little chambers of commerce that are interested, have endorsed it; and I know of no opposition of any kind or character to the bill excepting that which emanates from the Post Office Department.

Some of the young clerks in the Post Office Department are opposed to the bill because they do not want taken from the Post Office Department some control over the air-mail lines. But when we have set up a commission, in which the people of the United States have confidence and which they trust, to regulate the great transportation system, and when we know that air transportation has been made a political football, that there has been corruption and crookedness, should we be guided by such a consideration?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. AUSTIN. I wish to ask a question for fear it may be overlooked. The Senator referred to the Post Office Department losing some control over the air mail.

Mr. WHEELER. Yes.

Mr. AUSTIN. I call the attention of the Senator to the fact that the Post Office Department would not lose control over the mail itself.

Mr. WHEELER. That is correct.

Mr. AUSTIN. Under the bill the Post Office Department would continue to place air mail on the carrier it chose, provided that carrier were authorized to carry mail.

Mr. WHEELER. I thank the Senator for that suggestion, because the Post Office Department is still going to have authority with reference to the air mail.

The Interstate Commerce Commission deals with railroad transportation, it deals likewise with motor-carrier transportation, and is not the Commission the proper repository for control over air transportation?

A commission was appointed to study this matter, and they recommended, as I recall, that a separate commission be created for the purpose of handling this matter. The President agreed that there should be a commission appointed, but did not want an independent commission; he

wanted to have it, as I read his statement, under the Interstate Commerce Commission, according to messages which he sent to the Congress, and the expert from the Commission says that the President specifically so stated in his letters.

When we are speaking about consolidations which are going on, let me call attention to the fact that certain language was put into the Air Mail Act of 1934, as amended, which prohibited an air-mail contractor from engaging in any other line of aviation endeavor, such as manufacture. It also prohibited mergers and consolidations under section 7 (a), (b), and (c). It further prohibited any director or officer of any carrier from being financially interested in another air carrier.

The opponents of Senate bill 2 openly charged that should the bill pass these safeguards would be eliminated, due to the fact that the bill would repeal the Air Mail Act. This is not the case. The language of Senate bill 2 is tried and tested, and contains practically the same language that has been used in both the Rail Act and in the Motor Carrier Act. This was fully developed at the hearings before the Interstate Commerce Committee.

I attended the hearings for a day or so, at the request of some of the members of the Committee on Interstate Commerce, and I called attention to the fact, as appears on page 301 of the printed transcript of the hearings, that consolidation of competing lines between Washington and Pittsburgh and Detroit had been permitted. I now quote the Senator from Tennessee [Mr. McKELLAR]:

> In this case, then, these two companies have violated the law, and they ought to be prosecuted for it.

I further brought out the fact that this was done with the consent of the Post Office Department.

If the Air Mail Act forbids consolidations—about which the language of section 7 (a) seems to be pretty clear—the Post Office Department has consented and been a party to the following violations:

First. Long and Harmon bid and secured route 15 in 1934, evidently with the idea of selling, because a few months later they sold to Braniff Airways; and this sale, although forbidden by law, was allowed by the Post Office Department. Under the Air Mail Act there is no protection to the Government, as would be the case under Senate bill 2, with complete investigation by the I. C. C. prior to any consolidation. Before any consolidation of any kind may be made, an application must be filed with the Interstate Commerce Commission, and the application must be investigated, and hearings had upon it.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. DAVIS. There was also a consolidation of the so-called Pennsylvania Air Lines with the Central of Pennsylvania Air Lines.

Mr. WHEELER. Yes; I am coming to that.

Profits on this sale and other mergers, such as the Pennsylvania-Central consolidation, may be capitalized to any extent by the company acquiring the mail contracts. Under Senate bill 2, with full control and investigation of these mergers, lower postal rates would result, because of the fact that the capital structure could not be expanded beyond a reasonable point.

Other violations and consolidations are as follows:

Second. North American Aviation Corporation, an aircraft manufacturing company, was awarded an air-mail contract by the Post Office Department and operates it under the name of Eastern Air Lines. Not only was this allowed but the Post Office further allowed them to acquire a smaller air-mail line known as the Wedell-Williams Line, which also had an air-mail contract. This transfer and consolidation were approved by the Post Office. Under Senate bill 2 such a consolidation would have been investigated, and the Interstate Commerce Commission would have made certain that in this acquisition the capital structure of Eastern Air Lines would not be unduly expanded beyond a reasonable point. The Post Office Department further allowed United Air Lines to buy a portion of the Wyoming Air Lines. Western Air Express has been allowed to purchase National Parks. The Pennsylvania Air Lines bought Central Airlines, as shown in the hearings on page 301. In the latter consolidation a monopoly of the business from Washington to Detroit resulted, and passenger rates were immediately raised above the point where they had been during competition. Senate bill 2 has provisions which will protect the public, whereas under the Air Mail Act the public has no protection. Northwest Air Lines acquired a part of Hanford Air Lines; Varney Air Lines acquired a part of Wyoming Air Lines. In all these cases all parties were air-mail contractors, and nevertheless were allowed to purchase and consolidate at will under the existing Air Mail Act, by and with the consent of the Post Office Department.

According to newspapers and magazines, Eastern Air Lines and T. W. A. are negotiating with the view of combining. It has also been stated in the press that T. W. A. and Pennsylvania-Central are negotiating. The present law has proven inadequate. Some control over consolidation must be immediately enacted.

The bill under consideration would compel air lines desiring to consolidate to file an application with the Interstate Commerce Commission and come before that body and have hearings with respect to their capital structure, and also as to whether or not the public interest is being served. There is nothing in the present Air Mail Act to provide for the proper study of such consolidations before they are permitted.

How are consolidations now accomplished? Applicants go up to the Post Office Department and see some official there, who decides whether the consolidation is all right or is in violation of the law. That is the reason why some of the air-line operators feel they are not getting equal treatment from the Post Office Department, and they desire to have the determination of those questions placed under a body before which they will be afforded hearings, at which it may be shown whether or not the consolidation is in the public interest.

Under subsection (b) of section 3 of the Air Mail Act of 1934, as amended [Senate hearing, see p. 299], the Post Office Department merely considers the transfer of the contract, and does not study the result of such consolidations and their effect upon all United States air transportation. This would be done under Senate bill 2.

The Post Office Department is without authority to control new practices and new ideas such as are illustrated by the following examples:

Two airlines are now advertising "Through sleeper service and interchange of flying equipment." There is nothing in the present air-mail law to prevent the evils of discrimination against other air lines, cities, shippers, or even travellers. Senate bill 2 has the same safeguards in these cases that Congress has so carefully applied to other forms of transportation.

Senate bill 2 provides safeguards to take care of all these cases, and questions of violation and discrimination have to be passed upon by the Interstate Commerce Commission.

In one case a connecting line—namely, Pennsylvania-Central—was charged by one of the transcontinentals with whom it connects with favoring a second transcontinental in the matter of connecting schedules, to the detriment of the first. This is entirely possible under the existing law, but impossible under Senate bill 2, as discriminations are strictly prohibited as the bill was drafted and has been reported out by the committee.

Under the existing air-mail law, T. W. A. advertised service to Baltimore, and was promptly told by the Post Office that regardless of the need of Baltimore for east-west service—that city having none—they would not be allowed to render such service. That is the information that has come to me. One week later American Air Lines, on their Cincinnati-Washington-New York service, were allowed to make a stop

at Baltimore, which they never before had been allowed to make.

United Air Lines has advertised a service on its transcontinental line terminating one or two schedules at Philadelphia. On protest by T. W. A., the Post Office Department held a hearing at which Mr. Crowley, presiding, stated that the case would be decided purely on the basis of air mail, and that no testimony such as was given by the city of Philadelphia itself and various chambers of commerce as to the necessity for that service would be considered. Public convenience and necessity are not considered in any fashion under the Air Mail Act, whereas under Senate bill 2 the public is not only considered but protected.

Mr. BROWN of Michigan. Mr. President, am I to understand that at present there is no authority for lowering the passenger rates of interstate air carriers?

Mr. WHEELER. The expert tells me there is none.

Mr. BROWN of Michigan. Is there no control whatsoever over safety devices?

Mr. WHEELER. That control is in the Commerce Department.

Mr. BROWN of Michigan. Where does the Bureau of Air Commerce come in? What authority has that Bureau regarding devices for the safety of passengers?

Mr. WHEELER. That Bureau comes within the provisions of the Air Commerce Act of 1926.

In House Document 141, on page 20, a further violation of the Air Mail Act is shown, and while the Post Office Department have full knowledge of this violation, and have publicly stated that it is their duty to enforce the act, no action has ever been taken in the matter.

In the matter of interlocking relationship it is shown that an assistant to the president of American Airlines held the controlling stock in Central Airlines, another air-mail contractor, and participated in the consolidation of Central Airlines with Pennsylvania Airlines, which consolidation was also unlawful.

As a further confirmation of the undesirability of maintaining the contract system in regard to air mail, the last bids prove conclusively that air-mail contracts are being bid for with a hope of making money from sources other than through the carriage of air mail at the bid price. Pennsylvania-Central bid $0.0000008, and were awarded a new air-mail contract, which at this figure will gross them approximately 12 cents a year. T. W. A. secured two routes at 1 mill per airplane mile, and will use on these routes a type of airplane that costs approximately 60 cents a mile to operate. The average airplane now used on any air line costs between 50 and 60 cents per mile to operate. Under Senate bill 2 all new operations would be subject to the same careful scrutiny that Congress has wisely provided in the case of other forms of transportation.

Threatening rate wars and unhealthy operating practices which are possible under the existing Air Mail Act would be impossible if Senate bill 2 were enacted.

Mr. POPE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. POPE. In what other ways do the air lines make up for their losses under such bids as those to which the Senator has referred?

Mr. TRUMAN. Mr. President, will the Senator from Montana yield to me? I think I can answer that question.

Mr. WHEELER. I yield to the Senator from Missouri.

Mr. TRUMAN. The only way in the world in which the air lines can make up for a loss of that sort is by the carriage of passengers and freight. Every time a condition of that kind arises those who ride on the air line have to pay for the loss suffered by the air line in its carriage of the air mail. The only reason why the air lines bid for the air-mail routes at such ridiculously low figures is to keep out competition, for fear they will be driven out of business.

Mr. SCHWELLENBACH. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. SCHWELLENBACH. I do not know whether or not the Senator from Montana heard the question I propounded to the Senator from Tennessee [Mr. McKELLAR] the other day. I became a little weary of waiting for an answer after an hour or so and left. I should like to propound the same question to the Senator from Montana.

Is there any difference in principle between the operation of air transportation and the operation of railroad transportation? Was any serious contention made before the Senator's committee as to any difference which would make it necessary to control air-mail transportation in a different way than that in which we have controlled railroad transportation or truck transportation?

Mr. WHEELER. I know of none whatever. As a matter of fact, we pay subsidies to the railroads, or we give the railroads contracts to carry the mails. Is the fact that the Post Office Department lets contracts to the railroads to carry the mails any reason why the railroads of the country should be under the Post Office Department?

I understand also that in certain instances contracts are awarded to busses and trucks to carry the mail, but who is there in this country to say that the transportation system by railroads or busses or trucks or by the shipping industry ought to be under the Post Office Department? It is a perfectly ridiculous proposition; it has led to nothing but graft, corruption, and political chicanery, and it ought to be stopped.

Those of us who were here when it was being sought to have air lines put into this particular section or that particular section of the country know that the location of the lines went by favor and not by right. Such a practice ought to be stopped. One reason why some of the transportation companies are in favor of putting the service under the Interstate Commerce Commission is that before the Commission a showing has to be made that the service would be in the public interest, whereas no such showing used to be required under the previous arrangement.

Mr. POPE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. POPE. Two or three days ago the senior Senator from Missouri [Mr. CLARK] and the Senator from New York [Mr. COPELAND] made the argument since the Interstate Commerce Commission had had experience in dealing with railroad freight rates and thought in terms of railroads and the welfare of railroads, that to place this competing service under the Interstate Commerce Commission might not be a desirable thing to do. The Senator from New York said that in the case of joint water and rail rates he had evidence sufficient to satisfy his mind that the Interstate Commerce Commission had favored the railroads as against the shipping lines. I am wondering, from the experience the Senator from Montana has had with the Interstate Commerce Commission if he thinks there is any validity in that sort of an argument?

Mr. WHEELER. Let me say to the Senator I introduced, at the request of the administration, a bill to put water transportation under the Interstate Commerce Commission, and I introduced, at the request of the administration, and had passed through the Congress a bill to put motor carriers under the Interstate Commerce Commission. Some of the motor carriers came before the committee and said that they did not want to be placed under the Interstate Commerce Commission because they thought the Commission was railroad-minded. Many of them, however, came before the committee and wanted their business to be placed under the Commission. It has been under the Interstate Commerce Commission for some time, not a complaint has come to me as chairman of the committee or to any member of the committee, and no suggestion has been made that bus and motor transportation has not been treated with absolute fairness.

We had before us the other day the man who has been appointed as a member of the Interstate Commerce Commission, Mr. Rogers, who had been handling, as head of the bureau, subjects relating to bus and truck transportation. He has been put on the Commission, and the truck industry from one end of the country to the other and the railroads from one end of the country to the other and the railroad brotherhoods all joined in recommending the appointment

and the confirmation by this body of the nomination of Mr. Rogers.

So there has been such a fear as the Senator from Idaho suggests, but after the bills have been enacted and the services have been placed under the Interstate Commerce Commission there has been no complaint. The Senator knows that if anything of the kind as he suggests occurred the first place that those engaged in the trucking industry or the air industry would come to would be the committee. They would want an investigation. They would complain and say that they had not been treated fairly. We all know that they would get an investigation. There is no question but that the Interstate Commerce Commission has not been perfect; we all agree to that; no commission has been perfect, and, so long as it is made up of human beings it never will be perfect, but, by and large, the Interstate Commerce Commission has gained the confidence and respect of all classes of people in this country to an extent that no other commission that has ever sat here in the city of Washington has ever enjoyed. I am glad to say that much for the Commission, imperfect though they may be.

I now want to call attention to a provision in this bill with reference to consolidation. The provision found in the bill goes further than the provision of the Railroad Act, and further than the provision in the Motor Carrier Act. It is all right to get up here and say that this bill is going to permit monopolies, but let us see what are the facts and not consider merely statements as to what is going to happen. I read the provision:

Provided, That no consolidation, merger, purchase, lease, operating contract, or acquisition of control shall be permitted if such act would result in creating a monopoly or monopolies and thereby unduly restrain competition or unreasonably jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control so proposed: *Provided further*, That if the applicant is a carrier other than an air carrier, or a person controlled by a carrier other than an air carrier or affiliated therewith within the meaning of section 5 (8) of part I, such applicant shall for the purposes of this section be considered an air carrier, and the Commission shall not enter such an order of approval and authorization unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than an air carrier to use aircraft to public advantage in its operation and will not unduly restrain competition.

I know of no law and no provision that has been written into any law passed by the Congress of the United States with reference to monopolies that is so strong as the provision in this bill. There is not a law upon the statute books which goes as far as the provisions of this bill go. Those provisions are in the bill because of the fact that I went repeatedly to the Commission and told them of the complaints that had been made, and I went over the matter with Mr. Eastman, who assured me that every precaution was being taken; and every precaution has been taken.

Mr. President, I wish to say a word or so with reference to the argument that has been made by the Senator from Tennessee concerning Mr. Haley. I never saw Mr. Haley until he came before the committee. He has been abused here upon the floor of the Senate because he went down to a room at the Carlton Hotel, I think it was, and sat down with representatives of the aircraft interests. What happened in that case? I will state what happened. The Commission itself asked Mr. Haley to go there. If there is any blame, it should not be put on Mr. Haley.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. McKELLAR. Will the Senator point out to me a single line in the testimony which shows that the Commission sent Mr. Haley down to room 212 to confer with the air-mail lobbyists in connection with the preparation of this bill? I challenge him to do it.

Mr. WHEELER. We can show it. The expert will find it for me.

Mr. McKELLAR. Mr. President, let me say——

Mr. WHEELER. We will come to it.

Mr. McKELLAR. Mr. President, I did not know that our rules had been changed and that experts could be brought upon the floor of the Senate here for any purpose. We have a rule about such matters. I have never liked the custom of chairmen of committees—and I have never done it myself as chairman of a committee— of having experts from a department come here and sit in the Senate and take part in these discussions and debates.

Mr. WHEELER. Oh, well——

Mr. McKELLAR. For they do take part in them when they furnish information. I myself have never engaged in such a practice. I have not asked that the rule be conformed to even in this case when it has been brought out that two gentlemen from the Interstate Commerce Commission have been here from the beginning of this discussion advising Senators who were speaking in behalf of the bill.

Mr. WHEELER. If the Senator from Tennessee wants to ask a question, very well; but I am not going to permit him in my time to proceed along that line.

Mr. McKELLAR. Then, if that is the case, I want to make the point of order now that the rule of the Senate concerning those who have the privilege of the floor is not being enforced.

Mr. WHEELER. The Senator wants to make the point of order now because, in the absence of the Senator from Nevada [Mr. McCARRAN], who is ill in the hospital, I am trying to explain the bill and answer charges made, and when the Senator from Tennessee asked me a question——

Mr. McKELLAR. Mr. President——

Mr. WHEELER. Just let me finish. I refuse to yield—and I have turned to this expert, who knows the files and who says that he will find the answer—because he does not want it answered, the Senator from Tennessee makes the point.

Mr. McKELLAR. I will withhold the point of order that the rule of the Senate be enforced as to those who are entitled to the floor until the expert finds what the Senator wants.

Mr. WHEELER. Very well, I am thankful to the Senator for that.

Mr. McKELLAR. It is nothing to be thankful for; it is a courtesy that I am happy to accord the Senator.

Mr. WHEELER. I am glad the Senator will grant us one courtesy; it is very generous of him.

Mr. President, I wish to say that not only do I understand that it appears in the record, but, from my personal knowledge and conversation with members of the Interstate Commerce Commission, I know they themselves asked Haley to go down there, for they told me so. Of course, it is all right to denounce these people as lobbyists. I do not know them and I never talked with them. I never saw them, and I would not know one of them if he walked into my office.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. AUSTIN. I assume that the Senator is not familiar with what is shown by the hearings before the Appropriations Committee of the House of Representatives. Year after year, charges were made that conferences with air-mail contractors were held, and that under the present Postmaster General it has been found not only wise but necessary to get the air-mail contractors together from time to time to discuss not only the matter of how much money should be appropriated, but also other matters relating to the extension of lines, and all of the necessary details connected with the building up of a vast air-mail structure. Therefore I ask this question: Does not the Senator consider it not only ethical, but practically necessary, for the man at the desk in the Post Office Department to get information direct from the contractors instead of trying to get it through a back door of some kind?

Mr. WHEELER. Of course. It is perfectly ridiculous to talk about lobbyists. When we have to get information, we call these people before the committees. We all know the railroads themselves maintain an office in Washington and all other large industries do the same thing.

At page 335 of the hearings Commissioner Eastman said:

Commissioner EASTMAN. I read what Mr. Haley had to say about that, and it is substantially accurate, although it does not give all the details. I shall be glad to tell you the whole story.

Senator MCCARRAN. I would like to have it.

Commissioner EASTMAN. On December 30, 1936, I received a letter from Congressman LEA, who was not then, I think, chairman of the House Committee on Interstate and Foreign Commerce, but who anticipated becoming chairman, and who said that he wrote the letter with the approval of Mr. RAYBURN.

He submitted to me a copy of a proposed air-carrier bill, and he also enclosed a copy of the bill with the relation to that matter which he filed last year. That latter bill was the one which embodied all the recommendations of the Federal Aviation Commission.

He said he was not sponsoring either of those bills, but he would appreciate it "if the proper persons in your Department could give some consideration to the matter in order that we might informally discuss the subject before the bill is filed."

I was extremely busy at that time, and the bills were voluminous. I called him up and found that he was in no immediate haste on the matter, but eventually I got around to it, with the result that I went up and had a talk with him, and said that I had gone over those bills, and I did not think that either one of them would serve the purpose.

I suggested the desirability of preparing a comparatively simple bill, which would contain what I regarded as the fundamentals of such a system of regulation of air carriers, leaving doubtful points to be brought up and considered at the public hearings.

In other words, I called that a minimum bill, and suggested that there might be need for additions to it, but that those who wanted additions on one side or the other might present those matters at the public hearing and prove their case.

He asked me whether I could prepare such a bill; and I told him at that time what I have told this committee, that I was not very well equipped for that, because, as Coordinator, I did not make a study of the air-carrier situation, nor had I been on the division of the Commission which had dealt with that matter; but, in response to his request, I said that I would undertake that, but that I could not commit the Commission to anything. It would be purely informal work, so far as I was concerned.

Before I finally prepared that bill he submitted, with a letter of January 29, another bill to me, which he said he was advised that all the air carriers, without exception, had agreed to, and he wanted me to consider that also.

In preparing my minimum bill I did not follow any one of those drafts. As a matter of fact, I used your S. 2 as a basis, and made additions, interlineations, and so forth, in that bill, striking out various provisions, and so forth, and getting it into the minimum form.

On February 5 I submitted that bill to Congressman LEA, with an accompanying letter. Would you like to have me read that letter?

Senator TRUMAN. I would like very much to have you read it.

Mr. AUSTIN. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Montana yield to the Senator from Vermont?

Mr. WHEELER. I yield.

Mr. AUSTIN. I ask the Senator if he is familiar with this statement appearing in the hearings before the subcommittee of the committee considering the Post Office Department appropriation bill for 1935? Mr. Howes, the Assistant Postmaster General, at page 251 of those hearings, said:

We then called a meeting of those already holding the existing contracts and told them we only had $14,000,000 to spend, and in our letter to them we suggested that they submit plans, if they had any, as to possible curtailment to come within this $14,000,000. They submitted some six different plans, and we finally ended up by taking a plan which was principally our own and deducting from each existing contract a percentage of money to take up the difference, the cut being an equal percentage of them all.

I point to that in order to show that soon after the cancelation of the air-mail contracts and while the air was filled with vibrations from the charges of fraud and collusion and spoils conferences the Postmaster General was doing the only practical thing he could do—that is, calling the contractors together to get their views.

Mr. WHEELER. I thank the Senator.

I continue quoting from Mr. Eastman:

I then had a talk with him, I think, over the telephone, and the substance of that talk is indicated in a letter which I wrote him on March 1, 1937.

Senator MCCARRAN. Before you go into that, Mr. Eastman, it is true, is it not, that on one or two occasions that I recall in times past you have conferred with me and have done me the courtesy of coming to my office for conferences on the drafting of bills on this subject?

Commissioner EASTMAN. Yes, sir.

I read now my letter of March 1, 1937 [reading]:

"Hon. CLARENCE F. LEA,
"*Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.*

"DEAR MR. LEA: On February 5, 1937, in response to your request, I sent you a draft of an air-carrier bill, intended to be what I termed a "minimum bill." I also stated that I would later submit another draft, prepared on the same theory but providing for regulation of air transportation in foreign commerce as well as interstate commerce. Subsequently you asked me to confer with the representatives of the air carriers, with a view to seeing whether or not, or to what extent, we could agree upon a bill which would go beyond the minimum stage. Such conferences have been held, with me and with men from the staff of the Commission—"

That is where Mr. Haley comes in. I authorized him to have those conferences.

I had not seen that letter prior to today, but I talked with Mr. Eastman about it and he told me he sent Mr. Haley there for conferences with these men. Now is it fair to rise on the floor of the Senate and denounce a man working in one of the departments when his chief sent him to hold conferences with those people? Is it fair to charge that he is working part and parcel with them and that they are just a lot of lobbyists? Representative LEA asked Mr. Eastman to have a conference with the representatives of the air lines. Commissioner Eastman said he would have a conference with them and asked Mr. Haley to carry on the conference. Mr. Haley did so for the Interstate Commerce Commission. He worked nights and went to the hotel to talk with those parties, to see if they could not work out and agree upon the provisions of the bill which would be satisfactory to the Commission, satisfactory to Representative LEA and satisfactory to the industry. That is what took place.

As I said, I do not believe I know anybody in the air industry. As a matter of fact when the Black investigation was being conducted I think I voted to do everything that anybody asked me to do in connection with it, because I thought there was a lot of crookedness and corruption in the industry and in the Post Office Department at that time. To my knowledge none of the representatives of the air companies has ventured into my office. I do not like the idea, merely because we have the power to do so here, of rising and abusing some individual whom I do not know and saying he is just lobbying here, that he was mixed up with lobbyists in a hotel, and have the statement go out to the country that some decent employee of the Government of the United States is only a crook and a criminal when he is merely doing what his chief has told him to do.

Mr. MCKELLAR Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MCKELLAR. The Senator has quoted from a letter dated March 1, 1937, appearing at page 338 of the hearings. If the Senator will turn to page 220 he will find that we have there the evidence of Mr. Haley himself. There we find the reason he gave for going there.

He never said a word about being sent there by Mr. Eastman or anybody else. Here is what he said. I asked him this question:

Mr. Haley, do you sometimes go to the Carlton Hotel?
Mr. HALEY. Yes, sir——

Mr. WHEELER. From what page is the Senator reading?

Mr. MCKELLAR. I am reading from page 226.

I continue reading—

and may I say, Senator, that I was at the Carlton Hotel on several occasions in February, at least, if not in the latter part of January, in connection with this very matter. The reason why I went—

Does he say he went because Mr. Eastman sent him? Not at all—

The reason why I went to the Carlton Hotel was that we were doing this work overtime—nights and Sundays—and the offices of the Commission were closed, and the guards would not let people come in who were not employees of the Commission.

That was the reason he gave for it; not that Mr. Eastman had sent him there.

Mr. WHEELER. Oh, no; just let the Senator read on. Let him read on, on page 227:

Senator McKELLAR. You knew that you were undoing all the provisions in the two air-mail bills, under one of which you were operating?

He was being given one of the most severe cross-examinations that any man has ever undergone who ever came before a committee; and what did he say?

Mr. HALEY. Senator, all I was doing, as I have said before, was carrying out the assignment that Mr. Eastman gave me; and I am sure that Mr. Eastman had no ulterior motive in doing what he was asked to do by Representative LEA. He was giving Representative LEA his advice, and I merely handled the mechanics of it.

When the Senator from Tennessee was reading the testimony, why did he not read it all?

Mr. McKELLAR. Will the Senator from Montana be good enough to read on the next page, page 228? Let us not read a part and only one part.

Mr. WHEELER. But the Senator from Tennessee read a part and then——

Mr. McKELLAR. Yes; but I did it in answer to the Senator from Montana.

Mr. WHEELER. Oh, no; the Senator did not do it in answer to me. He did not do it in answer to any question I asked.

Mr. McKELLAR. I did it in answer to the statement the Senator had made and the Senator's expert had made, that Mr. Eastman had sent Mr. Haley there.

Mr. WHEELER. Mr. Eastman did send him there. Not only did he say so in his letter, but he said so to me, and he said so in the testimony.

Mr. McKELLAR. Of course, whatever the Senator says Mr. Eastman said to him is correct.

Mr. WHEELER. He said it to me, and he said it to other members of the committee.

Mr. Haley said:

May I say just one thing further, which will take but a moment?

Senator McKELLAR. Surely.

Mr. HALEY. I think it has been said here before that the Commission has no interest in legislation. The Commission does not advocate legislation. It does in its annual reports to Congress occasionally make recommendations, but they are usually for changes in existing laws. The Commission does not function as a policy-making institution. That, of course, is also true of the bureaus of the Commission. The bureaus of the Commission and the directors and employees of the bureaus do not tell the Commissioners what to do; they merely carry out the assignments that the Commissioners give them. I thought that that ought to be in the record.

Senator McKELLAR. Mr. Haley, I want to ask you about another matter.

Up to the time this bill was passed, what experience had you ever had in fixing rates for air-mail companies?

Mr. McKELLAR. I should like to have the Senator read nearly to the bottom of the page. It gives a very great insight into this man.

Mr. WHEELER. All right.

Up to the time this bill was passed, what experience had you ever had in fixing rates for air-mail companies?

Mr. HALEY. Before what time, Senator?

Senator McKELLAR. Up to the time the bill was passed giving the authority to the Interstate Commerce Commission.

Mr. HALEY. I had had none.

Mr. McKELLAR. He had none.

Mr. WHEELER. Yes; but that does not answer the question as to whether or not Mr. Haley was sent down there, does it? I submit, Mr. President, that whether or not he had had any experience in that line, whether or not Mr. Eastman was wrong in telling him to go there, it is not right for some of us to rise on the floor of the Senate and abuse somebody because we may have the power to do it. We have not any right to do it.

Mr. President, I am not going to take up any more time. I wish to conclude with what I said when I began. I have no interest in the bill. The Senator from Nevada [Mr. McCARRAN] introduced the bill. It came before the committee. A subcommittee was appointed, composed of the Senator from Wyoming [Mr. SCHWARTZ], the Senator from Missouri [Mr. TRUMAN], the Senator from Ohio [Mr. DONAHEY], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Vermont [Mr. AUSTIN]. They held hearings on the bill. The Senator from Tennessee [Mr. McKELLAR] came before the committee and gave each and every witness who appeared there a grilling.

Mr. McKELLAR. Mr. President, I know the Senator from Montana does not want to misrepresent what occurred.

Mr. WHEELER. Not every witness, but——

Mr. McKELLAR. Oh, no, no, no; two or three of the witnesses only—Mr. Haley and Mr. McManamy and Mr. Crowley, I think.

Mr. WHEELER. The Senator subjected some of those witnesses to the most grueling cross-examination that anybody had ever undergone before that committee or any other committee of the Congress. As a matter of fact, they were treated as if they were a lot of burglars coming down there.

After that hearing was had, and after Commissioner Eastman made his recommendations, the subcommittee went over the bill and reformed it in accordance with Mr. Eastman's suggestions. The bill came to the full committee, and the full committee unanimously reported it out to the Senate. I say now that there is not a law upon the statute books that goes further toward preventing monopolies than this bill does. It goes further than the Railway Transportation Act. It goes further than any other bill. Before any consolidation of any kind or character may be entered into under the bill, it must be submitted to the Interstate Commerce Commission, and it must be shown that it is in the public interest and that there are not any monopoly features about it.

So, in concluding, let me say that the Senate ought to be given an opportunity to vote on this bill. If they do not want the bill enacted they should be given an opportunity to vote it down. If they do want it enacted, and it is in the interest of the people of the country, and in the interest of transportation, and in the interest of the traveling public, then the bill should be passed at this session of Congress.

Mr. McKELLAR. Mr. President, I now ask that the rule be enforced as to persons who are entitled to the privileges of the floor.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Tennessee make the point of order?

Mr. McKELLAR. I make the point of order.

The PRESIDING OFFICER. The point of order is well taken. Persons not entitled to the privileges of the floor will leave the floor.

Mr. WHEELER. Mr. President, if the point of order is raised against this man from the Interstate Commerce Commission, I desire to say here and now that I shall raise the point of order with reference to every man who comes on the floor of the Senate with members of the Finance Committee or any other committee that has bills pending before the Senate.

Mr. McKELLAR. I will join the Senator in that.

Mr. WHEELER. It is a perfectly ridiculous rule and a perfectly wrong thing to stop persons coming here under these circumstances, because everybody knows that no individual Senator can keep in mind all the details of the bills that are pending. It is only for the benefit of the Senate that persons familiar with the details of the bills are permitted to come upon the floor of the Senate.

Mr. BORAH. Mr. President, if the point of order is to be made, I suggest that it ought not to be made until after the so-called tax-loophole bill is passed, for I have not yet found anybody who understands it.

Mr. WHEELER. Let me say that the point of order will be made with reference to the tax-loophole bill.

HUGO L. BLACK

Mr. BANKHEAD. Mr. President, on yesterday, when the Senate was considering the nomination of my colleague [Mr. BLACK] as an Associate Justice of the Supreme Court of the United States, I had intended taking some part in the debate if I found it necessary; but the time was occupied by other Senators until it became entirely clear, late in the day, that the Senate was ready to vote. When it was en-

tirely clear to those who are accustomed to observe the sentiment on the floor that an overwhelming majority of the Senate was favorable to the nomination of Senator BLACK, I decided that it was unnecessary to delay further the taking of that important vote; so I refrained from taking the floor, and I have no intention today of reopening any of the arguments that were made yesterday.

I have one specific purpose, and one alone, in taking a little of the time of the Senate today. That is to read into the RECORD, with an explanation of the identity of the authors, certain letters and telegrams which have been sent to Senator BLACK since his appointment as an Associate Justice of the Supreme Court of the United States was announced.

Of course, Senator BLACK has received a great volume of communications; and it is not my thought to undertake to show the widespread approval which has been manifested of his nomination by putting into the RECORD promiscuous communications. However, in view of the debate yesterday upon one phase of the question, and in view of the injection of the Ku Klux Klan into the debate, I do desire to read some communications from outstanding Jews, outstanding Catholics, and one of the leading Negroes in the State of Alabama with reference to their attitude toward Senator BLACK.

I think it is well to incorporate this information in the RECORD, because, as time passes, the record made here yesterday, the debate which took place, and the importance which was given by some Members of the Senate to the allegation of membership in the Ku Klux Klan, may be at least a matter of interest to historians, and may have some important bearing upon the consideration of the qualifications of other nominees when the question of their confirmation is being considered by the Senate.

In making this statement, I think it is appropriate for me to say that from the very first day I ever heard of the organization of the Ku Klux Klan I opposed that organization. I did not oppose it secretly, Mr. President. I did not rest quietly in my opposition, as did some persons who, after the demise of the organization, became rather boisterous in its denunciation. I opposed it when it looked as if two-thirds of the voters of my State belonged to it; at least, they were as thick as a swarm of bees wherever I went. But I opposed it upon the stump, I opposed it in the newspapers, I opposed it in conversation everywhere; and those facts are known to all the people in the State of Alabama.

I wish to refer first to a statement appearing in the Evening Star of August 17, reading as follows:

Meanwhile, in Atlanta, Ga., Dr. Hiram W. Evans, imperial wizard of the Klan, said, "BLACK is not a member." He expressed indifference to COPELAND'S statement that the Alabama Senator was a "Klan sympathizer."

With the statement I have made I feel freer to present to the Senate the views of a number of leading Catholics and Jews in Alabama 10 years after the race of Senator BLACK, in which the Ku Klux question is now injected, with their knowledge of his life, of his position in Alabama, and of his position as a member of this body.

Without going further into the subject, I wish to read briefly from some of the letters I am tendering for the RECORD. I will first read letters from outstanding members of the Jewish race in Alabama.

I have in my hand a letter from Mr. A. Berkowitz, a lawyer of Birmingham, who is the head of a firm of six lawyers, as shown by the letterhead. I read merely the concluding statement:

Congratulations, good luck, best wishes. You deserve the place, you will fill it with honor to yourself, to your State and country. Bless you and keep you.

Your friend,

A. BERKOWITZ.

The following is from Birmingham, where Senator BLACK has resided for many years:

It is with a great deal of pleasure that I learned of your appointment to the Supreme Court. I feel that this is a just and fitting reward for your untiring work and efforts on behalf of our people. My best wishes and heartfelt congratulations.

LOUIS PIZITZ.

He is the largest merchant in the State of Alabama, a Jew.

Here is one from Montauk, L. I., from a man who formerly lived in Birmingham, a Jew:

Your appointment to the Supreme Court is a master stroke on the part of the President and a well-earned promotion for you. Heartiest congratulations and best wishes.

IRVING M. ENGEL.

Here is another telegram from Birmingham:

DEAR HUGO: I rejoice with your many other friends in the honor that has been conferred upon you. May God spare you for many years' health, happiness, and service.

JOSEPH H. LOVEMAN.

He is president of Loveman, Joseph, & Loeb, proprietors of a large department store in Birmingham.

I read now a letter from Birmingham:

I don't know whether I am addressing this letter correctly, whether it should be Senator or Judge. I am very sure that it will be Judge BLACK in a very short time.

I feel very proud of you, first knowing you, and secondly being an Alabamian.

My best wishes are with you.

Sincerely,

LEO K. STEINER.

He is a Birmingham banker, a Jew.

Here is another one from Birmingham:

MY DEAR HUGO: I want to extend my congratulations to you upon your appointment, and also to the President for having been successful in such a wise choice. In my humble opinion it would have been impossible for him to have found one more learned in the law. The only regret I have in the appointment is that you will not be able to continue the fight where it is most needed for the good of the ordinary citizen. * * *

Again wishing you a happy and successful career on the Bench, and assuring you that I will always consider it a great honor to have been your personal friend during the time that you resided in Birmingham, I am,

Sincerely yours,

LOUIS SILVERMAN.

He is a lawyer in the city of Birmingham.

BIRMINGHAM.

MY DEAR SENATOR: I want to take this means of assuring you that it made me very happy to see yesterday's papers come out with the announcement that the President sent your appointment as Associate Supreme Court Justice to the Senate. Knowing you as I do, I feel that the President again used his good judgment in selecting you.

ROBERT A. LAND.

He is a merchant in Birmingham, a Jew.

Here is a letter written from Martin Point, Maine:

DEAR HUGO: Here for the summer. I've just listened to the radio announcement of your designation to the Supreme Court, an announcement which fills me with pride and gratification. You've long since vindicated the faith of your myriad friends. This last and deserved honor elates them inexpressibly. Congratulations, Hugo!

Cordially. ISADOR SHAPIRO.

He is a lawyer, and a good lawyer, a Jew.

WATERVLIET, MICH.

Congratulations. Your nomination to Supreme Court is well-deserved recognition of your great ability and sterling character.

Dr. and Mrs. MORRIS NEWFIELD.

Dr. Newfield is a prominent Jewish rabbi in the city of Birmingham, a rabbi of the principal and outstanding Jewish congregation in that city, and has been for 20 or 25 years.

Here is another letter from Birmingham:

DEAR HUGO: It is needless for me to go into a long dissertation on how happy I am to learn of your new honor.

I want to add my congratulations, together with the other thousands you will receive from your close personal friends, and I am sure you will fulfill this honorable position with grace and dignity.

Mrs. Baum, Marcelle, and the boys join me in felicitations and best wishes for a bright and happy future.

HERBERT J. BAUM.

He is connected with the Protective Life Insurance Co. of Birmingham.

MONTGOMERY.

My heartiest congratulations on the high honor that has come to you.

SYLVIAN BAUM.

BIRMINGHAM.

Congratulations on your nomination. It is an honor well merited.

LEO M. KARPELES,
BURGER PHILLIPS & CO.

He is a Jew of Birmingham.

BIRMINGHAM.

Our sincere congratulations on your latest honor. Everyone in Birmingham is proud of your record and feel that this truly great honor is well deserved.

LOUIS and SAM PHILLIPS.

This is a firm of Jews in Birmingham, businessmen.

Here is another message from Birmingham. Senators will note that most of these communications come from the home city of Senator BLACK, where the people have known him all these years, and knew him intimately, not only before his race for the Senate 10 years ago, but have had an intimate acquaintanceship and contact with him for 10 years since that time. I read:

BIRMINGHAM.

Accept my heartiest congratulations on what I consider to be the greatest honor that can be bestowed.

BEN LEADER.

He is one of the leading lawyers of Birmingham, active in the practice there for a great number of years, and a Jew.

BIRMINGHAM.

DEAR HUGO: Your nomination to the high position of Justice of the Supreme Court is, in the opinion of your friends, a well-deserved honor. I wish to congratulate you, feeling that you will adorn this high position as you have all others. With best wishes, I am

Yours very truly,

A. LEO OBERDORFER.

He was formerly president of the Birmingham Bar Association, and formerly president of the Alabama State Bar Association.

NEW YORK.

Just heard of your nomination to the Supreme Court. Sincere congratulations. This is splendid recognition of unselfish, fearless public service. The Nation is fortunate to have been able to command for its highest tribunal one so able. Kindest regards.

JULIAN M. SAKS.

He was formerly of Birmingham, Ala., and has been known to Senator BLACK, according to Senator BLACK's notation here, for the last 25 years.

NEW YORK.

As a native Alabamian I am proud of the great honor conferred on one of her distinguished sons, and tender my heartiest congratulations.

OTTO MARX.

I have here also a few communications from foreigners, who, of course, fell under the condemnation of the Ku Klux Klan. Here is one from Birmingham:

BIRMINGHAM.

Hearty and sincere congratulations from one of your truest friends.

Dr. H. A. ELKONRIE,
President of the Association of Assyrian Clubs in America.

He is a man I know well and for whom everyone has very great respect.

BIRMINGHAM.

The Italian American citizens of Jefferson County wish to congratulate you for your good fortune of being nominated to the bench of the Supreme Court of the United States. While Alabama will lose the service of a great Senator, the Nation will gain the service of a great Alabamian. May God bless you and guide you as you sit in judgment.

ITALIAN-AMERICAN PROGRESSIVE ASSOCIATION.

Another telegram from Birmingham:

Just a few words to congratulate you for the honor that has been conferred upon you by the President. We in Alabama are confident you will carry out your new duty with satisfaction to the public. I personally wish you more honor and success.

That comes from the Italian Baptist Church of Birmingham.

I now read a telegram from probably the outstanding Negro in Birmingham, Oscar W. Adams, a man who is and has been for a long time the editor and publisher of a colored newspaper in Birmingham:

May I express to you my deep sense of happiness over your nomination to the position of Associate Justice of the United States Supreme Court, and to congratulate you upon your early confirmation by the Senate of which you are so valuable a Member. Because of your experience and fitness in life and intelligence and your loyalty to party and Nation I feel that no one is better fitted than you for the high place to which you have been named. Please accept the warm feelings of my heart for your continued success in this new field of statesmanship.

OSCAR W. ADAMS.

I now present communications from outstanding members of the Catholic Church in Birmingham and in Alabama. I read a telegram, as follows:

I desire to endorse your elevation to Supreme Court and state that United States Senator HUGO BLACK has never demonstrated Klan prejudice in Alabama or shown any but a fair spirit toward members of the Roman Catholic Church of Alabama. I was the first grand knight of the Knights of Columbus in Alabama and served two terms district deputy for Alabama of Knights of Columbus.

JOHN W. O'NEILL.

I read a telegram from one of the outstanding lawyers in Birmingham, a man well known to me. The telegram is not addressed from Birmingham, but was sent from Fayetteville while he was away from home:

Accept my sincerest congratulations on your appointment to the Supreme Court.

Devotedly,

WILLIAM S. PRITCHARD.

Mr. Pritchard is a former State commander of the Knights of Columbus, and also the former State commander of the American Legion.

I read a letter from Mobile, Ala.:

Please allow me to join with your other friends to offer my sincere congratulations to you on the occasion of your appointment to the Supreme Court Bench. This is recognition for service well performed and loyalty to a cause, and is a distinct honor for you and for our State.

This is one appointment that our President never will regret, as I know that you will enter into your new duties and discharge them with the same ability and integrity and loyalty that you have done in the Senate.

I rejoice with you and your friends and wish you unlimited success in your new field.

Sincerely yours,

HERVE CHAREST.

That letter was written on the stationery of the Knights of Columbus, Mobile Council No. 666.

I read another letter from Mobile:

You will get many a message of well wishes; please accept mine somewhat differently.

No news could have appeared in the headline of our newspapers yesterday that would have given me as much pleasure as seeing your appointment to the highest tribunal within our Constitution.

The South has always felt with pride when they thought of Supreme Justice White, and in years to come I want to see another southern man's name placed alongside of Judge White's with his same ability, and I know you have it.

I cannot add more to the above, which expresses my sincere feeling.

Good luck at all times.

Your friend,

H. C. MURNAN.

Mr. Murnan was one of the chief engineers in the construction of the Panama Canal. He is a Roman Catholic. All these later messages are from Catholics.

I read a telegram from Mobile:

May we extend to you our sincere and heartiest congratulations upon your appointment to the Supreme Court of the United States. A logical appointment of a logical man.

VINCENT B. MCALEER.
JOSEPH N. LANGAN.

They are lawyers in the city of Mobile, Ala.

I read an extract from a letter from New York:

One of the statements published yesterday recalls a memorable conversation we had——

This is from a personal acquaintance of Senator BLACK—

and reminds me that, as a Roman Catholic, it is my duty now to record my unqualified and enthusiastic approval of your selection for a place on the highest court of the people.

With assurance of my highest esteem and loyal good wishes.

JAMES O'SHAUGHNESSY.

I read a letter from Mobile:

It was with a great deal of pride and pleasure that I read of your nomination by President Roosevelt to the United States Supreme Court. It certainly was a great honor to you and all Alabama should be proud of you, and I wish to join those sending you the sincerest of felicitations and best wishes for your continued success in the high office to which you have been called.

With assurances of my personal esteem, I remain,

Yours very truly,

W. V. McDERMOTT.

That is another lawyer of the city of Mobile, an active and devoted Catholic in that really Catholic city.

I shall not further read such endorsements.

I now wish to read a telegram from Mrs. Beck, a Jewish lady with whose family Senator BLACK lived before he was married. Her family are well-known Jews in Birmingham. Her husband was a businessman. I knew him well before he died. Senator BLACK lived in that Jewish home before he went to the World War. Mrs. Beck says in her telegram:

I have just heard of appointment and honor bestowed upon you. Congratulations. Love to all.

Mrs. H. L. BECK.

I am informed that Mrs. Beck came to Washington on the occasion of President Roosevelt's inauguration, and during her visit here stayed in the home of Senator and Mrs. HUGO BLACK.

I give that personal touch simply to show how Jews, some of whom know this man intimately, because he lived in their home—and Mrs. Beck lived in his home while visiting here in Washington—rush to send to the colleagues of Senator BLACK in the Senate their testimonials to his fairness and his friendliness toward those who were condemned and fought by the Ku Klux Klan.

Let me now read just two or three telegrams from the judiciary of Alabama, because some comment has been made about the judicial temperament of Senator BLACK.

I read a telegram addressed to me from Montgomery, Ala., our State capital:

Permit me to commend in every way appointment of Senator BLACK. He is a great and profound lawyer and as such has the unqualified respect and esteem of this court. His appointment is highly gratifying from the bench and bar of this State and from the South generally.

CHARLES R. BRICKEN,
Presiding Judge, Court of Appeals of Alabama.

We have two appellate courts in Alabama—the court of appeals, which has certain jurisdiction, and what is known as the supreme court, which is our highest court of appeals. I have before me a telegram from the chief justice of the Supreme Court of Alabama. Both of these judges, permit me to say, have been honored by and have held the confidence of the people of Alabama for many long years. I think Judge Anderson has been on the Supreme Court of Alabama for at least 30 years. He has always been a candidate for that office without opposition. He is loved and respected by the people of the State. Judge Brickens, of the other court, has been presiding judge for some 12 or 15 years, and always has been reelected without opposition. He is a man of the highest type, having the confidence of the people of Alabama.

I read a telegram from Judge Anderson addressed to me:

I regard Senator BLACK as eminently qualified to become a member of our highest court. While Senator BLACK has been out of active practice since a Member of the Senate, previous thereto he enjoyed a fine law practice, and I regard him as one of the best lawyers in the State. With his age and vigor I think he will become a valuable acquisition to the Court. His character is above reproach. I recommend his confirmation.

JOHN C. ANDERSON,
Chief Justice, Supreme Court of Alabama.

I now read a telegram from the presiding judge of the circuit court at Birmingham. There are about 10 judges in the circuit court. Judge Thompson is the presiding judge, and he has sent me the following telegram:

I have known Senator BLACK for 25 years. His actual court experience has covered every field of law. His imminent success proves his ability. His personal and mental integrity insures fairness as a judge. This opinion is shared by the leaders of the bar, as I have heard them express themselves since his nomination.

J. FRITZ THOMPSON,
Presiding Judge, Tenth Judicial Circuit.

Here is a telegram signed by all the other members of that court—nine, I believe, in number. I will read the names into the RECORD at the end of the telegram:

BIRMINGHAM, ALA., *August 16, 1937.*

Senator JOHN H. BANKHEAD:

We, the undersigned judges of the Tenth Judicial Circuit of Alabama, earnestly urge confirmation of Senator BLACK. As an active practitioner for a long number of years in the courts of Alabama and the Federal courts and in both trial and appellate work he has distinguished himself as a lawyer of the highest ability. He has a striking legal mind and is thorough in his work and goes to infinite pains that what he does may be entirely accurate. He is a man of indefatigable energy. He has at all times been courteous, fair, and frank in his dealings with the courts, his fellow members of the bar, parties, and witnesses. His work is relied on implicitly. The finest and highest ideals of the legal profession have been exemplified in his professional career. His whole life to those who know him well stands as an all-sufficient proof of his worthiness of any trust requiring legal learning, ability, moral courage, honor, and uprightness. His moral character is unstained. These qualities have deservedly gained for Senator BLACK a high place among the leaders in the legal profession in Alabama and a high place in the esteem of his fellow citizens of his native State. We confidently predict that if he is confirmed he will perform his duties upon the bench in a fair and impartial manner and in a way that will fully comport with the finest concepts of the function of a court of justice.

Robert J. Wheeler, J. Q. Smith, J. Russell McElroy, C. B. Smith, J. Edgar Bowron, Leigh M. Clark, Richard V. Evans, and Gardner Goodwyn.

All the signers of this telegram are well known personally to me, and one of them was a classmate of the Senator from Tennessee [Mr. MCKELLAR] and myself at the University of Alabama.

Mr. President, I shall not go further into this matter, and my only excuse for taking this much time, after the settlement of this controversy, is that I desired to leave here a record of the testimony of his contemporaries, in personal life, in political life, in professional life, including Negroes, Catholics, Jews, merchants, lawyers, judges, covering all fields of human activity and association. I have felt that it was fair and just to him, in view of the adverse inferences sought to be drawn here on yesterday as to his qualifications, as to his fairness, as to his judicial temperament, to read into this RECORD the testimony of people who know him and who have voluntarily, and at their own expense, without information that such evidence was desired or needed, forwarded these communications, most of them in the form of telegrams, asserting their confidence in the man, their faith that he will make a great Judge, their testimony of his purity of character during all the years behind him.

I once had a contest with HUGO BLACK. We ran against each other and we had a vigorous, active campaign. As you know, Mr. President, it is not unusual when contests of that character are waged for the candidates to come out of the contest with bitterness in their hearts. I wish to say to the Senate that after a campaign which lasted for nearly 10 months in the State of Alabama, involving personal canvassing and speaking all over Alabama, and the free use of the newspapers, when the votes were counted and it was ascertained that HUGO BLACK, a man inexperienced in the politics of the State, had led four other candidates, including myself—and one of the candidates was a former Governor of the State, another a former justice of the supreme court of the State, and another a man who twice ran against Senator Underwood, once for the Alabama delegation to the national Democratic convention and once as a candidate for the Senate, and gave him great trouble both times—I had no bitterness in my heart, because I had no justification for it. HUGO BLACK had treated me just as I tried to treat him, with fairness. We had crossed swords upon the political battlefield but neither tried to strike an unfair blow, and I predicted, within a very short time afterward, in a public speech in his old home county, that the time would come when HUGO BLACK, a new Member of the Senate, a man who had left me at home, would be one of the outstanding figures in the Senate of the United States and in our national life.

So I say to Senators that, in my judgment, there is no reason for any man who voted for Senator BLACK to have any regret about it from any standpoint; and I hope now,

with this statement, all differences will be forgotten. I hope we will close the book on the controversy which has developed around the confirmation of his nomination. Let us all give him a chance to act upon that great Court; and then if he does not give satisfaction, we will have the opportunity, with the privileges that this Hall gives to us in debate, to condemn him. But let us not do it now any further. Let us wait and let history unfold its unwritten record. I have complete faith, Senators, that his record of service will be one of great value to this country, and that it will not bring shame or discomfort or any great dissatisfaction to any Member of this body, regardless of his attitude on yesterday toward the confirmation of the nomination of HUGO L. BLACK.

Mr. McKELLAR. Mr. President, before I enter upon a discussion of Senate bill 2, for a moment I desire to have a word to say in addition to what the distinguished Senator from Alabama [Mr. BANKHEAD] has just said about our colleague the senior Senator from Alabama [Mr. BLACK], who has been made a Justice of the Supreme Court of the United States.

I was born in Alabama; I was educated there; I know a great many of its citizens; I have kept up with its history and its development ever since I lived there.

I desire to endorse everything good that has been said by the gentlemen, many of whom I know personally, who have telegraphed or written Senator BANKHEAD and Senator BLACK concerning the selection of the latter as Supreme Court Justice. Yesterday I wanted to say some words in behalf of the confirmation of Senator BLACK's nomination, but being intensely desirous that a vote should then be had, I did not do so.

I wish to say now that I have served in the Senate for a considerable number of years, and I believe I know the Members of this body fairly well. The Senate contains many distinguished lawyers; but, in my humble judgment, from my observation and experience with Senator BLACK during the last 10 or 11 years, he is the peer of any lawyer in this body. I have known him as an advocate in this body. He is the peer of any advocate in this body, and we have here some of the best advocates in the world.

Senator BLACK is an able man. He is an able debater. He is a student. He is a thinker. He is a philosopher. He is one of the most indefatigable workers I have ever known in all my life. In my judgment, no Member of this body has a better record all along the line, taking it by and large, than has this distinguished gentleman whom the President of the United States has singled out to become a Justice of the Supreme Court of the United States.

In my judgment, Senator BLACK will make a splendid Supreme Court Justice. He will make an able Justice. Over and above all, he will make an honest and an upright Justice. When I have said that, practically all that can be said about a man as a Justice has been said—an able, an honest, an upright judge. In my opinion, that is the kind of Justice Senator BLACK will make.

We have seen Senator BLACK at work in committees. We have dealt with him on the floor of the Senate. We know his ability. We know his integrity. We know his honesty. We know his fair dealing. It seems to me he ought not to have had any opposition here.

Though I had been elected to this body in 1916 I had not taken my seat in the Senate upon the occasion of the appointment by President Wilson of Mr. Louis D. Brandeis to be an Associate Justice of the Supreme Court. As I remember, some 13 charges were made against him—and made against him by the same interests which are now making charges against Senator BLACK. Charges of the bitterest kind were made against Mr. Brandeis. Hearings were held for months and months. Delay after delay occurred. The remotest things that were thought to affect his life were investigated. He was heralded by many of the great newspapers of the country as utterly unfit and unworthy to go on the Supreme Court. After that long fight made on him he was confirmed by the Senate. And what a great judge he has made! All now sing his praises.

I am happy to say today, after a somewhat intimate knowledge of the work of Mr. Justice Brandeis since he has been a member of that Court, that no member of that Court ever made a more intelligent and fair, a more just, a more honest, or a more able, a more upright record than has Mr. Justice Brandeis.

I hope and expect that Senator BLACK will follow in the footsteps of the illustrious Justice Brandeis and will not let the recently uttered words of opposition affect him in any way in the world, as I do not believe they will.

Mr. President, in my judgment, the President of the United States at this particular juncture in our history could not have made a wiser appointment than he did make in the selection of our former colleague, my friend and my associate here for many years, the distinguished Senator from Alabama, HUGO L. BLACK.

I take pleasure in saying this much at this time, because I did not have an opportunity to say it yesterday. I felt then that we ought to vote then rather than talk.

Mr. LA FOLLETTE. Mr. President, with the consent of the senior Senator from Arizona [Mr. ASHURST] and at the request of the senior Senator from Nebraska [Mr. NORRIS], I ask unanimous consent to have printed in the RECORD a telegram from the senior Senator from Nebraska, which was received last evening too late to be inserted in the RECORD, expressing his attitude toward the confirmation of the nomination of the Senator from Alabama to be Associate Justice of the Supreme Court.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WAUPACA, WIS., *August 17, 1937.*

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.:

I regret my illness prevents me from actively participating in the work of the Senate at this time, but I hope through your courtesy to communicate my views upon the confirmation of Senator BLACK'S nomination to become an Associate Justice of the Supreme Court. My long and personal acquaintance with him and my intimate association with him in our official work have given me a true insight into his character. I feel greatly grieved at the bitter, unreasonable, and sometimes malicious attacks which are being made upon him. His work in the Senate must convince everyone that he possesses a superior ability and undaunted courage which are seldom equaled or surpassed. His nomination to that great tribunal expresses the wish and hope of the struggling citizen asking only for justice for all alike. The scales of justice in his hands will bring renewed hope to millions of our common people throughout the country, and his nomination meets with the hearty approval of a vast majority of our people. He is a worthy representative of the common people. He understands their hopes and ambitions, and their liberties in his hands will be safe.

G. W. NORRIS,
United States Senator.

REGULATION OF AIR TRANSPORTATION

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate proceed to the consideration of Senate bill 2, having to do with the regulation of air transportation.

Mr. BORAH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names.

Adams	Copeland	King	Radcliffe
Andrews	Davis	La Follette	Schwartz
Ashurst	Donahey	Lee	Schwellenbach
Austin	Ellender	Lewis	Sheppard
Bankhead	Frazier	Lodge	Shipstead
Barkley	George	Logan	Smathers
Berry	Gerry	Lonergan	Smith
Bone	Gillette	Lundeen	Steiwer
Borah	Glass	McAdoo	Thomas, Okla.
Bridges	Green	McGill	Thomas, Utah
Brown, Mich.	Guffey	McKellar	Townsend
Brown, N. H.	Hale	Minton	Truman
Bulkley	Harrison	Moore	Tydings
Burke	Hatch	Murray	Van Nuys
Byrd	Herring	Neely	Wagner
Byrnes	Hitchcock	Nye	Walsh
Capper	Holt	Overton	Wheeler
Caraway	Hughes	Pepper	White
Chavez	Johnson, Calif.	Pittman	
Connally	Johnson, Colo.	Pope	

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. McKELLAR. Mr. President, the consideration of this matter was begun last Saturday; and the proponents of the measure took all that day, as I recall. They took up quite a portion of the day on Monday, and they have taken up all the time that has been consumed on the subject today—and then they jump on me for filibustering! I am not the man who has been filibustering. The proponents of the bill have been doing the filibustering.

They remind me somewhat of a distinguished Senator who was here a few years ago—one of the ablest and greatest men we have ever had here, by the way—who had a seat not far from where I am now standing. One day he made a speech of 4½ hours on some measure in which he was very much interested. After having spoken for 4½ hours, he turned around to me, who was sitting nearby, and said:

> You boys circulate around here and let's stop this debate Let's vote! Let's vote! Get around and see what can be done. Let's stop this talk. There isn't any use for further talk. Let's vote! Let's vote!

That is about the situation my friends are in today. They have taken up all the time of the Senate for nearly 3 days, and now they are accusing me of filibustering!

Mr. President, this is a very important measure. It destroys in part the Post Office Department and turns over its functions to the Interstate Commerce Commission. It takes away a large segment of the duties of the Commerce Department and turns them over to the Interstate Commerce Commission. It virtually draws a blank check on the Treasury Department, and we shall be paying the bills in tremendous sums for a long, long time.

I was almost thunderstruck a while ago when the Senator from Idaho [Mr. BORAH] asked why this bill repealed all the provisions of the Air Mail Acts of 1934 and 1935 governing aviation, and it was answered that those provisions had not been repealed but that they had been made stronger in the present bill. In order to see about that, I desire to read the provisions of the present law which govern the aviation companies, which prevent monopolies, which prevent interlocking directorates, which prevent interrelations of other companies that furnish materials; and then I desire to read the provisions of the pending bill, which does what? Which turns over to the Interstate Commerce Commission the power to say whether these companies shall be allowed to combine, or whether they shall have interlocking directorates, or whether there shall be only one company or more companies, leaving it entirely to their discretion as to what shall be done.

I am reminded of the opinions of the Supreme Court about the Sherman antitrust law. For quite a while the Supreme Court upheld that law. Then in a decision they held that there were good trusts and bad trusts. The good trusts they would uphold, but they reserved the right to determine which were good and which were bad ones; and that did away with the Sherman antitrust law for all time.

Mr. BORAH. Mr. President——

Mr. McKELLAR. I yield to the Senator from Idaho.

Mr. BORAH. When the Senator says the Supreme Court held that there were good trusts and bad trusts, I assume the Senator is putting his own interpretation on the action of the Court.

Mr. McKELLAR. Yes; that is what I am doing, but that is the fact nevertheless. The Senator knows there has been no "trust busting" ever since that time.

Mr. BORAH. No; but not because of the Supreme Court. It was because neither one of the political parties would carry out their pledges.

Mr. McKELLAR. I do not know what has happened; but since the Supreme Court rendered that decision about good trusts and bad trusts, practically nothing has been done in the way of enforcing the antitrust laws of this country.

Mr. BORAH. And nothing ever will be done so long as the trusts contribute to the campaign funds of both parties.

Mr. McKELLAR. Probably that is so.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from New York?

Mr. McKELLAR. Yes; I yield.

Mr. WAGNER. I think I may remind the Senator from Idaho that during the discussion we had when the N. R. A. bill was up for consideration, the Senator from Idaho himself attributed some of the monopolies to the mergers which the Court permitted, which left very little competition in the field of some of the larger industries. So I do not think we can attribute it all to political inactivity. Some of it, in my judgment, was due to the Court's misconstruction of the antitrust law.

Mr. BORAH. Mr. President, will the Senator from New York tell me when there has been any determined effort upon the part of either party really to enforce the Sherman antitrust law?

Mr. WAGNER. I cannot answer that question.

Mr. McKELLAR. If the Senator will let me use a part of my time, I will answer the Senator; or I will yield to the Senator if he desires.

Mr. WAGNER. I am quite willing to say that there have not been the prosecutions there should have been of many of our monopolies; but there have also been cases in which there have been prosecutions in which the courts have upheld the mergers. One of them, I remember—I have forgotten the name of the case; the Senator probably can remind me of it—where Mr. Justice Brandeis wrote a very strong dissenting opinion, in which he pointed out that, due to a merger in the leather industry, I think, all but 5 percent of the markets of the country would be controlled by that particular merger; and yet the majority of the Court held that merger not in violation of the antitrust laws.

So, between the two, we have not enforced the antitrust laws. If we had, I think prices would have been lower than they are today.

Mr. McKELLAR. Mr. President, will the Senator allow me to answer his question?

Mr. BORAH. I shall be pleased to do so.

Mr. McKELLAR. A very long time ago I was a Member of the House of Representatives, and while I was a Member of that body I remember that we passed what was known as the Clayton antitrust law.

It was for the purpose of strengthening the Sherman antitrust law and putting teeth into it. That was the gist of the argument made in behalf of it. It passed the House and passed the Senate, and was brought before the Supreme Court, and the Supreme Court did not actually declare it unconstitutional, but they stripped it of everything that was in it that was of any value in governing the trusts of the country. The Senator recalls that.

Mr. BORAH. I know that is the Senator's view, or he would not state it; but I quite disagree with him.

Mr. McKELLAR. The Court decided a case in which they virtually stripped the Clayton antitrust law of all its teeth. The Senator will recall that.

Mr. BORAH. No; I do not recall it.

Mr. McKELLAR. I am sorry the Senator does not, because it is a fact.

Mr. BORAH. I wish the Senator would refer me the opinion to which he has reference.

Mr. McKELLAR. Of course, I do not have it with me now, but it is well known.

Mr. BORAH. Both the political parties go into a campaign and make solemn pledges to the American people that when they are put into power they will destroy the trusts.

Mr. McKELLAR. Yes.

Mr. BORAH. They do not say a word in the campaign about being unable to do so, about not having the power to do so. They say that they will rid the country of monopoly.

Mr. McKELLAR. Yes.

Mr. BORAH. And when the campaign is over they cease activities along that line.

Mr. McKELLAR. Mr. President——

Mr. BORAH. There are two bills pending before the committees of this body, one of which I have had the honor to

introduce, either of which, or both of which, if enacted, in my opinion would go far toward ending monopolies in the United States.

Mr. McKELLAR. Yes, Mr. President, and I think they ought to be ended, and I think the Senator is exactly right about the promises which have been made by both political parties and of the failure of both political parties to carry out those promises.

Let me call attention to the fact that in the very bill before us, instead of our regulating the trusts, instead of putting restrictions around the trusts, if the Senator will look at section 312 on page 101 he will find that the Interstate Commerce Commission is to be the benevolent institution which will regulate the trusts hereafter. I will say to the Senator from Missouri and the other Senators that that is why I brought emphasis to bear on the negotiations between the agents of the Interstate Commerce Commission and the lobbyists for the aviation companies, in order to show how benevolent that arrangement is going to be.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. In connection with the remarks of the Senator from Idaho, and also the remarks of the Senator from Tennessee, concerning the efforts of the Government to proceed against monopolies, I think it ought to be stated that within the last 2 or 3 years the Department of Justice has proceeded not only by civil action against so-called monopolies and organizations in restraint of trade but they have proceeded by indictment against men in numerous cases charged with criminal conspiracies in restraint of trade, and the Federal grand juries have indicted such men. Of course, what may happen to those civil actions is up to the courts and not up to any particular political party.

Mr. BORAH. Mr. President——

Mr. McKELLAR. I will yield in a moment. Those indictments have been brought, and I congratulate the office of the Attorney General on having gone even that far. But I say here publicly that I think it is the duty of the Attorney General to prosecute those cases with vigor to see that the antitrust laws are enforced. From time to time we have before the Committee on Appropriations requests for appropriations for the prosecution of trusts. I vote for all of them. I regret that they do not ask for more money so as to require these people who are violating the law in my judgment to obey the law. I do not believe in benevolent trusts. I do not believe in any organization within the Government being allowed to create trusts. Yet that is what is provided in the bill before us. Section 312, on page 101, would turn over the entire matter of regulating a trust, so far as aviation companies are concerned, to the Interstate Commerce Commission, and that ought not to be done.

I yield to the Senator from Idaho.

Mr. BORAH. I was going to say that I did not catch the remarks of the Senator from Kentucky; but I was not offering any criticism as to any specific instance of failure.

Mr. BARKLEY. I understand that.

Mr. BORAH. I do say, however, that there is no organized, determined policy in this country against monopolies. There never has been; and, in my opinion, until we do settle that question such bills as that the able Senator from New York has conducted through the Senate—the housing bill, and the wage and hour bill, and all these other bills which are designed to relieve the poor people of this country—will be largely fruitless in their results.

Take, for instance, the building of houses which must be erected for the poor people. To whom is tribute being paid every time anything is purchased with which to build a house or to go into a house? Tribute is being paid to those private corporations which fix prices in the United States—the monopolies of the United States.

Mr. McKELLAR. The Senator is exactly right.

Mr. BORAH. At this time there is in private interests the power to fix prices of practically everything that goes upon the backs and into the stomachs of the people of the United States; and until that is controlled we may relieve, we may mollify, but we will never cure the trouble which we now have.

Mr. McKELLAR. And we certainly cannot cure it by turning over the subject to the Interstate Commerce Commission.

Mr. BORAH. I agree with the Senator that I do not want any regulation of monopoly. I want it destroyed.

Mr. McKELLAR. I agree with the Senator again.

Mr. BORAH. The power to fix prices by private interests is an evil which should not be tolerated.

Mr. WAGNER. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. WAGNER. I agree, of course, with everything the Senator from Idaho has said, and it is the one step in which we have failed thus far. As we improve conditions so as to give the worker a better wage, those who control the markets simply raise the prices of the commodities, and thus do not in any way lower their exorbitant profits. But I was going to ask the Senator whether or not he agrees or has agreed with a number of decisions which have been rendered by the courts where the Government did prosecute monopolies, either where the particular manufacturer was indulging in monopolistic practices or where there has been a merger of several different manufacturers into one entity. In many of these cases, though the Government has prosecuted, the courts have held, because they found in some distant place some combination, which was theoretical, not actual——

Mr. BORAH. I do not agree with all the decisions of the courts.

Mr. WAGNER. That has contributed somewhat to our failure to destroy monopoly.

Mr. BORAH. I do not agree with the decision of the court in the Standard Oil case, and in those cases where they distinguish as to the rule of reason. I do not agree with that principle. That was a matter, however, that was within the power of Congress to remedy by proper action and by proper legislation, and we have not done so.

I just contemplate for a moment this situation. Suppose the present administration with its tremendous power and its tremendous leadership in the White House, should announce a campaign for the extinguishment of monopoly in this country. It would, in my opinion, be the greatest crusade for human rights since the American Revolution. It would free the American people from the troubles which they now have as nothing else would or could; and the President with his support in Congress could end monopoly.

Mr. WAGNER. As I understand, the Attorney General is proceeding in the prosecution of some of these trusts which are in existence, which have not had the sanction of the courts.

Mr. BORAH. We ought to enact a law which would make it impossible for any corporation engaging in monopolistic practices to pass its goods through the channels of interstate trade until these corporations, properly censored, gave up such practices. We have the power to strip corporations engaged in interstate trade practices which are injurious to the public welfare. That would go far in solving the trust problem. We should enforce the laws we have and we should pass other legislation. It is a question which touches the interest and affects the welfare of every man, woman, and child in the United States.

Mr. McKELLAR. Mr. President, I am inclined to agree with the Senator; but while we are doing that, or while we are waiting to do that, for Heaven's sake let us not repeal laws we now have against monopoly concerning the great industry of aviation, and put it into the hands of a benevolent institution that will look at it as the aviation industry desires to have it looked at.

Let me show the difference between the law we are asked to repeal by the bill and the law as it would be provided in the bill. I read first from section 7 of the so-called Air Mail Act of 1934:

SEC. 7. (a) After December 31, 1934, it shall be unlawful for any person holding an air-mail contract to buy, acquire, hold, own, or control, directly or indirectly, any shares of stock or other interest in any other partnership, association, or corporation engaged, directly or indirectly, in any phase of the aviation industry, whether so engaged through air transportation of passengers, express, or mail, through the holding of an air-mail contract, or through the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation, and regardless of whether such buying, acquisition, holding, ownership, or control is done directly, or is accomplished indirectly, through an agent, subsidiary, associate, affiliate, or by any other device whatsoever: *Provided*, That the prohibitions herein contained shall not extend to interests in landing fields, hangars, or other ground facilities necessarily incidental to the performance of the transportation service of such air-mail contractor, nor to shares of stock in corporations whose principal business is the maintenance or operation of such landing fields, hangars, or other ground facilities.

There is an inhibition. There is a prohibition.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Let me conclude my statement about these matters and then I will yield to the Senator.

I wish to read section 312 (a). It provides for consolidation, merger, and acquisition of control. Our bill makes suitable provision in terms that cannot be misconstrued. Four men passed on that provision. One of them was Senator BLACK, now Justice BLACK; another was President Roosevelt; another was the Senator from Kentucky [Mr. LOGAN]; and the fourth one was myself.

Listen to this:

SEC. 312 (a). It shall be lawful—

Not unlawful—

It shall be lawful, under the conditions specified below, but under no other conditions, for two or more air carriers to consolidate or merge their properties, or any part thereof, into one corporation for the ownership, management, or operation of the properties theretofore in separate ownership—

Could anything be plainer than that? Could any grant of authority be plainer than the authority to two corporations to merge?—

or for any such air carrier, or two or more such air carriers, jointly, to purchase, lease, or contract to operate the properties, or any part thereof, of another such air carrier; or for any such air carrier, or two or more such air carriers jointly, to acquire control of another such air carrier through purchase of its stock; or for a person which is not an air carrier or a carrier subject to this act to acquire control of two or more air carriers through ownership of their stock; or for any such person which has control of one or more air carriers to acquire control of another air carrier through ownership of its stock; or for any carrier or carriers subject to this act to consolidate or merge with, or acquire control of, any air carrier, or to purchase, lease, or contract to operate its properties, or any part thereof—

After providing that the air carriers or persons may do these things, this is the condition on which they may be done:

(1) Whenever a consolidation, merger, purchase, lease, operating contract, or acquisition or control is proposed under this section, the carrier or carriers or person seeking authority therefor shall present an application to the Commission—

Remember that Mr. Haley, who meets the aviation companies' lobbyists at night at their hotel——

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. In just one moment. Let me finish the sentence.

Mr. AUSTIN. I ask the Senator not to get too far away from the subject he was discussing when I asked him to yield.

Mr. McKELLAR. I shall not. I will yield in a moment. I continue to read:

and thereupon the Commission shall notify the carriers involved in the proposed transaction, and the applicant or applicants, and other parties known to have a substantial interest in the proceeding, of the time and place for a public hearing.

They may have a private hearing before that, just such as was had in regard to the preparation of this bill. They first met at the Carlton Hotel and agreed upon the terms of this bill, but afterward they had a public hearing.

If after such hearing the Commission finds that the transaction proposed will be consistent with the public interest and that the conditions of this section have been or will be fulfilled, it may approve and authorize such consolidation, merger, purchase, lease, operating contract, or acquisition of control, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe.

Mr. TRUMAN rose.

Mr. McKELLAR. Mr. President, that is the situation. On the one hand we have a prohibition against mergers and control, and on the other we have a provision that the Interstate Commerce Commission may grant permission for such mergers and control.

Mr. President, I promised to yield first to the Senator from Vermont, and I now yield to him.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from Tennessee if he does not think it is more in the interest of the public that mergers should be made under the law, and by virtue of its regulations, than in violation of the law.

Mr. McKELLAR. I do not think they ought to be made at all; and when there is a violation of the law those who violate it ought to be prosecuted. If the Senator knows of a violation of the law, while I cannot say that it is his duty, he might take steps, if he knows the facts, to have the violators prosecuted. It is one thing to say on the floor of the Senate that a violation of the law has taken place, but it is another thing to furnish the facts to the proper prosecuting officer. If a violation has occurred, I think the facts ought to be furnished to the Attorney General. I am opposed to the violation of law by trusts or individuals. I do not believe in it.

Mr. AUSTIN. Does not the Senator know, after his thorough study of the record of hearings on this bill, that the Post Office Department considered applications for mergers in several important cases?

Mr. McKELLAR. No; I do not; and if they did, they ought to be prosecuted for it.

Mr. AUSTIN. And does not the Senator know that those mergers were actually made?

Mr. McKELLAR. No; I do not know that; but if they have done so, I will say to the Senator that if he will furnish me the facts, I will furnish them to the Attorney General, if the Senator has any qualms about bringing the facts to the attention of the Attorney General.

Mr. AUSTIN. Mr. President, I suggest that the Senator look at part I of the hearings on Senate bill 2, page 147, and he will find there a report of Mr. Crowley, the Solicitor of the Post Office Department, relating to the consolidation of Pennsylvania Air Lines, flying between Washington, Detroit, and Milwaukee. He will find that Mr. Crowley also stated in the record that General Motors controls North American Aviation, Inc. (Eastern Air Lines), holding air-mail contracts on route no. 5, from New York to Richmond; route no. 6, from New York to Miami, via Washington, Richmond, Charleston, and Jacksonville; route no. 10, from Chicago to Jacksonville, via Indianapolis, Nashville, and Atlanta; and route no. 20, from New Orleans to Houston.

Then, again, the Senator will find that North American Aviation, Inc., according to the testimony of Mr. Graddick before the House Appropriations Committee on the Post Office Department appropriation bill for 1938, at page 302—which has been made a part of the record of the hearings on Senate bill 2—has recently purchased Wedell-Williams Air Service Corporation as holder of an air-mail contract on route no. 20, from New Orleans to Houston.

Again, on the same page of the House hearings to which I have referred, Mr. Graddick stated that Braniff Airways, Inc., original contractor on route no. 9 from Chicago to Fort Worth, Tex., via Kansas City, Wichita, and Oklahoma City, had purchased route no. 15 from Long and Harmon. This route runs from Fort Worth to Brownsville, and from Fort Worth to Galveston.

Each one of these consolidations and each one of these purchases was made after a hearing held by the Solicitor

of the Post Office Department, according to the letter appearing at page 303 of the House hearings to which reference has been made.

Mr. McKELLAR. Mr. President, I desire to say to the Senator from Vermont that neither the Solicitor of the Post Office Department nor any other solicitor of any Department ever had any right to allow mergers under the present law; and that I regret that the Senator has not taken occasion to present this material to the department of Government whose duty it is to prosecute persons, whoever they may be, who may be guilty of violating this law. They ought to be prosecuted. I do not know what the facts are. We cannot bring them up here in a debate in the Senate and say what should be done or what should not be done; but if the Senator has facts which show a violation of this law, I think it is his duty to lay them before the Attorney General.

Mr. AUSTIN. Mr. President, I am informed—though not so credibly as in the case of other consolidations—of a contract between Hanford Air Lines with Northwest Airways; another case in which United bought part of Wyoming; another in which Braniff bought part of Wyoming; another in which Western Air and National Park consolidated, to be called Western Air.

Mr. McKELLAR. In the opinion of the Senator, are these transactions contrary to law?

Mr. AUSTIN. I am not sure that they are.

Mr. McKELLAR. Unless they are, what is the point of bringing them up?

Mr. AUSTIN. They appear to me to be that way.

Mr. McKELLAR. If they are that way, the Senator's forum is in the Department of Justice; it is not on the floor of the Senate, when he is trying to get a bill passed that will permit the very thing of which he now complains.

Mr. AUSTIN. That is a misconstruction on the part of the Senator.

Mr. McKELLAR. I sometimes misconstrue, but I do not do so intentionally, and I certainly would not do so in the case of the Senator from Vermont.

Mr. AUSTIN. Such facts as came to the attention of the Senator from Vermont were inquired into by the subcommittee, and I was under the impression that the Senator from Tennessee was present in person at the time of the examination of Mr. Crowley. That probably is not so——

Mr. McKELLAR. I do not recall it.

Mr. AUSTIN. Because the Senator does not remember these facts. But I think, as the Senator from Vermont has indicated, the purpose of preventing just that sort of thing is shown by the McCarran bill, Senate bill 2. Section 312 does not bear the interpretation the Senator from Tennessee puts upon it.

Mr. McKELLAR. I do not see how any other interpretation could be put upon it.

Mr. AUSTIN. There is a clear distinction in the circumstances under which consolidations may be made. They may not be made if they tend to create a monopoly, and we have just the type of supervisions provided for in that section that we ought to have with respect to other consolidations which have already been made and to which I have called attention.

Mr. McKELLAR. I will say to the Senator that, of course, I do not know what infractions of the law may have occurred. If there are any, I think it is the duty of the Senator to send the facts he has to the Attorney General's Office, and I think it is the duty of the Attorney General's Office to prosecute. I wish to say, however, that I disagree entirely with the Senator when he states that he does not believe that this bill will prevent monopoly.

Paragraph (b) of section 7 of the existing law provides:

(b) After December 31, 1934, it shall be unlawful (1) for any partnership, association, or corporation, the principal business of which, in purpose or in fact, is the holding of stock in other corporations, or (2) for any partnership, association, or corporation engaged directly or indirectly in any phase of the aviation industry, as specified in subsection (a) of this section, to buy, acquire, hold, own, or control, directly or indirectly, either as specified in such subsection (a) or otherwise, any shares of stock or other interests in any other partnership, association, or corporation which holds an air-mail contract.

Mr. President, the pending bill, if enacted into law, will repeal that provision and simply submit the matter to the Interstate Commerce Commission, and they may allow all the benevolent holding companies they desire. In other words, the bill provides for the establishment of holding companies. It provides that the Interstate Commerce Commission may allow holding companies to take control of any aviation or all aviation, if it sees fit so to do. That is why it seems to me that not long after we have had in this body one of the greatest contests that were ever fought here about holding companies we should not pass a bill which will permit them. We went through that fight. It was very close. Men lost their seats in the Senate on the question whether they voted for or voted against holding companies. I was one of those who voted against holding companies and, looking around this body today, I see more Senators than I can count in a moment who voted against holding companies. Yet, if they vote for Senate bill 2 they vote for holding companies; they vote to turn the matter over to the Interstate Commerce Commission and to make that Commission the agent of the Congress, to make it the agent of the President in establishing holding companies in the field of aviation. I was opposed to holding companies in aviation in 1934 and in 1935, and I am opposed to them now. I was opposed to trusts then; I am opposed to them now. That is why I am opposed to this bill.

There is another provision of existing law which this bill proposes to repeal. Is any Senator on this floor so simple-minded as to believe that those men who met with Mr. Haley in room 212 and whose names I gave a few days ago—it is not necessary to repeat them, every one of them lobbyists for the air-mail companies—did not know what they were doing when they wanted the existing act repealed? Are we so simple-minded as to believe that at that very moment when they were dealing with Mr. Haley they did not know just what they wanted? And just what they wanted is in Senate bill 2.

Here is another provision they wanted repealed:

(c) No person shall be qualified to enter upon the performance of an air-mail contract, or thereafter to hold an air-mail contract, if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has and retains a member, officer, or director that is) a member, officer, director, or stockholder in any other partnership, association, or corporation, whose principal business, in purpose or in fact, is the holding of stock in other corporations, or which is engaged in any phase of the aviation industry, as specified in subsection (a) of this section.

Do you think, Senators, that the lobbyists for the aviation companies, who have been trying to get this law repealed ever since it was enacted, did not know exactly what they were doing when they put a provision in the pending bill repealing these sections of the law and substituting in their place provisions which would permit the Director of Aviation, when he thought a trust was all right, when he thought a combine was all right, to allow its creation? Incidentally, that man is going to get $10,000 a year if this bill passes. Do you think they did not know that if it was transferred to him to say whether or not a trust was good or a holding company was good or a merger was proper, what the result would be? Do you think they did not know what they were doing when they were seeking the repeal of the existing law?

I say I do not believe any Senator will stand on the floor and say that he thinks under those circumstances we ought to repeal these acts against trusts, against combinations, against holding companies, and instead allow a director under the Interstate Commerce Commission, who will have charge of this matter, to say whether a trust is benevolent or not, or good or not, whether a holding company is all right and proper and for the best interests of the country. They will do just what they have been doing ever since we unfortunately put the rate-making authority in the hands

of the Interstate Commerce Commission. What have they done? They have raised rates every time they had a chance. They have raised them to the highest limits permissible under the law. They are serving the aviation companies. They are not serving the American public or the American Government.

Now I desire to read further.

Mr. McADOO. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from California?

Mr. McKELLAR. I yield.

Mr. McADOO. With respect to the Director of Aviation, I ask the Senator if the power of the director is as broad as he has indicated in his comments on that section of the law?

Mr. McKELLAR. No; but when the employee of the Commission who is at the head of this division says he never looked at a rate in his life and knows nothing about rates, that he is dependent upon this Director for advice about it, I think it is very important.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. It is obvious to all of us that the pending motion cannot be disposed of this afternoon; I am not certain that it can be disposed of during the present session of Congress. The Senator from Tennessee has made a very valiant and intelligent fight against taking up the motion. The Senator from Missouri [Mr. TRUMAN] as the representative of the Senator from Nevada [Mr. McCARRAN], who is ill in the hospital, has felt it his duty to press the motion today. However, the tax bill is now ready to be taken up. I wonder, in view of the situation, whether the Senator from Missouri would be willing to withdraw the motion made by the Senator from Nevada——

Mr. McKELLAR. One moment, Mr. President. I have been charged with filibustering.

Mr. BARKLEY. I have not charged the Senator with filibustering.

Mr. McKELLAR. I know, but others have. The filibustering has been done by the proponents of the bill. I have not had an opportunity to let the Senate know until this afternoon, what is really in the bill. I am discussing what is in it. I am discussing those sections of the present law which would be repealed if the bill should be passed. I think I ought to have an opportunity to discuss it fully. Here we have been going along all afternoon. The Senator from Mississippi [Mr. HARRISON] could have brought the tax bill in at any time he wished, but the moment I begin to tell the Senate about the air-transportation bill, about the benevolent methods of the Interstate Commerce Commission in allowing good holding companies and good monopolies and good consolidations, then the tax bill comes in, and I am asked to withdraw.

I am not blaming the Senator from Kentucky, but I want to finish discussing the proposals and the provisions of law which it is desired to repeal. I think Senators ought to know about them.

Mr. BARKLEY. If there is no possibility of voting on the motion to proceed to the consideration of the bill at this session, the same ground will have to be gone over again in the next session; so I am wondering if we cannot suspend discussion of the bill at this session, if it would not be well to postpone further discussion of it until the next session, in order that the Senator may be saved the trouble of going over the same ground again at that time.

Mr. McKELLAR. If the Senator will give me that assurance, that the bill will not be taken up at this session——

Mr. TRUMAN. Mr. President, I cannot give that assurance.

Mr. BARKLEY. Does the Senator from Tennessee decline to yield in order that the Senator from Missouri may withdraw his motion?

Mr. TRUMAN. I cannot withdraw the motion. The motion is the motion of the Senator from Nevada [Mr. McCARRAN]. I am perfectly willing to ask unanimous consent that the motion may be laid aside temporarily to consider the tax bill, so that the Senator from Tennessee may have an opportunity tomorrow to conclude his remarks.

Mr. BARKLEY. I wish to give notice that unless some other method to dispose of the motion discloses itself very shortly, I shall move an adjournment, which would displace the motion.

The VICE PRESIDENT. Is there objection to the withdrawal of the motion?

Mr. McKELLAR. I have not yet yielded the floor.

Mr. AUSTIN and other Senators rose.

The VICE PRESIDENT. The Senator from Tennessee has the floor. Does he yield, and, if so, to whom?

Mr. McKELLAR. Does the Senator from Vermont want me to yield? I do not want to lose the floor.

The VICE PRESIDENT. The Senator from Tennessee has the floor, and no power on earth can take him off the floor. [Laughter.]

Mr. McKELLAR. I thank the Vice President.

Now, I want to read another provision of the present law which it is proposed to repeal:

(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract, (1) if at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee performing general managerial duties, that is) an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails.

Why was that provision inserted in the law? It was because before any contracts were let, before any bids were advertised for, a former Postmaster General called all the interested parties to the Post Office Department. He did not go to a hotel about it. So far as the record shows, at any rate, he did not go to a hotel; but he called them to his office in the Post Office Department and told which to bid on which contract. He divided the contracts up.

This provision was incorporated in the law to stop that kind of business on the part of any Postmaster General, and it ought not to be repealed; yet it is proposed to repeal it and turn over to the Interstate Commerce Commission the determination of what the bids shall be.

Now, let me read further:

Provided, That whenever required by the Postmaster General, the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract.

Why repeal that provision? It provides that honesty and fairness shall prevail in the making of contracts for these valuable mail privileges. Why should we repeal that provision of the law?

The Senator from Vermont [Mr. AUSTIN] took exception to the next provision and I want to call attention to it:

Or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

The Senator said that is an intolerant provision. Let us see about it. It was inserted at the suggestion of the senior Senator from Alabama [Mr. BLACK]. That was one of his pet provisions, and it was put in the law at that time at his request. Why was it inserted in the law? We had been granting enormous sums of the people's money to various concerns; and it was not only reported but shown before the committee that out of these subsidies which we gave, out of the subsidies which the people had to pay, one man was being paid a salary of $75,000 a year for conducting one business.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. I think the Senator ought to yield after referring to the Senator from Vermont in his remarks as he did. I questioned the Senator from Tennessee respecting the

source of the salary of that gentleman because, as I recall the evidence, he was engaged as an officer for a manufacturing company as well as for the company which transported mail. I hardly think the Senator from Tennessee is justified in saying that his salary came out of the people's money obtained by taxation and handed to him as a subsidy.

Mr. McKELLAR. At that time, when that provision of the law was enacted, we paid the aviation companies $21,000,000 largely in the way of subsidies for carrying mail. The only money they received out of other transportation was about $5,000,000.

The Government was paying about four-fifths of it; and out of these enormous subsidies that we were paying some of the officials were paid as high as $25,000, some as high as $40,000, and, as I recall, one of them was paid $75,000 a year. Those were the facts.

This provision stopped giving that money as subsidy, not to the companies themselves to build them up but to the officials of the companies. We found that not only were they officials of the air-mail companies but at the same time they were also officials of various other companies. Some of them were bankers and were made officials to look after the banking interests. Some of them were connected with the General Motors Corporation and were made officials to look after the interests of General Motors in supplying materials to these companies. Various other materialmen were drawing great salaries, and for that reason that provision was inserted in the act.

The provisions which were put in the law which now exists were for the purpose of deterring these men from violating the laws and taking the Government's money without let or hindrance. Not only did we give these concerns $21,000,000 of subsidy in 1932, as I remember the year, but we appropriated about $15,000,000 to give them lighted ways and airplane landing fields and safety devices, in all somewhere between thirty-five and forty million dollars; and then, when the existing law was passed, we got honesty. We got fair dealing.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I ask unanimous consent that the pending motion be withdrawn?

The VICE PRESIDENT. Is there objection?

Mr. AUSTIN. Mr. President, reserving the right to object, I wish to ask the Senator from Kentucky if he is willing to agree that, if this motion is withdrawn by unanimous consent, the pending bill may be taken up again before the present session of Congress adjourns.

Mr. BARKLEY. Mr. President, in that connection I will say that the Senator from Vermont realizes that we are approaching the end of the session. The Senator from Nevada [Mr. McCARRAN] made the motion, and it was discussed for 2 or 3 days. The Senator from Tennessee [Mr. McKELLAR] opposed it. In the meantime the Senator from Nevada was taken ill and is now in the hospital; and the Senator from Missouri [Mr. TRUMAN] in good faith has been attempting to represent the Senator from Nevada in the matter. The Senator from Nevada stated to me, at the time the motion was made and since, that he did not desire to have it interfere with necessary legislation which must be passed before adjournment.

In view of the short time remaining of the present session, as we hope—the next 2 or 3 days—and the important emergency legislation which will be coming over from the House and conference reports and other matters that will be pending, I should not feel that it was quite fair to other proposed legislation to agree that this motion may be automatically reinstated and that the Senate may proceed upon it for the rest of the session just as it has proceeded for the past few days.

I will say to the Senator that if this motion is withdrawn, of course at any time, if he is recognized, the maker of the original motion or any other Senator will have the same right to make a similar motion that the Senator from Nevada had when he made the original motion, and that right will exist not only at this session but at the next or any other session of Congress.

Under all the circumstances, I do not believe I ought to be required to agree that this motion may be reentered during the next 2 or 3 days, which we hope will be the termination of this session.

Mr. McKELLAR. Mr. President, if any such agreement as that were proposed, not only should I object to it, but I should not yield to the Senator from Kentucky to make it.

Mr. BARKLEY. I have not asked the Senator to yield to me to do that. I desire to have the motion withdrawn unconditionally.

Mr. TRUMAN. Mr. President, reserving the right to object, may I ask the Senator from Tennessee a question?

Mr. McKELLAR. Certainly.

Mr. TRUMAN. If the request to withdraw this motion should be objected to, would the Senator from Tennessee agree to a vote on the matter within the next 24 hours, say at 2 o'clock tomorrow?

Mr. McKELLAR. No; I would not.

Mr. TRUMAN. Would the Senator agree to a vote on it at any specified time?

Mr. McKELLAR. No.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. AUSTIN. Mr. President, reserving the right to object, I desire to ask another question. I ask the Senator from Kentucky if he will look favorably upon an early consideration of this bill in the next session of Congress if we consent to his request.

Mr. BARKLEY. I will say to the Senator from Vermont that I am on the Committee on Interstate Commerce, which reported the bill to the Senate. I have been asked, not publicly but privately, whether it would be agreeable to set down this bill as a special order at the next session. My reply has been in the negative, because agricultural legislation has already been set down for special consideration at the next session, and, following that, the antilynching bill; and I think that is going far enough in the way of trying to tie up the next session of Congress as to what it will consider.

I will say to the Senator from Vermont that in the next session any Senator—not only the author of the bill, but the Senator from Missouri [Mr. TRUMAN], who reported it, or any other Senator—will have the same right to make a motion similar to the one now pending as the Senator from Nevada had to make the motion at this session; and I think I ought to say that, so far as I am personally concerned, I shall throw no straw in the way of making such a motion unless it should interfere with emergency matters or business that ought to be taken up at the time. The next session will be long—much longer than the rest of this one, I hope—and I think that is all I ought to be asked to say.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the motion is withdrawn.

Mr. McKELLAR. Mr. President, I yield the floor.

PREVENTION OF TAX EVASION AND AVOIDANCE

Mr. HARRISON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 8234, Calendar No. 1293.

The VICE PRESIDENT. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

There being no objection, the Senate proceeded to consider the bill (H. R. 8234), which had been reported from the Committee on Finance with amendments.

The VICE PRESIDENT. The amendments of the committee will be stated.

The first amendment of the Committee on Finance was, in section 353, on page 3, line 17, after the word "royalties",

to insert "(other than mineral, oil, or gas royalties)", so as to read:

For the purposes of this title the term "personal holding company income" means the portion of the gross income which consists of:

(a) Dividends, interest, royalties (other than mineral, oil, or gas royalties), annuities, etc.

The amendment was agreed to.

The next amendment was, in section 353, on page 5, after line 14, to insert:

(h) Mineral, oil, or gas royalties, unless (1) constituting 50 percent or more of the gross income, and (2) the deductions allowable under section 23 (a) (relating to expenses) other than compensation for personal services rendered by shareholders, constitute 15 percent or more of the gross income.

Mr. HARRISON. Mr. President, I desire to offer an amendment to the committee amendment. In line 15, after "(h)", I move to insert a subhead as follows:

Mineral oil or gas royalties.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, in section 355, on page 9, after line 8, to strike out "(b) Amounts used or set aside to retire indebtedness incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness" and insert "(b) Amounts used or irrevocably set aside to pay or to retire indebtedness of any kind incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness", so as to make the section read:

SEC. 355. UNDISTRIBUTED ADJUSTED NET INCOME

For the purposes of this title the term "undistributed adjusted net income" means the adjusted net income (as defined in sec. 356) minus—

(a) The amount of the dividends paid credit provided in section 27, computed without the benefit of subsection (b) thereof (relating to the dividend carry-over); and

(b) Amounts used or irrevocably set aside to pay or to retire indebtedness of any kind incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness.

The amendment was agreed to.

Mr. BORAH. Mr. President, I desire to ask the Senator from Mississippi a question.

Mr. HARRISON. Very well.

Mr. BORAH. Is there any provision in this bill relative to the subject of community property?

Mr. HARRISON. None at all. The committee has not yet taken up that question.

Mr. BORAH. Or the subjection of the depletion of mines?

Mr. HARRISON. Not a thing. I will say to the Senator from Idaho that the only subjects taken up in the bill are the following:

Domestic personal holding companies, as to which we have increased the rates and made some other changes to try to stop some of the loopholes that were revealed before the joint committee which showed tax evasion.

Incorporated yachts and country estates: We think we have closed that loophole.

Incorporated talent.

Artificial deductions for losses from sales or exchanges of property.

Multiple trusts.

Foreign personal holding companies.

Nonresident aliens.

Those are the only subjects taken up in the bill.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. PEPPER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. HARRISON. I yield.

Mr. PEPPER. Is there involved in this bill any change in the existing law in the way of a limitation upon what persons who come into this country from some outside territory may bring in?

Mr. HARRISON. There is nothing in the bill on that subject.

Mr. PEPPER. That is not involved in the pending bill?

Mr. HARRISON. No. The matter of customs is dealt with in another bill.

Mr. SCHWELLENBACH obtained the floor.

Mr. HARRISON. Mr. President, will the Senator permit me to offer another amendment which has been agreed on?

Mr. SCHWELLENBACH. Certainly.

Mr. HARRISON. I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 42, it is proposed to strike out lines 9 to 16, inclusive, as follows:

(a) Credits of estate or trust: For the purpose of the normal tax and the surtax an estate, but not a trust, shall be allowed the same personal exemption as is allowed to a single person under section 25 (b) (1). If no part of the income of the estate or trust is included in computing the net income of any legatee, heir, or beneficiary, then the estate or trust shall be allowed the same credits against net income for interest as are allowed by section 25 (a).

And to insert in lieu thereof the following:

(a) Credits of estate or trust—

(1) For the purpose of the normal tax and the surtax, an estate or trust shall be allowed the same personal exemption as is allowed to a single person under section 25 (b) (1), except that no exemption shall be allowed a trust if the trust instrument requires or permits the accumulation of any portion of the income of the trust and there is not distributed an amount equal to the net income. For the purposes of this paragraph the term "net income" does not include amounts included in gross income which, under the law of the jurisdiction under which the trust is administered, cannot (even if permitted or required by the trust instrument to be considered as income) be considered as income and are not distributable.

(2) If no part of the income of the estate or trust is included in computing the net income of any legatee, heir, or beneficiary, then the estate or trust shall be allowed the same credits against net income for interest as are allowed by section 25 (a).

Mr. BARKLEY. Mr. President, is this the amendment which has been worked out by the experts of the Treasury with certain gentlemen who are interested in sections 401 and 402, and is this the amendment that was designed to take care of that situation?

Mr. HARRISON. Mr. President, this is the amendment agreed on in the conference on this matter, and the purpose is to eliminate a great many reports and useless expense.

Mr. LA FOLLETTE. What is the effect of the amendment?

Mr. HARRISON. Mr. President, section 401 of the House bill takes away the personal exemption of $1,000 from all trusts. It has been called to the attention of the committee that certain receipts which are "income" for Federal income-tax purposes are considered as accretions to principal under State law. The local law in such cases may prevent distribution by the fiduciary of such amounts, even though the trust instrument requires full distribution of the trust "income", and may compel the fiduciary to add them to corpus.

Under the committee amendment, the personal exemption of $1,000 is withdrawn from any trust if the trust instrument requires or permits the accumulation of any portion of the trust income and there is not distributed an amount equal to the net income; but the term "net income", for the purposes of the paragraph, does not include amounts included in gross income, which, under the law of the jurisdiction under which the trust is administered, cannot, even if permitted or required by the trust instrument to be considered as income, be considered as income, and are not distributable.

The amendment will operate to relieve fiduciaries of trusts of paying tax with respect to amounts of this character not

in excess of $1,000 for the taxable year, without opening any loophole for avoidance of taxes through setting up trusts to accumulate, and is in the interest of administrative economy and simplicity.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I send another amendment to the desk and ask to have it acted on.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 43, it is proposed to strike out lines 13 and 25, and lines 1 and 2 on page 44, as follows:

(4) Every estate the net income of which for the taxable year is $1,000 or over;
(5) Every estate or trust the gross income of which for the taxable year is $5,000 or over, regardless of the amount of the net income;
(6) Every estate or trust of which any beneficiary is a nonresident alien; and
(7) Regardless of the amount of the gross or net income of the trust:
(A) Every trust having a net income; and
(B) Every trust, though having no net income, which would have a net income if distributions had not been made which under the terms of the trust instrument were in the discretion of the trustee or conditioned upon a contingency.

And to insert in lieu thereof the following:

(4) (A) Every estate, and every trust entitled to the personal exemption allowed by section 163 (a) (1), the net income of which for the taxable year is $1,000 or over.
(B) Every trust, not entitled to a personal exemption under section 163 (a) (1), which has a net income for the taxable year.
(5) Every estate or trust the gross income of which for the taxable year is $5,000 or over, regardless of the amount of the net income;
(6) Every estate or trust of which any beneficiary is a nonresident alien; and
(7) Regardless of the amount of the gross or net income, every trust, though having no net income, which would have a net income if distributions had not been made which under the terms of the trust instrument were in the discretion of the trustee or conditioned upon a contingency; but subject to such conditions, limitations, and exceptions and under such regulations as may be prescribed by the Commissioner, with the approval of the Secretary, a fiduciary required by this paragraph to file a return may be exempted from the requirement of filing such return.

Mr. LA FOLLETTE. Mr. President, I ask for an explanation of the amendment. I may add that these amendments were drawn after the committee had instructed the experts to confer, but I think the members of the committee and the Senate ought to have an explanation of them before they are acted on.

Mr. HARRISON. Mr. President, I think the Senator is correct.

The amendment to paragraph (4) of subsection (a) is made necessary by the amendment to section 163 (a) and relieves trusts entitled to the personal exemption allowed by section 163 (a) (1), and not having a net income for the taxable year of $1,000 or more, from filing returns.

The amendment made to paragraph (7) of subsection (a) of this section merely empowers the Commissioner, with the approval of the Secretary, to exempt fiduciaries from the requirement of filing returns otherwise required by such paragraph, subject to such conditions, limitations, and exceptions as he may prescribe. This amendment will enable the Treasury Department to dispense with such returns in cases where they are unnecessary to protect the revenue and so avoid unnecessary inconvenience and expense to fiduciaries. The other amendments make necessary the elimination of paragraph (7) (A) of this subsection.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. President, was the amendment on page 9, line 13, agreed to?

The VICE PRESIDENT. That amendment was agreed to.

Mr. SCHWELLENBACH. Mr. President, I do not feel that this body, out of fairness to itself, can permit the passage of this important piece of legislation without some consideration. I think the Members of the Senate know that I usually try to be reasonable; I do not like to inject objections. I appreciate the fact that the Committee on Finance has been making a study of this matter, and I appreciate that it is a technical subject; but there is not a Senator who does not realize that from the minute the bill was brought up there has been complete confusion. The chairman of the committee has not known whether or not certain amendments were adopted. The Presiding Officer has not known. We have not had any explanation of the bill. The bill and the report were laid on our desks today for the first time.

I realize that it is late in the session, and it is necessary to put legislation through rapidly; but, so far as I am concerned, I cannot permit an important piece of legislation such as this to go through in 15 or 20 minutes of confused consideration without any general explanation of the bill.

It is my belief that the bill should go over until tomorrow. I will say frankly that I do not know of any objection I may have to it, but I do not think this body, in fairness to itself, can permit this piece of proposed legislation to go through with this sort of consideration.

Personally, I should like to have an opportunity to take the bill home tonight and study it and to read the report and the hearings. Probably there is not one chance in a hundred that I will have any objection to the bill tomorrow, but I feel we should handle this measure in the way I suggest; and I say frankly that unless there is a willingness upon the part of those in charge of the bill either to go into a complete explanation tonight, or to permit it to go over to be voted on the first thing tomorrow, while I do not like to make a statement of this kind I feel it will be necessary for me to talk for a considerable length of time upon other subjects. I do not desire to be an obstructionist, but I feel that the Senate cannot afford to put this bill through tonight.

Mr. HARRISON. Mr. President, I think the request of the Senator is quite a reasonable one, and I shall be glad at this time to try to answer any questions he may ask as to any paragraph.

Mr. SCHWELLENBACH. The trouble is that we are not sufficiently familiar with the bill to be in a position to ask questions with regard to its provisions.

Mr. HARRISON. If the Senator prefers to have the bill go over until tomorrow, I shall raise no objection to that. I may say that some of the Senators who are in charge of the bill are trying to settle some kinks in the sugar controversy, and I was anxious to get this bill through as quickly as possible.

Mr. SCHWELLENBACH. I fully appreciate that, and I was casting no reflection on either the committee or the chairman of the committee; but I do not think the bill should be put through so rapidly.

Mr. HARRISON. Mr. President, I inquire if all the amendments have been agreed to.

The VICE PRESIDENT. All the amendments have been agreed to. The question now is on the engrossment of the amendments and the third reading of the bill.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. CONNALLY. I thought the bill was about to be passed. I wanted to discuss some features of it.

The VICE PRESIDENT. The Chair will say to the Senator from Washington that there is one remedy that he has if he desires to avail himself of it. If the Senate should pass the bill this afternoon the Senator from Washington would have a right tomorrow to move to reconsider, or to bring to the attention of the Senate any part of the bill that might be objectionable to him.

Mr. SCHWELLENBACH. I fully appreciate that fact, Mr. President. My objection is not to the bill or to any part of it. My objection is to putting through, in 15 or 20 minutes, an important piece of legislation in such confusion that no one knows what is going on. I am perfectly willing

to yield the floor if an agreement may be had that we shall vote upon the bill the first thing tomorrow. Probably I shall not object to it then, and I shall not do anything to obstruct action upon it.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield to the Senator from Texas.

Mr. CONNALLY. Let me say to the Senator that this is a very technical measure, drawn by the Treasury to fill up tax loopholes. Frankly, I do not think the Senator will know any more about the bill tomorrow than he does today; and I will say to the Senator that I shall not know any more about it then than I now know.

Mr. SCHWELLENBACH. I am perfectly willing to agree with the Senator that I may not know any more about the bill tomorrow than I do today; but I feel it my duty to myself to try to make some little effort to find out what the bill is about.

Mr. HARRISON. Mr. President, it seems unlikely that anything else will be done about the bill by the Senate this afternoon. Suppose I invite the attention of Senators who wish to stay and listen to me. Some may wish to leave and go home—I know that many of them do—but I shall undertake to make an explanation of the bill, so that the explanation may be read in the CONGRESSIONAL RECORD tomorrow, and we may have a vote tomorrow, unless objection shall be raised.

The VICE PRESIDENT. Does the Senator from Washington yield the floor?

Mr. SCHWELLENBACH. My understanding is that we will vote upon the bill the first thing tomorrow.

Mr. HARRISON. Yes. If the Senator desires an explanation, I shall not mind making it now, so that it will appear in the RECORD tomorrow.

Mr. SCHWELLENBACH. I do not ask for an explanation. I ask for an opportunity to read the report and the bill tonight, so that I may vote more intelligently upon it tomorrow.

Mr. HARRISON. Does the Senator suggest any particular time for taking the vote?

Mr. SCHWELLENBACH. No particular time.

Mr. HARRISON. Very well.

Mr. SCHWELLENBACH. With that assurance, I yield the floor.

ORDER FOR CONSIDERATION OF CALENDAR TOMORROW

Mr. BARKLEY. Mr. President, I have no doubt that the bill will be voted upon at an early moment after the Senate meets tomorrow. It is contemplated that we shall take a recess for that purpose. Therefore, I ask unanimous consent that tomorrow at the conclusion of the consideration of the pending bill, subject to any conference reports that may be ready for disposition, the calendar be called for the consideration of unobjected bills.

The VICE PRESIDENT. Is there objection to the unanimous-consent request made by the Senator from Kentucky?

Mr. PEPPER. Mr. President, I am sorry, but I did not hear the full statement of the Senator from Kentucky. Will the Senator restate it?

Mr. BARKLEY. I stated that it is obvious that the tax-loophole bill will be disposed of soon after we meet tomorrow. I ask unanimous consent that, subject to conference reports which may be ready for consideration, the calendar be called for the consideration of unobjected bills immediately after the pending bill shall have been disposed of tomorrow.

Mr. PEPPER. Mr. President, may I make a further inquiry? Will the Senator indicate what conference report or reports he has in mind?

Mr. BARKLEY. If the conference report on the sugar bill shall be ready, that will be taken up. It is desired that the Senate have something to do while waiting for such conference reports as may come in. Numerous bills are now in conference. I do not want them to be shunted aside simply because of the call of the calendar. If a conference report is ready to be taken up in the middle of the call of the calendar, I wish to have it taken up when it is ready.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. PEPPER. I object.

The VICE PRESIDENT. Objection is heard.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. Is not a conference report a privileged matter even during the call of the calendar?

The VICE PRESIDENT. A conference report is a privileged matter, and may be taken up by the Senate at any time.

Mr. BARKLEY. So it is not necessary for me to ask unanimous consent that a conference report be taken up during the call of the calendar?

The VICE PRESIDENT. It is not necessary that unanimous consent be obtained in order to have a conference report come before the Senate.

Mr. BARKLEY. Regardless of conference reports, I ask unanimous consent that at the conclusion of the consideration of the pending bill the calendar be called for the consideration of unobjected bills.

The VICE PRESIDENT. Is there objection?

Mr. PEPPER. Mr. President, I wish to say by way of explanation that I did not understand that the objection I made included the consideration of bills on the calendar. The objection I made was with regard to the consideration of conference reports. Since such an objection does not seem to have any force, I withdraw my objection.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. GLASS, from the Committee on Appropriations, reported favorably the nomination of Meyer L. Casman, of Pennsylvania, to be regional attorney, region III, Philadelphia, Pa., in the Social Security Board.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the nomination of Victor E. Anderson, of Minnesota, to be United States attorney for the district of Minnesota, vice George F. Sullivan.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of several officers and citizens for appointment in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Howard K. Wells to be postmaster at Colfax, La., in place of V. N. McNeely.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

OWEN J. C. NOREM

Mr. PITTMAN. From the Committee on Foreign Relations, I report favorably the nomination of Owen J. C. Norem, of Montana, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Lithuania, and call it to the attention of the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I ask unanimous consent that the nomination be considered and confirmed at this time.

Mr. WHEELER. I object.

Mr. MURRAY. Mr. President, I wish to state the reason why I make the request. There is now pending and under consideration before the Appropriations Committee the third deficiency appropriation measure, which should carry an appropriation for the salary of this position. The Secretary

of State has written a letter to the chairman of the Appropriations Committee requesting that the matter of the salary be taken by the committee immediately upon the confirmation of this nomination. It was expected that the nomination would be confirmed sometime ago, but it has been delayed and pending in the Foreign Relations Committee. Unless we can have immediate action on the nomination, it may preclude the action of the Appropriations Committee with respect to the salary of the position. It will result in a further complication. Unless immediate confirmation is had, the salaries of the new Ministers to Estonia and Latvia will also be in suspense. Therefore, I urge confirmation at this time.

The VICE PRESIDENT. Objection has been heard.

Mr. MURRAY. I merely wanted to have the RECORD show the reason why I made the request.

The VICE PRESIDENT. Are there any further reports of committees?

MARY W. DEWSON

Mr. HARRISON. From the Committee on Finance, I report favorably the nomination of Mary W. Dewson, of New York, to be a member of the Social Security Board for the term expiring August 13, 1943.

Mr. COPELAND. Mr. President, I ask unanimous consent that immediate consideration may be given to this nomination, and that it may be confirmed.

The VICE PRESIDENT. The clerk will read the nomination.

The legislative clerk read the nomination of Mary W. Dewson, of New York, to be a member of the Social Security Board for the term expiring August 13, 1943.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York [Mr. COPELAND] for the immediate consideration and confirmation of the nomination? The Chair hears none; and, without objection, the nomination is confirmed.

Mr. COPELAND. I ask unanimous consent that the President be notified.

The VICE PRESIDENT. Without objection, the President will be notified.

If there be no further reports of committees, the Clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Edward G. Dolan, of Connecticut, to be Register of the Treasury.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Public Health Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

The Senate resumed legislative session.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 48 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 19, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18 (legislative day of Aug. 16), 1937

REGISTER OF THE TREASURY

Edward G. Dolan to be Register of the Treasury.

SOCIAL SECURITY BOARD

Mary W. Dewson to be a member of the Social Security Board.

UNITED STATES PUBLIC HEALTH SERVICE

Warren P. Dearing to be passed assistant surgeon.
Alexander G. Gilliam to be passed assistant surgeon.
Leonard A. Scheele to be passed assistant surgeon.
Ralph J. Mitchell to be passed assistant surgeon.
William H. Gordon to be passed assistant surgeon.
Frederick J. Brady to be passed assistant surgeon.
Thomas H. Tomlinson, Jr., to be passed assistant surgeon.
Kirby K. Bryant to be surgeon.
William H. Sebrell, Jr., to be surgeon.
George G. Holdt to be surgeon.
Edward R. Pelikan to be surgeon.
Homer L. Skinner to be surgeon.

POSTMASTERS

MISSISSIPPI

William C. Bourland, Fulton.
Mary S. Farish, Whitfield.

NEW JERSEY

Roy Bowman, West Long Branch.

NORTH DAKOTA

Margaret F. Scouton, Inkster.

TENNESSEE

Frances P. Hudson, Germantown.
Amy G. Sylar, Ooltewah.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 18, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious Father, whose blessings outnumber the sands of the sea and the stars that reflect the glory of the heavens, hear our prayer. We thank Thee for another day, with its opportunity of service; surely we are enfolded in Thy bosom and live by Thy mercy. Thou, who art the Comforter of the ages, from the recesses of Thy love let Thy blessings flow. O remember those who live in clouds of affliction and all those who are tried and entangled by the relationships of life. Draw near to those who are drifting as upon a sea in the darkness of an unstarred night. O temper the spirit of antagonisms. Teach us how to be happy and responsive and how to make friends by being friendly. May the Congress be attended by Thy grace and wisdom; the laws of our land, may they be faithfully executed; the affairs of state wisely administered; and may prosperty continue to bless our people; and Thine shall be the praise. In the name of our glorified Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3493. An act to amend section 76 of the Judicial Code, as amended, with respect to the terms of the Federal district court, held at Tallahassee, Fla.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S. J. Res. 197. A joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba.

S. J. Res. 199. A joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2281) entitled "An act to regulate proceedings in adoption in the District of Columbia."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 29. An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes.

S. 1040. An act placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes.

S. 1283. An act to increase the extra pay to enlisted men for reporting.

S. 1516. An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) entitled "A joint resolution relative to determination and payment of certain claims against the Government of Mexico."

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2711) entitled "An act to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mrs. CARAWAY, Mr. GUFFEY, Mr. CLARK, and Mr. WHITE to be the conferees on the part of the Senate.

RIVERS AND HARBORS

Mr. WHITTINGTON. Mr. Speaker, I present a conference report and statement on the bill H. R. 7646, to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", for printing under the rule.

SMALL RESERVOIRS

Mr. WHITE of Idaho. Mr. Speaker, I call up the conference report upon the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws.

The SPEAKER. The gentleman from Idaho calls up a conference report on the bill H. R. 2512, which the Clerk will report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

COMPTON I. WHITE,
JOHN J. DEMPSEY,
PAUL R. GREEVER,
FRANCIS CASE,
Managers on the part of the House.

ALVA B. ADAMS,
JOSEPH C. O'MAHONEY,
GERALD P. NYE.
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying report.

The bill as passed by the House authorized an appropriation out of the reclamation fund for the purpose of constructing small reservoirs. The Senate amended the bill providing for the use of relief funds for such construction. The managers on the part of the House insisted that this was properly a matter for the reclamation fund rather than from relief funds owing to the difficulties entailed by the regulations in connection with the use of relief funds. The Senate upon hearing the managers on the part of the House receded from their amendment leaving the House bill as it originally passed the House.

COMPTON I. WHITE,
JOHN J. DEMPSEY,
PAUL R. GREEVER,
FRANCIS H. CASE,
Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

AMENDMENT TO TRAFFIC ACT

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 8266, to amend the District of Columbia Traffic Act, as amended, which I send to the desk.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of the bill H. R. 8266, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the proviso in section 6 (c) of the District of Columbia Traffic Act is amended by inserting after the comma following the phrase "Parliamentarian of the House of Representatives" the following: "the Tally Clerk of the House of Representatives."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

PAYMENT OF CERTAIN CLAIMS AGAINST MEXICO

Mr. McREYNOLDS. Mr. Speaker, I present a conference report and statement upon House Joint Resolution 437, relative to determination and payment of certain claims against the Government of Mexico, for printing under the rule.

WAGE AND HOUR BILL

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes regarding a little discrepancy in two statements appearing in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, yesterday, after I criticized the Committee on Rules regarding the wage and hour bill for its refusal to report the bill out, the gentleman from New York [Mr. O'CONNOR], chairman of that committee, said, quoting the RECORD:

I do not propose to join my Democratic colleague from Colorado [Mr. MARTIN] and lambast my own party and put the responsibility on them.

Mr. Speaker, I did not lambast the Democratic Party. This is what I said, again quoting from the RECORD:

The Democratic Party will be held responsible for it——

That is, responsible for the action of the Rules Committee in smothering the wage-hour bill.

In my remaining time, Mr. Speaker, I shall read the headings from a daily paper in my home city, a town of 50,000 people, an industrial city, and I have no doubt that on the same day similar headlines appeared in every daily newspaper in the United States:

Rebellious Congress tosses hour-pay bill into discard.
Action marks second revolt within a month against Roosevelt's New Deal program.

And here is the opening paragraph of the article:

WASHINGTON, August 14.—(U. P.).—A rebellious Congress Saturday night abandoned President Roosevelt's wage-hour bill and began a pell-mell race toward adjournment.

Mr. Speaker, there is no reference to the Committee on Rules in these headings. The country does not know anything about the Committee on Rules; it does not care anything about it, or know or care about individual Members of Congress. All it knows is that the Democratic Party is in overwhelming control of this Congress and has failed to pass the wage-hour bill, and it will hold the Democratic Party responsible for it. That is what I said, and all I said, regarding the Democratic Party.

Mr. Speaker, this is not the first time that the Rules Committee has arrogated to itself the power to pass upon the policy of legislation and has granted a rule for the consideration of legislation in the House, or refused to grant it, according to the views of individual members of the committee as to whether or not they favored such legislation. It has become a common practice on controversial legislation. In other words, the Rules Committee has set itself up as a superlegislative body over all the legislation of Congress, requiring a special rule in order that it may be brought up in the House and considered. That is precisely the position now occupied in the scheme of things in the House by the Committee on Rules.

This, as I say, is not the first time the Committee on Rules has refused to grant a rule for the consideration of major legislation, which consideration was desired by a substantial part of the membership of the House and by millions of people in the country; but I have heard it stated by Members that this is the most flagrant case of the usurpation of the powers of the House of which they have any recollection.

How flagrant the action of the Rules Committee is may be gathered from the statement of the chairman of the committee himself in the debate of yesterday. The committee chairman said:

> In my opinion, the Members of this House will not cast over 75 votes against the bill.

He followed up by saying of the Republican membership:

> I do not believe one-third of their number will ever vote against the bill.

So here is a great piece of legislation, concededly the most important piece of legislation to come before the Seventy-fifth Congress, a bill, moreover, which was passed by the Senate after days of able and thorough consideration by a vote of 2 to 1, exactly 57 to 28. If I wanted to criticize the Rules Committee, it would not be by lambasting it in generalities. It could be better done by simply stating what the bill is and the refusal of the committee to give it a rule, and then put in the statement of the chairman of the committee. Here is a body of 435 Members, of whom, it is authoritatively stated, that not to exceed 75 of them are opposed to the legislation, and yet they are not permitted by a small committee of 14 of their own number to consider it.

Think of a Democratic Member of Congress going to his constituents with any such alibi for the failure of his party to pass a great humanitarian measure to which his party is committed, which the President and party leader has asked at the hands of Congress, and which is endorsed by all the labor organizations of the country, regardless of their own differences.

The newspaper headlines had nothing to say about the Rules Committee, nothing charging the committee with the failure of Congress to act. Ninety percent of the voters of the country who favor this legislation will never know of the committee action, or would consider it as an excuse if they did know. The fact may as well be faced that in the national judgment, not merely the Democratic majority in the House of Representatives, but the National Democratic Party, will be held responsible.

Mr. Speaker, I was a Member of this body when the regime of Czar Cannon was overthrown, when he was stripped of his autocratic powers over the House of Representatives, and that power lodged in the hands of a committee selected by the Members of the House.

But it was too late then to save the Republican Party from the split which overwhelmingly defeated it in the ensuing congressional election and later in the Presidential election. The autocratic and unrepublican control of the House of Representatives, blocking popular legislation, had become a national issue, dividing the party, not merely the politicians of the party but the people; and when the Democratic Party, joining with the Progressive Republicans, stripped the so-called Cannon machine of its powers, it only served to accentuate the party division, resulting in its complete defeat and its loss of power in this House for 8 years. The people did not care about the effect of czar rule or the rights of individual Members of Congress, but they cared greatly about its effect on legislation.

Mr. Speaker, there are differences, vital differences, between the principles and objectives of political parties. There are such vital differences between the principles and objectives of the Democratic and Republican Parties. But there are little or no differences in the technique of political party organizations. Once a party gains power it is quickly led into adopting the methods of its predecessors. Power is quickly gathered into a few hands, and a machine is built up. Its own perpetuity and control become naturally its major concern. It knows best what Congress should do and should not do. It knows best what is good for the party. The Cannon machine knew this. All other machines know it.

As an illustration of however much parties may differ in their principles and objectives, they pursue the same methods once they gain power, is the change made by our party in the number of Members required to sign a discharge petition to take a bill from a committee and bring it before the House for consideration. As is well known, the 145 rule, being exactly one-third of the total House membership, was established by the Democrats of the House when they gained sufficient power in the Seventy-second Congress, cutting the number from 218, as the Republicans had it. The requirement of 218 names, being a majority of the total membership, was properly regarded as a rule designed to prevent the consideration of controversial legislation or any legislation not desired by the House organization. The 145 rule was a more democratic rule.

But no sooner had the party acquired complete and overwhelming control in the Seventy-third Congress than a caucus was called within a few days after the organization of that Congress for the purpose of changing back to the old Republican number, 218. The effort failed of the two-thirds vote necessary to make it binding on all the Members and the proposed change was temporarily abandoned. Later, after the new membership was gotten somewhat better in hand, a second and successful effort was made, so now it requires 218 Members to take a bill from a committee.

There was no secret about the object of this change. It was not needed to control the Republican membership. In the first place they would never sign a petition to bring out reform or progressive legislation. No one could imagine the Republican Party petitioning a wage-hour bill out of a committee. Or a bill to regulate the corporations, which legislation they would consider Government interference in business. So far as the Republican Party is concerned, the House and the country have always been perfectly safe from anything resembling reform or progressive legislation. No; the object of the change in the rule was to tie the hands of the Democratic majority. It is known to be a matter of the utmost difficulty to secure 218 signatures to a discharge petition, with House leaders working against it. Many Members will refuse to sign a petition who would hesitate to vote against a bill once it is brought before the House and the roll is called.

Now, in addition to this undemocratic change in the rules of the House, comes a Rules Committee bloated out of all resemblance to its small beginnings and proper proportions. One might well exclaim—

> Upon what meat doth this our Caesar feed that he is grown so great? Why, man, he doth bestride the narrow world like a Colossus, and we petty men walk under his huge legs and peep about to find ourselves dishonorable graves.

The Rules Committee, consisting of 14 Members of the House, has become a superlegislative body. If 7 of its 14 members do not like the haircut of a bill, it matters not

that the whole House and the whole country may be clamoring for it. The only way a measure can be taken from the committee is by a discharge petition and the signature of 218 Members, just as in the case of other committees. It is now too late in the session for this, as a month or more must elapse.

Mr. Speaker, I have said to my people, and in every paper in my district, that if I could make but one contribution to the political education of the people, it would be to rid their minds of the idea that they are running the Government and the Government is running the country, and that this would be the beginning of knowledge. I have been a student of national affairs for more than 50 years, at least an observer and part-time small actor in them. I do not believe that any great people ever lost so much ground in so many ways in the same space of time. The policies of President Roosevelt have been inspired and designed to arrest this downward tendency and to restore that economic liberty without which, it has been well said, political liberty cannot survive. The wage-hour bill is an approach to the solution of one phase of our economic problems. It is a practical and moderate step. But it shall not pass, says the House Committee on Rules.

This fairly raises the question whether the House Committee on Rules shall not become a subject of consideration by the Members of the House, whether it may not itself force consideration. At least all of the liberal opponents of the President's Supreme Court reform conceded that policy making was no part of the constitutional judicial power. Far less can it be a part of the powers of a mere committee of the House of Representatives, which was created to determine, not what legislation, not what policies, the House of Representatives should consider, but how consideration of important legislation in the House should be facilitated.

The SPEAKER. The time of the gentleman from Colorado has expired.

EXTENSION OF REMARKS

Mr. PAREDES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short table.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement by Steven Rauschenbusch.

The SPEAKER. Is there objection?

There was no objection.

SESQUICENTENNIAL COMMISSION

Mr. KELLER. Mr. Speaker, I call up the conference report upon House Joint Resolution 363, to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Illinois calls up a conference report upon House Joint Resolution 363 and asks unanimous consent that the statement be read in lieu of the report. Is there objeciton?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 363) to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 4, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the Senate amendment insert the following:

"Any funds heretofore or hereafter made available to the United States Constitution Sesquicentennial Commission for carrying out the functions imposed upon such Commission by or pursuant to law may be expended by the Commission for printing and binding outside the Government Printing Office and such objects as the Commission may deem necessary and proper to accomplish the purposes of such functions: *Provided*, That this provision shall not be construed as waiving the requirement for the submission of accounts and vouchers to the General Accounting Office for audit."

And the Senate agree to the same.

FREDERICK VAN NUYS,
EDWARD R. BURKE,
WM. E. BORAH,
Managers on the part of the Senate.

KENT E. KELLER,
ROBERT T. SECREST,
Managers on the part of the House.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 363) entitled "Joint Resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission" submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On no. 1: The House provided for a distribution quota of 2,500 copies of The Story of the Constitution for each Senator, Representative, and Delegate from a Territory. The Senate amendment reduced the quota to 2,000 each and the House accepts the Senate amendment.

On no. 2: Makes a technical correction in the House text.

On no. 3: The Senate amendment provides that any funds heretofore or hereafter made available to the Commission for carrying on its duly authorized functions might be expended by the Commission for such objects and in such manner as the Commission might deem proper and necessary to accomplish such functions without regard to any other laws or regulations relating to the expenditure of public funds with the exception that such exemption should not waive the submission of accounts and vouchers to the General Accounting Office for audit. The House accepts the Senate amendment modified to provide that any funds heretofore or hereafter available to the Commission for carrying on its duly authorized functions might be expended for printing and binding outside the Government Printing Office and for such objects as the Commission may deem necessary and proper to accomplish the purposes of its functions with the same exception that the provision should not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit.

On no. 4: The Senate amendment adds a new section authorizing the President to appoint a Director General for the Commission, who shall not be deemed an officer of the United States. The House accepts the Senate amendment.

KENT E. KELLER,
ROBERT T. SECREST,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

JOINT COMMITTEE ON HAWAII

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution (S. Con. Res. 18, Rept. No. 1586), for printing in the RECORD:

Senate Concurrent Resolution 18

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a joint congressional committee to be known as the Joint Committee on Hawaii, which shall be composed of not to exceed 12 Members of the Senate, to be appointed by the President of the Senate, and not to exceed 12 Members of the House of Representatives and the Delegate from Hawaii, to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members. The committee shall cease to exist upon making its report to Congress pursuant to this resolution.

SEC. 2. The committee is authorized and directed to conduct a comprehensive investigation and study of the subject of statehood and of other subjects relating to the welfare of the Territory of Hawaii. The committee shall report to the Senate and to the House of Representatives not later than January 15, 1938, the results of its investigation and study, together with its recommendations for such legislation as it deems necessary or desirable.

SEC. 3. For the purposes of this resolution, the committee is authorized to sit and act, as a whole or by subcommittee, at such times and places as it deems advisable, to hold such hearings, to administer such oaths and affirmations, to take such testimony,

and to have such printing and binding done as it deems necessary.

THE PRIVATE CALENDAR

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that during the remainder of this session it shall be in order for the Speaker to call up individual bills on the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, the minority leader is temporarily absent.

Mr. O'CONNOR of New York. I spoke to the minority leader and this is agreeable to him.

The SPEAKER. Is there objection?

There was no objection.

THE HOUSING BILL

Mr. O'CONNOR of New York. Mr. Speaker, I call up the resolution H. Res. 320.

The Clerk read the resolution, as follows:

House Resolution 320

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of S. 1685, an act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes on the resolution to the gentleman from Tennessee [Mr. TAYLOR].

Mr. Speaker, this rule provides for the consideration of the housing bill. It is an open rule, permitting amendments, and we hope to complete the bill today. In fact, we shall make every effort to complete the bill today no matter how late we have to stay to do it.

As is well known, the matter of Federal aid to housing has been a subject of great interest for many years. Many Members, particularly from the congested sections of the country, have been eager to see a housing bill passed. Such a bill has been proposed for years. We are, therefore, glad at this moment, although it is somewhat late, that this bill now comes before us.

It is a subject in which I have long taken a personal interest. I want to commend, if I may respectfully do so, the House committee for putting amendments in the Senate bill, which are a distinct improvement over that bill.

First, as to the limitation of cost, the Senate had a limitation of $1,000 per room and $4,000 per unit, about 4 rooms. This cost is outside of the cost of land and demolition. That small limitation would make it absolutely impossible to erect low-cost housing in any of the cities of the United States of any size, due to the cost of material and especially the labor cost.

In the two big improvements in New York City of recent date, the Harlem improvement and the Williamsburg improvement, the cost per room was about $1,600. The House committee properly eliminated the $1,000 per room limitation and the $4,000 per unit limitation, and put in a limitation of $5,000 per unit. Some of us fear that that limitation may be too small if the cost of construction increases, because as I said, the cost in New York City recently was $1,600 a room, and as of July 1 the cost per unit in Atlanta was $4,632; in Cincinnati, $4,872, as instances of the cost of construction.

Furthermore, it must always be borne in mind that it would be very unprofitable to build cheap construction, so-called jerry building which is going to be financed by the Federal Government over a period of 60 years, and it is assumed that the construction should last at least 60 years.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. JENKINS of Ohio. I appreciate the gentleman from New York probably knows more about what I want to ask than anybody else in this Congress. What is the difference in the financial set-up of these improvements that have already been made in New York as against those proposed in this bill?

Mr. O'CONNOR of New York. Oh, there is such a substantial difference I could not in my limited time explain it. I prefer to leave that explanation to the Committee on Banking and Currency. The present improvements I referred to are P. W. A. projects, financed up to 70 or 75 percent, but I would not want to state positively about it.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BLOOM. When the gentleman refers to a unit, how many rooms are there to the unit?

Mr. O'CONNOR of New York. It is generally considered four rooms.

Mr. BLOOM. That will be over $1,000 a room, then?

Mr. O'CONNOR of New York. There is some fear even about the unit limitation of $5,000. We may not be able to build within that limitation in certain cities, but, of course, this plan will not be carried out for some months or a year or perhaps longer, and when we come back here next year there may be a possibility of meeting the exact situation at that time as it presents itself.

Mr. BLOOM. Will the gentleman yield for one further question?

Mr. O'CONNOR of New York. I yield.

Mr. BLOOM. That excludes the cost of the land?

Mr. O'CONNOR of New York. Yes. And also the cost of demolition.

Mr. BLOOM. And excavation also?

Mr. O'CONNOR of New York. I do not understand the cost of excavation is excepted.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. DONDERO. Will this bill now before the House provide any relief except in the very large cities, in the congested areas?

Mr. O'CONNOR of New York. Oh, yes, indeed. I was going to answer that last. It has been stated, and it will probably be stated, possibly by some members of the committee, that only five or six or eight cities will derive any benefit under this bill.

Other members of the committee and some people who have studied the subject know that the bill will help thousands and thousands of communities, because the slums in this country are not confined to the five or six great metropolitan centers. I think it is within the observation of most Members that in some of the small cities of 25,000 or 50,000 there are certain sections in which people live which are utterly despicable from the standpoint of health and sanitation. I have seen them. I know a number of cities from 25,000 to 200,000 which have slums such as New York never had. When you talk about the slums of New York from the standpoint of filth and extremely insanitary conditions you are talking about the condition of 25 years ago.

Mr. BLOOM. They have them right here in Washington.

Mr. O'CONNOR of New York. Yes; there are slums right here in the Capital City. This city will benefit by the passage of this bill. Any city of 50,000 or even less will benefit from it.

Mr. DEMUTH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. DEMUTH. To speak of cost per room is not to use a very definite unit. I notice that in some of the projects, for instance, Greenbelt, they build rooms that you can hardly turn around in. The cubic foot is a common unit in building and is the unit used in appraising and assessing property. Why do they not use the cubic foot as a standard of cost?

Mr. O'CONNOR of New York. I have no idea why they did not.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BLOOM. That depends upon the law of the place where the building is located. In some places they require rooms to be of a certain size and in other places of other sizes, and, of course, in some places there is no requirement as to the size of rooms.

Mr. DEMUTH. But when you use the room as a unit, the room may be 14 by 14, 8 by 10, or any other size. You may build a building for $500 per room, but the rooms may be 8 by 8. If you base the price on the cubic foot, then you are using a unit that is common to the industry, that is used alike by appraisers and builders in figuring costs.

Mr. O'CONNOR of New York. When the bill is read for amendment, of course, the gentleman can go into that at the precise point of the bill where it is taken up.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. LEWIS of Colorado. The statement has been made that this bill will benefit only a few of the large cities. What difference does that make? Certainly the large cities are parts of the United States.

Mr. O'CONNOR of New York. Sometimes we think so; sometimes we hear that they are not. I am willing to compare them in every possible aspect with every other section of our great country.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. On the question of cost; yes.

Mr. KENNEY. I had an observation, and I wonder if the gentleman would agree with me in it.

Mr. O'CONNOR of New York. I yield briefly.

Mr. KENNEY. I believe the gentleman knows that communism breeds in slums. If we provide adequate quarters for our people and eliminate the slums, not only will we benefit mankind but will be doing more than anything else we could do to wipe out communism.

Mr. O'CONNOR of New York. I do not know about that. I sometimes feel that communism is preached more around the fireplaces in some of the most palatial homes and in some of the finer residences. "Parlor bolshevists", they are sometimes called. I would take my chance at any time on the people in the slums as to being good, patriotic American citizens.

Mr. KENNEY. But we know, too, the powerful influence of good living quarters and pleasant surroundings.

Mr. O'CONNOR of New York. There is another provision in the bill to which I do take great exception, a provision that I do not think is fair and for which I do not think any adequate reason can be given; that is, the 10-percent limitation of this $500,000,000 that is to be used, that not more than 10 percent shall go to any one State. The bill as passed by the Senate provided $726,000,000. The House cut it down by $200,000,000. I have no particular complaint about that, because it could not all be used in 1 year, 2 years, or maybe 3 years, but the Senate put in a provision limiting 20 percent to any one State. In principle that was likewise objectionable, but the House has reduced it to 10 percent. All this possibly will do, will be to work to the disadvantage of some of the big States which really need slum clearance and will inspire the other States to ask for their share of the "pork", and they will be here with their demands whether the need is great or not, demanding their 10 percent of the loaf.

I believe there should be no limitation, that it should be left to the discretion of the authorities. I am confident they will not abuse it or permit too much to be used in any one State.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. KNUTSON. I assume that the gentleman's committee has held hearings upon this matter.

Mr. O'CONNOR of New York. The gentleman means the Committee on Rules?

Mr. KNUTSON. Yes.

Mr. O'CONNOR of New York. Yes.

Mr. KNUTSON. What price per room did the Resettlement people say these projects would cost on an average?

Mr. O'CONNOR of New York. I never heard anything about the resettlement costs; I do not know.

Mr. KNUTSON. I mean slum-clearance.

Mr. O'CONNOR of New York. I just went into that. They fix a limitation of $5,000 per unit.

There is a provision in the bill—and I hope you will pardon my characterization of it—that is foolish, that is the provision that requires for every unit of new construction the demolition of an old unit.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. STEAGALL. The bill in its present form leaves a discretion with the authority, simply requiring that satisfactory arrangements be made for the demolition or repairs of slums in existence.

We have a committee amendment which liberalizes that by authorizing the Housing Authority to defer that requirement.

Mr. O'CONNOR of New York. I am glad to hear that.

There is another matter to which I wish to refer. As I understand it, the Committee on Banking and Currency—and I do not mean to intrude, but I have taken a personal interest in these matters—has been considering amendments offered by the Federal Housing Administration to permit the Federal Housing Administration to guarantee mortgages on a certain type of building which they cannot do now. As explained to me, the Federal Housing Administration is limited in the first instance to the single home worth not over $16,000. In my district, for instance, no loans could be made because the value of those brownstone houses there, together with the value of the land, will run to $20,000 and upward. The Federal Housing Administration has also been financing, by guaranty of mortgages, the big units, such as apartment houses costing $1,000,000 to $5,000,000. But in between the $16,000 single dwelling and the big apartment projects, the Federal Housing has had no power to guarantee the mortgage. In many places the so-called walk-up apartment of 6 or 10 families, 2, 3, or 4 stories high, costing from $200,000 up, is the ideal accommodation for the people. The Federal Housing Administration and the Federal Reserve asked the committee to put in this bill provisions authorizing the Federal Housing Administration to take care of this intermediate group. I understand the committee has not done that.

Before the consideration of this bill is concluded, I trust the committee will offer those amendments, or some Member will offer them so that the matter can be taken care of before next session of Congress.

Mr. Speaker, I do not believe any one subject has attracted more attention in the country than housing.

It is going to be said here, "Well, this is a local matter entirely." I do not believe the Members of the House feel that the health, the morals, and the comfort of the people of our country in any place, whether it be big city or on the farm, is strictly a local matter. It pertains to the Nation, and it pertains to the Nation's assets. If the Nation does not take care of them we may regret it at some future time, and I hope the House will overwhelmingly pass this bill before we adjourn this evening.

Mr. FORD of California. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from California.

Mr. FORD of California. Would not an epidemic in a great slum area in New York, Chicago, Philadelphia, or any other big city affect the entire Nation?

Mr. O'CONNOR of New York. Surely; and by the same token, at least 70 percent of the people in New York are drawn from practically every State in the Union. They come there, and we have to take care of them. There are very few lifelong residents of the city of New York.

Mr. FORD of California. In other words, it is a national problem?

Mr. O'CONNOR of New York. That is true; and the same situation applies to Chicago and the other big cities.

Mr. HOUSTON. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from Kansas.

Mr. HOUSTON. Under the terms of this act, do they have to have a housing authority in each State?

Mr. O'CONNOR of New York. As I understand it, there has to be some State or city housing authority.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. GIFFORD. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. O'CONNOR of New York. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 146]

Allen, La.	Fulmer	Maas	Smith, Conn.
Andresen, Minn.	Gasque	May	Smith, Maine
Binderup	Gilchrist	Meeks	Smith, Va.
Brooks	Gray, Ind.	Millard	Smith, W. Va.
Buckley, N. Y.	Hamilton	Mitchell, Ill.	Somers, N. Y.
Cannon, Wis.	Hendricks	Murdock, Utah	Sullivan
Cartwright	Hill, Ala.	Nelson	Taylor, Colo.
Chapman	Hobbs	O'Neal, Ky.	Teigan
Cluett	Hoffman	Peterson, Fla.	Thom
Crosby	Johnson, Minn.	Phillips	Towey
Culkin	Kleberg	Plumley	Vinson, Ga.
Disney	Kloeb	Reed, N. Y.	Weaver
Drewry, Va.	Kniffin	Rogers, Okla.	White, Idaho
Ellenbogen	Lambeth	Scrugham	
Fernandez	Lord	Sheppard	
Fitzpatrick	McGroarty	Sirovich	

The SPEAKER. Three hundred and sixty-three Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFEREES ON STREAM-POLLUTION BILL

Mr. GREEN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GAVAGAN] may be substituted as a conferee on the stream-pollution bill in my place. The gentleman from New York is senior to me on the committee.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The Clerk will notify the Senate of the substitution.

THE HOUSING BILL

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, it is doubtful if a more important measure than this has been presented to the House in this session. It involves money to the ultimate extent of at least a thousand million dollars, and possibly $2,000,000,000. It concerns a question which has been agitated and discussed throughout the country. It involves the welfare of millions of our people. And yet this question was precipitated upon the Committee on Banking and Currency only a few days ago. It is an intricate bill, full of difficulties. In the ordinary course of events it would have been studied through many weeks and possibly many months by a subcommittee.

It was my fortune to be part and parcel of the construction of the three measures that have made up our housing program, the home loan bank bill, the Home Owners' Loan Corporation bill, and the housing bill. To every one of them we gave weeks of study. We passed days and nights in company with the legislative counsel, studying every section, every sentence, every punctuation mark. In this instance that has been absolutely impossible. There are features of this bill that no man can rise here and explain surely, quickly, and accurately. The financial features of the bill are the most difficult of comprehension, and yet at the very end of the session, with only a day of consideration here and only meager consideration by the committee, we are asked to permit the Government to bind itself for an enormous amount of money and to engage in a program that has not been digested.

The blame for this does not attach to the committee. If you seek blame, you will find it in the history of a session which has crowded into its last days nearly all the important work. We are now being pushed through action upon measures that we are confident are not complete, have not been adequately considered, and that will develop many plague spots to vex future Congresses. So I deplore being virtually compelled as a committee member to address you when I myself have to admit that I do not want any questions asked of me, because I know you can ask questions I cannot answer.

Let us consider first the purpose of this bill. It is for the clearance of slums. The gentleman from New York [Mr. O'CONNOR], who preceded me, whom you may not all have heard, said that this measure would accomplish results throughout the country; that it would be of use to the people who dwell in the vilages and in the towns, and even the hamlets of the country. I attended all the meetings of the House Committee on Banking and Currency on this subject, and I have read with care the Senate hearings on this subject, and I may say that no man in any hearing has dared to say that this will be of the slightest service to the rural areas of America.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. The gentleman has referred to me. Of course, I never used the word "town", I never used the word "village", and I never used the word "hamlet." I mentioned the cities of this country. The smallest place I mentioned was of 25,000 population.

Mr. LUCE. No man in the committee has heard a word said, either here or in the other branch, to express a belief that this bill would be applicable in any town or city of small size. The committee itself is of the belief that this will apply to not more than 6, 8, or 10 cities in this country. The bill has been constructed on the basis of big-city service.

We are facing one more proposal to take money from all the people for the use of some of the people. How is it proposed to do this? It is proposed to lend money and to give money.

The lending of money contemplates that the United States will, through 60 years, probably, I fear, beyond the life of any person listening to me, lend the credit of this country for the payment of $500,000,000, in addition to the cost of interest, which will, as I understand, more than double or nearly double the guaranty.

The giving of money is to be by way of outright grants. I shall not undertake to go into the intricacies of the method but rather give you, if I may, a broad picture of what is contemplated.

The purpose of this bill and, as far as language can accomplish it, the meaning of the bill, is that it shall serve no citizens of the United States whose incomes are more than $1,000 a year, and many of the witnesses and members of the committee believe it will be $800 a year at the most. You may put it down in your mind that this bill is for persons living in 8 or 10 cities of this country who have incomes of less than $800 to $1,000 and more than $500 a

year. No provision whatever is made for people of the smallest income or without any income at all. Not a cent is to be spent or used for the benefit of people without any income.

This bill applies to the group of people who in our large cities live in what are known as slums. Any man who tries to make his hearers think that the word "slum" can possibly be perverted to cover the blighted area in some small community is greatly in error.

There is not a line in this bill that contemplates any help to any citizen desiring to build a detached house.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I will try to answer questions, but I warned the gentleman that I may not be able to answer because we have not been given a chance to learn about and understand some of these things. I only hope I know something about them.

Mr. SABATH. The gentleman has said that we are not providing a program that will aid those who are without any income. We have passed the Old-Age Pension Act and we have passed the Unemployment Act, which will help those who have no earnings, and in that way we have already provided for them to some extent, although not to the extent they should be provided for. We have by legislation, however, aided them or tried to aid and help them.

Mr. LUCE. The gentleman is talking about another subject. I am talking about this bill. [Laughter.] I know a little about this bill. I do not know all about it, but I know a little about it, and I know enough to know that I was accurate in my statement.

Mr. SABATH. We cannot take care of all of them in this bill, and we do not contemplate that.

Mr. LUCE. The gentleman has accomplished a purpose, I admit, that may be somewhat embarrassing to me. He has cut my thread of thought. I shall fish around in my brain a moment, and perhaps will get back to what I started to say. Oh, I know what it was: I wanted to show the difference between what England is doing and what we are doing; for under the English system they have erected thousands and thousands of cottages for the benefit of the people of small incomes, and they are spending over there one-thousand-two-hundred-and-odd dollars a unit, while you are asked to spend on apartment houses here $5,000 a dwelling unit, or four times as much as is found sufficient in England to house, largely in cottages, persons of low incomes.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. O'CONNOR of New York. The gentleman lost his train of thought when he said that nothing in this bill provided for the individual detached dwelling.

Mr. LUCE. Yes; I thank the gentleman.

Mr. O'CONNOR of New York. But have we not taken care of that under Resettlement and under the Federal Housing Administration?

Mr. LUCE. What they have done has no relation to the pending bill for slum clearance. There is under consideration here, so far as I know, no program contemplating aid to the individual who desires to build a new house. I may be in error; anyhow, I find nothing in the bill for that. I am trying, sir, to disabuse my hearers of the impression my friend gave them that this was more than a slum-clearance bill for big cities.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. LUCE. Certainly.

Mr. COX. The proponents of this measure talk incessantly about the poor who inhabit the slums of the big cities. The measure proposes to obliterate and demolish these slums. Will the people who now inhabit them be privileged to return to this new construction and live there?

Mr. LUCE. I recall no prohibition against that, but the rate of rent that will be required in these new buildings will make it impossible for the greater part of those who are dispossessed to take advantage of the new opportunity.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield on that point?

Mr. LUCE. Certainly.

Mr. CRAWFORD. Did the gentleman hear anything in the testimony before the committee which would lead him to believe that under the provisions of this bill those with incomes of less than $600 per annum could occupy any of these proposed buildings?

Mr. LUCE. I was liberal in making it $500. Six hundred dollars is probably nearer the exact figure.

Mr. CRAWFORD. That is, nobody under $500 could occupy any of this space?

Mr. LUCE. So far as I made it out, sir, you are correct.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield there?

Mr. LUCE. Yes.

Mr. O'CONNOR of New York. As I understand, in the consideration of this legislation we are talking about families and not individuals.

Mr. LUCE. Yes.

Mr. O'CONNOR of New York. The gentleman talks about $600 or less. In what big city in this country, aside from their being out of work or on relief, can any family exist on as little as $600 a year, which is only $12 a week? In my opinion, the limits are too low, and I believe you ought to let people go into these slum-clearance buildings who get as high as $1,000 or $1,200 a year, because in the big cities that is only $20 or $25 a week for a family; and years ago, when we were in prosperity, the average wage throughout this country was nearer $1,500 for the head of a family, and at that such families had no easy time existing.

Mr. LUCE. It would have been of great help to the committee if the gentleman from New York had come before the committee and presented his views in that respect.

Mr. O'CONNOR of New York. I have been trying to do everything possible for over a year to have the committee consider this legislation. The gentleman has said that within a few days it was "precipitated" upon the committee. I recall that the substance of the bill was before the gentleman's committee in the last Congress, and nothing was done; and this bill, in substance and in principle, has been before the gentleman's committee almost from the first day of this session of the Congress. Now, is not that correct?

Mr. LUCE. In all kindness and without desire of malice, I would point out to the gentleman that the program of the Congress in this session has been dictated in other quarters. [Applause.]

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. FORD of California. The gentleman from Massachusetts states that $50 a month, or $500 a year is the minimum. This would be true, I presume, of a family that would have to have a four-room apartment; but, is it not true that a two-room apartment might be occupied by a husband and wife where the salary of the husband is $50 a month?

Mr. LUCE. That is quite possible; but I fear I have allowed myself to be diverted from a discussion of principles to a discussion of details.

Mr. FORD of California. I beg the gentleman's pardon; I simply wanted to make that point clear.

Mr. LUCE. I was not addressing myself to the gentleman in particular, but to the course of inquiry in the last few minutes, and now I pray that I may address myself to the general principles for the rest of the time allotted to me.

Mr. DEMUTH. Mr. Speaker, will the gentleman yield for a question on general principles?

Mr. LUCE. Yes; but make it snappy.

Mr. DEMUTH. If a person is untidy or has a dirty home in a slum now, does the gentleman think he will suddenly reform when he gets into this new apartment and keep it neat and clean?

Mr. LUCE. The gentleman will find that in the hearings there was some testimony to the effect that miracles are no longer out of date.

Mr. DEMUTH. Under the Home Owners' Loan we charge from 5 to 6 percent and tell these people that they must pay all their taxes, although they may be out of work. Under this bill a man must have steady work or we will not accept him as a tenant, and we give him a home at 3 percent and he does not pay any taxes. Is that just?

Mr. LUCE. That is another point I would like to dwell upon; but, speaking of taxes, there is a provision in this bill to the effect that localities shall waive taxes on these institutions. I should like to take about an hour to point out the fallacy involved therein, but I must content myself with saying that such contribution of the city in my judgment is not of material consequence.

And now let me turn to what, to my mind, is the all important consideration in this matter. When I came here 18 years ago the country was about to embark on a program that has already brought most serious results and threatens to change our form of government. It was in 1921 that the highway law was passed under which States and the Nation divided the cost of highways. There was then established what has come to be known as the 50–50 principle. I think I have voted against it every time that I have had an opportunity to do so, because it seemed to me unwise to hold before States, to dangle before them, the temptation of the chance to get Federal money. But the 50–50 would not have been so bad if we could have stopped there. When the pending bill was introduced it was a bill for 100 to 0. Such is the distance that has been traveled in a comparatively few years. In the old days, before I came here, nobody ever dreamed of coming to Washington to get money for the maintenance of municipalities or for their aid. First, 50–50; now, 100–0. The Senate would not stand for it, and they compelled a contribution by the municipality. The House has gone further, demanding, if I figure rightly, one-quarter of the contribution to be made by the municipality.

Why should the Federal Government contribute a red cent to the maintenance of what is primarily a local responsibility? Who would most profit by the elimination of slums? Who should bear the expense? I shall be told that this is of national importance, because the slums breed disease and start epidemics. That may be true, but should all the health agencies of the United States be handled from Washington?

If this be true, then all our waterworks ought to be handled by Washington, and we ought to make contribution for the construction of sewers, both matters of great health importance, and if you take over sewers and waterworks, why not also local parks, because they, too, are a matter of importance to the health of a community? And if you maintain parks your next step will be to say that crime is of national interest, and you must put it all under the control of Mr. J. Edgar Hoover, because crime is bred in these slums. Crime now knows no State lines, and you should take over the prevention and punishment of crime from these municipalities, if you are to follow in logical sequence. And if you are to take over crime, where will you go next? You will go in the direction where powerful forces are already impelling us. Every year they gain strength. You will take over the schools, because you will argue that as the schools train for citizenship, they have primarily a national interest. Thus, little by little, will you break down that system of government of which we have been so proud.

Sir, it has been for many years my pleasure for purposes of publication, to devote study to the methods of government, and the result of that study has led me to the belief that our fathers devised the best system of government the world has ever known. [Applause.] A system under which we began with the town, or the parish, and later the city. Then we gave some powers to the States and now we are transferring them to the Nation.

In these last few years, little by little, you have been breaking down the sense of responsibility on the part of the citizen. You have been taking away from him knowledge that he pays any taxes. The mayor of New York, my good friend, a man whom I respect and admire and whom I wish well, came here to speak for the municipalities of this country with more than 50,000 inhabitants. He asked that we take over this responsibility.

Your mail and mine in these last few weeks have been full of appeals that we give money out of the Public Treasury to municipalities for this or that purpose. By the passage of this bill you speed the day when your mayors will become obsolete, when your Governors will be simply ornaments, and there will be no source of money except the Treasury of the United States.

It is urged in behalf of this bill that various laws will not permit the States to contribute as we would wish. Have there not been legislatures in session now for 4 years since the depression began? Has there not been ample time to change constitutions to remove all impediments in the way of raising enough money locally? Instead of that, instead of seeking to help themselves, they come here and ask us to help them, as if our Treasury were bottomless, as if you pulled down out of the clouds or picked off the trees the money with which to pay the bill, as if there were no taxes to be transferred back to the people.

Let me just point out what has been done for the city of New York. Two days ago the administrator of the W. P. A. there made a long statement about the accomplishments of the last 2 years.

He declared that of W. P. A. funds $315,723,885 had come from the Federal Government and New York City had spent only $93,356,157. Less than one-quarter of this money was raised by the city of New York, the largest city in the land, the wealthiest city in the land. Less than one-fourth paid out of the pockets of the wealthy and the poor and all of the other citizens of New York.

Mr. CURLEY. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I do not have time. My time expires in 2 minutes.

Now, how far are we going with this thing? I would like to vote for this bill. I sympathize with its purpose. I believe that slums ought to be eliminated. I would like to help eliminate slums, but more important than dollars, more important than helping any locality, is it to save the framework of the Government of the United States; to rely upon the sense of responsibility of the individual citizen, to make him feel that his local government is his chief concern, to give him interest in all elections, give him opportunities to criticize, and not drive him to Washington to get money. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. O'CONNOR of New York. Mr. Speaker, the distinguished gentleman from Massachusetts [Mr. LUCE] has referred to "crime being bred in slums." I do not subscribe to that whatsoever, because if that were true there would be no occasion for all the jails and all the penitentiaries and all the penal farms in every State of the Union, and in every one of the 3,000 counties in the Union, because surely in some of those places there must not be any slums.

Now, the gentleman from Massachusetts in saying that $315,000,000 in relief was afforded out of Federal funds to the city of New York, did not proceed to make the calculation of how many billions in taxes the city of New York has contributed to all these billions which have been spent for relief throughout the entire country. I will wager it is many times the $315,000,000.

But the gentleman was much more greatly concerned and upset as to what he says has happened since 1921. He said that up to 1921 nobody ever dreamed of coming to the Federal Government and asking for one penny for local purposes. That is probably true. Cities and States did not ask the Federal Government to aid them with money, but the gentleman, one of the great champions of a certain group—not of municipalities but of individuals and corporations in this country—can testify that there were plenty of individuals and there were plenty of corporations who had

no hesitancy in coming to the Federal Government and asking its aid to put billions and billions of dollars into their pockets. I refer to the gentleman's Textile Trust in New England. [Applause.]

I refer to the Steel Trust. I refer to the Aluminum Trust and to the Harvester Trust. They never had any hesitancy in those good old days to which the gentleman refers and which he bemoans as passing, in coming to the Federal Government. While the money was not distributed to aid people throughout the States of the Union, yet through tax refunds of $4,000,000,000 in 4 years, and through a high protective tariff, the Federal Treasury was used for the benefit of corporations and individuals and not the people of our country. [Applause.]

We are living in new days now when we have a different concept entirely from those good old days of the G. O. P., when the gentleman was such an outstanding advocate and example of those past and bygone days. [Applause.]

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the gentleman from Massachusetts [Mr. LUCE] states that he sympathizes with the purposes and aims of this bill, but states that the committee did not have sufficient time to consider it. The gentleman from New York [Mr. O'CONNOR] has replied as to the time the committee has had the bill under consideration, and has quite fully answered the statement of the gentleman from Massachusetts.

The gentleman from Massachusetts [Mr. LUCE] is in error in charging that this bill will benefit only five or six large cities. I am satisfied that it will assist a great many cities in the United States. Lest there be any misunderstanding, it should be stated that under this bill no private individual can get any aid. Assistance will be given to States and municipalities only, not to individuals. Referring further to the 6 or even 10 large cities which the gentleman mentions, he should recognize the fact that those cities pay, through various taxes, almost 60 percent of the entire income of the Federal Government.

The gentleman from Massachusetts [Mr. LUCE] also complains that there is too much centralization, and that it would be better if we would leave things alone. I know the gentleman is a historian, and he knows what occurred nearly 150 years ago when the greatest man of that time thought that the colonies themselves could not operate successfully, and consequently they brought about a central government, and the central government has been found to operate successfully in the interest of all the States, and it has been proved that those gentlemen responsible for that central government used great wisdom in bringing it about.

The gentleman states that no relief was asked by municipalities when he entered the House, but he failed to state that he came here after the greatest era of prosperity this country has ever enjoyed. Because of the foundation laid by the Democratic Party, that prosperity continued with us until 1929, when his party, unfortunately, brought about the conditions that made necessary the granting of aid to the unfortunate people of the cities. From 1917 to 1920 these cities had seen a great influx of industrial workers for whom no housing facilities existed. Slum conditions continued to grow worse, and after 1929 the cities were unable, because of their inability to collect taxes, to care for the needy, provide relief and feed the millions of unemployed. Consequently, only the Federal Government was able to prevent wholesale bankruptcies of the cities and save its people from starvation.

The gentleman has stated, and so have all those who appeared before the Rules Committee, that the need for legislation such as this exists. This bill, they charge, will not aid the unemployed or those who earn less than $600 a year. Admitting that those earning that sum cannot afford to rent these houses that are proposed to be built, it should nevertheless be remembered that we have done and are doing everything we can for that class, by legislation such as old-age pensions, unemployment insurance, and by other laws and acts. Personally I wish it were within my power to accord them much greater aid and assistance than has been so far made possible under the laws that we have passed. It was for that reason that I endeavored to secure passage of the minimum wage and hour bill, but unfortunately, the gentlemen who now state that not enough is being done for those earning $600 per annum or less were the very ones who failed to cooperate or assist in securing consideration of that measure.

This bill will not cost the Government as much as has been charged. I do not believe it will exceed $15,000,000 a year, and if we can eliminate even one-half of our slum areas and provide only 500,000 homes, the Nation will be abundantly repaid.

I have done everything I could to aid the farmers and have voted for every measure designed to give them relief. I hope that those gentlemen who sponsored farm legislation will show their appreciation by aiding in the adoption of the rule and the passage of this bill without delay.

Conceding that it may not be a perfect bill, and that it is not the same as the Senate bill, I hope that any differences will be ironed out by the conferees so that we will have a workable law that can meet immediate needs and lend itself to future refinement and improvements or strengthening in the next and following Congresses.

Mr. O'CONNOR of New York. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, I am deeply interested in this measure as another piece of legislation that will help the underprivileged of America. During the course of this administration we have striven to help those who were not in a position to help themselves. Yesterday we restored to the appropriation bill an item to help tenant farmers. The Home Owners' Loan Corporation has helped thousands in every section of the United States to purchase homes. It has been the philosophy of this administration to carry assistance through the credit of the Federal Government to those groups that are in need of help, and I am glad that this bill continues this policy.

So far as I know, no city in my district will receive any assistance, but other legislation has helped my people, and I am willing to go along to help the very low income group in the cities to have better homes. I cannot agree with the philosophy of my distinguished friend from Massachusetts, for whom I have the greatest affection. I think the time has come in this Nation when our philosophy must change. Federal taxes are collected locally. They should be spent locally to help solve those problems that are local to a large extent but which nevertheless affect our Nation.

Some hesitate to vote for these authorizations and find fault with the gigantic national debt. Great Britain has put on a housing program successfully, and Great Britain has about the same national debt that we have, around $36,000,000,000. The aggregate wealth of Great Britain—that is, the island, not the dominion; England, Scotland, and Wales—is estimated at $130,000,000,000. While our debt is about the same as that of Great Britain, $36,000,000,000, we have an estimated wealth of $360,000,000,000. In other words, our national debt is about one-tenth of our national wealth. Already we see evidence of returning prosperity; we see the Federal income increasing and catching up with the excess of expenditures. Within another year we shall be in that position where our expenditures will not exceed our income. With the wealth of America increasing at the rate of from $10,000,000,000 to $20,000,000,000 a year under the prosperity of this administration, we shall have no trouble in meeting our national debt, especially if everybody has an opportunity to work, is properly housed, and is given—as we have tried to give by these measures—the opportunity to have a home and contentment. It will mean the firm establishment of America as the outstanding representative democracy of the world. If there is one thing above others that promotes Americanism and representative government it is individual home ownership, or lacking that, low rentals of decent living quarters. I am in favor of curing these sore spots, such as slums and tenant farming, and I am in favor of using the credit of the

Federal Government to give to all of the American people, even the lowest and the humblest citizens, the advantages we believe any citizens of America is entitled to have—a home in which to live happily and the opportunity to educate their children. This will make them good American citizens. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution to its adoption or rejection.

The previous question was ordered.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provisions of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1685, the low-cost housing bill, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, this bill is dual in purpose and in plan. Under one provision of the bill, loans would be made under an alternative provision, grants by a Government Housing Authority to be established, not exceeding 40 percent of the cost of projects undertaken would be made available to local housing agencies. Such local housing agencies would be required to supply 25 percent, and loans would be made available for 35 percent, but loans would not exceed 25 percent of the cost of development or acquisition of projects. This is designed to provide aid to States and political subdivisions in the elimination of insanitary conditions, the eradication of slums, and to provide decent houses for families of low income.

The bill is dual in purpose in that it contemplates relief from unsafe and insanitary conditions both in the cities of the country and in rural and suburban communities. It should be borne in mind that this measure is a first step—a beginning. It is not thought by anyone that the tasks upon which we are about to embark can be adequately accomplished by this measure, but the plan involves a long-range program and would extend the benefits not alone to the larger cities of the country or to a limited number of the largest cities, as has been stated here today, but, if the program progresses as contemplated, its benefits will spread to all sections of the Nation, both urban and rural.

The bill would create a Federal Housing Authority to be established under the supervision of the Secretary of the Interior. An Administrator would be appointed by the President for a term of 5 years, at a salary of $10,000 annually, who would exercise all the powers of the Authority. An advisory committee of nine members, to be appointed by the President, would be created, to be selected with regard to geographical areas and other interests, the members of the committee to receive remuneration only for time spent in meetings and for expenses incurred in attendance.

Under the loan provisions of the bill, $500,000,000 would be made available—$100,000,000 for the first year, $200,000,000 for the second year, and $200,000,000 for the third year—the measure in its financial provisions being intended to cover a 3-year program.

Twenty-six million dollars would be appropriated for the first year of the program, $1,000,000 of which would constitute the capital stock of the Federal Housing Authority. Twenty-five million dollars would be available for grants, for administrative purposes, and for contributions during the first 3-year period of the operation of the law.

Under the loan provision, any local agency would be eligible for loans not to exceed 85 percent of the cost of a proposed project. Fifteen percent would be contributed or supplied by the local housing authority, the same to be in cash or its equivalent. The project constructed would be available to families of low income upon a basis of rent not exceeding one-fourth of the annual salary received by the occupant, where the family is less than three minor dependents, or one-fifth of the income of the occupant where the family has more than three dependents.

The contribution under the loan provision to be supplied by the Federal Housing Authority would be determined with the view to maintaining the low-rent character of the project to accomplish the purpose of relief to families of low income.

It is estimated that citizens with an income as low as $600 a year would be the beneficiaries of the plan and that the benefit would extend to those having salaries between $600 and $1,000 annually.

The contribution by the Federal Housing Authority would be the amount of the going interest rate on Government bonds plus 1 percent, which would be approximately 3½ percent. That would be the maximum contribution to be made. On a million dollars it would be $35,000 a year.

The local housing authority would be required to contribute not less than 25 percent of the amount of the annual contribution or subsidy, to be supplied in cash, tax exemption, or tax remission. Under the alternate provisions of the bill the Federal Housing Authority would make capital grants not exceeding 25 percent of the cost of a project. The President would have authority to transfer an additional grant in the amount of 15 percent of the cost of the project, to be supplied out of relief funds at his disposal. The local agency or housing authority would be required to supply 25 percent of the cost of the project, leaving 35 percent to be loaned by the Federal Housing Authority. In that case, as in the case of the loans under the first plan for which provision is made, the sum of $500,000,000 is available over a 3-year period as indicated.

The same provision would apply to loans under the grant plan limiting such loans to 85 percent of the amount of the total cost of the project, the local housing authority being required, as in the other case of loans, to supply 15 percent of the initial cost.

Much has been said on the floor of the House and elsewhere about the cost to the Government involved in the annual contribution plan of the bill, which provides for annual subsidy contributions over a period of 60 years by the Federal Housing Authority. In the first place, those figures deal with the maximum subsidy or contribution that might be supplied. It should be borne in mind that under the provisions of the bill now before the House the Federal Housing Authority would cast up the account at the end of 10 years and would then determine what subsidy would be required to maintain the low-rent-housing plan contemplated by the bill, and would have authority also to allow contributions that had been contracted for or to withdraw and abandon any contract that had been entered into, and every 5 years thereafter the same provision would apply for reopening the entire matter.

I am sure no one who has spoken or who will speak on this measure would desire to mislead the House or to leave in the RECORD any misleading statements or figures. It was stated on the floor today that this bill would involve considerably more than a billion dollars of burden upon the Treasury as a result of the subsidy provisions of the bill. I am not going to read the figures now but will insert them as a part of my remarks for the benefit of the membership of the House.

Cost of program

Federal bond issue:	
Total principal amount of Federal guaranteed bond issue is	$500,000,000
Total interest thereon at 2½-percent interest during 60-year period	475,000,000
Total principal and interest cost to Government on bonds it issues	975,000,000
Receipts from local housing agencies on bonds which Authority purchases:	
Total principal amount which would be repaid to Authority on the bonds it purchases out of proceeds of its Federal bond issue	500,000,000
Total interest which would be repaid to Authority on above bonds which it purchases at 3-percent interest during 60-year period	580,000,000
	1,080,000,000

Amount of annual contributions which would be made assuming they would be paid for 60 years at an average amount of 2½ percent per year (3½ percent is the maximum), which would be $12,500,000 per year, or for 60 years the amount would be $750,000,000

SUMMARY

Principal of bonds:	
Total receipts for principal on bonds which Authority purchases	$500,000,000
Total principal amount of federally issued bonds of Authority	500,000,000
So Government is repaid in full the principal which it borrows.	
Interest on bonds:	
Total receipts for interest on bonds which Authority purchases (at 3-percent interest for 60 years)	580,000,000
Total interest payments by Authority on bonds it issues (at 2½-percent interest for 60 years)	475,000,000
Net profit to Government on its loans	105,000,000

Extent to which payments for annual contributions exceed profit on loan

Total payments for annual contributions, assuming 60-year payments on $500,000,000 worth of projects	$750,000,000
Less profit on loans	105,000,000
Amount by which aggregate payments of contributions exceed profit on loans over 60-year period	645,000,000

Subsidy expenditure (after deducting loan profit) per year would amount to a little over $10,000,000 on the $500,000,000 program.

Upon analysis it will be found that these figures are not fantastic or imaginary, but, on the contrary, they present a reliable calculation of the final cost over the 60-year period to be sustained by the Federal Housing Authority because of the subsidy provisions of the bill, and the amount, instead of the aggregate that has been proclaimed in the press and elsewhere, would be only $645,000,000 over that period of time.

In the first place, $500,000,000 would be repaid. When you figure the subsidy on a maximum basis you must take from it the difference between the burden sustained because of the bonds issued and outstanding and the amount that would be repaid on loans and interest.

It has been asserted that it would be cheaper for the Government to pay the entire cost of the projects at the outset, because it is said this would only cost the Government $500,000,000. However, the Government would have to issue its bonds to raise this $500,000,000 and would have to pay interest on them at 2½ percent. Assuming these Federal bonds were repaid over a 60-year period, the interest thereon would be $475,000,000, so that the total expenditure by the Federal Government to repay the principal and interest on its bonds would be $975,000,000 under this plan. The proposed annual contribution and loan plan, on the other hand, would involve an aggregate net expenditure over a 60-year period which would be $330,000,000 less than this amount. In short, the annual contribution and loan plan involves a far lesser cost to the Government than an initial contribution of the whole cost.

Mr. LANZETTA. Will the gentleman yield?

Mr. STEAGALL. In just a moment.

Mr. Chairman, we had before us a bill passed by the Senate. Under the provisions of the Senate bill each project was limited to $1,000 per room and $4,000 for total construction, exclusive of land and demolition costs. The committee of the House amended that provision so as to put a limit of $5,000 in each unit of construction. The Members will readily understand it is difficult to undertake by statute to deal with matters of detail of this kind.

If we had set an average of $4,000 or $5,000, there would still have been opportunity for abuse if the Authority had seen fit by allowing larger amounts in some places and smaller amounts in other places. But we raised the limit to $5,000 as average cost of family-dwelling units, which we thought would take care of the difficulties in the larger cities of the country where, if you contemplate houses that will last and houses that will not soon become slums themselves, it would enable the Authority to deal with the condition in a few of the larger cities that presented different problems from those that would exist in the average city. So we put in the $5,000 limit.

We did not stop there. Another limit is a provision of the bill which says that the Housing Authority shall require that a project upon which aid is extended shall not exceed the cost of similar projects undertaken by private enterprise in the same community. This lays down a yardstick to apply to New York or to any town or city in the district of any Member of this House. It is fair and workable and should be satisfactory to everybody.

Mr. GOLDSBOROUGH and Mr. LANZETTA rose.

Mr. STEAGALL. I yield first to the gentleman from Maryland, a member of the committee. I must hurry on. We are necessarily limited in this discussion. I am not responsible for it. I am doing the best I can.

Mr. GOLDSBOROUGH. The limit of the contribution, as a matter of fact, will be something over $11,000,000 a year over the 60 years?

Mr. STEAGALL. No; the gentleman is in error. Under this bill there could be a contribution of $20,000,000 a year. This is the way it is computed, according to the best figures I can get from experts, who know how to figure much better than I. Upon the basis not of $11,000,000 but $20,000,000 of annual contribution I have given the figures I have indicated to the House.

Mr. GOLDSBOROUGH. That could not be true, because the total amount of the contribution would be less than $700,000,000, and if this is averaged throughout the 60 years it would be something over $11,000,000. There is no question about that.

Mr. STEAGALL. I shall put those figures in the RECORD. I have not undertaken to read them here now for the reason that it would take 5 or 10 minutes more time than I desire to use. I recognize the large amount of thought that has been given to this bill by other members of the committee, and I must yield time to them for discussion. Some of them are in better position than I to supply the House with information, anyway.

I now yield to the gentleman from New York.

Mr. LANZETTA. Is it not a fact that the $5,000 limitation in section 15, subdivision 5, practically forecloses slum clearance in the cities?

Mr. STEAGALL. I do not think so, the committee did not think so, and our best advisers did not think so. The complaint has been that this limit is excessive. I would not undertake to say, for I do not claim to be an authority on the subject, but we put this figure in, allowing a thousand dollars additional, in order to be sure that we had not handicapped the Authority in the administration of this bill. However, as I stated a moment ago, the test which is laid down in this bill and which ought to govern the Federal Housing Authority in every instance is to determine the cost of these projects by the yardstick which it can find when it sees what it costs local authorities under private enterprise to construct similar projects in the same localities. This is the best test we could think of, and we put it in the bill. The truth is this bill, like all other measures of this kind, will depend for its success upon the common sense and good faith with which it is administered by those who have charge of it.

We have undertaken to bring this bill to the House in response to the wishes of the House. We have gone about it hastily. There was no other way to do it. However, we have undertaken in good faith to meet the sentiment of this House and of the administration, which has undertaken in the broad scope of its altruistic purposes in meeting the distressed conditions which confronted us a little while ago to extend relief to all classes, to all sections, and to all the people of the United States. I represent a rural section. If there is anybody here who has a community less adapted to receive immediate benefits from the provisions of this bill than mine, I do not know who it is. But I recognize that we are one people and that distress in one community involves every community in the United States. I also recognize that conditions which invite crime and which are inimical to sound social conditions and to good citizenship in any community are the legitimate concern of every citizen under the flag of this Republic. [Applause.]

We have asked the Representatives from our cities to help our people on the farms in the hour of distress. We passed the Reconstruction Finance Corporation Act under a former administration, I may say to the gentleman from Massachusetts, whom I greatly love and respect. Under the provisions of the original Reconstruction Finance Corporation Act the benefits were applied to the insurance companies, the banks, and the railroads of the United States. As the result of the efforts of some of us its benefits were extended to agriculture and from time to time to other interests. This is in pursuit of the plan upon which we then embarked. The motto used to be, "To him that hath, shall be given; and from him that hath not, shall be taken away even that which he hath." We have now an administration which listens to the heartbeat of humanity everywhere. The spirit of the new commandment is enthroned in the administration now in guiding the destiny of this Republic. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, regardless of what action this Congress has taken in years gone by to give relief to the railroads, to the insurance companies, to farmers, to home owners, and to small industry, that alone is not a justification for passing this bill if this bill is not meritorious. Several wrongs cannot make a single right.

I am supporting this bill because I believe it is meritorious. I know there are many in the House and in the country who are in complete disagreement with me on the stand I have taken. If I cannot justify my stand, then I individually am responsible, for I speak for no one but myself in respect to this bill.

I believe the need for decent, respectable, and sanitary homes for the underprivileged of this Nation has been proven beyond any peradventure of a doubt. If there is any doubt in the mind of anyone of the need for low-cost housing and slum clearance, then he should listen attentively to the rest of the debate, because it is not my purpose to dwell upon the need for this legislation. I believe that a trip through the slum areas of any of our large cities demonstrates the need for demolition of such areas and the construction of safe and sanitary dwellings to replace them.

This bill is not perfect by any means. This bill, perhaps, does not go as far as some of you would like to have it go, and it goes further than some of you would like to have it go. We do not anticipate any trouble whatever with the body at the other end of the Capitol, for the reason that when this bill came to us from them it was just a hodgepodge of inconsistencies. The House Committee on Banking and Currency has worked diligently, and I hope intelligently, during the last 3 weeks to bring order out of chaos.

During the last week we have held executive sessions, we have literally picked this bill to pieces, salvaged what we could of it, added and subtracted and, finally, we present to you the result of our endeavors with the belief that with few exceptions it should be enacted. I hope I shall have the time to call attention to the few exceptions which, of course, are very important, but regardless of what we do here with respect to housing and regardless of what this Congress eventually does during this session, we must have constantly in mind that this bill is merely a foundation upon which we are building a slum-clearance and low-rent housing program. We might better, perhaps, pass a simple joint resolution authorizing the Department of the Interior or the Federal Housing Administration or any other agency of the Government to make a survey of the needs for low-rent housing and slum clearance, to report back to the next session of Congress, which might be in November and, surely, will be in January, and upon their recommendations we might build a better structure than we have constructed in this bill, but that was not given to us to do. So the next best thing is this foundation upon which we hope to build constructively a housing program to meet the purposes of this bill. It is not my purpose to justify the action of the committee, but to go into the bill somewhat in detail, and if time will permit, if there are any questions which the committee thinks I might answer, I shall be pleased to answer them if I can.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. After I have finished my statement, if I may.

This bill contemplates three methods of relief within the restrictions of the act.

The first is by lending the local housing authorities the cost of the development and the acquisition of the project. Now, I wish you would not be confused with the fact that in the same provision, in section 9, I believe, there is a prohibition against the lending of any more than 85 percent of the funds. If a loan is made without a grant being given and without an annual contribution being made by the Federal Housing Authority, that loan, under the terms of the bill, might be for 100 percent of the acquisition costs, the development costs, and the cost of administration; but in the event that the municipality or the political entity set up in the States to administer this relief makes application for, and is given, a grant under section 11 of the bill or makes application for and is granted an annual contribution under section 10 of the bill, in either of these events, the local housing authority, or anyone for or in its behalf must contribute at least 15 percent of the cost of development and acquisition and administration.

The next method of relief, as set up, starting in paragraph 10 of the bill, is by annual contributions. The act provides that these contributions on the part of the Federal Housing Authority must be of uniform amounts, and in that event the municipality, the local housing authority, or whatever other public entity is set up for the purpose of administering these projects, must contribute 25 percent, not of the acquisition, development, and administration costs, but 25 percent of the annual contribution or 25 percent of the amount which the Federal Housing Authority agrees to contribute uniformly over, perhaps, a 60-year period of time to the construction of the project. This contribution on the part of the local authorities might be in cash or it may be in tax remissions or exemptions.

As a further limitation upon these contributions, the localities, within certain limitations, have to agree to demolish existing slum areas or repair existing slum areas to make them sanitary and habitable, and there are some other requirements under the bill which I shall not enumerate.

A further provision in this respect is that the annual contribution by the Federal Housing Authority shall not exceed 1 percent in excess of the going rate of interest on Federal obligations having a maturity in excess of 10 years which, under the going rate of interest, would be 3½ percent per annum. The committee in its wisdom wrote into the bill that in case a loan had been made in addition to the annual contributions, this three and a half percent annual contribution made by the Federal Housing Authority would first be applied against the retirement of that loan and the payment of interest. If the contract covers a period longer than 20 years, after the first 10 years the Federal Housing Authority reviews the contracts and may make such amendments as may meet the situation, and then they may review it every 5 years thereafter.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield there?

Mr. WOLCOTT. May I finish this thought and then I shall be pleased to yield.

We authorize an appropriation of $26,000,000 in this bill, $1,000,000 of which is to create capital for the corporation which we provide to be $1,000,000. The other $25,000,000 is for contributions, because no part of the $500,000,000 which we set up under section 20 of the bill, which is the section authorizing the Authority to issue obligations upon its capital, periodically, not to exceed $500,000,000—these funds raised on the security of the obligations of the Federal Housing Authority can be used only for grants.

The $25,000,000 may be used for administrative expenses, and together with whatever sums are transferred to the Federal Housing Authority by Executive order from any other agency, may be used for the purpose of making these annual contributions.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. HANCOCK of North Carolina. Page 46, lines 13 and 14, the gentleman referred to the period of time a contract might run. If a contract for annual contributions is made for 19½ years, would there be any review of the contract at the expiration of that period?

Mr. WOLCOTT. I think the act speaks for itself, the way it is written. Quoting subsection (c) of section 10, page 46:

> In case any contract for annual contributions is made for a period exceeding 20 years, the authority shall reserve the right to reexamine the status of the low-rent-housing project involved at the end of 10 years and every 5 years thereafter.

I think if the gentleman contends that there is no review if the contract is for 19½ years, he is correct under the terms of this bill.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. LANZETTA. Was there any testimony before the committee as to the unit costs in cities for constructing these low-cost houses?

Mr. WOLCOTT. With due regard to the projects which have been built in many of the cities, we have no yardstick up to the present time by which we might determine the unit cost definitely. We do feel, as I have said, that $5,000 might not be high enough, and we thought that $4,000 might not be high enough; but if it developed between now and January 1, in the study of the whole situation, that $5,000 is not high enough or that $5,000 is too high, and that we thereby get out of the low-income group by reason of that construction, we can correct that difficulty very easily by a simple amendment to this act.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. CROWTHER. I want to inquire in respect to the definition of slum clearance. On page 36, no. 4, I find the following:

> The term "slum clearance" means the demolition and removal of buildings from any slum area.

The original bill, on page 4, in defining the same term reads:

> The term "slum clearance" means the demolition and removal of any buildings from any slum area, and may embrace the adaption of such area to public purposes, including parks, parking areas, or other recreational or community facilities.

Mr. WOLCOTT. Mr. Chairman, I know the gentleman's interest in that amendment, and I hope he will offer that amendment as he has drafted it, because I vigorously fought the elimination of those words to which he refers in the committee. I shall be very glad to support the gentleman. It seems to me that if we build these units on a given piece of property it is senseless to prohibit the use of the vacant property between the units for any purpose, such as playgrounds, parks, parking lots, or anything else.

Mr. CROWTHER. In the case of parking lots and similar developments there would be an accrued revenue.

Mr. WOLCOTT. Regardless of revenue, there is a vast need in these projects for the utilization of this vacant property between the units for playgrounds to keep the children off the streets.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. ANDRESEN of Minnesota. In the smaller cities and villages throughout the country there are, no doubt, hundreds of thousands of low-income families. Is there any way that these families can get advantage of this act to get homes?

Mr. WOLCOTT. Mr. Chairman, there is no prohibition in the act against the construction of a project under the provisions of the act in any community of any size, provided the locality can meet the requirements of the act, which means as a practical matter that there is no relief in this act as it now exists for small communities, but we wrote in the word "rural", and some of us thought that the word "suburban" should have gone in, but they convinced us that rural included suburban, and we did not write it in; so that if it becomes desirable to build these projects outside of the city limits, to house those who are now cooped up in the city, move them outside of the city limits, they might do so without running into a technicality of the law that prohibited it.

Mr. ANDRESEN of Minnesota. Then there is no hope that we can hold out to our people back home that they can have advantage of low-cost housing?

Mr. WOLCOTT. I have not held out any hope back in the Seventh District of Michigan to my people there that they are going to get any relief out of this bill.

Mr. SHORT. Then the legislation is discriminatory?

Mr. WOLCOTT. Not any more discriminatory, if I have to say it, than legislation which has to do with the welfare of my farmers. And my farmers up to the present time have not found fault at all that their Representative is going along with the representatives of the big cities in trying to clear up these holes that exist in New York, Chicago, Cleveland, Detroit, and wherever else they do exist, and as a representative of the State of Michigan I want to see the slums of my metropolitan area, Detroit, cleaned up, because anything that cleans up Detroit will make my district just north of there a better place in which to live.

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. O'CONNOR of Montana. I notice the term "public housing agency" is used. Do I understand it will be necessary for each State to pass special legislation to be able to take advantage of this law?

Mr. WOLCOTT. Twenty-nine States have already passed legislation which authorized the setting up of housing agencies. If the States have not always done so, they could, upon application of those interested in the establishment of a local housing agency, provide by State legislation for the creation of a political entity which would meet the requirements of the act.

Mr. O'CONNOR of Montana. I want to say I deeply appreciate the explanation of this bill made by the distinguished gentleman from Michigan. He is to be congratulated upon the knowledge he has shown concerning the details of its operation. Do I understand that a private person or a private corporation or, in other words, owners of property outside of this public agency would not have the right to acquire loans under the operation of this act?

Mr. WOLCOTT. Private individuals or artificial persons, corporations, and so forth, could not take any advantage of the terms of this provision, because there is no authority for loaning to anyone excepting local housing authorities.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS of Ohio. There have been different views expressed with reference to this proposition as to whether all of these projects must be built upon demolished slum areas. I understood the gentleman to suggest it might be possible that a municipality which complies with this law could go outside of any built-up territory at that time and build a new project entirely.

Mr. WOLCOTT. The act provides, page 45, section 10—and this has to do with annual contributions, but the same proviso has to do in another part of the bill with grants:

Provided, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe and insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project.

The committee recommends an amendment adding to that the following:

Except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to low-income families is so acute as to force dangerous overcrowding of such families.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. JENKINS of Ohio. Will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. JENKINS of Ohio. Did I understand the gentleman to say that in order for any municipality to take advantage of this proposition, the State legislature must pass some enabling act?

Mr. WOLCOTT. Yes; unless the municipalities are authorized to build these projects at the present time, it will be necessary to pass an enabling act to authorize them to do it, if the State constitution allows it. As I understand, the constitution of one or two States may prohibit it, but that is all. The constitutions of a majority of the States do not prohibit it.

Now, I wish you would let me cover this third method.

Mr. STEFAN. Mr. Chairman, will the gentleman yield for one brief question?

Mr. WOLCOTT. Very well; I yield.

Mr. STEFAN. I am very much interested in what the gentleman has to say in connection with the lower rate of interest on these homes. Does the gentleman in his opinion believe it will set an interest rate on borrowed money from the Government for the building of homes? What I am driving at is this——

Mr. WOLCOTT. I know what the gentleman is getting at, and I hope that it does. I had hoped that within this session of Congress we would reduce the interest rate on H. O. L. C. loans to 3½ percent, but apparently we will not be able to do it.

Mr. STEFAN. We will not be able to take advantage of this in my district, because it is a rural district entirely, an agricultural community, but there are hundreds of homes being foreclosed by the H. O. L. C., with interest rates at 6 and 7 percent.

Mr. WOLCOTT. Will the gentleman wait until we reach that point?

Mr. STEFAN. I would like to go along with you on these homes.

Mr. WOLCOTT. Wait until we reach that section.

Now, the third method of relief is what we know as capital grants. The Federal Housing Authority can contribute 25 percent of the acquisition and development cost, and the President may transfer from relief funds 15 percent of the acquisition and developing cost, making a possible 40 percent grant by the Federal Housing Authority. The act, nothing to the contrary notwithstanding, provides that 25 percent in those instances—now, distinguish between this and annual contributions—in those instances the local housing authority can put up 25 percent of the development and acquisition costs. That accounts for all but 35 percent, and the local housing authority may borrow under the loan provisions of the act, section 9, the 35 percent and pay it back by amortizing it over a period of years, subject to the provisions of the act.

Mr. MAY. Will the gentleman yield there?

Mr. WOLCOTT. I yield.

Mr. MAY. I would just like to know how, under the provisions of this bill, a community in the country can get a house or a man living in the country can get a house.

Mr. WOLCOTT. An individual living in the country, I think for all practical purposes, could not. I do not think we should argue about that very much.

I cannot see any relief for the individual living in a shack on the outside of the gentleman's community or of my community.

Mr. MAY. Another question, if the gentleman will permit. This bill, as a matter of fact, is what is known as a slum-clearance bill, to eliminate the slums in the larger cities.

Mr. WOLCOTT. It has two purposes, the elimination of slums and the providing of low-rent housing for the people who otherwise would have to live in slums.

Mr. MAY. How many cities will be really materially affected?

Mr. WOLCOTT. I would say New York City, Boston, Philadelphia, Pittsburgh, Cleveland, Cincinnati, Detroit, Chicago, and quite a number of points west.

Mr. STEFAN. How about the slums in Washington?

Mr. WOLCOTT. The bill makes distinct reference to alley slum clearance in Washington. If the gentleman will turn to section 28 of the bill, he will see that specific authority is granted to give relief to alley slum clearance in the District of Columbia.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. I have an appeal in my hand from the Emergency Commission of Oakland County, Mich., where a tent city has sprung up because of lack of housing.

Mr. WOLCOTT. I meant to cover that. I have that specifically in mind, and one of the things which induced me to go along with this bill was the low-rent housing feature of it which might relieve just such conditions as we have in Pontiac, Mich.

Mr. DONDERO. Will this bill remedy that condition?

Mr. WOLCOTT. It is possible to do so under the provisions of the bill. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the pending bill is a low-rent slum-clearance measure.

There can be no slum clearance unless the rents are low enough to come within the reach of our low-income classes that live in slums or blighted areas.

In 1929, when our country was going on high, students of our housing problem tell us that about 10,000,000 of our citizens were living in homes unfit for human habitation. The housing situation in this country since 1929 has not improved; in fact, it has been continually getting worse.

Not only has the annual construction of homes decreased greatly since the panic began but hundreds of thousands of slum homes have been demolished, with the result that there is a home shortage that runs up into the millions; in fact, to about 3,000,000.

The pending bill is a recognition of the fact that homes for our citizens in the low-income brackets will not and cannot be built by private enterprise; and if those citizens are to be housed in better living quarters, such a housing movement must be assisted by our National Government.

In other words, in this day and age, when we are becoming one great state instead of 48 individual States, the problem of furnishing livable homes for those of our citizens who

are unable, through their own earning power, to provide themselves with such homes has become a national problem.

Since the beginning of the panic the National Government has attempted, through several agencies, to improve housing conditions. The Reconstruction Finance Corporation, the Home Owners' Loan Corporation, the Public Works Administration, the Federal Housing Administration, the Resettlement Administration, and the Subsistence Homesteads Corporation have all been designed to help solve our housing problem—a problem that pertains not only to the furnishing of homes for those who are able to pay for the cost of said homes, but also to the furnishing of homes for those of our citizens who are unable to finance the full cost of their homes.

The Reconstruction Finance Corporation has loaned millions of dollars at a low rate of interest to limited-profit corporations for the construction of homes.

The Public Works Administration has spent $135,000,000 for the construction of 21,769 unit dwellings.

The Federal Housing Administration has insured loans for the modernization and repair of about a million and a half homes in our country, and has insured mortgages for the building and refinancing of homes to the amount of $500,000,000, affecting 125,000 homes. This Corporation is insuring mortgages for the financing of new low-cost houses at the rate of 1,500 a week.

The Home Owners' Loan Corporation has saved from foreclosure hundreds of thousands of homes.

These different agencies, however, for the solving of our home problem, have not been able to provide homes for the lowest-income classes; that is, with incomes below $1,000 a year. The pending bill is designed to attempt to solve the problem of furnishing homes for that class of our citizens whose earning power will not enable them to pay the cost of building and operating decent living quarters.

The slum problem has two phases: It involves not only the use of homes by our citizens that are unfit for human habitation but also the problem of several families living in such a home.

There can be no doubt at all but that our slum problem would not be so serious today if only one family would live in a single slum dwelling; but the depression and the demolition of slum dwellings under State and municipal authority, and by the owners to avoid taxes, have resulted in an overcrowding of the slum homes of the country.

The pending bill is designed not only to assist States and their political subdivisions in working out their slum problems; but also to provide work for our unemployed.

In 1929, there were probably 2,500,000 mechanics and laborers employed in carrying out a home-building program; and while building operations have greatly improved since the panic, still there are over a million of our citizens formerly employed in the building industry who are today without jobs.

In the 7-year period from 1923 to 1930, inclusive, there was an average of 447,000 new homes constructed in cities of 25,000 inhabitants or over annually in this country; while in the 7-year period from 1930 to 1937, inclusive, the average number of homes constructed in this country was only about 74,000 a year.

So, in the pending bill, the aim is not only to help housing conditions of our low-income classes, but also to provide increased employment opportunities.

Those who have studied the question believe that there ought to be constructed each year in this country, for some years to come, at least 500,000 homes to fulfill the demand for new homes and also to take the place of the slum dwellings that should be eliminated from our housing picture.

The slum-clearance problem is not only a problem involving the furnishing of suitable living quarters for those of our citizens who are unable to provide such quarters for themselves, but it is also a health problem, a crime problem, and a financial problem for the cities involved.

The death rate from tuberculosis in slum areas is about 200 percent higher than in nonslum areas. Delinquency is about 100 percent higher in slum sections of our cities than where slum sections do not exist, and the areas in which slums are located cost the cities from 5 to 10 times more for the services rendered such slum communities than the cities get back in taxes.

To illustrate, a slum survey made in Cleveland in 1932 shows that 2.47 percent of the population of that city living in a slum area representing 0.73 percent of the total land area of the city paid taxes amounting to $225,035, while the city spent for maintenance in that area $1,972,000; or, in other words, the slums cost the city of Cleveland $1,747,000 a year.

In 1933 a study of a substandard area was made in South Boston, Mass. This area comprised 769 families. The tax receipts from the area were $27,093, while the expense the city was put to in maintaining the area, as regards city services, amounted to $275,113.

These figures are typical of the cost of slum areas in all cities of the country, and indicate that the cities that have slum areas can well afford to pay a substantial part of the cost of eliminating such areas.

The pending bill creates within the Department of the Interior a corporate agency known as the United States Housing Authority, with all the powers of the Authority lodged in an Administrator, to be appointed by the President, by and with the consent of the Senate. This Administrator will serve for 5 years and receive a salary of $10,000 a year. The Senate bill provided for an Administrator and a Board of three directors.

The bill also would bring into being an Advisory Board of nine members, to be appointed by the President, with due regard to representation of public housing, labor, construction, and other interests, and to the varied geographic areas of the country. This Board is to serve without pay, except for traveling expenses, and is to meet at the call of the Administrator.

The pending bill will decentralize the housing activities of the Federal Government by putting up to local housing authorities the task of working out their own housing problems with the aid and assistance of the Federal Government. Housing activities of the Federal Government up to date have all been centralized in Washington. Under this bill there will be no more construction of homes by the Federal Government, but there will be a non-Federal program to be worked out and operated by local housing authorities.

The bill provides for loans, annual contributions, and capital grants by the Federal Government to local housing authorities for the purpose of assisting the local housing authorities in providing low-rent homes for the lowest-income classes. The sum of $500,000,000 is provided for loans during the period of 3 years. This money is to be raised on the part of the Federal Government by the sale of United States bonds issued by the United States Housing Authority, said bonds to be guaranteed as to principal and interest by the United States Government. These loans are to be repaid in full, with interest at not less than the going Federal rate of interest, plus one-half of 1 percent, and no loan is to be made in excess of 85 percent of the cost of the project, thereby requiring the local community or housing authority to stand 15 percent of the total cost of the housing project when there is no grant. The loans are to be secured by a first lien on the revenues of the projects of the local agencies and also by a pledge of the annual contribution to be paid to such agencies by the United States Housing Authority in the shape of annual contributions.

When a housing authority has secured a loan or entered into a contract for a loan it is also entitled to receive annual contributions from the Federal Government for a period of not to exceed 60 years. Annual contributions are limited to the sum necessary to make the housing project a low-rent project, and in no case can such contributions exceed a sum equal to the going Federal rate of interest on Government bonds plus 1 percent, which, according to the present Government bond rate of 2½ percent, would make the

annual contribution not in excess of 3½ percent of the cost of the project.

When loans are made by the Federal Housing Authority to local housing authorities, the local housing authorities are required to pay 25 percent of the annual contribution required to make the project a low-rent housing project. This contribution can consist of cash, land, community facilities for services for which a charge is usually made, or general or special tax remissions or exemptions.

Under the bill, the local housing authority may receive a grant to finance a slum-clearance program. The grant is limited to 40 percent of the cost of the low-rent housing project—25 percent from the United States Housing Authority and an additional 15 percent under an order of the President transferring relief funds to assist in financing the project—but it is also provided that the local community must furnish 25 percent of the total cost of the project. Having made the contribution of 25 percent to the project and having received the grant of 40 percent, the local housing authority would still be entitled to a loan of 35 percent, upon which it would have to pay interest to the Government.

It is contended that the National Government has no interest in solving our slum-clearance problem and that it should not be expected to furnish funds for such purpose. Ever since the World War, and particularly since our panic broke in 1929, we are a new world—a new Nation. Our ideas of isolation and individualism have to a large extent undergone a change, especially since the passing of our unbounded West, that made it possible for the derelicts of our industrial and social system to find new homes and new opportunities. We have become one great family. Every one of our 48 States is now interested and concerned in the welfare of the citizens of all the States of the Union. That is the new idea upon which recent legislation is based, the idea of the general welfare of all of our people—of our whole country.

I take it, from the standpoint of crime alone, the Nation is interested as a whole in the elimination of the slums of our cities where criminals are bred. Criminals know no State boundaries, and it is of deep concern to all of our people whether or not the slums of our country are going to continue to produce criminals instead of law-abiding citizens.

The crux of this bill are those sections thereof that fix the financial responsibility of the National Government and the local communities in the financing of slum-clearance programs.

The Wagner bill, as passed by the Senate in the last session of Congress, did not provide for any local financial assistance in carrying out slum-clearance programs other than what the cities might see fit to offer. In other words, the whole financial responsibility for financing slum-clearance programs was put on the Treasury of the United States.

The Wagner-Steagall bill of the present session was very similar to the old Wagner bill, and left the financial burden of slum clearance upon the United States Treasury.

Under these bills, the Treasury would offer grants, provide loans, and also provide annual subsidies to housing projects in order to make low rents possible. In other words, the theory of housing legislation, up to this session of Congress, was that slum-clearance was a national problem, to be financed almost entirely by the United States Government.

I cannot agree with the theory that slum clearance is a national problem. The slum problem is fundamentally a local problem, and the cities that have slums should be required to make substantial contributions to the total cost of all slum-clearance projects.

The Senate amended the Wagner-Steagall bill so as to provide that local communities should pay 5 percent of the total cost of a slum-clearance project and 5 percent of the total annual contributions required to bring about low rents or rents within the reach of slum dwellers.

The bill now before the Committee provides that the local communities must make contributions up to 25 percent of the total cost of the project when grants are asked for; 15 percent of the total cost when loans are received; and in the case of loans, 25 percent of the total annual contributions required to make the low-rent projects possible.

This bill as now written recognizes that the slum-clearance problem is primarily a local problem, or at least more of a local problem than any housing bill heretofore has recognized.

If I had my way in writing this bill, there would be no requirement for a contribution by local communities toward the total cost of the project, except in the case of grants, unless the city was able to make such a contribution. In the case of loans I would loan money to build the projects up to 100 percent, but I would put upon the locality or the local housing authority the obligation of furnishing one-half of the annual contributions required to make a low-rent project possible.

The great drain on the United States Treasury under these housing bills is the annual contribution that will have to be made by the Treasury in order to bring the rent of these dwellings within the reach of the people that they are intended to serve. Only by requiring major local assistance or contributions will it be possible to hold down the unit cost of the dwellings in our large cities and thereby protect the Treasury. Under such a law no city would permit the construction of slum homes that would cost eight or nine thousand dollars per family unit; and I doubt if slum homes would be constructed on land that costs four or five dollars per square foot.

In many of the housing projects that have been undertaken by the National Government the past few years, the unit cost of homes has been as high as six, seven, eight, and nine thousand dollars and even higher. The pending bill will limit the cost of units to $5,000. This limitation of $5,000 was put in because of the fact that the cost of construction in large cities is higher than in small cities.

Our slum problem is a tremendous problem. Under the Wagner bill, if we were going to go the whole road, it would take probably $60,000,000,000 to wipe out the slums of this country. This amount would be required for capital grants, loans, and annual contributions, and all without any requirement that the local communities assume their fair share of the cost.

Under the pending bill the load will still be a heavy one for the National Treasury—too heavy, in my judgment.

I do not pretend to be an expert on slum housing; but it would seem that the houses for our lower-income classes should be built for less—much less—than the sum that was expended in constructing such homes in the past few years.

Cities of this country and the National Government are confronted with a condition and not a theory in solving their slum problems; and the building of homes that cost $8,000 or $9,000 for housing people who can only afford to pay $3, $4, or, perhaps, $5 a month per room is, in my judgment, to say the least, highly impracticable and all wrong. The great mass of the families of this country who own their own homes, or pay their own rent, live in homes that cost about $4,000 to build—land and all—and if this program is to be successful and the Treasury of the United States is not to become bankrupt, we must have a real low-cost housing program—a housing program that will build homes for our low-income classes such as they would build for themselves if they had a higher income.

Of course, construction costs will be higher in the large cities of the country than in the smaller cities, but I wonder if it is necessary to rebuild homes on old slum sites where the land costs $4 a square foot or about that price.

In England, where a very successful slum-clearance program has been carried out, only 1.7 of the low-cost homes were built on slum sites; and in London less than 13 percent of slum-clearance structures were built on the old slum sites.

I must confess that I do not know just what affect it is going to have on our unaided slum dwellers who are not taken care of under the slum-clearance programs when they learn that some of their more fortunate slum dwellers

have been provided with magnificent homes by their State and National Governments.

Will not such a program have a tendency to make these unaided slum dwellers dissatisfied?

Of course, this bill, during the 3-year period when $500,000,000 will be loaned for constructing low-rent homes, will hardly put a dent in our huge slum-clearance problem.

I do not pretend to know, but I do feel that some way can be found whereby our low-income classes will not be provided with better homes than the great masses of our American people are able to live in.

I am not satisfied with this bill; I think it has not gone far enough in placing the financial responsibility for slum clearance on the cities; but legislation is the result of compromise; one cannot always have his way in the committee or on the floor of this House. While the bill has not gone as far as I would have it go in the way of protecting the United States Treasury, still, it is a great improvement on the original bill, and I am going to vote for it.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. A few moments ago it was announced over the radio that the Governor of Alabama had appointed his better half—and I use that term advisedly as it is based upon reliable information—to a vacancy which exists for that State in another body. It is also reported that the new Senator is flying to Washington so as to be sworn in this afternoon, thereby obviating any unnecessary leakage through loss of time.

St. Paul says, "But if any provide not for his own and specially for those of his own house, he hath denied the faith and is worse than an infidel." If that be the yardstick by which we shall judge the act of the chief magistrate of Alabama, we can but arrive at the conclusion that he is a fine, Christian gentleman.

I am sure that I speak for every Member of this body when I express the hope that it will not be necessary for the new Senator from Alabama to go outside of the immediate family for the help necessary to efficiently conduct the office upon which the new Senator is about to enter.

In this era of reckless spending by public officials, whose first concern should be the safeguarding of the public purse but who do not know the word "thrift", it is, indeed, refreshing to see one arise from the mesa of waste and extravagance and set for us an example that is without parallel in all the annals of American politics. If we had more men like the Governor of Alabama there would be no need for voting huge sums for relief, for then every American family would be on a self-sustaining basis. Should I say, "May his tribe increase." Perhaps we should leave that question to be decided by another body. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I subscribe 100 percent to the sound American doctrine so ably expounded by the distinguished gentleman from Massachusetts who addressed the House on the rule this morning. I am definitely opposed to this measure. Instead of this being a housing proposition, it is a scheme whereby a preferred few may live at the expense of the taxpayers of the Nation through the instrumentality of Government paternalism.

If this class of legislation falls within the scope of the general-welfare clause of the Constitution, then our founding fathers utterly failed in their attempt to protect either individual or States' rights. The power to handicap and tax the individual is, indeed, the power to destroy. That abuse is camouflaged and subterfuged in this bill. Our founding fathers realized the strength of unity and to preserve unity they proposed a union of the States; however, the colonists refused to join that union until their local self-government and individual rights were amply protected. If the colonists had thought Congress might ever place any such construction upon the welfare clause as is clearly implied in the pending measure, there would have been no union. If we pass this legislation and the courts uphold it, then Congress shall have all power except that granted the Executive and the courts; and all other rights reserved to the individual and to the States will be of no avail, which in its final analysis means that the Constitution might as well be declared null and void and discarded.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I am sorry; I do not have the time.

This legislation proposes to build homes for one group of individuals who have nothing to tax and then tax a second group of individuals, many of whom have a lower income than those who will be benefited, in order to subsidize and benefit the first group. And by reason of the fact that the third or remaining group can buy the tax-exempt bonds proposed in this bill the burden will be placed upon those least able to pay—all in the name of social welfare. The folly and stupidity of such legislation is appalling when you consider the fact that it is not proposed to build homes at a price that individuals of low income could buy and call their own, but rather to rent at a monthly rate for the remainder of their life, at a sum total that they could buy and own a home of their own and for less money. I am opposed to any such travesty in the name of social welfare.

While this bill purports to provide decent housing for those in the very lowest income classes, the language of the bill gives no such assurance. Experts of the housing authorities who appeared and testified at the hearings said that slum dwellers with incomes under $750 would not qualify under this legislation. They testified that those earning from $750 to $1,000 yearly were the ones who would receive the benefits. If this is true, the very purposes of the bill would be defeated by absolutely no relief being provided for those in the lowest-income brackets. In providing housing for those in the lowest-income group there would be no competition on the part of the Government, since those in that group could not possibly be able to buy a home or pay more than a nominal rental. But if the use and occupation of these homes are to be confined to the $750 to $1,000 group the Government will enter directly into competition with private industry. It is a well-known fact that private industry is today building low-cost houses for wage earners in that group.

While on the subject, Mr. Chairman, I again want to register my voice against the issuance of any more tax-free bonds. At a time when Congress is supposed to be busily engaged in trying to enact stop-gap legislation to plug income-tax loopholes, to propose to issue more tax-exempt bonds seems to me to be most ridiculous. The time has come to reduce our national obligations instead of creating more bureaus to find ways to spend more and more of the taxpayers' money.

The theory and academic objective of this legislation is ideal, but the manner and method of accomplishing it is nothing but pure pork and hocum. We have had commission upon commission to study the problem of slum clearance, and how many of their recommendations do we find in this bill? The sum total of this bill is to pay off a political promise of one faction of a political party to gain the votes of two particular segments of a great city, which should be able to clean out its own slums, if any city in America can.

What answer has the proponents of this bill as to the justice of building luxurious and expensive homes for slum tenants on the north side of the street, who pay no taxes, and refuse those on the south side of the same street, some of whom of a lower-income group are struggling, half starving, denying themselves the comfort of a bathtub, electric heat, water, and lights, and the pleasure of a radio in order to pay for a humble home of their own? What justice, pray tell me, under law, is theirs, when you propose to tax and take from these self-denying and deserving citizens their few talents and give to those whom some bureaucrat

might choose to reward because they use cosmetics, keep their hair combed, and their pants pressed?

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I am wondering, if we pass this bill, if there could be any hope of any building being constructed for anyone in my congressional district, with which the gentleman is acquainted.

Mr. TAYLOR of Tennessee. Knowing the gentleman's district as I do, I can certainly assure the gentleman that it will receive no benefits whatever under this legislation, and neither will mine.

Mr. ROBSION of Kentucky. I understand that more than 90 percent of the homes of the United States cost less than $4,000. What is the sense, the reason, or the justice in taxing persons who have saved and economized in order to buy their own homes so that $5,000 homes may be furnished to those who pay no taxes?

Mr. TAYLOR of Tennessee. That is exactly what I am trying to point out.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I am sorry, I do not have the time to yield.

Mr. BARRY. The gentleman has just yielded twice.

Mr. TAYLOR of Tennessee. I have only 10 minutes, and I shall not be able to finish in that time. However, I will yield to the gentleman.

Mr. BARRY. The gentleman claims this is legislation for a preferred class. Does the gentleman believe that any of the legislation we have passed to aid the farmers is justified, and, if so, wherein is any difference in principle involved?

Mr. TAYLOR of Tennessee. We did have some hope of recovery in that legislation, but we have very little in this.

Mr. BARRY. We gave $4,000,000,000 in subsidies to the farmers, but here you are going to get your money back.

Mr. TAYLOR of Tennessee. I cannot yield further.

Does the Government proposed to observe the injunction of the Constitution to treat all citizens with equal justice?

If so, then when and how will homes be built for all citizens of the lower income group? If you build for some, will the others continue to sacrifice in order to build a home of their own, or will they surrender and wait for Uncle Sam to provide for them. What would you do—you who propose this class of legislation—were you of that group?

If the prices of building material are too high now and still rapidly rising, and building wage scales are frozen far above the average, as is claimed, then what inducement would there be for the owners of slum houses to rebuild, or what chance has an individual to build a better home, if the Government proposes to guarantee hundreds of millions of dollars of bonds to increase competition by subsidizing and increasing the demand for labor and materials? Let the proponents of this so-called housing bill answer that. If the Government fosters any such scheme as this bill proposes, it must be prepared to meet a crisis in the real-estate bond market. It must be prepared to take care of those now employed by private contractors and individual home builders. It must be prepared to care for the many thousands now employed by the durable-goods industries and the common carriers, who are now busily engaged as never before in time of peace and plenty. Oh, my friends, penny-wise and pound-foolish is certainly the philosophy of this bill.

Mr. Chairman, as an illustration of the fallacy of this sort of Government paternalism, I want to read you a dispatch by the Associated Press under an August 6 St. Louis date line:

Tenants of a 252-unit apartment, Neighborhood Gardens, built as a P. W. A. slum-clearance project, faced an unwelcome rent increase today and threatened a controversy that finally may be placed in the hands of Public Works Administration officials.

J. A. Wolf, managing director of the $742,000 apartment and one of the organizers of a limited-dividend corporation which constructed the housing project with the aid of a P. W. A. loan, said he was "sorry about it", but the rents, ranging from $18 to $38 monthly, "must be raised."

Wolf explained rent receipts thus far only have been sufficient to pay interest on the $640,000 Government loan and taxes. Nothing has been paid on the principal of the loan. Even with a 10-percent rent increase, he said, it will be years before the investors, who contributed $102,000, receive even a part of the interest on their money.

Indicating that the rent controversy may be submitted to P. W. A. officials, Wolf remarked: "The P. W. A. has the first mortgage and the last word."

The apartment was built to provide housing facilities for families with an income from $60 to $80 a month. The average monthly income of present tenants is $125 a month.

That, my friends, is a fair example of what you may well expect from this sort of paternalistic and so-called social-welfare legislation. Are we unmindful of the experiences of the Resettlement Administration? I believe it was in Houston, Tex., where about 300 houses were built and shortly after the tenants moved in the paper began to wrinkle, the plaster fell from the walls due to green laths, the floors shrunk, and holes appear all around the plumbing for the vermin to enter the houses. The roofs all leak on account of the lack of sufficient shingles. The tenants called a protest meeting and declared that they would neither move nor make any further payments on the purchase price. This is only one instance illustrating the folly of this sort of Government activity.

Another instance showing the wholesale waste and extravagance practiced in Government housing ventures is the Greenbelt project, better known as Tugwelltown. This famous, or rather infamous, experiment is located 15 miles from Washington in the State of Maryland. At the suggestion of Senator BYRD, I recently drove out to Tugwelltown to look upon this fantastic monument to Government folly. Tugwelltown was established for city workers, and yet the Government purchased 12,345 acres of land at a cost of $1,119,957.79, an average of $90.72 per acre, and also an average of 14 acres for each house. The acreage consists mostly of poor pine thicket forest. I have seen much better land sell in Tennessee for from $15 to $20 per acre.

The project comprises 880 units, at a cost of $16,182 per unit. According to a report from the General Accounting Office $456,603.50 was spent for landscaping, $120,819.81 for survey, and $198,850.17 for land preparation. Twelve architects were employed to design the buildings of this Utopian city at salaries of $12,000 per year each. Already a total of more than $14,000,000 have been spent on Tugwelltown, and so far none of the building, while completed, have been occupied, and I seriously doubt if a large part of it will ever be occupied. Mr. Chairman, what possible justification in common sense can there be for such a prostitution of the taxpayers' money?

My friends, I could give an example of a similar project near my own home, but what is the use? The story is always the same when the Government begins meddling in private business and private affairs.

Mr. Chairman, why should more than 10 percent of this money be spent in any one State? What assurance have we that the price of materials and wages will not be increased on each project after building is once begun? What assurance have we that defective materials used and resultant damages will be paid for by the contractor? Why are large families not provided for? They are certainly more in need. Then, Mr. Chairman, there should be some provision in this legislation, if it is to pass, forbidding the buying the land from option or lease holders. There should also be a provision forbidding anyone paying income tax to occupy such homes or apartments. Contractors should not be allowed to import labor from one State to another where wage scales are higher or lower. And finally, these homes should not be built for rent, but for sale, and upon no other condition.

Mr. Chairman, this legislation is unconstitutional. It is both paternalistic and socialistic. It will seriously jeopard-

ize the real-estate bond market and is calculated to bring about the greatest crisis in the history of this country. It is a blow to private initiative. It places a burden upon those least able to pay. It is an unfair discrimination among honest law-abiding citizens. England, Germany, and Italy are today engaged in a terrible struggle to bear up under just such an impossible burden.

My colleagues, without any disposition to be presumptuous, I admonish you before you vote on this bill to consider the fallacy of giving to one group of our citizenship the privilege of enjoying at the expense of the taxpayers $4,000 homes equipped with every modern convenience, such as private bath rooms and sundry other conveniences, while many of your constituents live in small cottages which they are struggling to own, and in order to do so are making many sacrifices upon which this favored group would look with scorn and contempt. The sooner we get away from paternalism and get back to individual initiative and individual responsibility—call it rugged individualism or what not—the better for this great country of ours. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, I agree that this bill is meritorious. It seems to me if we spent more money for slum clearance and less money for the manufacture and sale of guns and bullets to be used to destroy human life, we would be making more human progress.

Give men and women employment and pay them an adequate wage and they will not be compelled to live in the slum districts.

Last year we spent approximately $15,000,000,000 to enforce the law against crime—if we were to spend one-third of that amount for slum clearance and other necessary projects we would eventually reduce that tremendous sum which we spend for the enforcement of law against criminals.

Slum districts are an abomination—they should be wiped from the face of the earth.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, I regret that my views relative to this bill, in the form reported by our committee, is at variance with the views of a majority of my colleagues. As many Members of this body know, I have for several years ardently favored a genuine slum reclamation and low-rent-housing program. In early January, I introduced a bill to commence, in a modest way, such a program; but, as things go here, it has been pigeon-holed all these months. The present bill has been considered under the most difficult circumstances. We have been prodded and urged, for the past 10 days, to get out some kind of a housing bill, and that is about the best that we have done in presenting this measure. For the first week of our deliberations we were making real progress in the preparation of a housing measure which would really clear slums and assist in providing accommodations for the underprivileged, starting with the lowest-income groups. Then, almost suddenly last Friday afternoon, practically all of our work was set at naught by certain amendments proposed by the chairman at the request of the Housing Division of the Public Works Administration. The effect of these amendments could not be known until the bill was printed, for no member of the committee ever saw one of them, with the exception of the chairman, until the printed bills were available Monday morning of this week. Even at this hour, I venture the assertion that there is not a member of the committee who would stand here in the Well and tell you that he understood this bill in its present form. This is not intended as a reflection upon the intelligence of any member of the committee, but is merely related to emphasize the problem which has faced us in our desire to bring to the floor a sound and workable measure.

This bill is an entirely different bill from the bill which has passed the Senate. It is entirely different for the reason that the primary objective as stated by Senator WAGNER, to-wit, a bill to bring about slum clearance in America, has been sidetracked in behalf of a general housing bill. No longer does slum clearance go hand in hand with low-rent housing. A hurried reading of the bill may indicate that the purposes are alike, but if you will carefully analyze and digest its provisions you will immediately see that this bill makes slum clearance of secondary importance. For that reason particularly, and because of the high dwelling unit cost of $5,000, exclusive of land, I could not in good conscience support the measure unless certain amendments which I shall offer under the 5-minute rule are adopted. Throughout the hearings, and until Friday afternoon, it had been my earnest hope and sincere desire that I might stand here today and vigorously uphold this measure. We all know that its social and humanitarian objectives are laudable and in keeping with a Christian civilization. There is not a man here who does not want to see the good people of our land provided with decent, safe, and sanitary dwellings. But in matters of this kind, we must use our heads and our good judgment. In our family experiences, there are many things which we need and want for ourselves and our children but which, because of financial reasons, we must postpone. We must, as officials of the Government, remember that all we do for one class of our people is done at the expense of another class. We must also be mindful of the fact that there is a limit to Government spending and Government financing, regardless of how meritorious the objectives may be.

In considering this measure I laid down for myself six cardinal principles which I felt should be observed to insure the success of the program, and with your permission I would like to read them to you.

First, every reasonable limitation possible should be written into the bill to insure that public housing accommodations are made available to those in greatest need of assistance. The underprivileged can and should be taken care of in this great country, but no permanent socialistic housing schemes to accommodate half the families in the United States should be permitted.

Second, local collaboration and contributions in the form of cash, land, public utilities, services, tax remissions and the like, plus real acceptance by local authorities of the responsibility for demolishing unsafe structures, the preventing of overcrowding and the renting of insanitary quarters, and provision for zoning and planning activities. There is no point in spending money from the Federal Treasury in housing grants or annual contributions unless local authorities are willing to do their part in raising housing standards and taking care of their own underprivileged.

Third, definite restrictions should be laid down as to the type and cost of structure to be built by local authorities. There is no excuse for public housing accommodations being elaborate or pretentious or better than those occupied by the average home owner and taxpaying citizen. Further, by keeping such housing as is assisted by Government grants and subsidies of simple design and modest materials, each dollar provided by the Government can serve more families.

Fourth, demonstration projects, to be built, owned, rented, and administered by the Federal Government, should not be authorized in any way, shape, or form. Permanent Federal Government landlordism and janitorism should never be part of the policy of the bill.

Fifth, the housing program will be administered either by an independent agency, with a board of directors responsible to Congress, or, if a single administrator is used, there should be included a nonsalaried but statutory advisory body which will assist in the determination of policy and in restricting public housing to the field which it should properly occupy.

And, sixth, in assisting the lowest-income groups, proper rent relief must be made available to worthy underprivileged or unemployed families. Such rent relief must be coordinated with local housing activities and, if properly administered on a local basis, the underprivileged can then obtain decent, safe, and sanitary quarters either by renting

properties now in existence or properties which may be built by local authorities with guidance or financial assistance from the Federal Government. It is proposed that one uninhabitable or slum unit be demolished or renovated for each new unit constructed with the aid of Federal funds.

Any man who is familiar with the provisions of the bill before us is obliged to admit that none of these objectives are substantially insured in this bill. I am hopeful, however, that before the day is over the House will adopt certain amendments, which I shall propose, to make the bill sound, fair, and workable.

At this point let me tell you that neither before the Senate committee nor the House committee has a single representative of the Treasury Department appeared to approve the financial provisions of this bill. Their absence can tell but one story, and I leave you to draw your own conclusions. I shall undertake to discuss these provisions later on, though in the limited time I am sure that I will not be able to do more than touch the high spots.

No one can truthfully say that this administration has not manifested a sincere and robust interest in housing, and particularly in slum clearance. The results, however, are disappointing, and we all know that up to now the program has been one of conflicting policies and administrative confusion. No man in the United States, in my opinion, is more keenly aware of our housing deficiencies than our great President. Adequate and decent homes for workingmen's families continue to constitute one of his leading objectives. But his hastily planned experiments in this field have produced disappointing results and, in some quarters, complete disillusionment. There are, however, perhaps extenuating circumstances for every major delay the program has encountered, and I am convinced in my own mind that unless this bill is materially amended the program will continue a conglomeration of incongruous schemes, practically all of which are unsound economically. The consequent bewilderment within the building industry and private financial institutions, from which the chief impetus for a real, extensive home construction movement must come, has partially offset the stimulating effect these demonstration projects might otherwise have had. Despite the miscarriage of numerous plans that have been launched in the name of low-cost and low-rent housing, I feel confident that the organization of a fresh attack upon these problems remains a most important step in our long-sought industrial renaissance.

No modern country can expect to attain a balanced economy while millions of idle men live in hovels and large sums of capital lie dormant in lock boxes. The administration's fumbling in this matter—and my criticism is intended to be constructive, and I also share my part of the blame—is no doubt a result of trying to solve a great social and economic problem by emergency technique. We all know that whenever a government plunges into a task of such complexity and with so many ramifications, financial and otherwise, without a well-defined objective or realistic planning, it is likely to make costly mistakes.

Though it may be strictly a local problem, I cannot but feel that the Federal Government should concern itself with slum clearance, and I am perfectly willing to see the Government make reasonable subsidies to get rid of these crime and disease-spawning areas. I do not believe, however, that the Federal Government is able to finance a low-priced housing program which would take care of one-third of our families frequently referred to by President Roosevelt as "ill-fed, ill-clothed, and ill-housed." I think it would be naive to suppose that all slum dwellers can be rehoused in new, municipally owned flats, financed by the Federal Government. It takes little sense to know that such a program would mean a heavy drain upon the taxpayers, many of whom cannot afford new homes for themselves.

I cannot but feel that simple equity suggests that a great many families in the very low-income brackets, as their disease-infested hovels are razed, will have to find quarters in decent, second-hand houses; and if we will stimulate and encourage home building through private finance an increasing number of such dwellings will be available and can be provided for families with moderate incomes. For each house built in this way the vacated home becomes available for those in the lower-income brackets, and in this way we can partially offset the shortage of low-cost housing. As I have heretofore stated, we have not so far had any public housing agency to demonstrate the practicability of a low-cost housing program.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Kindly let me finish my statement.

Mr. CURLEY. For just one question on that point?

Mr. HANCOCK of North Carolina. All right.

Mr. CURLEY. We have now a low-cost project in operation—the Harlem River project, where they only pay $7.50 rent per room per month.

Mr. HANCOCK of North Carolina. That is no low-cost housing or low-rent housing, either; and I venture the assertion that if you will examine the record carefully you will find that every dwelling unit in the project costs more than $7,000 per unit, excluding the cost of the land.

And may I ask right here, how any of you could justify appropriating public funds for building projects of this kind which are superior in advantages and facilities to 75 percent of the homes occupied by your constituents, which they built with their own money and by their own self-denial and frugality.

Mr. WHITE of Ohio. And what about the 45-percent subsidy?

Mr. HANCOCK of North Carolina. I venture the assertion that if my friend from New York will examine the financial structure of the project that he mentioned he will discover that before the rents could be reduced to what he considers "low" that the Government—or P. W. A., which is the same—was forced to write off 45 percent of the cost as a grant.

Now, Mr. Chairman, may I move along.

Under section 3 of the bill there is created in the Department of the Interior and under the general supervision of the Secretary, a body corporate of perpetual duration—for this is to be a permanent organization—the United States Housing Authority, who is to have sole control and power in the administration of this novel and gigantic undertaking. Though this Department is perhaps the best qualified agency of the Government for the administration of this bill, no one who has reviewed its record in housing could possibly be satisfied that it yet understands the housing game. A record of its accomplishments to date can be found on pages 11835 and 11836 of the CONGRESSIONAL RECORD of this session. Any agency can build fine dwelling units if the funds are unlimited.

I do not mean to leave the impression that there are not many competent and capable men connected with the Housing Division of the Public Works Administration, and in fairness to this agency I want to repeat that its work up to now has been of an emergency character, with the primary objective of putting men to work rather than building sound, low-cost, economical dwelling units.

For myself, regardless of the social-welfare aspects of such a program, I could never feel that I had done what was right, honest, and fair if I voted for any measure that authorized the Federal Government to furnish any particular class of our people homes of a superior quality and character to those built and owned by the frugality, self-sacrifice, and savings of the average citizen of America. [Applause.]

Mr. Chairman, this bill has no parallel in any civilized country in the world. Neither in England, Holland, Sweden, or any other country where the Government has aided its citizens in providing housing facilities, has the Government gone so far as our Government would be forced to go if this bill is enacted into law. Do you know that under this bill no tenant of any Government-financed project would ever have to put up a single penny of the capital cost of the dwelling in which he lives or where he and his family might reside over a period of 60 years? Do you also understand

that under the provisions of this bill no tenant or occupant can ever hope to become an owner of such dwelling as he may occupy? Nothing in this bill even remotely encourages private ownership of the projects to be built!

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman from North Carolina 5 additional minutes.

Mr. HANCOCK of North Carolina. Not only does he not have to pay even a penny toward the capital cost of the shelter or home that has been provided for him, but under the provisions of this bill the Government pays a part of his rent and becomes obligated with the local housing agency to do so for a period of 60 years.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes; I yield.

Mr. TREADWAY. I would like information from the gentleman as to whether or not, in view of what he said about the price of $7,000 per unit, there is any likelihood, if this bill becomes a law, of people in the lower grades of income being able to pay the price that would have to be charged for occupancy in the units that will be constructed.

Mr. HANCOCK of North Carolina. I will say to the gentleman from Massachusetts that I think I know exactly what is in his mind. But it is necessary that we remember that one of the objectives of this bill is low-rent housing, and that only families who can pay some rent will be eligible. I am, of course, disappointed, from the testimony presented to our committee, that no family with an income of $700 per annum or less could possibly meet the rent requirement. My hope and aim has always been that a measure of this kind would first benefit those who needed it most, and that would include the 15 or 20 percent of our true American families who were in the lowest income brackets.

I think the membership of the House will be interested to know that of an estimated number of 6,000,000 non-farm-tenant families whose incomes were less than $1,000 in 1936, but 22 percent, or 1,300,000 families, had incomes between $700 and $1,000. If my understanding of the financial provisions of the bill is correct, these are the only families with incomes less than $1,000 per year who are financially able to live in the projects contemplated to be constructed under this bill, and they represent but 11 percent of all non-farm-tenant families. So far as I know, no one has disputed this calculation and conclusion. In other words, it means that 4,800,000 families in the lowest income group are excluded. Think of the injustice and unfairness of such a measure. If it is true—and I am sure that all of you know that it is true—that the lowest income groups live in the worst houses and have to pay the highest rent in proportion to their income, then of the estimated number of substandard houses of 12,500,000, all of them must be occupied by the 3,000,000 families whose incomes were less than $500 in 1936, and they will receive no benefits from this measure.

Now, Mr. Chairman, I want to discuss very briefly what I consider to be absolutely essential to any program of this kind if it is to be successful in accomplishing the desired goal. I refer now to the question of local financial cooperation. No program of this kind can possibly succeed in any community unless the public-spirited citizens of that community are willing to back it with their time, energy, and money. Though the projects are to be nominally operated by the local housing agencies, we all know that the major rules and regulations will be prescribed by those who put up the money, and under this bill it means the Federal Government. When one of these projects is built and occupied, where is the local agency that would not be subjected to incessant political pressure to make concessions to different tenants from time to time? If the project is entirely financed by the Federal Government, what could the Government do in the event that the local housing agency failed to cooperate? Is it reasonable to suppose that the Government would at any time resort to eviction of a tenant? No, my friends, you know that unless the local communities have a financial stake in one of these enterprises it will sooner or later mean an outright gift on the part of the Government and the use of the building for providing fine housing facilities at low rent for a favored few.

If these slum areas, blighted areas, overcrowded, and congested tenements are so costly to the metropolitan areas or localities in which they are situate—and practically every witness before our committee testified that the cost of maintaining the slum areas was three or four times the amount received in taxes—then why should not the local municipal authorities be willing to contribute a part of the cost of the project and also a part of the annual subsidies? I know that the municipalities, under the leadership of Mayor LaGuardia, of New York City, make the claim that no city in the United States with a population of over 50,000 is able to make any contribution toward this program. My answer to that is that if they are not willing to dig down in their treasuries and bear a part of the expense of this program they should not come to the Federal Treasury and "holler" for help. [Applause.]

Now, Mr. Chairman, let me explain, if I may, in a general way, the procedure for carrying out that program and especially financing it. Under section 9 of the bill an effort is made to limit the amount that the United States housing authority can lend on any project to 85 percent of its acquisition cost or development. In the committee I tried to limit the maximum amount that could be loaned to 75 percent of its cost, but the committee did not follow me. Later on I shall explain to you that this limitation, when applied to a project that is proceeding under section 11, would amount to nothing.

You realize that under this bill the maximum interest charged is 3 percent per annum, though today we are charging borrowers from the Federal land banks 3½ and 4 percent, and distressed home owners whose mortgages are held by the H. O. L. C. 5 percent. The local housing agency not only borrows the money at 3 percent for a period of 60 years, but under the terms of the bill a generous and charitable government makes a contract with the local housing agency to subsidize, through annual appropriations, the local housing agency up to 3½ percent on the amount it has loaned for the development of the project for a period of 60 years. In other words, there is nothing in the bill that requires the local housing agency to ever pay back to the Government one dollar of the amount it borrows as a loan. Unless you read the financial provisions carefully, you might get an impression that the local housing agency, through rents, would pay off the loan. To illustrate: Suppose a local housing agency borrows from the United States Housing Authority a million dollars to build a low-rent housing project. If the plans and specifications are approved, the United States Housing Authority makes a contract and puts out the money on a basis of 60 years at 3-percent interest. This is $30,000 per year in interest. In addition to this the United States Housing Authority, in order to insure that the project will be a low-rent housing institution, also contracts to subsidize the project up to 3½ percent per annum, or $35,000 per year. This 3½-percent subsidy is provided by an annual appropriation and must be made for 60 years, or so long as the project is maintained and operated in accordance with its instructions or regulations.

Let us take a more homely illustration, for I am satisfied that no other member of the committee will talk to you much about this feature of the bill. You will remember that I said a while ago that no member of the Treasury Department was apparently bold enough to try to explain it to us. Here is a good friend of mine who wants to engage in a worthy, humanitarian enterprise. He is bent on doing something good for humanity. He has the idea but he is not willing to back it with his own money. I am interested in what he wants to do, and I am in position to make some of his friends put up the money. So I say to him, "I will lend you $1,000 at 3 percent if you will use it in furtherance of this worthy enterprise." The contract is made, and I then say to my friend that if he will continue to use the project for which he has

spent my money I will give him $35 per year to pay me the interest on the money I loaned him. That is a fair sample of the financial arrangement under this bill. [Laughter.]

Mr. Chairman, there is not a man in the committee who will controvert that statement. It is true, however, that some effort has been made to require an initial local contribution up to 15 percent of the cost of the project; but I want to say right here that in its present form this provision requiring local financial assistance is under the capital-grant provision—an outright joker. I am also inclined to believe that the other provisions for local assistance toward provision for the annual subsidies amounts to little, if anything.

Now, Mr. Chairman, I could easily talk about the provisions of this bill all the afternoon without adequately and completely discussing them as they should be discussed. I take it to be the duty as well as the privilege of any member of a committee of this House to disclose fully and fearlessly every provision of a bill which we are called to pass judgment upon. I know that in doing this I may be charged with not being "regular" or failing to stand by the committee. I have always reserved the right to speak my convictions, and this I have tried to do today. I shall continue my effort this afternoon to perfect this bill in keeping with what I believe to be a sound, fair, and practical piece of legislation. I shall not, however, undertake to superimpose my views upon anyone. That is contrary to my conception of the proper function of a Member of the House.

And now, my friends, before I forget it, I want to tell you that out of several million families who have low incomes, this bill, if the per-dwelling unit cost of $5,000 is kept in it, will only benefit about 100,000 of them. Five thousand dollars divided into 500,000,000 gives you 100,000. This number may even be reduced if the $5,000 limitation on the per-dwelling unit cost does not include the cost of the land upon which the projects are located or built or the cost of demolishing the old structures or slums when and if they are required by the Authority to be eliminated or demolished. This is another phase of this measure that I want to expose at the proper time.

Our chairman has stated that this is the beginning, or first step, of a great program. That is perhaps correct, for we all know that it would take many years to do the job at which this bill is aimed. If the program is carried to its ultimate conclusion, so that all of our people in the low incomes will be treated like the fortunate 100,000 families which will benefit under this bill, the involvement of the United States Treasury, including loans, grants, and annual contributions, would run to astronomical figures. The acquisition or development cost alone would amount to 6,000,000 families times $5,000 per family, which amounts to $30,000,000,000. Then, if you figure an annual subsidy of 3½ percent on $30,000,000,000 for 60 years, you will see that the total involvement to the Federal Treasury would be $30,000,000,000 plus $60,000,000,000, or the staggering sum of $90,000,000,000. This, of course, may never happen, but it is surely a possibility and something that we should reflect upon in the consideration of this first step. I know that I am using, perhaps, the extreme limit, but I cannot believe that my Government wants to treat one family in the low-income bracket better than it treats another family in the same bracket. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FISH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the last speaker, the gentleman from North Carolina [Mr. HANCOCK] portrayed the effects of this bill so well that we may well pause and consider where we are going on this new subsidy road. This week our debt will probably amount to $37,000,000,000. The word "emergency" is not attached to this bill. We were to invest in more borrowed money $700,000,000 in the Senate bill now reduced to $500,000,000, but until it emerges from conference we do not know what the exact amount will be. The Treasury will sell these bonds to the public, tax exempt as usual. The Treasury will claim as assets the bonds of the various so-called housing authorities as they do the capital stock and securities of the other corporate devices. Perhaps next year they will tell you that they will try to balance the Budget by putting on the market such assets as these bonds of dubious value. Rather do I think they will have to be held by the Treasury indefinitely. One hundred years ago we loaned 26 States a lot of money. They still owe it, and we carry it as assets on the books of the Treasury, although we never have and never will ask for it.

We now have a large amount of these kinds of assets, and an unsuspecting public believes that they are real assets. Our contingent debt will now be $5,000,000,000, besides the direct debt of $37,000,000,000. I can think of many humanitarian things we could do if we had the money. After all these recent housing experiences and the sordid facts of resettlement experiments exposed, we should proceed very slowly in further operations in housing. Our apology or explanation under this bill is that we are to decentralize and let the local municipalities do it. Is there more morality and efficiency in a housing authority created by a State than there is in one created by the Federal Government? Is there not much more opportunity of political corruption in some States? In the Senate they did put on a limitation of cost, because it was argued that great scandals would follow unless they put a ceiling over the cost, and the limitation of $4,000 was written in the bill. Do not be deceived. Of course, this is a slum-clearance bill. It is and must be for the benefit of the cities. One of the witnesses said, "Of course, it is not for the farmer. Farm tenancy and the Department of Agriculture will attend to them, although it might be worked out in a village." Many cities and even villages have a large alien population which may or may not comprise the slums in those places. Why such sudden interest for the alien population? Recently you made the alien ineligible to W. P. A. assistance. The situation in England is interesting and should be fully explained. One of the witnesses before the committee made this statement. Listen to this:

> The British have made some progress in handling housing projects. They establish the rent, let us say, on a 4-room unit and they take contributions that have been made by the federal authority, and those made by their local authorities, throw them into a pool, and then they set a different rate per family. Families are given rebates based upon its needs and conditions and ability to pay, and in operation it becomes practically the same problem we have in administering relief associations to the family.

A man may have a job, and he moves in. When he loses his job, who is going to put him out? Nobody. It is to be low-cost housing, controlled by the municipality itself. Gradually people on relief will be transferred to these places. Of course they will. Gradually it must happen as it evidently has in England. People on relief whose rents are paid by the city itself will be transferred to the cheapest homes, and then you will have nothing but glorified alms houses. I want to make that emphatic. If stigmatized too strongly, ponder the more delicate language which I read to you as actually what they have in Great Britain. Of course a man afterward unable to pay will not be turned out. No. The relief authorities will keep him there at this low rent.

There are many other phases to this bill. Is it a safe financial investment as claimed? What do we have for security? In the bill it seems that we would have liens and mortgages. In the committee we were told that "We will simply buy the bonds of the local housing authorities running up to 60 years." People accustomed to living in slums, would not allow of a house to last 20 years. We should know that. The maximum life of most houses is limited to 33 years. This is a 60-year loan. Good-bye to that $700,000,000, as well as the nearly two billions yearly subsidy.

The two methods of subsidy to be adopted are indefensible in the expenditure of the people's money. The contributions by municipalities are credits for tax remission and services; they do not have to put up any cash. You give

them 20 years to pay in those services, which may be even charges for playgrounds, use of parks, and similar privileges. Should they not remit the taxes, anyway? I see but little in the bill about real security for loans, although it implies a lien, represented by bonds purchased. It does declare that private organizations may foreclose and when so foreclosed, the Federal Authority will stop the yearly subsidy. This certainly implies that we give and loan money subject to prior mortgage.

A witness jocosely said, "It ought to be a good investment, because we ourselves put up 3½ percent every year. We have a first lien on that. We are sure to get our interest on our bonds." Think of it. Put up the money for the interest ourselves, so that we will be sure to get it.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CURLEY. Does the gentleman figure money values greater than human values?

Mr. GIFFORD. Oh, no. However I might have to endure a toothache for a long time if I have no money to pay the dentist. And we have no money. Our credit is already too heavily drawn upon to embark further on these schemes of doubtful efficiency in their administration.

Again we have no money. Worse than that, we owe huge amounts that can and will not be paid for generations. As to human values, the same conditions will always exist as they exist now. One-third of the people will be relatively ill-fed, ill-clothed, and ill-housed always.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. HEALEY. Then the gentleman proposes to do nothing?

Mr. GIFFORD. Oh, no; I propose to do what we have done always. Does not the gentleman's city take care of its unfortunate? Wealthy New York and other cities are here today for largesses. We must know the beneficiaries of this bill. You farmers are not to be fooled into thinking you will receive benefits from it.

Mr. HEALEY. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. Certainly.

Mr. HEALEY. The burden on my particular city has been so great during the depression that it has been impossible for it to take care of the people who need relief.

Mr. GIFFORD. The gentleman lives in a prosperous bedroom of the city of Boston; but he comes from Massachusetts. Massachusetts can take care of its own. Your credit was good with the State of Massachusetts; you did not have to come here; but everybody else was coming, and, of course, your city came.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. ROBSION of Kentucky. I understand the bill covers 60 years. Does the gentleman from Massachusetts [Mr. HEALEY] wish to convey the impression that the depression will continue 60 years? I though we were out of the depression.

Mr. GIFFORD. I do not think my friend from Massachusetts would want to buy any of the bonds we are to receive from these various housing authorities; if his city of Somerville had to come here for relief, how about the credit of other cities we might mention? [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I ask unanimous consent to proceed out of order for 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, I take this brief time out of order to state that I am in hearty sympathy with the proposition of the President when he asked for $500,000 to move American citizens from the battle zones in China. This is money that is needed immediately for relief of our own citizens under stress and in a great emergency. On the other hand, I am bitterly opposed to the proposal of the President and of the Secretary of State as expressed in the press to send immediately 1,200 additional Marines into China. We already have some 2,500 troops in China, about 1,500 Marines and the rest Infantry. In addition we have 10 American gunboats parading up and down the Yangtze River, for what purpose I have never been able to learn. In addition we have also a whole fleet cruising up and down off the shores of China. It seems to me that if we do not want to be involved in an Asiatic war we should withdraw all of our troops, our marines, our soldiers, and our gunboats from China where they do not belong anyhow.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. FISH. I yield.

Mr. CRAWFORD. Does the gentleman think these forces should be removed before we give our people notice to get out and help them to get out?

Mr. FISH. Oh, no. I think we should help our own people to get out. We should serve immediate notice on them that they should leave the war zones. We should help them to leave the war zones; but if they insist on remaining they should remain at their own risk and not involve this country in war.

Suppose a few American soldiers doing their duty over in China under orders from this Government are wounded or killed by the Japanese troops. All of a sudden we have an incident that leads to war. Unfortunately there is bad blood between Japan and the United States due to our restriction upon their immigration into this country and due to the fact that we have bombarded them time after time in regard to purely Asiatic matters. If we leave our troops there and some incident arises, then we are more than apt to be involved in a war against our own will, for there is not a single American, Democrat or Republican, who wants war with Japan. There is nothing to be gained by it, and we would pay a terrible price in blood, tears, and treasure.

Furthermore, the problem in the Far East is an Asiatic problem involving Soviet Russia, China, Japan, and likewise Great Britain. I for one am not in favor of having the United States police China or any other foreign nation, or pull the chestnuts out of the fire for the British Empire.

Paraphrasing the well-known statement of George Washington, why forego the advantage of so peculiar a situation? Why quit our own to stand upon foreign ground? Why by interweaving our destiny with that of any part of Asia entangle our peace and prosperity in the toils of Asiatic ambition, rivalships, interests, humor, or caprice?

Paraphrasing a famous British statesman, Great Britain expects every American to do his duty. That is what we are doing when we are policing China, as it is mostly for the British Empire. We do only $50,000,000 of trade there. We have less than 10,000 American citizens in China, but we probably have including those on board battleships 10,000 American troops, marines, and sailors in or near China to protect those few American citizens.

The time has now arrived to withdraw our troops from China and serve notice on our people over there that if they stay there from now on it will be at their own risk.

The CHAIRMAN. The time in which the gentleman is permitted to speak out of order has expired.

Mr. FISH. Mr. Chairman, for years I have been advocating on the floor of this House and elsewhere slum clearance and low-cost housing legislation. If any country is worth living in it is our own. We are the richest and greatest Nation in the world. If Great Britain, Germany, Sweden, and other foreign nations can provide for slum clearance in their financial situation then we in America can well afford to provide slum clearance in the great industrial cities of America toward improving the living standards of our poorest citizens.

Mr. Chairman, I intend to support this legislation because it is the only low-cost-housing and slum-clearance bill that

is before us at this time. You either believe in slum clearance or you do not believe in it. However, I confess I am heartbroken about this measure because it accomplishes so very, very little. I estimate in the great city of New York it will take care of only about 12,000 people. I would call this bill a 3-percent bill. It accomplishes so little it is hardly worth while bringing it up at the eleventh hour to be considered as a major issue. It will only take care of 3 percent or less of those who need to be taken out of the slums in the city of New York, and I assume that applies to all the great industrial cities of America.

Mr. FORD of California. Will the gentleman yield?

Mr. FISH. I cannot yield at this time.

Of course, we Members of Congress are about to go home and tell labor how much we have done for them. We are going to tell the poor people how much we have done to provide low-cost housing for them. We will probably present for the time being a very good case. But the truth of the matter is that the bill will accomplish very little for labor and very little for slum clearance. It is only groping in the dark to solve a great problem, but at the best is only a mild experiment in slum clearance and low-cost housing.

Mr. CURLEY. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. CURLEY. What did the Republicans do for slum clearance prior to 1932?

Mr. FISH. I just told the gentleman I am for slum clearance and have been urging it for years. I am going to vote for the bill, but at the same time I believe it is my right and duty to state to the House what I believe should be done. With me it is not a question of $500,000,000. I would vote for $5,000,000,000 to be lent to American citizens in order to build their own homes, so that we might create home owners and not concentrate the population in large apartments and human beehives. We should try to take the population out of the cities and put them on land, with little homes of their own, where they may become property owners, taxpayers, and good American citizens. I believe that would do more to offset radicalism, socialism, and communism in America than any one thing that this Congress could do.

Mr. SHORT. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Missouri.

Mr. SHORT. Does not the gentleman from New York agree with the very able gentleman from North Carolina [Mr. HANCOCK], whose logic was irrefutable, that this bill absolutely prohibits individual ownership?

Mr. FISH. Absolutely.

Mr. SHORT. It regiments and communizes by throwing up army barracks in cities, such as you have out there at Tugwelltown and Greenbelt, and shacks that will be more collectivistic than anything I saw in all of Soviet Russia.

Mr. FISH. The gentleman believes in plain speaking. So do I.

Mr. SHORT. I do not see how my friend can support this atrocious and abominable measure.

Mr. FISH. I am supporting it because I am in favor of slum clearance, but I much prefer my suggestion to loan money at 3 percent to American citizens with which to build their own homes.

I know of no other way of clearing the slums of New York City except by legislation of this kind and this is the only bill before us. This is not what I would do for one minute if I had my way about establishing a constructive housing program.

Mr. FORD of California. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. FORD of California. The gentleman says he would vote for $5,000,000,000 to be turned over to insurance companies, trust companies, and so forth, to lend.

Mr. FISH. I did not say that. The gentleman suspects savings banks, insurance companies, and the building and loan associations, but if we could use existing agencies backed by the Government so much the better.

Mr. FORD of California. The gentleman said that to the committee repeatedly.

Mr. FISH. I would be glad to have private industry build if it could do so at a low rate of interest and on a long-term credit of 25 or 30 years. If that cannot be done, let the Government do it by lending the money at 3 percent through the National Housing Authority for a national housing program to put American citizens in their own homes. If England, Sweden, and Germany can do it, then the United States of America can do it. I believe we could work out a similar plan. [Applause.]

Mr. REILLY. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. REILLY. Does the gentleman not know that at the present time any American citizen who has 20 percent of the cost of his home may build a home under the insurance program of the Housing Division?

Mr. FISH. Yes; but he will have to pay 5 percent.

Mr. REILLY. But they are able to do that.

Mr. FISH. Not many of them can afford to pay 5 percent. The reason the program in Great Britain, Sweden, and Germany, as I understand it, has been successful is that the Government provides a subsidy in the way of low interest rates at 3 percent and a long-term credit of 25 to 30 years. If we would do that, then I think this would become the greatest bill the Congress ever considered and it would do more good in this country than anything else the Congress could pass in this or any other session to promote the general welfare.

Mr. CURLEY. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. CURLEY. The gentleman represents a district in New York and I also represent a district in the city of New York. He knows very well that under the State Housing Act of the State of New York, chapter 949 of the laws of 1920, the State of New York contributed something like $190,000,000 to provide for industrial speculators and builders.

Why cannot the Government come in now and help the poor fellow who does not have a dime? Certainly, human values are far greater than money values.

Mr. FISH. The gentleman knows perfectly well this bill is going through. It is going through because many of us believe in slum clearance and low-cost housing for our lowest income groups, and this is the only bill before us, and it is probably the only way to get the results we want in the near future. The plan and scope of the bill has been approved by practically every newspaper in New York City and I propose to support it, although it is far from perfect and does not carry out my ideas of what a real housing program should be, and I fear that the bill will be a disappointment to its most earnest well-wishers in failing to make much of a dent in slum clearance in the city of New York, particularly with the unfair and unfortunate 10-percent allocation limitation.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield to the gentleman from California [Mr. FORD] such time as he may desire.

Mr. FORD of California. Mr. Chairman, I note in the debate on this bill, S. 1687, otherwise known as the Steagall-Wagner housing bill, that some of my distinguished colleagues have been at great pains to assure us that they are in entire sympathy with its objectives but, because of certain features of the bill, that they cannot support it. This reminds me of one of the old rhymes:

Mother, may I go out to swim?
Yes, my darling daughter;
Hang your clothes on a hickory limb;
But don't go near the water.

Now, my friends, in my reasoned judgment, the Steagall-Wagner housing bill has two great objectives: First, it seeks to clear, demolish, or abolish those excrements on civilization which we have described as slum areas, areas that are apparently concomitant with great metropolitan centers; second, it seeks to establish, let us say for argument's sake, a yardstick for low-cost housing for people of limited means, which is, I believe, a laudable purpose. Now, referring back to slum clearance, let me say this: It has been argued on this

floor, and I presume it will be further argued, that for certain reasons slum clearance is a local responsibility. To a limited extent I agree. But I must, if I am to exercise my prerogative as a national legislator, also insist that the existence of slum conditions is a national problem. It being a national problem, I am therefore convinced that it is the duty and responsibility of this Congress to direct the Federal Treasury to materially assist in the financial problem of eliminating, insofar as is humanly possible, slum areas in the United States.

I made reference in my early remarks to the establishing of a yardstick for low-cost housing. It is my judgment that, in view of the shortage of decent, safe, and sanitary housing for families of low income, that some steps should be taken to remedy this condition before this unfortunate group, which represents at least 40 percent of the population. This end can be obtained if the amendment which will be offered, not as a committee amendment but by a member of the committee, broadening the application of the Federal Housing Authority principle of insuring loans to insurance companies and other financial institutions. One of the important results of the adoption of this amendment would be the bringing out of hiding of billions of dollars of private money and putting it to work in the construction of low-cost housing units. This, in my opinion, would have three beneficial effects: First, it would create a tremendous amount of employment; second, it would bring into the normal financial economic stream a vast volume of private funds now lying idle; and, third, it would provide decent, safe, comfortable, sanitary housing conditions for millions of people of moderate income who are now forced to live in out-of-date, antiquated, and insanitary quarters that should not be permitted to continue as residential occupancy units.

Reverting back to the slum situation, permit me to make this observation. I am opposed to the existence of slum areas, because I believe that in those areas there is a constant menace both from a health and a social standpoint. The breaking out of an epidemic in a congested area in one of the large cities may seem at first glance to be a purely local problem. But suppose that 500 or 1,000 of the residents of this infected area should quietly slip away after having been exposed to the contagious disease which was epidemic there and, by reason of their being exposed, spread that disease over a wide area of the Nation. Would that not become a national health problem? I might further venture to assert that many of the criminal element are nurtured in the slum areas and are often given asylum when fugitives from justice in these areas. So that while the existence of slums may be said to impinge directly on, and increase the cost of local government, in the final analysis and in the long view they contribute directly to our national health and crime problem.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE of Ohio. Mr. Chairman, I agree with the statement made today by the gentleman from North Carolina [Mr. HANCOCK]. I think any of us who are responsive to the needs of this Nation will agree that slum conditions are a cancerous growth upon the body of our community life and should be removed. We want to be responsive and we must also be responsible. I am willing, in order to accomplish this purpose, which has not been accomplished thus far by other means, that we shall even go so far as to use the national taxing power—although I do not like that idea in principle—to treat this cancer upon these individual communities, provided we can do it with some evidence of practicability and provided we know that when we get through we are going to hit the target of low rent within the range of slum dwellers. Whether or not these things are accomplished by this measure depend upon changes which I hope will be made before the Committee rises. Unless they are made I cannot support the bill.

Under this bill there are two different methods of providing the money by the Federal Government.

One of the systems is what we call the plan of annual contributions. The other system is what we call the capital-grant plan.

Let me say right here that I congratulate the members of this committee for the way they have worked on this matter, because it has been approached in 10 all too short days entirely from a nonpartisan angle, although we have not agreed about every detail of the method to be employed.

I believe every member of the committee will concede the point that we might just as well toss the capital-grant system out of the window, because no one is ever going to take advantage of it. The reason they are not going to take advantage of it is indicated by the chart I have here, whereby it is shown that under the annual-contribution system the Federal Government will provide 72.7 percent of the money, as compared with the capital-grant system under which the Federal Government would only provide 28.4 percent of the money. Therefore it is obvious that any community would be plain, right down foolish if it chose the capital-grant system as compared with the annual-contribution system.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield.

Mr. STEAGALL. The gentleman does not mean to contend that the local agency could administer this law?

Mr. WHITE of Ohio. I do not understand the gentleman.

Mr. STEAGALL. The matter of choice will not be left to the local agency. The Federal authority will have something to say about that.

Mr. WHITE of Ohio. To some extent, yes; but I cannot imagine any local authority that is going to qualify in any way, shape, or form and only get 28.4 percent capital grant when by the other system they will be able to get 72.7 percent, principal and interest.

Now, under the annual contribution plan, what happens? Let us take a $1,000,000 project and follow the formula of the bill through to see where we come out in the end. Let us set it up as a bookkeeping transaction with respect to a $1,000,000 project.

We find under section 10 of the bill it is provided that the Federal advance of money cannot exceed 85 percent of the development and acquisition cost of the project. Thereby the Federal Government can advance to the local housing authority $850,000 on a $1,000,000 project. So we are going to enter that as a charge or an advance that is going to be made to the local housing authority. Then according to the terms of section 9 of the bill we have got to add the interest charge and under this section of the bill it is stated that the interest charged against the local housing authority shall be the Federal going rate of interest, plus one-half of 1 percent, which means a total of 3 percent. The interest on that sum of money, $850,000, at 3 percent, over a period of 60 years, amounts to $1,090,950. So the advance on the part of the Government is figured by adding the principal, and the interest on only that portion which the local government has been able to obtain as a loan from the Federal Government, and it amounts to $1,940,950. This is one side of the picture.

Let us take a look at the other side of the picture. Under section 10 (a) and (b) of the bill, it is provided that there shall be allowed to the local housing authority an annual contribution which is equivalent to the Federal going rate of interest, plus 1 percent, making a total of 3½ percent. In other words, $35,000 a year is the sum of the annual contribution on a million-dollar project.

The bill in the same section provides that 25 percent of this amount of money must be put up locally either in the form of cash, tax exemptions, or tax remissions, but not in the form of any kind of community services.

Therefore, it is indicated that the local share of that $35,000 annual contribution will have to be $8,750 a year, which, deducted from the total annual contribution of $35,000, leaves $26,250 as the amount the United States must contribute every year under the annual contribution basis. That sum for the period of 60 years, 60 times

$26,250, equals the total Federal contribution over the period of 60 years, or $1,575,000. So there you have the other side of the bookkeeping transaction. Let us step down here to another table. The total amortization, according to a formula rule, if you have a debt of $1,000,000 and you have to pay interest on it at the rate of 3 percent, and if it is to be amortized within 60 years, will require the sum of $2,167,928, both Federal and local charge, to pay that debt—principal and interest.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. Yes.

Mr. McKEOUGH. If you are going to amortize a debt of any amount in 60 years, it does not require 60 years at 3 percent a year. At that rate it would be amortized in 33⅓ years.

Mr. WHITE of Ohio. No. I think the gentleman's question is based on whether this charge is based on diminishing sums.

Mr. McKEOUGH. If I have 60 years in which to amortize the debt, I would not have to pay 3 percent for that period. That would mean 60 times 3, or 180 percent.

Mr. WHITE of Ohio. If you have a debt on which you have to pay 3-percent interest, and it is $1,000,000, and it is charged for 60 years, it will require $2,167,978 to pay the bill.

Mr. McKEOUGH. O Mr. Chairman, the gentleman has confused interest with amortization.

Mr. WHITE of Ohio. I shall ask the gentleman to disprove my figures in his own time. I have only 10 minutes and even now will have to omit many points I would like to make.

Mr. McKEOUGH. I am just calling the attention of the House to the fact that a debt payable in 60 years at 3 percent could be authorized 100 percent in 33⅓ years.

Mr. WHITE of Ohio. You take 60 years at 3 percent and it will more than double your original loan. So that of that amount which must be paid, there is not only this $850,000 borrowed from the Federal Government, but also the $150,000 which must be added by the local community. With this included in here at the rate of 3 percent, assuming they could not get the $150,000 locally at any cheaper rate, you have to pay $2,167,978 to amortize $1,000,000 as outlined here. Of this sum the total Federal contribution over a period of 60 years is $1,575,000, which means that the local community will, therefore, have to pay $525,000, in other words 24.2 percent, whereas the total Federal contribution of the entire amount is 72.7 percent. The $67,978 to be paid by the tenants is equivalent to 3.1 percent. The sum and substance is that on a million-dollar project the Federal Government is going to provide every single penny of the million dollar cost of the project plus $575,000 on top of that, to be used in repaying itself for interest charges.

If this bill is not corrected; if its final form will permit this gift of $1,575,000 on a million dollar project—and if it will permit the construction of $8,000 and $9,000 dwellings, including land and nondwelling facilities, for slum dwellers, how in the world can we ask the citizens of all the communities of the United States to pay for this project when they themselves have bought and paid for homes of their own that do not average more than $4,000?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STEAGALL. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, objection has been made to this bill that it violates the fundamental principles on which our Government is founded, and that it is an improper function of the Government to invade State rights, going into communities to help the underprivileged. I am wondering who in America can object to that at the present time. In law there is the doctrine of estoppel, and men by their conduct can be estopped from taking certain positions. Certainly the railroads cannot object to it, the banks cannot object to it, the insurance people cannot object to it, the home owners in the cities cannot object to it, and the farmers cannot object to it. They have all been the beneficiaries of Government bounty. My opinion is that this bill subserves a very useful and very national and very governmental purpose. We must admit that it is experimental, that it is not perfect, that it will be perfected as time goes on, but the purposes of this bill, it seems to me, are purposes in which every man and woman in the United States should have a great interest. A slum not only involves a social and economic loss, but it involves a national peril. We sustain not only a national loss by reason of the maintenance of slums, but they are a malign influence that tend to undermine our Government. There we find the doctrine of communism and anarchy preached. That is not only my opinion. That is the opinion that has been recognized by the courts everywhere and I shall read from a decision of the court of appeals of the State of New York in the case of *Adler* v. *Deegan* (251 N. Y.), in which Justice Cardozo said:

> The Multiple Dwelling Act is aimed at many evils, but most of all it is a measure to eradicate the slum. It seeks to bring about conditions whereby healthy children shall be born, and healthy men and women reared. * * * The end to be achieved is more than the avoidance of pestilence or contagion. * * * If the moral and physical fiber of its manhood and its womanhood is not a State concern, the question is, What is? Till now the voice of the courts has not faltered for an answer.

In the case of City Housing Authority against Andrew Muller, Justice Crouch, of the New York Court of Appeals, said:

> Slum areas are the breeding places of disease which may take toll not only from denizens, but by spread, from the inhabitants of the entire city and State. Juvenile delinquency, crime, and immorality are there born, find protection, and flourish. Enormous economic loss results directly from the necessary expenditure of public funds to maintain health and hospital services for afflicted slum dwellers and to war against crime and immorality. * * * Concededly, these are matters of State concern. * * * Time and again, in familiar cases needing no citation the use by the legislature of the power of taxation and of the police power in dealing with the evils of the slums, has been upheld by the courts. Now, in continuation of a battle which, if not entirely lost, is far from won, the legislature has resorted to the last of the trinity of sovereign powers by giving to a city agency the power of eminent domain.

I live in a district far removed from these slums, but I realize the benefit that will flow to my country and to my people from the eradication of these great evils. They say that New York will benefit by this. Well, if we are going to attack an evil, we must go where that evil exists. We cannot attack an evil in New York, from the State of Kentucky or the State of Missouri, but there is a limitation of the expenditure that can be made under this bill of 10 percent, and that money will be expended by local housing agencies, men who are responsible locally to the people of the various communities who are vitally interested in the elimination of these slums, and who will expend this money, I have no doubt, in the most economical and expeditious manner in which it can be spent. I think we can trust those people if we give them this money, to see that the great thing they wish to be accomplished is accomplished by their local people and in a manner that will be as economical as possible. I have no fear that there is going to be any great waste of this money by these local people, because I know that the ultimate result is of more interest to them than it is to any other section of the country.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McGRANERY. Is it not true that a large number of the cities of the United States and smaller communities will be benefited under the terms and conditions of this bill?

Mr. SPENCE. We all know this bill is general in its scope.

Mr. McGRANERY. I say to the gentleman that it has been said on this floor that only a small number of the larger cities will benefit. Has it not been the experience of the gentlemen on the committee that a number of the

smaller communities were represented there, and the committee was urged to pass the bill?

Mr. SPENCE. That is absolutely true, and the bill in its scope and purpose is general. If the smaller cities do not benefit by reason of its passage, it is because the evil that the bill attempts to correct is not in the smaller cities. Any city that can qualify under this bill, that can establish a local housing agency, will receive the same treatment that the city of New York or the great centers of population will receive under the bill.

There is one other thing I want to say. You have heard that we are going to distribute national funds in local communities, to let them do as they please with the money that we contribute. To every dollar that is contributed by the National Government there will be one-quarter of a dollar contributed by the local agency. I believe that is a great saving influence, because if people will not be vigilant in the protection of the national money, they will certainly want to protect the money that they contribute for the elimination of these slums.

Mr. McGRANERY. Is it not true that the building and loan representative was one of the most vigorous opponents of the bill in the committee? I make no reference to any member of the committee, but the gentleman who appeared for the Building and Loan Association of the United States.

Mr. SPENCE. I have always been a great advocate of the building and loan associations. They built up my city. They have rendered great service to the people of my community. I would not do anything to hurt them, but I do not let any influence stand in the way of a great public purpose. [Applause.] I do not believe we will hurt the building and loan associations. I think when we make this country a better country for everybody to live in, when people are more happy and contented, the building and loan associations will do better than they are doing now. So I do not think we need worry about that.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. TERRY. Criticism has been made of this bill that it makes no provision for the ultimate purchase of small homes, but rather it tends more to making a community of tenants than of home owners, and that the Government should assist in the ultimate purchase of homes, rather than a continuation of the tenant status.

Mr. SPENCE. That is a very pretty theory, but how impractical it is. We are attempting to take people out of the congested areas in the great cities, where five or six of them live in a room. How are we going to give isolated homes to all of those people? How could we give any relief of that character to the people of New York or Chicago, where land values are high, where there are great numbers living in crowded tenements in the congested districts? How could we give relief in the method some of the gentlemen suggest? It is just impractical and it cannot be done. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 9 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it is a long time ago that someone once suggested to Abraham Lincoln that there was no good reason why people should be educated out of public funds or why hospitals should be maintained out of public funds. His answer was this: That the Government shall do for the citizens that which they cannot do for themselves or that which they cannot do so well. That is the broad premise that was laid down by the Great Emancipator a long time ago. That, of course, provokes the question as to whether or not people can lift themselves out of slum conditions. My answer to that is "No", and I will tell you why. I think this country was developed chiefly through the operation of two powerful forces, one that we can call centrifugal and the other centripetal. When George Washington occupied the Presidency 3,000,000 people constituted our population. Then this centrifugal force started operating that uprooted families and spewed people everywhere, even to the Pacific seaboard. It is the force that sent Lieutenant Pike up Pikes Peak; it is the force that sent our people into the Northwest country; it is the force that sent explorers into California. When the frontiers had closed the centripetal force became operative and threw people to a common center instead of throwing them out. As a result it picked up these isolated family units dotting this country and threw them into the great beehives like San Francisco and Cleveland, like Boston and Chicago, like New York, and other large cities; and once they got there it was almost impossible to get them out again because the big city licks them. The big city licks the spirit; the big city so often licks the opportunity to better their conditions. So there they are, stagnating in cheap apartment buildings and tenement buildings that were built a long time ago, infested with cockroaches, provided with no plumbing on the inside, many of which have no hot and cold running water, some of which have no running water at all. There these people are bogged down, and I ask: How are you going to get them out? How are you going to improve their condition?

Here we are embarking upon an ambitious program to get them out of those conditions and to put them into new buildings or some other place that is more habitable than the one they occupy at the present time. Why is it necessary? What is the problem? Let me state it very briefly. I have examined these figures ever since I got interested in housing, and I want to compliment the distinguished chairman of the Committee on Banking and Currency on which I served a couple of years ago when we were first considering the housing bill. I think he has done a splendid job. He has worked on this a long time in the hope that a bill might come upon the floor.

Here is the problem: You have, for instance, the fact that about 33 percent of the families pay a rental of about $6 a month per room. Commerce Department figures given as the result of their study of conditions in 64 cities 2 years ago show that these people can pay about $6, but many authorities tell us that it costs $11 or more per room to build new housing. How are we going to make up that difference of $5 or more per room if they have not income sufficient to pay it? And yet we cannot provide new housing except at that additional cost. Who is going to bridge the gap between $6 a room that the family can pay and the $11 or more a room that it will cost? That is where the Federal Government steps in if you agree in the light of an evolved social conscience that we are experiencing in this country today that it is the proper function of the Federal Government to step into the field of housing. This bridge is provided for in this bill. It provides rental subsidies such as they have in Sweden; such as they have in England; such as they have in other places. That is, after all, a rather enlightening view of this matter. Or, if better suited, housing authorities can use a capital grant, also set up in this bill. Perhaps a loan will become necessary, which is also set up in this bill. While it may not be perfect in its financial ramifications, and while there may be some difficulty of administration, I am satisfied that with a lively sense of cooperation on the part of the people of the country and a sympathetic administration of this bill we can make some kind of start on the housing program. We have done nothing about housing up to this time except talk about it. It is a good deal like Mark Twain's statement about the weather. He said that much has been said about the weather but darned little has been done about it. We have until now done very little about housing. Here is the record: Since 1933 we established a P. W. A. Housing Corporation and give it $125,000,000. After the first 2 years there were few results. Then we established an Emergency Housing Corporation and gave them $100,000,000. They took a year to make examinations of one thing and another and after a year or so there was nothing to show for it. Then we started on a program of subsistence homesteads. Go down to Arthurdale, go down to Reedsville, and inspect exhibit A. I drove down there and looked at them. We built 190 houses there, these ready-cut affairs. They put in the

foundations, but the houses would not fit the foundations, so they had to blow the foundations out. The windows would not fit, so they had to reconstruct all the millwork, and you will find from inquiry of the former director of the subsistence homestead project that we will lose about $4,000 a property on the 190 properties down there. They have abandoned 51 subsistence homesteads. Certainly it is not a very glorious record.

We have had a Resettlement program. Go over to Greenbelt and see that project. There we built 1,000 of these romantic-looking homes. I said they cost $14,000. The distinguished Senator from Virginia said recently that the cost is $16,000 each.

I tried to be charitable. He is closer to the truth.

How are they going to rent them? They are going to strike off anywhere from $6,500 to $8,500 per house and make that the basis for the rental. Do not take my word for it. Mr. Alexander, head of the Resettlement Administration, appeared before our committee and I quizzed him at some length. He had a nebulous, hazy, vague idea of what they were going to do. May I say they have not rented any of these $16,000 homes as yet but they intend to rent them to people in the income brackets from $1,200 to $2,000. Can you fancy $16,000 homes suited to $1,200 incomes?

In that housing field the Federal Housing Administration is the only bright and shining jewel in our housing activities. We did not expect too much from their administration of title I of the act for modernization purposes under which people put on a new roof or built a new bathroom or bought equipment of some kind. We knew we were going to have some losses. We knew there was going to be some bad paper that would have to be discounted. Their administration of title II, Federal mortgage and insurance, has been a pretty good job, and I take my hat off to the Administrator for that.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Chairman, as we talk about the Federal Housing Administration and what they have done, I would make this suggestion: In view of what the P. W. A. Housing Division in the Interior Department has had to do by way of housing, speaking for myself alone, I would be quite willing to put the administration of this act under the existing Federal Housing Administration, because they have a tremendous backlog of experience and a considerable background. I think they would do a pretty creditable job. My approach to this venture is like that of a young lady who went into a stationery store to buy some stationery. When she made the purchase, she asked, "Is there any discount to members of a minister's family?" The clerk said, "Are you a minister's wife?" She said, "No; but I hope to become one." I approach this bill in pretty much that same light. I approach it with the feeling that there are some imperfections in it, but we are making a start upon this iniquitous, cancerous growth that has fastened itself upon the body politic of the country and if we do not do any more than enunciate the principle in the first year, I shall be satisfied and will overlook the first imperfections in its administration.

Anybody who has had an opportunity to visit the slum areas of large cities, see the slatternly manner in which our citizens live, see children playing in the streets, note the lack of air and sunlight, and observe the opportunities for crime and disease, must surely have questioned himself at such times and wondered why such conditions exist in a land that prides itself upon its culture, its enlightenment, its freedom, and its opportunities. Here, then, in the form of the pending bill is the first major offensive against these slums in the hope that through the years they may be abolished from American life.

It is a vast program with many implications. But we have precedent for vast programs. The Home Owners' Loan Corporation was a huge undertaking. There was something enormous about the Agricultural Adjustment Act. There was an amazing scope to the relief program, and while the housing program is a huge undertaking, it is not too big or too complex for solution. The essential thing is that we make a start.

Much has been said about the cost. Yes; it will cost money. Everything in this world costs money. The cost is the tax on human progress. It costs money to build battleships; it costs money to build and operate schools and hospitals; it costs money to build and operate parks and playgrounds; it costs money to undertake electric-power development. In a way it seems ironical that we have spent so lavishly that electricity might be cheaper, without giving proper regard to the habitations in which our people shall use that electric power. We could build 200,000 homes, costing $5,000 each, for what we spend on the Army and Navy. I make the comparison not because I do not believe in national defense or that expenditures for national defense are fruitless and wasteful but only to indicate that decent shelter for our people is also worthy of our best attention.

It has been said that to provide housing subsidies for distressed people is a kind of discrimination against that class who will receive no benefits from low-cost housing or slum clearance. In theory that is true, but is it not also true that money expended for relief for those who are in need is also discrimination against those who are not in need and cannot qualify. Might it not be argued that payment of old-age pensions is a discrimination against the younger people of our land? Yet few, if any, have raised their voices against these measures on the ground of discrimination. We recognize a public duty in these various fields and are carrying out that duty without a murmur. By the same token there is a duty toward those unfortunate people who are bogged down in unhealthy, squalid, and insanitary slums and dwellings and who in the nature of things cannot extricate themselves.

As time goes on I fancy that we shall take the housing function of Government for granted, even as we now take for granted the theory and function of social security. It is but another case of where our charitable impulses are on the march.

As a former member of the Committee on Banking and Currency, I labored with the first housing bill that came to that committee. From that background and that experience I must confess dissatisfaction with some aspects of the pending measure. I feel certain, however, that when our housing venture is launched and the set-up made that many of the present objectionable features of the bill will be gradually softened and eliminated and the program established on a sound and workable basis.

Mr. WOLCOTT. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, rather than speak directly to the bill, I desire to ask the chairman of the Banking and Currency Committee two or three questions which are not clear in my mind. After having given additional consideration to the bill, may I ask the chairman of the Committee on Banking and Currency if he feels that the people with the lowest income, meaning by that income under $600 per year per family, can be accommodated under the provisions of this bill?

Mr. STEAGALL. I may say to the gentleman we have heard considerable complaint about the burden put upon the Treasury by applying the provisions of this bill to those whose salaries are in excess of that amount. I would not say that the provisions of the bill would take care of the class to which the gentleman refers. However, in some communities perhaps it would.

Mr. CRAWFORD. If, under the terms of the bill, the slums are demolished and wiped off the face of the earth, where are we going to house that class of people with a family income of less than $600 and how are the means to be provided for their housing?

Mr. STEAGALL. There is no evidence they are in the slums now. They are being taken care of by other methods.

Mr. CRAWFORD. Through welfare relief, for illustration?

Mr. STEAGALL. Yes.

Mr. CRAWFORD. The reason I bring that up is because I personally feel that if the Federal Treasury must provide the means for the sheltering of these people, that shelter should be provided through a Federal housing project, so that we could round up the whole proposition under one head. The people would then know that the Federal housing project is going to take care of the lowest-income family as well as the low-income family. I wanted to develop that in this debate for the benefit of those who have not had the privilege of sitting on the committee and listening to the hearings that were held.

It is my understanding those families are to be provided for in this bill through what we term "welfare relief." I want to bring that out clearly in the debate so the RECORD will show the situation. If they are so provided for, that still comes out of the Public Treasury, does it not?

Mr. STEAGALL. Of course, there will be those who have to be provided for by relief. It is not contemplated this bill is going to alleviate all of our difficulties.

Mr. CRAWFORD. That is what I wanted to develop, so that the RECORD would show it.

Mr. Chairman, I yield back the balance of my time.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I do not presume I can add anything to the discussion at this late hour. For the last few years there has been a rather insistent demand for some kind of a public housing program. We have had rather hurried hearings on this bill. We come on the floor of the House with a number of divergent views, which extend all the way from those who do not want any contribution locally and who believe it is entirely a national problem to those who believe it is entirely a local problem and the National Government should not make any contribution at all.

We have tried to compromise the matter. This bill is only the beginning. If we are going to carry through a Nation-wide slum clearance and a low-cost housing program, this is just the beginning. I was not quite able to understand the gentleman from North Carolina, one of the distinguished members of the committee, who has given very much study to the housing problem. I was not able to understand whether or not he is in favor of any public housing program, because it must be recognized if we are going to have a slum-clearance and a low-rent housing program, we cannot at the same time and by the same program have individual ownership.

Of course, it is desirable, and all of us, I am sure, are in favor of a program which will encourage private ownership of homes, which is an ideal situation. It would be un-American for any man to contend to the contrary. However, we must recognize the fact that in the slum areas, not only of New York and Chicago, but of any cities throughout this Nation of a population of 50,000, 75,000, or 100,000, there is the problem of providing safe and more decent dwelling places for those who are living in insanitary and unsafe quarters. This bill is but the beginning of a program which it is hoped will in the long run provide this class of people with quarters in which to live. We must recognize that there is a part of our population which can never be home owners, and, this being true, we must provide homes for such people through a public subsidy.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from California.

Mr. COLDEN. Since this bill applies largely to slum clearance and the need of housing applies both to the city and the country, did the committee consider a plan of Government insurance which would encourage savings banks and banks which have savings departments to lend money direct to the applicants, thereby making the relief more widespread in its application than will this bill?

Mr. WILLIAMS. Of course, the gentleman realizes that we already have such a system in operation by which the Federal Housing Administration insures loans which are made by banks, building and loan associations, insurance companies, and other private institutions. We already have such a plan in operation, which is designed to and is encouraging the building of individual homes.

Mr. COLDEN. Does that plan reach the farmer to any great extent?

Mr. WILLIAMS. Absolutely; it will reach anybody who can get money from his home institution under a mortgage insured to the extent of 80 percent of the value of the property by the Federal Housing Administration. This plan is already in operation, and has done a wonderful work. The bill now pending is designed to try to take care of the people in the congested areas of the cities who do not have, and never will have, any hope of becoming individual home owners. They are there, I think, forever, and we must recognize this problem.

Mr. THOMASON of Texas. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Do I understand the gentleman does not concur in the statement made by the gentleman from Massachusetts [Mr. LUCE], that there will be not exceeding 10 cities which will be the beneficiaries of this act?

Mr. WILLIAMS. Not at all. There is absolutely no limitation in this bill.

Mr. THOMASON of Texas. It will apply as well to the city of 100,000 as of a million population?

Mr. WILLIAMS. Absolutely. There is no limitation in this bill at all. The bill will apply to any city which has a congested slum area which must be cleared and replaced by modern quarters built for people who can pay a low rent.

Mr. THOMASON of Texas. Then what is necessary under the terms of this bill for a city of 100,000 to do in order to avail itself of the benefits of this act?

Mr. WILLIAMS. Such a city would make an application to the Federal Housing Administration, present its case, and show the necessity for relief. All you have to do is to convince them of the need and you will get the aid under this bill.

Mr. THOMASON of Texas. Are they clothed with absolute discretion in the matter of determining whether or not such a city of 100,000 can qualify in that it has slums which should be cleared?

Mr. WILLIAMS. Yes. You have to place somewhere the authority to determine who will qualify for these loans, grants, or contributions, and this authority is placed in the Federal Housing Authority. I do not say this bill will apply to a city of 1,000 or 1,500, for perhaps it will not; but if a city of 50,000, 100,000, 150,000, or 200,000 has slum areas, it can apply for relief under this bill, and if it does not have such areas, it does not get the relief.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from New York.

Mr. LANZETTA. I am pleased to see that the gentleman is interested in the problem of slum clearance in the various cities of the United States. May I ask the gentleman if it is not a fact that the limitation of $5,000 per family dwelling unit in section 15, subdivision 5, precludes the clearing of slums in most of the cities of the United States because of the high cost of labor and the high cost of the individual units in certain areas?

Mr. WILLIAMS. Not at all. Why should the cost be any more in Pittsburgh, for instance, than in Wichita, Kans., or Kansas City, Mo.?

Mr. LANZETTA. I shall be glad to explain if the gentleman will permit me.

Mr. WILLIAMS. That is, as far as the labor and the material are concerned. Then why should not any city be able to build for $5,000 a unit composed of four rooms, exclusive now of land, sidewalks, streets, and community service, when not 25 percent of the people of this country are living in houses which cost that much money?

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 7 additional minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. I, for one, want to say that I am in favor of this bill and in favor of giving all the liberal provisions possible to those who are living in the larger cities, but I am not willing to subscribe to any proposition of building for the low-rent-paying people of this country in the congested areas quarters which are far better than those in which 75 percent of the people of this Nation live.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from New York.

Mr. LANZETTA. The gentleman asked the question as to the reasons for the difference in construction costs in the various areas of the United States. I might say to the gentleman that the labor costs in the cities of Philadelphia, New York, and other eastern and midwestern cities are much higher than the labor costs in the western and southern parts of the United States.

Mr. WILLIAMS. That is true to a certain extent; but, even granting that fact, I say again, coming as I do from a rural community, that while I am in favor of providing the subsidy which is granted under this bill in order to furnish low-rent housing to the people in the congested areas of the big cities of this country, I am not willing to subscribe to a plan which will build for them far better houses than those in which a majority of the people of this country live. [Applause.]

Mr. DEMUTH and Mr. LANZETTA rose.

Mr. WILLIAMS. I yield to the gentleman from Pennsylvania.

Mr. DEMUTH. I wish to make this observation. Fifteen hundred dollars a room is $1 a cubic foot, and the very finest apartments in New York City were built for 60 cents a cubic foot, and under the Home Owners' Loan Corporation in Pennsylvania they are not permitted to appraise any home at over 25 cents a cubic foot. If these authorities cannot build these apartments for $1 a cubic foot, when a home owner can build his own home for not over 30 cents or 35 cents a cubic foot, I would say they should sharpen their pencils and become more efficient. [Applause.]

Mr. WILLIAMS. The gentleman is right.

The gentleman from North Carolina [Mr. HANCOCK] is complaining about the cost. Of course, this is going to cost. You cannot have slum clearance or you cannot have low-cost housing units for people in the congested areas without somebody subsidizing them. You must do this.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. On the other hand, we have the gentleman from New York claiming that the cost is not high enough. Under this bill we have tried to strike a happy medium. The bill originally came to us without a cent of local contribution in it. The Senate put something in it and we have put in the bill provisions requiring the localities to contribute, to start with, 15 percent, and then, in addition to that, provide 25 percent of the entire contribution paid annually by the local authorities and by the Government. We have struck what we think is a happy medium on that. There are a great many people who want to make the local contribution higher, and there are those, on the other hand, who do not want to provide for anything in this respect.

This is nothing new. There is no new policy in this bill. We have subsidized the building of highways and we have gone on a 50–50 basis. We have required the localities in the flood areas to make a local contribution to provide for the damages caused by reason of the construction work in such areas. We have required that in the building of levees the local authorities shall put up one-third of the cost in order to accomplish such purposes, when it is primarily a local matter. While I think this is largely a local problem, at the same time I think the Government ought to help.

Mr. CURLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. WILLIAMS. I yield.

Mr. CURLEY. Does the gentleman know that the United States Government subsidized over 1,120,000 home owners, not only in the cities but all over the country, and that they bailed out the mortgagees who held mortgages amounting in total to $16,000,000,000? The Government bailed them out to the extent of one-sixth of that amount or approximately $3,000,000,000, and this proposition not only affects the cities, but the entire country as well.

Mr. WILLIAMS. The gentleman refers to the Home Owners' Loan Corporation?

Mr. CURLEY. Yes.

Mr. WILLIAMS. I do not consider that as bailing them out; although the Government, no doubt, will lose something on those loans.

Mr. CURLEY. That is a subsidy also.

Mr. WILLIAMS. This is a subsidy on the part of the United States Government to help the local authorities; but I recognize there is a national aspect to this matter, otherwise the Government would not be justified in putting a single cent into it. On the other hand, there must be substantial local contributions, and this bill provides for that; and, so far as I am concerned, I am not sure that the local contribution is enough, but it is the best we could do in committee, and it is a compromise.

Mr. FARLEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. FARLEY. I would like to have the gentleman make it clear that there is considerable difference between the Home Owners' Loan Corporation Act and this bill.

Mr. WILLIAMS. Absolutely.

Mr. FARLEY. There was an emergency, and we were saving homes, while in this instance we are undertaking to build new homes.

Mr. WILLIAMS. Absolutely; and, in addition to that, we took a mortgage on their homes for 80 percent of their value; and it was the intention and the hope that the United States Government would not lose a cent on account of that transaction; while here there is a direct subsidy. There is no question but what money has got to be paid out of the United States Treasury under this bill to subsidize these projects. As to what the amount of this subsidy will be, there seems to be a difference of opinion; but I will tell you what I think it will be, and I believe the figures will bear out my statement. If the plan is carried out to the maximum, I believe the Federal contributions will not exceed something over $11,000,000 annually. This sounds like a whole lot, but that is what it will be. There is no use trying to fool ourselves, and we should not be deceived into thinking this is not an absolute subsidy. We are paying out the money for that purpose, and there is no doubt about it.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. MOTT. Is the gentleman satisfied with the cost limitation in the House bill of $5,000 as the maximum per unit?

Mr. WILLIAMS. Personally, I am not.

Mr. MOTT. What does the gentleman believe the maximum should be?

Mr. WILLIAMS. I do not believe the amount should exceed $4,000. Personally, I think that is what it ought to be.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired. The Clerk will read the House substitute for the Senate bill. Under the rule, it will be considered as an original bill, and amendments will be in order at the end of each section of the House amendment to the Senate bill.

The Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income that are injurious to the health, safety, and morals of the citizens of the Nation.

Mr. STEAGALL. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: Page 35, line 1, after the word "income," insert a comma and the following: "in rural or urban communities."

Mr. STEAGALL. Mr. Chairman, that is merely a perfecting amendment to make the preamble of the bill conform to the substantive provisions.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. ELLENBOGEN. Mr. Chairman, I rise in opposition to the amendment. I am not opposed to the amendment, but I use this method to get an opportunity to speak on the bill.

I have been interested in the subject of low-cost housing and slum clearance for a long period of time. After making a broad and comprehensive survey of the subject I prepared a bill, H. R. 7399, and introduced it in the House of Representatives on April 10, 1935. A revised draft, H. R. 8666, was introduced by me on June 25, 1935.

At the opening of the 1936 session of Congress, Senator ROBERT F. WAGNER, of New York, and I combined and on April 3, 1936, we introduced a joint bill, H. R. 12164. Its fundamental principles and the financial structure which it proposed were the same as in my former bill. This bill received broad support throughout the United States. Outstanding national organizations of business, chambers of commerce, and large individual business concerns strongly supported it. Labor hailed it as the most important measure for social and economic recovery. The executive council of the American Federation of Labor, Mr. William Green, its president; Mr. John L. Lewis, president of the United Mine Workers and now leader of the C. I. O., and hundreds of other labor leaders all over the United States openly and enthusiastically endorsed it.

CHURCHES SUPPORT THE BILL

The Pennsylvania House of Representatives and other State legislatures, a large number of city councils, the United Conference of Mayors, a large number of mayors from large and small cities, have all endorsed this bill. I could go on indefinitely, but I just want to add a few more endorsements of outstanding importance: The Federal Council of Churches of Christ in America, the Unitarian Ministerial Union, the National Association of Housing Officials, the National Public Housing Conference, the National Urban League, the National Association for the Advancement of Colored People, and the National Board of Young Women's Christian Association.

On January 5, 1937, I again introduced the housing bill, H. R. 1489. The bill which formed the basis of the hearing before the Committee on Banking and Currency is substantially the same bill which I presented, but since then many changes have been made by the committee. Some of these changes I cannot approve, because I believe that they are detrimental to the purposes of the bill and that they will seriously handicap the execution of the objectives of the bill.

The bill for low-cost housing and slum clearance constitutes a realization of the fact that families of low income are not able to pay rent which is economically required for decent housing. Decent, safe, and sanitary homes cannot be built at a cost which would permit the fixing of a rental which familes of low income can afford to pay.

UNITED STATES FACING HOUSING SHORTAGE

For several years I have warned the Congress and the country that a housing shortage of greater proportions than we have ever witnessed in the United States was impending. Before we had yet emerged out of the depression I presented figures to prove that it was necessary to build between 7,000,000 and 10,000,000 homes in the United States during the next 10 years if we are to avoid a serious housing shortage, a housing shortage which would weigh most heavily on the low-income groups. That housing shortage has now become a reality not only in Pittsburgh but in other large and small cities all over the United States.

I regret that the committee has made such important changes in the bill. When it came before the Committee on Banking and Currency it was not an emergency bill. It was a well-considered and well-planned bill, designed to meet the long-term needs and to wipe out long-standing evils.

MILLIONS OF FAMILIES LIVE IN SUBSTANDARD HOMES

Even before the depression 11,000,000 families, or about 40,000,000 people, were living in substandard homes. That group is now much larger. It still continues to grow. The reason is found in the fact that a substantial part of the American people have been unable to pay the rental required for decent housing.

Even in the prosperous 1929 fully 40 percent of the American families earned less than $1,500 a year. In 1936, 39 percent of the families had incomes of less than $1,000. Nearly 48 percent had incomes of less than $1,250 and 55.4 percent had incomes of less than $1,500. Not more than 20 to 25 percent of the family income should be expended for rent. Thus it is apparent that these families are unable to pay the rent which is required for sanitary homes. If we are to have decent housing, the Government must step in and make up the difference through subsidies; otherwise low-income families will be unable to secure proper housing, the congestion in the slums and blighted areas will increase, and disease and crime will be on the upgrade.

LET US STOP SUBSIDIZING SLUMS

Every student of the problem knows that slums are a great expense to the cities in which they are located. The municipalities must supply extra police and fire protection and spend much more money for dealing with criminals and delinquents in slum areas than in other sections. When the cost of these municipal services is deducted from the small revenue received from slum areas we find that it costs the average municipality much more to tolerate the slum area than it would to eradicate it and to replace it with modern, safe, and sanitary homes.

I shall cite only one example. A survey of the slum area in the city of Cleveland showed that the total tax assessment against it amounted to $225,035—most of which was uncollectible—whereas the expenditure of the city for police, fire, health, school, and other municipal service for that area amounted to $1,971,000. Therefore, even if the city collected all the taxes in that slum area, it would have an annual loss of $1,746,000, a loss which must be borne by the home owners living in the other sections of the city this year, next year, and every other year until we eradicate the slums. Similar conditions exist in Pittsburgh, in Philadelphia, and in hundreds of other cities in the United States.

SLUMS CAUSE DEATH AND BREED DISEASE AND CRIME

Early this year seven people were burned to death in a firetrap in the slum sections of Philadelphia. Nineteen met a similar fate in New York. Other examples could be given.

In the city of New York the number of deaths from tuberculosis is 220 percent higher and the deaths from spinal meningitis, 240 percent higher in the slum areas than in other sections of the city.

Juvenile delinquency in New York is 100 percent higher in the slum areas than in the nonslum areas.

No one can defend the condition which exists today. An examination of the situation from a purely business viewpoint will show that it would be much better to subsidize decent and sanitary housing than to subsidize the slums, which we are now doing.

RESTRICTIONS IMPOSED BY THE COMMITTEE

The low-cost housing and slum-clearance bill which came before the Committee on Banking and Currency was substantially in the form in which Senator WAGNER and I had drafted it, but it was reported by the committee in a very much restricted form.

HOUSE LIMITS ELIGIBILITY OF FAMILIES

In the limited period of time at my disposal I can only refer to a few of these restrictions. The bill as I drafted it made the low-cost homes which are to be built available to all families of low income. The Senate put limitations on that provision. It provided that no family was eligible to occupy any of the homes to be built under the provisions of this bill unless its income did not exceed five times the

rental, or in the case of families of more than two minor dependents unless its income did not exceed six times the rental. The House committee in reporting this bill has carried this limitation to an even greater extreme by changing the 5- and 6-to-1 ratio to 4 to 1 and 5 to 1, respectively. That means that a family consisting of husband and wife and two minor children could not occupy a low-cost-housing project constructed under the terms of this bill if its income exceeds four times the rental charged for the low-cost-rental units. For instance, if rooms should rent for $5 each, and if such a family should want to rent a unit consisting of three rooms with a total rental of $15, it would be ineligible if its income exceeded $15 a week. In the example which I have given families with two dependent children would be ineligible to occupy such a unit if their income exceeded $720 a year. If you have families in your community with an income of $800, $900, or $1,000 per year, the limitation inserted in the bill by the House committee would eliminate them. This is a most severe restriction which will destroy the effectiveness of the bill, because a large number of the families who now live in slums will not be eligible. It must be eliminated from the bill, and I will offer an amendment to that effect, unless a member of the committee will do so.

Another restriction was written into the bill by the Senate. It limits the amount which may be spent in constructing low-cost housing to $1,000 per room, or $4,000 per unit. The committee of the House has improved this provision by increasing it to $1,250 per room, or an average of $5,000 for the construction of a unit. The House version of this provision is better than the Senate version, but even it is properly subject to criticism, and will make the bill unworkable in many cases.

Both the Senate and House committees have inserted provisions requiring local contributions which were not originally in the bill. This will delay the construction of projects in a large number of cities for a long time and may entirely prevent it in other cities.

DISTINCTION BETWEEN LOW-COST HOUSING AND SLUM CLEARANCE

Before I conclude I want to point out that there is a real and significant difference between slum clearance and the construction of low-cost housing. We can have slum clearance without constructing low-cost dwellings by dedicating the slum area, after it has been cleared, to some public use such as parks or playgrounds. We can construct low-cost housing without simultaneously clearing the slums by erecting these new homes on vacant lands. It is important to keep in mind the distinction between low-cost housing and slum clearance. These two terms are not synonymous. They may or may not occur at the same time.

The elimination of slums, the tearing down of dilapidated buildings, and the condemnation of the necessary land present very complicated problems. I for one hope that at the beginning of the operation of this bill much of the construction of low-cost housing will be done on vacant land in order to avoid the problems inherent in slum clearance and in order to speed up the erection of safe and sanitary dwellings at low cost. I hope that the administrator of this bill will not deviate from the purpose of this bill, which is the construction of low-cost homes, and that he will not insist that the construction be had in slum areas.

The fact that we are discussing this bill on the floor of the House of Representatives means a great victory for those of us who have fought for low-cost housing and slum clearance against terrific odds; but while I rejoice in the opportunity to pass a much-needed piece of legislation for which I fought for many years, I cannot help but express my deep disappointment in the many limitations and restrictions which have been inserted in the bill and which will make the bill unworkable and impractical in many cases. However, we have achieved one thing. We have achieved recognition by the Congress that it is the responsibility of our National Government to wipe out the slums and to assure decent, safe, and sanitary dwellings for families of low income; dwellings in which the children of America can grow up amidst light, air, and sunshine, and in which the parents of America can live among clean and healthy surroundings. If the bill passes in the form in which it now is or in a similar form, Congress must take the responsibility of removing the restrictions and limitations which render the bill unworkable. When this is done at some later session hundreds of thousands of American families who are now living in slums or blighted areas will be rehoused. Then we can have a better, a more decent, a more abundant life for those among us who are not blessed with worldly goods.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

Mr. STEAGALL. Mr. Chairman, I ask the gentleman if he will not be content to extend his remarks from where he stopped, in view of the peculiar situation that exists. We are proceeding here with word passed around that we are to finish this bill tonight. In view of those circumstances I ask the gentleman and others please not to ask for an extension of time.

Mr. ELLENBOGEN. Can I not have 1 minute more?

Mr. STEAGALL. I will not object to 1 minute.

Mr. BEVERLY M. VINCENT. Mr. Chairman, I object.

Mr. CURLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. CURLEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. CURLEY. Mr. Chairman, I listened very attentively all day to the debate on this very important piece of legislation. I did not hear one person who took the floor mention anything at all about the building collapse in this country since 1933. We have something like 66,000 tenement houses in the city of New York. Thirty-seven thousand of them are what they call old law tenement houses. There are about 1,500,000 people tenants of those houses.

I do not believe anyone could object when we go back to 1933 and see what this great country did for the bankers of this country when we bailed them out. If you get the report of the Federal Home Loan Bank in Washington you see there were over $16,000,000,000 of mortgages on the homes throughout this country. I am talking about dwellings now, and they are not in the big cities, either. They are out in the rural sections. They are not in New York, not in San Francisco, not in Detroit, not in any of the other big cities, but all over the country. The fourth report of the Federal home loan bank in Washington states that they bailed 16⅔ percent, or one-sixth of the total of $16,000,000,000, which makes it pretty close to $3,000,000,000 that Uncle Sam put up to help those people out.

The paralyzing effect which the crisis of the depression produced between the years 1929 and 1933 in the building industry alone is colossal when you take a view at the statistics. Here they are: In 1929, in one-family dwellings, there were 98,164 buildings erected. In 1933, one-family dwellings, 14,000; 1929, two-family dwellings, 27,000; in 1933, two-family dwellings, 2,000; in 1929, three-family dwellings, 183,000; in 1933, 9,000. Then an estimate of building construction in 120 cities in the United States is given as follows: In 1929, $2,489,553,000; in 1933, $262,942,000 was spent.

Now, there is a picture for you. I hope that the gentlemen in considering this proposition today will take into consideration that terrible catastrophe which we had only a few days ago at Staten Island, where 19 lives were lost in that appalling accident. We have a situation in New York City that is somewhat different than anywhere else. I think, in view of the fact that the city of New York pays something like 37 percent of the taxes that go into Uncle Sam's Treasury, they should be given some consideration in the matter of effective slum clearance.

Between 1918 and 1929 there were 15,660 fires in old-law tenements as against 4,413 fires in new-law tenements. The former caused 448 deaths; the latter only 56 deaths. In other words, with four times as many fires in old-law as in new-law tenements, there were eight times as many deaths. This ratio becomes even more startling for the year 1934. Up to April 15, 1935, there have been 46 deaths by fire in old-law tenements in the city of New York. Only four deaths occurred in new-law tenements. It is important to observe the increase in fires after 1929. The swing upward seems correlated to the economic depression and the fall in real-estate values, according to Charles Abrams, consultant to the New York City Housing Authority. Slums must go, and this bill is a step in the right direction and should be adopted.

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, this bill opens with a very commendable statement, that its purpose is to promote the general welfare of the Nation. I have sat here all day, from the time the rule was presented until this moment, I hope with an open mind, and I hope casting aside any sectional prejudice or any thought of the fact that the only opportunity my district would have to share in this program would be to help pay the bill. I wanted to see if I could go along with those who proposed this particular remedy as the appropriate solution. I must confess that after listening to all the debate, I cannot see how we can say this proposal will—certainly in its present form—promote the general welfare of the Nation. I was glad to hear our distinguished committee member from Missouri, Mr. WILLIAMS, say that he did not favor the $5,000 limitation placed in this bill upon the individual unit. As a matter of fact, if you will look at page 56 of the bill near the bottom of the page, you will find that is not a definite maximum. That is but the average. It may be $2,000 in one section and $8,000, exclusive of a thousand or more for the land, in another section, whereas the average value of the farm houses of the Nation is only $1,100. The average value of all farm houses and outbuildings is only $2,020. Certainly I hope this committee will support the gentleman from North Carolina, Mr. HANCOCK, who made a wonderful exposition of the real facts of this bill, and the gentleman from Missouri, Mr. WILLIAMS, in adopting the so-called Byrd amendment that was turned down, in the committee, I understand, by only one majority, in actually limiting this expenditure to $1,000 a room or $4,000 per unit.

You heard the gentleman from Pennsylvania tell you he was an appraiser for the H. O. L. C. in Pennsylvania, and he was limited, in appraising houses in that industrial State, to 25 cents per cubic foot, which would figure for the average home less than $500 a room. We cannot promote general welfare if we are going to take just a few of those who are underprivileged and put them into better homes and circumstances than the average self-supporting American citizen.

The distinguished Republican leader from New York [Mr. FISH] said that this bill would reach but 3 percent of the slum dwellers in the United States. With his usual novel approach to public issues he complained because the bill did not appropriate $5,000,0000,000 instead of half a billion; $5,000,000,000 of tax-exempt securities, when he has not lost an opportunity at this session to condemn this administration for what he termed a loose fiscal policy. He stood on this floor only last Monday and condemned our tax-loophole bill by saying that the real loophole had not been touched, the issuance of tax-exempt securities. But Mr. FISH need not worry because the bill does not immediately commit us to a $5,000,000,000 program. Mr. HANCOCK of North Carolina assured us it would ultimately commit us to a $50,000,000,000 program. [Applause.]

[Here the gavel fell.]

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last three words.

Mr. PHILLIPS. Mr. Chairman, there has been considerable discussion here, and there probably will be more, of the cost per room on slum-clearance projects. I wish I had more time than the brief 5 minutes I get on a pro-forma amendment to tell from actual experience on a slum-clearance project what it costs per room in a city of 50,000 people in the metropolitan area of New York, what the demand for the rooms is, and how the whole project is working out. With the indulgence of the House I shall extend my remarks in the RECORD and include therein the facts and figures in this connection.

I have before me the cost over the United States, room for room, of various completed slum-clearance projects. For example, at Techwood, Atlanta, Ga., on a 2,124-room development the cost per room was $1,027. At University Heights, also in Atlanta, Ga., a project of 2,343 rooms the cost was $961 per room. At University Heights, Montgomery, Ala., 324 rooms, the cost was $1,210 per room. According to this table, the greatest cost per room was at Meeting Square Manor, a white project, and Cooper River Court, colored, both in Charleston, S. C., $1,793 per room, with some 700 rooms. The lowest cost project within the continental limits of the United States is the William D. Patterson Courts in Montgomery, Ala., 524 rooms, at $872 per room.

As I say, I wish I had time to break down these figures and show from actual experience as mayor of a city of 50,000 people, with nearby communities of several thousands, totaling in all 70,000 people, our experience with Fairfield Court, a United States Government slum-clearance project in our community. The newspaper in that community is a Republican paper, the Stamford Advocate. I have known it a great many years, but have never seen it very extensive in its praises of Democrats or the Democratic Party, yet the editor of this newspaper has been on the housing committee of Stamford, Conn., from its inception and supports this project 100 percent.

On my data sheets here the break-down shows that in the metropolitan area of New York it cost us some $1,601 a room, and, Mr. Chairman, there was no waste. The job was efficiently done.

In the final analysis, now that it is done, what is the average rental cost per room? It is $5.82 plus the utilities; that is, electricity, heat, water, and so on, making a total of $8.77.

Mr. WHITE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I am sorry; I cannot yield.

Mr. WHITE of Ohio. What is the subsidy?

Mr. PHILLIPS. I shall be pleased to answer if the gentleman can get me more time. There are 18 two-room units at $23.50 a month rent, including utilities. These are scaled to an annual income bracket of $1,320. And so it goes up to $36.40 for five-room units scaled to income brackets proportionately.

[Here the gavel fell.]

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. STEAGALL. I shall be forced to ask the gentleman to extend his remarks in the RECORD.

Mr. BEVERLY M. VINCENT. Mr. Chairman, I object.

Mr. IZAC. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. PEARSON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. IZAC. Mr. Chairman, after the rather discouraging experience of the past few weeks, it is especially gratifying to know that a start is about to be made on at least a third of the President's program.

We have heard that phrase "ill-fed, ill-clothed, and ill-housed", and apparently most of us gave at least lip service to the correction of these three evils. It seems that now we are about to take the first step in the direction of putting a roof over the heads of those who, because of the inadequacy of our national wage scale and the unequal distribution of the national wealth, have been in the past unable to provide proper housing for themselves.

I want to compliment the committee on their ability to report out a bill of this character in the face of opposition that knows how to be intense when it comes to providing for the needs of the less-favored one-third of our population. I am glad that this committee has seen the wisdom of broadening the base of home ownership. Why, as long ago as 1841, the immortal Charles Dickens grasped the true significance of home ownership when he wrote:

The ties that bind the wealthy and the proud to home may be forged on earth, but those which link the poor man to his humble hearth are of the truer metal and bear the stamp of Heaven. The man of high descent may love the halls and lands of his inheritance as a part of himself: as trophies of his birth and power; his associations with them are associations of pride and wealth and triumph; the poor man's attachment to the tenements he holds, which strangers have held before, and may tomorrow occupy again, has a worthier root, struck deep into a purer soil. His household gods are of flesh and blood, with no alloy of silver, gold, or precious stone; he has no property but in the affections of his own heart; and when they endear bare floors and walls, despite of rags and toil and scanty fare, that man has his love of home from God, and his rude hut becomes a solemn place.

Oh, if those who rule the destinies of nations would but remember this—if they would but think how hard it is for the very poor to have engendered in their hearts that love of home from which all domestic virtues spring, when they live in dense and squalid masses where social decency is lost, or rather never found—if they would but turn aside from the wide thoroughfares and great houses, and strive to improve the wretched dwellings in by-ways where only poverty may walk—many low roofs would point more truly to the sky, than the loftiest steeple that now rears proudly up from the midst of guilt, and crime, and horrible disease, to mock them by its contrast. In hollow voices from workhouse, hospital, and jail, this truth is preached from day to day, and has been proclaimed for years. It is no light matter—no outcry from the working vulgar—no mere question of the people's health and comforts that may be whistled down on Wednesday nights. In love of home, the love of country has its rise; and who are the truer patriots or the better in time of need—those who venerate the land, owning its wood, and stream, and earth, and all that they produce, or those who love their country, boasting not a foot of ground in all its wide domain? (Ch. 38, pt. 2, The Old Curiosity Shop (1841), Charles Dickens.)

Now, Mr. Chairman, I campaigned in 1934 and 1936 on the same kind of a program that our beloved President and the whole Democratic Party adopted in the campaign that ended so successfully last November. Once I tasted the dregs of defeat and once mounted to the heights of victory. And candor makes me say that the reason I am here today is because the policy I advocated was the one which met with the approval of the 300,000 people in my district.

I said and we said that the ills which continue to afflict our country must be obliterated and the way we proposed to do that was by retiring our old people, outlawing child labor, and giving to our working people wages commensurate with a truly American standard of living. What did that mean? Simply that we had to provide the cost of production plus a fair profit to our farmers, and to those who labor in other walks of life, a wage and hour condition above the minimum that decency demands. The President, in carrying out his promise to the people of America, has done his part. Some of us here, who try to act in a representative capacity for our people, have tried to do our part. But a whole program has been sabotaged by the work of those who, bent upon denying to the people the rights they possess, are using every means at their disposal to obstruct the principal points of that program. Let me explain. Some 15 bills were introduced providing a better pension for our old people. The authors of these bills were even denied a hearing before the committee. The chairman of another committee took the floor and promised that a certain bill would never see the light of day from his committee.

Relief for agriculture was denied because it was said that the Representatives of some of the farming groups have not been able to unite on a program. It might not be inopportune to remark, at this time, that perhaps one of the reasons the farming groups could not get together may have been that they were engaged like one of them admitted, in lobbying against another bill in no way connected with agriculture. The Agricultural Committee made a start in the direction of farm tenancy. Yesterday we saw the pitiful spectacle of another committee sitting as a court of last resort, and attempting to deny funds for the proper prosecution of even this small and totally inadequate beginning of a noble experiment. And last but not least, we see a majority of the Rules Committee aiming a death blow at the basic policy of the Democratic Party—a death blow at the hopes and aspirations of millions of the downtrodden of the Nation. My friends, I can view this only as a deliberate attempt to sabotage the New Deal. I denounce it as such. I shall not be a party to it, and I shall continue to strive for the enactment of wage and hour legislation, farm legislation, and low-cost housing legislation until the philosophy of the New Deal has been vindicated and the program consummated.

But I warn these opponents of real democracy to sail hereafter under their true colors. They are sowing the wind but they will reap the whirlwind. [Applause.]

The CHAIRMAN. Without objection the pro-forma amendments will be withdrawn.

There was no objection.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The Clerk read as follows:

DEFINITIONS

SEC. 2. When used in this act—

(1) The term "low-rent housing" means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this act shall be available solely for families whose net income does not exceed four times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed five to one.

(2) The term "families of low income" means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

(3) The term "slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

(4) The term "slum clearance" means the demolition and removal of buildings from any slum area.

(5) The term "development" means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

(6) The term "administration" means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

(7) The term "acquisition cost" means the acquisition cost of a low-rent-housing or slum-clearance project to the Authority or to a public housing agency, as the case may be.

(8) The term "average family-dwelling-unit cost" means the average construction cost, in a fiscal year, of a dwelling unit based on all the dwelling units in all the projects for which the Authority has made loans, grants, or annual contributions during said fiscal year. The date of the first allotment of funds for a project shall be used to determine within which fiscal year such project is to be included for the purpose of ascertaining said average. In computing the family-dwelling-unit cost, there shall be excluded the cost of the land, demolition, and nondwelling facilities. The term "nondwelling facilities" shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, sanitary utility and other facilities), and administrative, educational, recreational, and commercial facilities in the project.

(9) The term "going Federal rate of interest" means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of 10 years or more.

(10) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

(11) The term "State" includes the States of the Union, the District of Columbia, and the Territories, dependencies and possessions of the United States.

(12) The term "Authority" means the United States Housing Authority created by section 3 of this act.

Mr. CROWTHER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CROWTHER: Page 36, line 4, after the word "area", strike out the period, insert a comma and the following: "and embraces the adaptation of such area to public purposes, including parks, parking areas, or other recreational or community facilities."

Mr. CROWTHER. Mr. Chairman, this is a very slim and incomplete definition of what slum clearance is. As defined in the House bill, it means demolition and removal of buildings from any slum area. As I read the Senate bill, which language is stricken, it reads:

And may embrace the adaptation of such area to public purposes, including parks, parking areas, and other recreational or community facilities.

May I say there may be a great many instances in which it may not be desirable to build houses after the present buildings are razed, but the property may be useful for other purposes, such as recreational or as a playground or as a parking space, which will bring in revenue and tend toward a lessening of the financial burden of the Government and of the local housing authority. I hope the language may be retained in the bill.

Mr. REILLY. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Wisconsin.

Mr. REILLY. Does the gentleman expect that the Housing Authority will purchase a slum area on which it does not build?

Mr. CROWTHER. That might be possible.

Mr. REILLY. They have no business doing so under this bill.

Mr. CROWTHER. Why not?

Mr. REILLY. They have only the right to purchase the land on which they are going to build.

Mr. CROWTHER. There are slum areas in many sections that ought to be wiped out completely, as not being a decent place on which to build houses. It may be over behind a railroad track. It may not have the proper environment. But the property may be useful for a parking place in the business district that may bring in revenue.

Mr. REILLY. That is a matter for the city to decide if it wants to make a parking place out of it.

Mr. CROWTHER. I think it might be left discretionary. Before the project is started it might be a good idea to give some thought to what may be done with the land, if it is not feasible to build in that immediate locality.

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was under the impression the gentleman intended to offer an amendment which would include the exact language of the Senate bill. The gentleman has offered an amendment which does not include all of the language of the Senate bill. The definition in the Senate bill is: "And may embrace the adaptation of such area to recreational purposes", and so forth, which would leave discretion in the Federal Housing Authority to do that work and accomplish that purpose in cases where it is found to be practicable and desirable. But according to the amendment offered by the gentleman from New York [Mr. CROWTHER], the Federal Housing Authority would be required so to use the area formerly occupied, whether it was practicable or not, and that might prevent the establishment of a project for the reason they could not comply with this paricular provision. The language used in the amendment makes it mandatory that they employ such area in that way.

If the gentleman will examine the bill, he will see that there is a requirement where slum clearance is needed and a new project is put in to take the place of the old slums which are to be removed. There is a mandatory requirement in the bill that that be done if satisfactory arrangements can be made. We are going to offer a committee amendment to the effect that the Housing Authority may defer the time when that shall be done, so that it may take care of the varying conditions in each locality as they involve each particular district. If the gentleman will read the provisions of the bill as they now stand, including the amendment we are going to offer, he will find the amendment he has offered will hamper the Federal Housing Authority in carrying out this law.

Mr. Chairman, for the reasons indicated, I ask that the amendment be defeated.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from New York [Mr. CROWTHER].

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT to the amendment offered by Mr. CROWTHER: Before the word "embraces" in the first line, strike out the word "embraces" and insert "may embrace."

Mr. WOLCOTT. Mr. Chairman, the purpose of my amendment is to make the Crowther amendment read as the Senate bill read when it came to us. There has been a great deal of discussion concerning the advisability of the local housing authorities being allowed to construct parks, playgrounds, and so forth, in connection with these projects. I think it is most desirable that these vacant pieces of land which, we believe, may exist between the units be utilized. If this amendment is not adopted, the bill contains a prohibition against the use of this land for any purpose incident to the clearing of slums and making these places of decent habitation.

I believe the intent of this House should be expressed to the Authority which we set up here in that in addition to making these decent, sanitary places in which to live, that we give the youngsters who are compelled to live under these conditions a fair chance for their lives and limbs. We are spending in all municipalities millions of dollars for playgrounds to keep the children off the streets. The W. P. A. has spent thousands of dollars, perhaps millions of dollars, helping municipalities keep the children off the streets and has aided the various cities in constructing playgrounds, kindergartens, and so forth, the things that are desirable as appurtenances to these projects.

I hope the House this afternoon will just be a little humane as well as charitable and allow the Authority, if it sees fit, to utilize whatever vacant space there is between units for the purpose of constructing playgrounds, and that is all the Crowther amendment, as I have amended it, means. I hope the committee will agree to it.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment to the amendment.

It is very evident that the purpose of this amendment is to place upon the National Housing Authority the burden of subsidies for the cities' playgrounds, parking spaces, kindergartens, and other things, which is not the purpose of this bill. This amendment means that after these places are cleared of the slums you shall turn them into playgrounds, swimming pools, municipal operas, or other community activities, services which the cities themselves ought to perform for the people and which they are now performing. This amendment will relieve the cities of that burden and place it upon the Housing Authority, and the United States will pay for it. This is all the amendment means, and it should be voted down. Otherwise, the money could be used not for housing purposes, which is the purpose for which we are passing this bill, but to build playgrounds, swimming pools, or kindergartens, which is a function the city itself should and must perform.

Mr. Chairman, I ask that this amendment be voted down.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. There are no financial provisions in the bill to take care of the cost of this operation?

Mr. WILLIAMS. No. I should say no, however, if you put in this amendment, these activities would be carried on at the expense of the Authority.

Mr. CRAWFORD. If we now insert this provision there is no appropriation provided in the bill for building these playgrounds and places of amusement.

Mr. WILLIAMS. No; I should not think so.

Mr. CRAWFORD. So the money we would intend to be used for housing would then have to be used for these projects.

Mr. WILLIAMS. Absolutely. You will simply take the funds we are proposing to use in building low-rent housing for the people who need it and with these funds perform a community service which the city itself ought to perform if such service is necessary. This is all the amendment means.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] to the amendment of the gentleman from New York [Mr. CROWTHER].

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. CROWTHER].

The amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 36, lines 18 and 19, after the word "project", strike out "to the Authority or", and after the word "agency" strike out "as the case may be."

Mr. WOLCOTT. Mr. Chairman, this bill nowhere contemplates that the Authority referred to in this section shall acquire any land, so, of course, there will not be any acquisition cost charged to the Authority. Undoubtedly, this provision was put in because when the bill was originally drawn it provided that the Authority might set up demonstration projects, and, of course, in the construction of these demonstration projects land must be acquired. It is in order that there may be no inference that it is our intention that the Authority may acquire land or build these projects itself, and to keep the bill consistent with this idea, that my amendment is offered.

Mr. STEAGALL. Mr. Chairman, the amendment is only a clarifying amendment, and there is no objection to it.

Mr. WOLCOTT. This amendment merely clarifies the language and brings this particular section of the bill into line with all the other provisions.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 36, strike out all of subsection 7 and insert a new section reading as follows:

"The term 'acquisition cost' means the amount prudently required to be expended by a public-housing agency in acquiring or developing a low-rent housing or slum-clearance project."

Mr. HANCOCK of North Carolina. Mr. Chairman, this amendment clarifies the section as it is now. The language in the section now, "The term 'acquisition cost' means the acquisition cost", does not mean anything. This is a clarification of the section, and I think carries out the purpose for which this section is intended.

Mr. STEAGALL. Mr. Chairman, there is no objection to the substitute proposal of the gentleman from North Carolina, as far as we are concerned.

Mr. WOLCOTT. Mr. Chairman, I am willing to accept the substitute and ask unanimous consent that I may withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask a question of the chairman of the committee. As I understand this bill, it is not essential that the proper sort of an organization set up in a municipality have slums to clear. I do not think that in my city of Los Angeles we have slums, but we might desire the use of this method of subsidy to take care of low-rent housing.

Under the terms of this bill, would it be possible to have a project for low-rent housing for the use of Government employees? There are about 26,000 sailors aboard the United States fleet at Los Angeles Harbor, and many of them live on land with their wives and children. They are paid an average of $35 to $50 a month. Could the municipality of Los Angeles, in setting up the proper organization to seek these subsidies, build a low-rent housing project for the housing of these Government employees?

Mr. STEAGALL. Undoubtedly, they could.

The pro-forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 35, line 11, after the word "families" insert "of citizens of the United States."

LET US START WITH CITIZENS

Mr. CASE of South Dakota. Mr. Chairman, it has been clear in all of the debate that whatever the cost of these projects is it involves a subsidy for the benefit of a particular project. Under some figures that have been presented, the eventual cost to the Government will exceed the original outlay, counting the rent subsidies that will come in the years that are to follow. The cost so far as an individual project is concerned for a family is limited to $5,000. The cost of the land will increase the cost so that the individual unit cost will be about $6,000. My amendment is designed to provide that if we are going to start on this program—and a program of slum clearance is undoubtedly a worthy aim—we shall start with citizens of the United States.

The more you think of it the more you will realize there can be little objection to this amendment. One-third of the people of this country may be underhoused, but, certainly, far more than two-thirds of them do not live in houses that cost $5,000. Yet, without such a limitation we shall have a proposition whereby people who do not live in houses costing $5,000 will be taxed to subsidize both the building and the rent of houses costing $5,000 which can be occupied by people who are not citizens of the United States. In any proposal for charity it is a perfectly good rule that charity begins at home. Let us start with citizens.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Not now, as my time is limited. The gentleman can rise in opposition to the amendment if the gentleman wishes to do so.

More than this, it is a good proposition to require that in starting this enterprise, it shall be limited to citizens of the United States or to families of citizens. This will put a premium upon citizenship and encourage citizenship.

Personally, I think the rule adopted by an industrial concern in my district that when they put on new employees they require that they shall have taken out their citizenship papers, is a perfectly good rule. I may say, incidentally, that this company experiences no great labor trouble, because they do put a premium upon citizenship and they treat their employees as good citizens. It helps both ways.

I doubt if any Member of this House can go home to his district and justify voting for a proposal that starts the building of housing units costing $5,000 or $6,000 for people who are not citizens of this country. Once in a while I

think it is a good time for somebody to look at the needs of the citizens of the country.

I do not see how there can be any objection to an amendment requiring that—

The dwellings in the low-rent housing as defined in this act shall be available solely to families of citizens of the United States whose net income—

And so forth. I urge your support of the amendment, which inserts the words "of citizens of the United States."

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to this section do now close.

Mr. ELLENBOGEN and Mr. HANCOCK of North Carolina reserved the right to object.

Mr. ELLENBOGEN. Mr. Chairman, I call the attention of the gentleman from Alabama to the fact that I have an amendment that goes to a vital part of this bill, and I would like to have an opportunity to explain it for a few minutes.

Mr. STEAGALL. Mr. Chairman, I withdraw the request for the moment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

Mr. PHILLIPS. Mr. Chairman, I wonder if we may have the amendment read again. A doubt arose in my mind as to whether, under the terms of the amendment, a man who is a citizen of this country but whose father or mother is not a citizen could get the benefit of such housing.

The Clerk again read the Case amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. ELLENBOGEN) there were—ayes 76, noes 64.

Mr. LANZETTA. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WOLCOTT: Page 37, line 4, after the word "the", insert the word "average."

Mr. WOLCOTT. Mr. Chairman, this is merely a perfecting amendment, and undoubtedly the word was left out by inadvertence.

Mr. STEAGALL. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 37, strike out lines 4 to 10, inclusive.

Mr. HANCOCK of North Carolina. Mr. Chairman, the effect of the amendment which I have offered is twofold but has the same general objection. First, it would make the land cost and demolition cost a part of the per dwelling unit cost. It is my purpose a little later on in the bill to offer an amendment which limits the per dwelling limit cost to an average of $4,000 and the per room cost to $1,000, whichever is lesser. In addition to that, this amendment cuts out the provision which would enable the United States Housing Authority or the local housing authority, in determining the cost of the dwelling unit, to include the cost of the nondwelling facilities. In other words, if you adopt this amendment, the recreational, educational, commercial, and other outside appurtenances which the committees should provide, cannot be included as a part of a project for loans, grants, or annual contributions.

This amendment has been supported within the past 20 minutes by the distinguished gentleman from Missouri, Mr. WILLIAMS, and I do not believe any man who understands its purport will vote against it. There can be no possible justification for talking about building $5,000 dwelling units for people who live today in the slums and also authorizing the Federal Government to finance nondwelling facilities which may under the present amendment in this bill run the per dwelling unit cost in some instances up to $8,000, for the only limitation in the bill now is that the average cost shall not exceed $5,000 not including the cost of land and demolition. In addition to that, under the language of section 15, subsection (5), the authorities will never know what the average cost of dwelling units in a project would be until the last project during the fiscal year has been let. It really means nothing so far as a restriction. It is, however, quite similar to many other provisions in the bill. I hope this House will join with me in restricting the per dwelling unit cost to $4,000 and strike out the authorization for nondwelling facilities such as playgrounds, nurseries, kindergartens, and things of that kind, which every man here knows is surely a problem for the local authorities. [Applause.]

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment. There is no doubt in my mind that there is a definite effort made here to emasculate this bill. I notice that the gentleman who preceded me was opposed to the bill. I have been reliably informed that this housing cannot be extended to the cities and the slum areas eliminated if you cut the per room cost down to $1,000. If you do not want a bill, if you do not want low-cost housing, if you do not want this bill to be successful, then vote in favor of this amendment, but if you want this bill to be successful, vote against the amendment. I notice that the amendments that have been presented to this bill have been presented from the Republican side of the House, and you Democrats have sat over here and voted along with those who want to emasculate the bill. It is about time that we Democrats join together to fight the Republican organization and do not sell our great President down the line. Let us cut it out and vote down this amendment and hereafter show our appreciation of what our great leader has done.

The time has come to tell the truth about the opposition that is now waging its bitter last-ditch fight against our great President—Franklin D. Roosevelt. Every Democrat in this House knows full well what is behind this opposition. Every Democrat—yes, and every Republican—knows that it is the aristocracy of entrenched wealth fighting for its very life—battling against the great objectives of the most progressive Democratic administration we have had in the whole history of our Republic.

This Nation could not long survive as a democracy if the greedy, grasping hand of gloating wealth should succeed in its efforts to crush the President of the United States. Make no mistake, my friends, this fight is a fight to a finish. Either we are going to win and go forward or we are going to lose and sink back into that bog of utter despair that engulfed and was slowly but surely crushing the life out of the Nation. But we are not going to lose.

Franklin D. Roosevelt entered the White House March 4, 1933, facing the most confused, distressing, desperate social and economic situation any President has had to confront in times of peace. We all know, the world knows, with what courage, with what infinite God-given vision, with what fortitude, and with what success President Roosevelt met that situation. We all know how President Roosevelt raised this Nation and our people out of that seemingly hopeless situation. At that time there was none too proud, too strong, too humble to give him credit.

And now what has happened? The very men who in 1933 were begging the President for help, the very men whose fortunes he rescued, raised again to the high pinnacle of arrogant and aristocratic wealth, are seeking to destroy the man who gave them back their lives. They are the men who are striving to array class against class, who are seeking to create caste, who are desperately fighting to preserve their domination and to make peasants of half the population.

I cannot go into detail as to what has been accomplished by the Roosevelt administration; that would take too long; but I can recite briefly what objectives the opposition is

trying to destroy, and which objectives must be realized if the New Deal program is to be rounded out so that that third of our population ill-clad, ill-fed, and ill-housed may be given their right to live as they should live, and so that 5 percent of the population shall not control the other 95 percent.

I have already spoken somewhat in detail about the wage and hour bill. We know that the same forces who are opposing this bill are the forces that are opposing effective Federal programs for agriculture; the same forces that gloated when the Supreme Court declared the N. R. A. and the A. A. A. unconstitutional; the same forces that defeated the President's judiciary reform bill; the same forces that opposed the confirmation of Senator BLACK as a member of the Supreme Court. They do not want any man on that Court who has any sympathy with the New Deal. Does any Member of this House believe that the men who opposed the confirmation of Senator BLACK would have opposed the confirmation of Senator BURKE or Senator CLARK or Senator O'MAHONEY? No; the Tories, the economic royalists, the aristocracy of wealth want a Court that is against the New Deal. I believe that the selection of Senator BLACK has met with the general favor of a vast majority of the people of the Nation. With deliberation, the President found and recommended for appointment a man whose record has always been for the people and against the over-privileged. It is a blot on the escutcheon of America that those who opposed the nomination of Senator BLACK first whispered, and then brought the charge that in some way he was supported by the Klan.

The unfairness of false accusations of this kind is made apparent by his achievements. They are made by leaders of the Republican Party, which is at present dominated by powerful interests centering in my own State of Michigan. These same political interests did not hesitate several years ago to ally themselves with the Klan. They did not hesitate in 1936 to aline themselves closely with the Black Legion, referred to in my address in the RECORD of April 29. The partnership between the Wolverine Republican Club of Detroit and the Black Legion was proven in court trials that sentenced 18 Black Legion killers guilty of murder. It was at this club in Findlater Hall School that former Gov. Wilber Brucker, stalwart G. O. P. leader of Michigan, announced his candidacy for the United States Senate, against the incorruptible Senator James M. Couzens, well beloved throughout Michigan and the Nation. In Jackson County, where the Republican Party was formed; Oakland County, and Genesee, counties where the automobile industry centers, the Black Legion flourished hand-in-glove with Republican political clubs, frequently using the club headquarters as a blind for their wicked activities. In fact, the political connection with the Black Legion was so close that at the Republican State convention at Grand Rapids, it is reported the leader of the Wayne County delegates took the talisman of the Black Legion, a silver bullet, from his vest pocket and flicked it from hand to hand on the platform in order to indicate to other Black Legion delegates attending the Republican convention how they should vote in nominating Wilber Brucker as a delegate to go to the Cleveland convention, there to endorse for the Presidency of the United States a favorite Michigan son of the G. O. P. This favorite son was not nominated. He did not comment on the endorsement; nor has his voice, so vigorous in criticisms of constructive features of the New Deal, been raised at any time to my knowledge in criticism of this Black Legion connection with his party—so well known in Michigan that the 1936 Republican convention is known as the "silver bullet convention."

In addition to their being killers, the courts of Michigan found that these Black Legion members were also guilty of aiming to overthrow our very Government by armed resistance, and a half dozen or so of the flower of their membership were bundled off to jail on this proven charge.

The opposition to President Roosevelt and the New Deal care not what methods they use to accomplish the defeat of the President. How ghastly it is now to witness Republicans in high places trying to summon against a man charges that he was a Klansman, when as we all know those same Republicans welcomed with eager, open arms the support of the Klan in the campaign of 1928.

I repeat, the forces fighting President Roosevelt do not want a Court that will give the New Deal a square deal. I grant you that there appears to have been somewhat of a change in the Court in its attitude toward New Deal legislation. But in the light of the decision in the Hoosac-Mills case, what assurance have we that any legislation providing real equality for agriculture will be declared constitutional? Two members of the Supreme Court have the fate of all New Deal legislation in their hands. If they should change their minds again all the progressive legislation that Congress may pass—the wage and hour bill, farm legislation, and everything else—would be thrown out the window.

Today we are faced by the same conditions in agriculture that preceded the depression. Unless the Federal Government has adequate power to cope with surpluses, the return of years of normal weather means inevitably that farm prices will drop. We now see that the agricultural conservation program, basically sound insofar as soil conservation is concerned, does not and cannot keep the production of basic commodities in line with the needs of our domestic market and the limited export markets now open to our trade.

Mounting surpluses of cotton demand the attention of Congress or cotton prices will again collapse in the grip of depression. The potato growers of the North are equally concerned with a tremendous crop in the making, that without Federal assistance, will so depress prices that potato growers throughout the Nation will face a lean, hard winter.

Another corn crop such as the one we have is sure to reduce the price of corn unless we have adequate Federal farm programs, and the Corn Belt, the greatest market of this Nation, will have little money with which to buy needed things.

The Farm Board at a cost of over $350,000,000 net loss, proved by its failure that in the case of mounting surpluses properly guided crop control is essential to our agricultural and national prosperity. The Farm Board was well worth what it cost, if we heed its lesson, but we cannot and must not be forced to continue the same Farm Board program that helped substantially to throw this Nation into the chaos of the recent depression. In cooperation with approximately 4,000,000 farmers, President Roosevelt has shown the way to meet and conquer farm depression, and to return this Nation to prosperity. It is our duty as statesmen to spend this summer until called into session again in careful consideration as to the most effective way in which we can support our President and best serve our people by continuing and not impeding the program of recovery.

President Roosevelt rescued agriculture from the worst depression the farmers and laborers of the United States ever experienced.

In 1932 the gross returns to agriculture totaled $5,337,000,000. The gross income for 1937 apparently will approximate $10,000,000,000. As never before, the people of America have been made aware that farm prosperity and national prosperity go hand in hand. As a direct result of the return of prosperity to the farmer, the automobile factories of Michigan increased their output, and the mines of my State were reopened. Business throughout the Nation was quickened following each successful attack on the farm problem by the A. A. A.

Are we going to take chances on a return to the conditions that engulfed agriculture in 1932? We all know how imperative it is that we pass a farm bill and a wage and hour bill that will prevent a return of those conditions. But some of us apparently do not realize that the farm problem and unemployment problem is still an emergency problem. We are close upon the time when the farmers must figure out their plans for next year—they are already making their plans. Shall we defer action? I say no. I fervently hope that President Roosevelt will summon Congress back to Washington early this autumn for the special

purpose of enacting a general farm bill, wage and hour bill, and other controversial legislation. With this legislation out of the way, Congress, when it meets in regular session in January, can speedily dispose of routine business and adjourn early so we can all go back home and find out whether our constituents are satisfied with the way we have represented them.

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment. I had hoped that somebody on the Democratic side would oppose this amendment, because if it is adopted, as far as New York City is concerned, the bill is dead. We may as well face the facts. If the Members on the Democratic side who are responsible for legislation deliberately want to sabotage the bill, vote for the Hancock amendment, because under this amendment we cannot build any projects in New York City for slum clearance. I am not so enthusiastically in favor of this bill, but I want to be fair, and I shall vote against the amendment, because this is the only slum-clearance bill before us.

I do not propose to sabotage it, and that is what you are doing, whether knowingly or unknowingly. I had hoped somebody on the Democratic side among those trying to steer this bill through would get up and oppose the amendment and tell the truth as to what it would do to the bill. All I have got to say is this: If you want the bill sabotaged, vote for this amendment; otherwise vote it down and help enact the only slum-clearance and low-cost housing bill presented to the Congress. I do not claim it is perfect, nor does it represent my own views of what should be done, but I believe it is a much-improved bill over that which passed the Senate, and the New York Times editorially this morning takes the same view of it in the following words:

> But if the better features of both measures are retained, a great step forward will have been taken in improving the living standards of our poorest groups and ending the evils of the slum.

Mr. McGRANERY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I was on my feet at the time the gentleman from New York [Mr. FISH] obtained recognition. I rose to say exactly what the gentleman from New York has stated to the Members of this House. This is a direct attempt to sabotage and scuttle this housing bill. I say, Mr. Chairman, that we in the committee have sat for 10 days, and there was no man or no woman who appeared before that committee and demonstrated to us that this plan could be carried through under the amendment offered by the gentleman from North Carolina [Mr. HANCOCK]. The lowest possible cost that we could get in the evidence before that committee was the one that the committee finally adopted with some elasticity, giving it a maximum of $5,000. I say to the Members of this House, take the Hancock amendment and then you can move to adjourn, because you will have no housing bill at all.

I cannot urge on the membership of this House to vote down the amendment too strongly; by so doing give to the poor of our cities an oppotrunity to rear their families under conditions that will insure to these sturdy, hard-working citizens some sense of security, which, after all, is only an equal opportunity.

Mr. STEAGALL. Mr. Chairman, I would like to have the amendment again reported.

The Clerk again reported the amendment offered by Mr. HANCOCK of North Carolina.

Mr. STEAGALL. Mr. Chairman, of course it is difficult to know just where we are going when we undertake to deal with the matter of details, and we know that ought to be left and entrusted to the administration of this act; but we cannot fail to recognize that in some of the metropolitan areas of the country the cost of construction projects necessarily exceeds that to be incurred in many other localities throughout the country.

In recognition of that fact we have undertaken to place two limits in this bill, one being $5,000 as the cost of construction, excluding the land and other things that enter into the project itself. The other limitation is that the Authority may not go beyond the cost of similar projects in the localities where the project is undertaken, the measure being the cost incurred in such construction by private enterprises. If this is to be a workable bill and is to accomplish the primary purposes contemplated by those who are responsible for it, the safe thing to do is to leave this language in the bill with the limitations that are set up, and put some little trust in the common sense and fidelity of the men who will administer this law.

I hope the amendments will be voted down.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. ELLENBOGEN. Reserving the right to object, Mr. Chairman, I hope the gentleman will limit it to this amendment because I have an amendment that I believe to be of importance.

Mr. STEAGALL. I will withdraw the request for the present.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 59 and noes 77.

So the amendment was rejected.

Mr. ELLENBOGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ELLENBOGEN: On page 35, line 11, after the word "exceed", strike out "four" and insert "five"; in line 16, after the word "exceed", strike out "five" and insert "six."

Mr. ELLENBOGEN. Mr. Chairman, this amendment restores the language of the Senate amendment. That amendment was offered in the Senate as a restriction on the bill, as originally introduced, but the House amendment goes even further than the Senate amendment. The amendment which I have offered restores the Senate version of the bill.

I want to say this is a matter of vital importance. Whether or not this bill is workable depends to a large extent on what you do on this amendment. Under the definition, as it is now in the bill, any family head who earns eight or nine hundred or a thousand dollars would not be eligible to live in these places in many cases. Let me give you an example. The bill as reported by the committee says that the occupancy of the dwelling shall be limited to families whose income does not exceed four times the rent. So that if a man has a wife and two children and rents a dwelling of three rooms in one unit at a rental of $5 a room, the total rent will be $15. Four times 15 is 60, which means that no family would be allowed to occupy that unit if it has a yearly income in excess of $720. Any man earning in excess of $720 would not be eligible to occupy such units. To put such a limit in the bill is to destroy its usefulness. Let us be more liberal; let us be just to families who need decent and sanitary housing. Let us at least be as liberal as the Senate was. Let us make it at least five times the rental. In the case of a man who has three minor dependents or more, the proportion of income to rental will be 6 to 1. This is a vital point.

I want Members of the House to realize what they are voting on. I hope that you will increase the number of people who can live in these dwellings. Are you going to go back into your districts and say to the head of a family making $16 a week, who has a wife and two children to support, that he cannot live in such a low-cost housing project? That is exactly what the committee version says.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes; gladly.

Mr. PHILLIPS. Does not the gentleman think it would be fairer to strike out any limitation?

Mr. ELLENBOGEN. That may be so; but then the bill could not pass this House. Let us go back at least to the

Senate version and not destroy this bill entirely. Why pass it at all? Why not say you are not in favor of it? If you are in favor of the purpose of the bill, you must be in favor of this amendment.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret, indeed, that the gentleman from Pennsylvania seems so concerned about this proposition, inasmuch as he has given a great deal of thought and consideration to slum clearance and low-cost housing.

If the bill means anything, it means that we are going to provide dwellings for those within the extremely low-income brackets, because we think at least that those dwellers in slums, these slums which we want to clear up, are in the very lowest-income brackets. I felt when we passed upon this provision in the committee, and I like to feel now, that we are helping no class of citizens outside of the class within the very lowest-income brackets. I do not know that there is very much justification for building homes under this bill for people who can afford to provide themselves with better quarters.

It was thought that there might be people with low income who did not live in the slums, and that by giving them a break, giving them the opportunity to move into a little better character of home, we might be able to take care of many of the people who lived in the slums. That is why low rentals were put into this bill, to insure to the people of the country that the people in the lowest-income brackets instead of those who were able to pay for better accommodations would be taken care of.

We followed, I believe, the advice of the distinguished Senator from New York, the author of the bill in the Senate, in adopting this amendment to reduce these figures to four and five, respectively. I understand that on the 2d of August Senator WAGNER introduced an amendment. What happened to it I do not know; but if I read this bill correctly, although I cannot speak for him, it was Senator WAGNER'S purpose to keep this within the low-income bracket and to give this relief to the people with the lowest incomes.

If we are going to keep this a low-cost housing bill, a slum-clearance bill, we have got to keep it down. Do you want to subsidize people who can afford to move into better accommodations, or do you want to subsidize the people who, because of their unfortunate condition, are compelled to live in the slums? I have felt that this was a bill to help those people who had to live in the slums because of their extremely low incomes. I do not want to vote for a bill to subsidize a better place to live to those who can afford to pay for it. I do not want to give a subsidy of the Federal Government to people who can afford better accommodations.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McCORMACK. I appreciate the gentleman's views, but the thought occurs to my mind whether or not by making it four instead of five the gentleman is not accomplishing the direct opposite of his desire. We know that costs are a great deal more than $6 or $7 per month a room; that if we did not provide a 45-percent grant it would run as high as $10 or $11 a room. Suppose a man made a salary of $15 or $18 a week—and there are lots of families in the slum districts that have an income of just about that amount—how can these people pay $6, $7, or $8 per month per room?

Mr. WOLCOTT. We are only kidding ourselves. A lot of people who live in these slums that we are going to clear up are on W. P. A. now; we are subsidizing them anyway.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from Pennsylvania simply means that we raise the income standard to where the benefits of this legislation in the one instance goes to those who earn five times the amount of the rent as against four times as now provided in the bill, and in the other instances the standard of income would be raised from five to six times the annual rent.

The purpose of the legislation is to extend benefits to those of as low-income standard as it is possible to reach. The gentleman's amendment defeats this purpose.

I express the hope that the Committee will vote down the amendment.

Mr. GIFFORD. Mr. Chairman, I wish to take a minute to repeat the argument I tried to make this afternoon. Why all this fuss in trying to determine this rent matter by simply the income? It is the expense which the man may be up against that determines his ability to pay. He may have sickness in the family; he may have a large family to support. All sorts of other conditions enter into ability to pay the rent. You cannot measure his ability by four or five times the income he receives. Why place so much reliance on that phase of it?

Mr. Chairman, I said something today about aliens. I shall now lose about all the chance I ever had of getting any of the slum-clearance aid. I mention this because of the recent vote against families of aliens. Your attitude of liberality toward the alien suddenly changed. Where are you going to place them? They usually have very large families. You have now deprived them of this aid even as you did the W. P. A. assistance.

Mr. CRAWFORD. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I want to ask the gentleman a question, because on this question very largely determines my vote on the bill. Is it the gentleman's understanding this bill which we are now considering is so drawn that those with family incomes of $600 or less per year can be accommodated under the provisions of the bill?

Mr. GIFFORD. That is the attempt in the bill, but his ability to pay cannot always be measured by the exact amount of his income.

Mr. CRAWFORD. A few moments ago I asked the distinguished chairman of the Committee on Banking and Currency if he felt that way about it and, if I understood him correctly, he does not take that position on this bill at all.

Mr. PETTENGILL. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Is it not true that the effect of the Ellenbogen amendment would be to reduce the number of very low income families that would be benefited by the bill?

Mr. GIFFORD. Of course, many would take advantage who should not be included in this attempt to aid those now living in slum areas. It will take years of experimentation to determine who should be the beneficiaries under this plan.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. ELLENBOGEN].

The amendment was rejected.

The Clerk read as follows:

UNITED STATES HOUSING AUTHORITY

SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of 5 years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

(c) The Administrator shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

(d) An Advisory Board is hereby established in the Authority, which Board shall consist of nine members to be appointed by the President. The Board shall make recommendations to the Administrator on matters relating to the policies of the Authority, and shall meet upon call of the Administrator. The members of the Board shall receive no annual salaries for their services on the Board but may be paid necessary traveling expenses and reasonable per-diem compensation for services performed. In selecting members of the Board, the President shall have due regard to

representation of public housing, labor, construction, and other interests, and various geographical areas of the country.

SEC. 4. (a) The Administrator is authorized, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation of such officers, attorneys, experts, and employees as may be necessary for the proper performance of the duties of the Authority under this act.

(b) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

(c) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this act), any assets, contracts, records, libraries, research materials and other property held in connection with any such housing of slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this act.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 39, line 10, strike out "Sec. 4", beginning with the word "The", down to and including the word "act", in line 16 of same page, and insert in lieu thereof the following:

"The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this act, except that without regard to the civil-service laws he may appoint and fix the compensation of attorneys, and, under regulations to be prescribed by the Civil Service Commission, of such officers and experts as may be necessary to carry out the purposes of this act: *Provided*, That employees transferred pursuant to paragraph (c) of this section or drawn from any department or agency of the Government where they have been engaged in work connected with housing or slum clearance shall not thereby acquire a permanent or civil-service status, but after 90 days such of them as the Administrator desires to retain may be included within the civil service upon certification by the Administrator to the Civil Service Commission and upon passing a noncompetitive examination given by such Commission."

Mr. RAMSPECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Michigan [Mr. WOLCOTT] yield to the gentleman for a parliamentary inquiry?

Mr. WOLCOTT. I yield to the gentleman for the purpose of propounding a parliamentary inquiry provided it is not taken out of my time.

The CHAIRMAN. It will be taken out of the gentleman's time.

Mr. WOLCOTT. Mr. Chairman, I decline to yield.

Mr. Chairman, much to my surprise the House Committee on Banking and Currency had the effrontery to strike out section 4 of the Senate bill which my amendment seeks to put back into the bill.

In substance the committee provided that notwithstanding the provisions of the laws applicable to the employment and compensation of officers and employees of the United States under the civil service or the Classification Act, the administrator could without limitation, except as to appropriation, employ whatever clerks he saw fit without regard to the civil-service laws or the Classification Act.

I want to refer you to section 3 (a) of this bill. You will find in this act that we create in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration. In section 4 of this act we provide that the employees of that body corporate of perpetual duration shall be outside of the civil-service laws and outside of the Classification Act.

Mr. Chairman, we understand and you understand that the only purpose of this action on the part of the majority members on the Committee on Banking and Currency is to give somebody an opportunity to appoint under the spoils system. You will have the ironical situation in the Department of the Interior of a stenographer in one of the existing departments under the civil service, after having passed a competitive examination to get the position, working alongside of another stenographer sent down there through the patronage of some Member of Congress or somebody down in the Post Office Department or somewhere else and drawing any salary which the Administrator might set.

Let us be sensible and let us be fair and honest with ourselves if we cannot be fair and honest with the people who sent us down here. I hope as you gentlemen will read the Bible tonight before you go to bed that you will take up your platform upon which you were elected to this Congress and read it. The inference was carried in that platform that you believed in the perpetuation of the principles of the civil service. If you vote to set up this perpetual corporation to be used as a patronage grab bag, that is your responsibility; but I do not think you should do it without either myself or someone else over here calling attention to the fact that you are doing it.

This bill contemplates the employment of thousands of clerks, stenographers, engineers, experts, architects, and so forth.

This will constitute the biggest patronage grab that you on that side will have had since you have been in this Congress. Take it if you want to. It is your responsibility.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, the purpose of this amendment is to restore to this bill the provision that not only requires all employees, in the performance of their duties under the act, to be subject to civil-service rules, but goes beyond any provision of which I have any knowledge of ever having been adopted by the Congress. This provision requires that all experts and officials, exclusive of attorneys, experts, and officials of the type which have always been exempted from civil-service rules, as far as I am informed, shall be selected under regulations prescribed by the Civil Service Commission.

The Committee on Banking and Currency thought it ought to expedite the organization of the Federal Housing Authority and has left that provision out of the bill in order that the Authority might not experience unnecessary delay in the initiation of its duties and activities. We hope the amendment will be voted down.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. WOLCOTT. May I say to the gentleman——

Mr. STEAGALL. I did not yield for another speech, if the gentleman will permit. If the gentleman wants to ask me a question, I yield to him for that purpose.

Mr. WOLCOTT. No; I just want to make this observation and a request.

The gentleman from Michigan will accept any amendment to his own amendment which the gentleman approves and which will put the employees of this organization on the same basis as the other employees in the Department of the Interior.

Mr. STEAGALL. It so happens that I have all the duties I am equal to carrying right now, and more, too, and I decline to accept the responsibility suggested by the gentleman from Michigan.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 85, noes 59.

So the motion was agreed to.

Mr. RAMSPECK. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK as a substitute for the amendment offered by Mr. WOLCOTT:

Page 39, line 10, after the comma following the word "authorized", strike out the words "without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States."

Mr. PETTENGILL. Mr. Chairman, I ask unanimous consent that, despite the action just taken, in courtesy to our colleague, the chairman of the Committee on the Civil Service, he may be given 5 minutes to explain his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. HILL of Oklahoma. I object, Mr. Chairman.

Mr. STEAGALL. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STEAGALL. As I understand the language of the amendment, it is in effect and meaning a repetition of the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

Mr. RAMSPECK. Mr. Chairman, the gentleman cannot make an argument under the guise of stating a point of order. The gentleman would not let me make an argument. If the gentleman wishes to make a point of order, he should state it.

Mr. STEAGALL. I am undertaking to make the point of order that the effect of this amendment is the same as the effect of the amendment offered by the gentleman from Michigan.

Mr. RAMSPECK. That is not a point of order. The gentleman is taking an unfair advantage under his own motion.

The CHAIRMAN. The Chair must respectfully remind the gentleman that the Chair cannot rule upon the effect of language submitted. As the Chair caught the reading of the amendment, it is certainly couched in language different from the language used in the amendment offered by the gentleman from Michigan. Therefore the Chair overrules the point of order.

Mrs. ROGERS of Massachusetts. Mr. Chairman, is it not the custom when the death of a Member occurs to conduct some memorial or pay a tribute to that Member? I should think it ought to be in order to pay tribute to the death of a great committee. I have the honor of serving on the Committee on the Civil Service, of which the gentleman from Georgia [Mr. RAMSPECK] is chairman, and that committee is dead. It has been choked to death. [Laughter.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Georgia.

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 63, noes 103.

So the amendment was rejected.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 39, line 1, after the word "meet" and before the word "upon", insert the words "at least twice a year."

Mr. ELLENBOGEN. Mr. Chairman, I make the point of order that this section has been passed, and therefore the amendment comes too late.

The CHAIRMAN. The gentleman from Pennsylvania makes the point of order that the section to which the amendment is offered has already been passed. The Chair sustains the point of order. Section 4 is now under consideration.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Strike out all of section 4 (a) and insert:

"The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this act, except that without regard to the civil-service laws, but subject to such regulations as the Civil Service Commission might prescribe, he may appoint and fix the compensation of attorneys and experts as may be necessary to carry out the purposes of this act."

Mr. NICHOLS. Mr. Chairman, I make the point of order that the contents of the amendment are identical with the amendments just voted on a moment ago, offered by the gentleman from Michigan and the gentleman from Georgia.

The CHAIRMAN. As the Chair has stated, the Chair cannot pass upon the effect of the language employed. As the Chair heard the reading of the amendment, it is couched in different language from that employed in the previous amendments considered by the Committee, and, therefore, the Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

The Clerk read as follows:

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

(c) The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

Mr. WILLIAMS (interrupting the reading of the section). Mr. Chairman, I ask unanimous consent that the further reading of the section be dispensed with.

Mr. RAMSPECK. Mr. Chairman, I object.

The Clerk concluded the reading of the section.

Mr. AMLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AMLIE: Page 41, line 17, after the word "States", insert:

"Subsec. (f). The Authority may engage in research, studies, surveys, experimentation, and experimental constructions, and may publish and disseminate information pertinent to the various aspects of housing: *Provided*, That not more than 2 percent of the funds expended by the Authority shall be for this purpose."

Mr. AMLIE. Mr. Chairman, what I have done in proposing this amendment is to insert a provision that was stricken from the Senate bill and to add a limiting proviso to the effect that not more than 2 percent of the funds to be expended under the provisions of this act is to be expended for experimental purposes. In my opinion, Mr. Chairman, there was a real justification for the inclusion of this item in the Senate bill, and it is extremely unfortunate that the House committee should have stricken this provision from the Senate bill. This provision was inserted in the Senate bill as a result of the experience which has been gained by Government architects in attempting to administer various Federal functions having to do with the subject of housing, particularly as a result of the building activities of the Rural Resettlement Administration.

During the past half a century there has been a tremendous advance in practically all fields of technology. Only in the field of housing has this not been true. With the exception of work in the field of housing using structural steel, the art of house construction has been at a standstill for decades. This is not due to the fact that there has not been a great deal of thought devoted to this subject by architects and inventors. As a matter of fact, the intellectual atmosphere of engineers and architects is filled with hundreds of plans for revolutionary changes in the field of construction. But unfortunately these plans remain in the realm of theory. There is no field in which they can be tried out experimentally. Individual contractors cannot afford to spend money for experimental work in this field in the manner that one of the great corporations might try out in their laboratories some idea in which they might be interested. There is an obvious reason for this.

If General Motors learn about some idea in the field of internal-combustion engines, the corporation is safe in spending money on the problem. The company has its laboratories. It will own the idea if it works. But the individual contractors cannot afford to experiment. If a small contractor discovers anything in the construction field, he cannot control it. The discovery will promptly be taken over by the building industry. Besides, the small contractor is not financially able to experiment. If the ideas that have been floating around for years in the engineering world regarding new and radically different methods for the construction of houses are to be brought down to earth and tried out, the Federal Government must provide the means for doing so.

In my opinion, it is quite likely that exhaustive research in this field will outweigh in importance the main benefits which we expect from the enactment of this measure. It is quite possible that methods of construction will be demonstrated or perfected that will make it possible to build adequate housing units at a cost that will be far less than anything that is now considered possible. At least this is the belief that is entertained by many of my friends who are engineers and architects. Since it is obvious that we shall not have the benefits of scientific experimentation and research in the field of housing unless it is financed by the Federal Government, I feel that in the exercise of sound discretion we ought to reinsert the provision from the Senate bill that has been stricken from this measure. I urge upon the committee that, with a limitation of 2 percent, the provision that was in the Senate bill ought to be retained in the House bill.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment. I do so for the reason that notwithstanding the worthy objectives which the gentleman probably has in mind, there was a provision in the Department of Commerce appropriation bill for the Bureau of Standards, providing an amount of $300,000 to carry on research and experimental work in housing problems. This would be but a duplication.

There is absolutely no need of our taking a part of this money for the same purpose, especially in view of the fact we are going to have to use about $1,000,000,000 over a period of 60 years in subsidies for this program and then fall far short of reaching that group of our families in the lowest-income brackets. Every dollar you take away from this fund means raising the income level of the group that can occupy the so-called low-rent housing projects. For this reason the amendment, in my judgment, should not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. AMLIE].

The amendment was rejected.

The Clerk read as follows:

SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than $300.

(c) The use of funds made available for the purposes of this act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this act shall contain a provision identical to the one prescribed in section 3 of title 3 of such act.

(d) No annual contribution, grant, or loan, or contract for any annual contribution, grant, or loan of funds under this act shall be undertaken by the Authority except with the approval of the President.

Mr. WHITE of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. WHITE of Ohio: Page 41, strike out section 6A and insert:

"SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real property shall be subject to preaudit by the General Accounting Office acting under the authority and powers conferred upon it by the act of July 31, 1894 (28 Stat. L. 162) and the act of June 10, 1921 (42 Stat. L. 20) as amended."

Mr. WHITE of Ohio. Mr. Chairman, section 6 (a) as it stands in the bill, as reported by the Committee on Banking and Currency, provides for an audit by the General Accounting Office, with the power of disallowance of all vouchers covering expenditures for purchases of supplies, vehicles, furnishings, books, and so forth, but when it comes to the major expenses of the United States Housing Authority, that is, the making of capital grants, annual contributions and loans, and the acquisition and sale and exchange and lease of real property, the General Accounting Office merely has the power to audit the vouchers in the same way that an outside auditor audits the vouchers of a corporation. The Comptroller General would merely report to the Congress expenditures that he did not believe to be legal, but he would have no power to disallow an illegal expenditure. Where large sums of money are involved in the case of loans and grants and annual contributions, the purchase and sale of property belonging to the Authority, it seems to me that expenditures should be subjected to audit with the power of disallowance, and that to be really effective, such audit must be a preaudit.

The limitations in this bill will not mean a single thing unless we place power for somebody to check the expenditures as they are made and as we go along and make sure that they conform to the limitations imposed by Congress itself, and I ask the Committee on Banking and Currency to accept this amendment and the Committee of the Whole to accept the amendment.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. Yes.

Mr. REILLY. Does the gentleman's amendment provide for an audit of loans and grants?

Mr. WHITE of Ohio. That is correct. This is included with audit of expenditures.

Mr. REILLY. That would be absolutely impossible and impracticable.

Mr. WHITE of Ohio. I do not think it would. They are doing more complicated things at the present moment.

Mr. FORD of California. Does the Comptroller General audit loans and grants made by the R. F. C.?

Mr. WHITE of Ohio. They are not expenditures. I do not think he does.

Mr. FORD of California. That is the same principle.

Mr. WHITE of Ohio. No; these are expenditures where all the money does not come back. In other words, expenditures, and not merely loans, in the ordinary sense of the word.

Mr. REILLY. But it does come back on loans.

Mr. WHITE of Ohio. Only a portion of the money comes back under this bill.

Mr. REILLY. All of the money comes back on loans.

Mr. WHITE of Ohio. It is frozen away from the Federal Treasury, at first, and it comes back only in limited measure. The money can go out in a certain expenditure, be expended at a certain cost per room, and you can only do certain

things. Anybody in the world would want a check by the responsible agency of the Government, which in this case is the Comptroller General, to make sure that what you have written into the bill will be done, and nothing else.

Mr. EBERHARTER. If the bill is enacted as written by the committee, in other words, if the Housing Authority will expend more than $5,000 per unit, that would be all right, there would be no check upon it. The only thing the Comptroller General could do would be to come in and report that too much money had been expended; whereas if the gentleman's amendment is adopted the Comptroller General could stop the Authority from spending more than the law allows.

Mr. WHITE of Ohio. That is correct.

Mr. SHORT. Under the gentleman's amendment we lock the stable before the horse is stolen.

Mr. WHITE of Ohio. Yes, and if you do not have this sort of limitation in the bill you do not have any check on expenditures authorized under the bill; no safeguards on the average cost of $5,000 per unit or any of the other provisions of the bill, except administrative expenses as outlined a moment ago.

Mr. WILLIAMS. Mr. Chairman, under the provisions of this section or subsection, all the financial transactions are audited as the Comptroller General of the United States may by regulation prescribe, and in addition by another provision in the bill all of the loans and all of the contributions and grants are subject to the approval of the President of the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. WHITE of Ohio) there were—ayes 43, noes 76.

So the amendment was rejected.

Mr. GIFFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIFFORD: Strike out, beginning on page 43, line 1, all of subsection (d).

Mr. GIFFORD. Mr. Chairman, I will not take the 5 minutes. I think everyone realizes how ridiculous it would be to impose upon the President of the United States, with the heavy duties he has to perform, that he shall inspect and approve all these items. I realize too fully that they will simply be referred to somebody else. Already we hear rumors which seem well founded; that in my State of Massachusetts all matters are referred to a certain room in the White House, so that certain people close to the President may take full responsibility and credit for anything affecting Massachusetts being released from that building. Not only are the present duties altogether too onerous, but this offers a splendid field for favoritism by those who are trying to build themselves up for high office by granting or withholding favors.

Mr. WHITE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WHITE of Ohio. On the many P. W. A. projects dealing with housing, is it not true that the President has had this same authority of check?

Mr. GIFFORD. Yes; and ugly rumors persist about those people on whom he depends and on whose advice he acts, as to whether largesses be granted or withheld.

Mr. WHITE of Ohio. Furthermore, is it not true that under these projects the cost of what are supposed to be low-cost housing projects has run as high as $20,000 per dwelling unit, in face of that kind of a check? So it is not any kind of a check at all.

Mr. GIFFORD. As far as the gentleman's remarks go, there are many smelly things happening lately without any shame exhibited on the faces of those who are responsible. We cannot investigate because our Rules Committee will not let us investigate. So book sales to corporations roll merrily on and anything goes with this administration, no matter how unsavory. I think by voting this amendment you would relieve your President of a great burden and also relieve some of us from the punishment we might receive in some of our congressional districts by withholding what might be our due and share of funds allocated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. GIFFORD].

The question was taken; and on a division (demanded by Mr. GIFFORD) there were—ayes 27, noes 76.

So the amendment was rejected.

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last two words of section 6.

Mr. Chairman, the last two words which I have moved to strike out as a pro-forma amendment are "the President." On three separate occasions the President of the United States, who is the titular leader of the Democratic Party, has sent messages to this Congress, urging the Democratic majority in two instances to not put agencies created by it outside of the civil service, and in the other instance urging the Congress to give him authority not only to bring in those who were outside the civil service, but to reorganize the civil service itself. Yet this afternoon we have the spectacle of the chairman of a great committee on our own side of the House, who claims to be a follower of that distinguished President whom we all love and admire, shutting off the chairman of the House Civil Service Committee and permitting the Republicans in this body to make political capital out of the fact that his committee brought in a bill here exempting all these employees from civil service. [Applause.] He denies to the chairman of the Civil Service Committee of this House the right to take the floor and present to our membership on this side of the aisle statements which the President has sent here and requests he has made of the Democratic majority, and the right to have considered properly a substitute amendment for the amendment offered by the gentleman from Michigan, which would have left to the President of the United States the right to say whether employees under this agency should be under the civil service or not.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. ANDREWS. Unfortunately, the RECORD will not show it, but it is a statement of fact that not over 10 Democrats voted for the amendment which the gentleman from Georgia offered this afternoon.

Mr. RAMSPECK. I am sorry if that may be true.

Mr. WHITE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I do not yield further at this time, Mr. Chairman.

I have no quarrel with any Member of this House who does not agree with me about civil service, but I do quarrel with any man who takes what I consider to be unfair advantage of a member of his own party, the chairman of a committee, representing the subject matter under consideration, and puts his own party in the hole, and denies to his own President the right to have considered properly on this floor the requests he has made regarding civil service. [Applause.] I resent that.

Mr. FISH. Mr. Chairman, I rise in opposition to the pro-forma amendment and I do not propose to strike out the President on the question of civil-service requirements. I wish to make some comments, however, about the tactics of the chairman of the Committee on Banking and Currency in cutting off debate on the civil-service section and his statement. I have the highest regard for him. If I did not I would denounce him vigorously for his tactics here this afternoon. I think he was carried away by his enthusiasm for the patronage he saw just around the corner. He got up and told the Members of the House an entirely different version of the meaning of the text of the bill. Striking out the civil-service requirements opens the bill wide for a paradise of spoilsmen and for a huge patronage grab of offices without the merit system at all.

He told you an entirely different story and then cut off debate. You Members on that side followed him, you did exactly what Members on our side would have done, followed your chairman, but you followed him up a blind alley

and he gave you misinformation. You followed him up a blind alley against your own President who has come out in the public press demanding that the civil-service system be maintained in these bills. Here you are giving lip service to the President but actually you are knifing him in the back. Is there a conspiracy here of silence, or is there a conspiracy between the Democratic majority in the House to do one thing and have the President say the other? Is the President only shadow boxing with the merit system and giving lip service to it?

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I cannot yield in these few minutes.

As a matter of fact you are absolutely denying your own party platform which is most explicit about the merit system and which I have put into the RECORD before and therefore will not read now. But it is here in black and white, and I ask unanimous consent to insert it again in the RECORD so that you can once again have an opportunity to read your own party platform, but I know perfectly well you will not live up to it anyhow.

THE MERIT SYSTEM IN GOVERNMENT

For the protection of Government itself and promotion of its efficiency we pledge the immediate extension of the merit system through the classified civil service which was first established and fostered under Democratic auspices to all nonpolicy-making positions in the Federal service. We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempt from its operations—Democratic platform of 1936.

There is no excuse whatever and there is no reason for your flaunting your President and party platform. You are simply slipping this thing through hoping to get away with it without anybody saying a word about its being contrary to the Democratic platform or about its being a betrayal of the expressed wish of the President. It will not be surprising if you lose some votes on our side for this bill. I propose to vote for it anyhow. I am committed to it, but I shall not blame any Republican for voting against this bill as long as you use tactics of that kind, cutting off debate and preventing consideration of an amendment which would restore the merit system.

Either you stand with your President and by your party platform or you are against your President and your platform. Evidently you are against them. I hope you are satisfied to make this a spoilsman's bill and defeat the nonpartisan purposes of the bill providing for slum clearance and low-cost housing. [Applause.]

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. COCHRAN. I may say to the gentleman from New York that if he and the Members of the House will support the bill that the Reorganization Committee reported today, regardless of what is carried in the pending bill the President will have the power to put this agency under Civil Service.

Mr. FISH. I do not know anything about that. I know that this bill without the merit system will become a political racket and a political football to be kicked around by Democratic spoilsmen and job hunters. [Applause.]

[Here the gavel fell.]

Mr. NICHOLS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I do not intend to enter into this controversy between the chairman of the Committee on Banking and Currency and the chairman of the Committee on the Civil Service, but I happen to be one of those Members on this side of the aisle who thinks that the civil service is no longer a merit system. [Applause.] I resent the statement coming from our brothers on the other side of the aisle that in entertaining that view and expressing it I am knifing the President in the back. No one can say, surely, that there has been any stealth or any sneaking tactics by me in voicing my opposition to civil service, and I reserve the right at all times, as I hope every Democrat in this House reserves the right, to differ with the President on any proposition when I think that my proposition is as sound as his.

I hope that the Democrats in this House will continue to insist that agencies shall be no longer put under civil service until the civil-service provisions are rewritten, until the Civil Service Commission is reorganized, until the civil service is made to be a merit system as it was intended to be, instead of a system that in my judgment throws the cloak of protection around inefficiency.

So that, while my Republican friends have great fun calling it the spoils system, I am one of those who believes that, call it what you will, if you put a man on his own merit, and you make him hold his job based upon what he does and not let him hold the job simply because he has been given a lifetime position under the protection of the civil service, you will have better departments in the whole Government. [Applause.]

Mr. FULLER. Mr. Chairman, I am not taking sides as between these two gentlemen, because both are my good friends, but, as far as the present provisions of the bill are concerned, I am strong for them.

The charge has been made by the other side that this is a question of spoils. It is not a question of spoils. The Republicans over on that side are getting as much "spoils" out of these agencies as we do, and they have but 89 Members on the floor of the House.

Mr. Chairman, we went along for quite awhile recognizing this merit system in which actually there was not any merit. We are still for civil service in the permanent and main departments. We found in one department of the Government that through inefficiency 45 Republicans whose names nobody could pronounce were let out, but every one of them were reemployed in the social security division of the Government because they had a civil-service status.

None of you Democratic Members on the floor of the House have received any recognition either because of your own influence or because of the influence of your constituents in that department. It is the most inefficient, the worst hated, and detested of any governmental department, and we cannot understand why the President does not realize these facts. We passed another law with reference to the Railroad Retirement Board, which was also placed under the civil service. What happened? They had an examination and a lot of college boys passed the examination. Then they had to hire railroad employees who had previously been working for the Board to stay there 6 months in order to teach these new college boys how to run the department. The deficiency appropriation bill carried an item of $300,000 for teaching these civil-service employees how to run that department.

Mr. Chairman, this department should not be under the civil service at any time. We want men who are experienced in this particular line of business. We do not want a criminal lawyer to be a lawyer in the department. We want an architect who has had some experience. We want men who know the ways of the business world, men who can save money for the Government, instead of going out and getting a boy who has just graduated from school and can pass an examination better than the old timers. There are mighty few lawyers in this House today who could pass the bar examination in Washington, D. C., if they were to have a test. Yet we have had experience. We know the law and business methods but have forgotten definitions.

Mr. Chairman, this department should not require very many people. Of course, there will be some stenographers and there will be some clerks, but for the positions of experts and for the legal division there should be only those appointed who have had experience in the game. There is as much difference between the building game and other departments as there is between a criminal lawyer and a lawyer who has never tried a criminal case.

Mr. O'MALLEY. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. I do not know whether the gentleman has ever taken a civil-service examination, but if he will

get some of the examination papers and see the silly questions they include in the examination for custodians and janitors, he will realize what a ridiculous thing it is.

Mr. FULLER. Why, may I say to the gentleman, we now have these hifalutin babies who have included psychological questions in the examination given our rural-route men and in the examination given our postmasters. The questions are filled up with a lot of psychological brain-trust ideas and the ordinary people of our community cannot pass the examination, and nine times out of ten there is a Republican or two on top of the eligible list, the papers having been graded by Republican civil-service employees of the Hoover regime. [Applause.]

Oh, you gentlemen over there on the Republican side make much ado about civil service. You want some more jobs. But let me tell you, you have all we are going to give you. We have made up our mind you are not going to have any more because you have taken all the spoils. [Applause.]

You have received more political positions in the last few years than Democrats received under Republican administrations in the last 75 years. In the Alcoholic Unit of the Treasury Department there is not a Democrat holding a key position. [Applause.]

This so-called merit system is owned, controlled, and dominated by Republicans—no wonder you holler for the merit system. They play the game and give us no chance in the world and cut our throats every time they get an opportunity. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I realize the obligation that the chairman of the Democratic patronage committee has so far as the members of the majority and the patronage he can get are concerned; so I do not blame him as an individual; neither do I blame the gentleman from Oklahoma as an individual for reciting what they believe should be the views of the Democratic Party.

The provision by which we eliminate the Civil Service and Classification Acts has to do not only with the attorneys and experts, but it specifically says "employees." I stated earlier this afternoon it was contemplated putting hundreds and possibly thousands of employees to work. If you study this bill carefully you can see I have not overestimated it, because we expect these agencies to be set up in every large community in the United States. After all, the point I want to make is that I know now how to answer a certain gentleman of Democratic extraction in one of my little towns up north of Port Huron. I speak up there occasionally and I say to the audience, "Events in Washington convince me that the Democratic Party is not in favor of civil service."

This individual, an ardent Democrat and a very much respected and honored citizen of the community, pulls out of his pocket a little brown covered book, which it was my pleasure to give him. In that book is contained the platforms adopted by the two conventions of 1936. He takes particular delight in heckling me and reading from the Democratic platform these words, and he sits me right back on my haunches, because what he reads he believes and what the people of the United States read and heard last November from you gentlemen they believed.

The Democratic platform provided in part as follows.

> The merit system in government.
> For the protection of government itself and promotion of its efficiency, we pledge the immediate extension of the merit system through the classified civil service—which was first established and fostered under Democratic auspices—to all nonpolicy making positions in the Federal service. We shall subject to the civil service laws all continuing positions which because of the emergency have been exempt from its operation.

Apparently a majority of the good, law-abiding, God-fearing, Bible-reading citizens of the United States believed you when you said you believed in the civil service, and this is what prompted me to say that when you go home tonight, put that little book alongside your Bible and reconcile its words with the words of Christ himself, when he admonished you not to lie, especially to your neighbor.

Mr. LUCE. Mr. Chairman, this debate brings back to me vividly an afternoon, I think it was 4 years ago, when about this time of day I took the floor as a member of the Committee on Banking and Currency in behalf of the amendment proposed by Senator NORRIS, of Nebraska, which had passed the Senate by a margin of one vote. This amendment was designed to keep politics and partisanship out of one of the trio of housing bills in the preparation of which I had an active share. The committee voted to strike from the pending bill a provision keeping politics out of the home loan bank system. An interesting debate took place on the floor, and gentlemen just as sincere in their hostility to civil-service reform as some who have spoken today then addressed the House. The Speaker of the House at that time was against the merit system. The Democratic House voted overwhelmingly against it.

The House paid no attention to the fact that the President of the United States had addressed a letter to the chairman of the Committee on Banking and Currency asking that the Norris amendment be placed in the bill. The President had committed himself in writing, asking the very committee which is now engaged on this subject to support the Norris amendment and so keep politics out of the housing bill.

What had preceded and what followed? There had been appointed, as chairman of the board in question, a man we knew well, a fellow Member whom we respected and admired, and I say no word in derogation of him. But he thought, just as the speakers on the Democratic side this afternoon have thought, that it was more important to pay attention to a man's politics than to his capacity. What resulted from that system? The newspapermen declared that the board had become the spoilsmen's paradise. It was so crowded with inefficient and incapable men that the President himself had to demote the chairman and replace him with a man who paid some attention to the desirability of efficiency in the public service.

With that behind you, go ahead, if you please, and once more thwart your President; once more deny your platform. But you will one day have occasion to remember that the speeches you have made this afternoon have been of great value to us on our side. I pray that my chairman, in consideration of the welfare of the Democratic Party, may at once ask that all debate be closed, in order that no more ammunition may be given to those of us who believe in the gospel of the President of the United States. So I ask that the chairman do this, else his colleagues will have occasion some day to remember that "whom the gods would destroy they first make mad."

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

> SEC. 7. In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The gentlewoman from Massachusetts offers a motion which the clerk will report.

The Clerk read as follows:

> Mrs. ROGERS of Massachusetts moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am going to leave out any political references whatsoever. We are not always consistent on our side. I know we have many what may seem faults to you. I am just going to make a plea for the workers who are now under the civil service, the workers who have given their lives to the service of their Government, the workers who went into the Government service believing that they were taking up a life work. I assure you, Mr. Chairman, many of those workers are living in dread

today of dismissals. Mr. Chairman, I am making a plea for the workers who were under civil service, but who have lost their positions in the Federal employ. I am making a plea that they may be taken back under civil service. I am also making a plea for the Civil Service Commission.

Mr. Chairman, I think no one upon the floor, unless it be the very great chairman of our Committee on the Civil Service, the gentleman from Georgia [Mr. RAMSPECK], has defended the work by the civil service. He has fought day and night for the merit system, and for the workers in the Government service. He deserves their undying gratitude, because he has worked under a tremendous handicap I know, because I have seen it. There is not a Government worker in the United States who ought not to thank him.

Mr. Chairman, in the last year the Civil Service Commission has been given a tremendous task to perform. With a very small amount of money they have done more than I had supposed was possible. They are courteous, and they do the best they can under the circumstances. Imagine, Mr. Chairman, how difficult it is for the Commission to operate when another governmental department tries to force the Civil Service Commission to qualify people unfit for positions. This is what the Civil Service has had to face day after day and day after day, from more than one governmental agency.

Mr. O'MALLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. It seems to me the action we have taken today and have taken at other times in the past would do a lot to relieve the Civil Service Commission of their duties.

Mrs. ROGERS of Massachusetts. I think, if the gentleman will allow me to say so, that if we would give the Civil Service Commission an adequate amount of money and give it a chance to operate with that money, we would see a wonderfully fine service. I am making a plea for the men and women under civil service in your own districts, and there are hundreds of such employees all over the country. I know what they think, because they write to me.

Mr. O'MALLEY. Mr. Chairman, will the gentlewoman yield further?

Mrs. ROGERS of Massachusetts. I am sorry; I have only 5 minutes.

Mr. O'MALLEY. I know the lady is a sincere friend of civil-service employees and of the Civil Service Commission, and she ought to do something to stop the arrogance of that Commission that even refuses Members of Congress the information they ask for.

Mrs. ROGERS of Massachusetts. I have not found the Civil Service Commission arrogant. I have found them very willing to give any information they can; but does the gentleman realize the small personnel they have and the great amount of work it has to perform in these unusual times? For instance, it has taken the Commission 1 year to hold examinations for informational service employees of the Social Security. It took them 1 year to hold the examination and to rate those men because their work was so heavy and such an enormous number of people took these examinations. The Civil Service Commission employees are working overtime day after day.

I wonder how the Members of Congress would like it if they were put out or furloughed without pay, as has happened in the past years to the civil-service employees.

Again, Mr. Chairman, in closing, I make my plea for the workers now in the Government under the civil service. [Applause.]

The CHAIRMAN. The question is on the motion offered by the gentlewoman from Massachusetts.

The motion was rejected.

The Clerk read as follows:

SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this act.

LOANS FOR LOW-RENT HOUSING AND SLUM-CLEARANCE PROJECTS

SEC. 9. The Authority may make loans to public housing agencies to assist the development, acquisition, or administration of low-rent housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 85 percent of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 85 percent of the development or acquisition cost of such project. Such loans shall be secured by a first and a paramount lien against such projects and the revenues derived therefrom, shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of 1 percent, and shall be repaid within such period not exceeding 60 years, as may be deemed advisable by the Authority.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: On page 44, line 7, after the period, insert:

"The State or political subdivision in which the project receiving an annual contribution or grant is located shall contribute to the acquisition cost and development of such project not less than 15 percent of such cost in the form of land or cash or both."

Mr. HANCOCK of North Carolina. Mr. Chairman, this amendment is intended to clarify the limitation with respect to the loan as set out in section 9.

The evidence before our committee was to the effect that the cost of upkeep of slums is exorbitant. We had a number of instances related to us, one particularly in a Cleveland slum area, showing that the cost of the health service, police service, and other necessary community services to these slum areas is nearly always two, three, or four times the amount of taxes which the community receives. I therefore feel that every local community which is able to participate in this program should be willing, as a matter of fairness and sound public policy, to contribute a reasonable amount toward the cost of acquisition and development. Surely they should be made to furnish the site cleared and ready for building.

Under the language of section 9, which provides that in no event shall loans exceed 85 percent of such costs, there is an ambiguity. Let me explain. If a local housing agency comes to Washington and applies to the United States housing authority for financial assistance and it is shown and demonstrated that the particular community to be served is better suited to receive a capital grant than to proceed along the annual contribution plan, they can receive a 25 percent cash capital grant. In addition to this, the President may allot from relief funds an additional 15 percent to be used for labor. It is quite apparent to anyone who reads the section carefully that any community or any local housing agency that receives a 25 percent grant no longer need more than a 75 percent loan. Therefore, the 85 percent maximum is inoperative unless the grant was less than 15 percent. To think of being that low is absurd.

In addition, this provision is the heart and the main safeguard of this bill. If you require communities to come in and put up either in cash or in land or both 15 percent of the capital cost you thereby insure 100 percent local cooperation in the way of supervision, maintenance, and other proper community services. Under the provision in the bill without this amendment if a local housing agency proceeds to the capital grant route and gets a 25 percent grant, then they can come in and borrow 100 percent of the balance of the cost up to 75 percent. The only way that the provision, as it is now written, would be effective as I just stated, would be for a community to apply and receive less than 15 percent. For instance, if they received only a 10 percent grant they would have to put up 5 percent, but if they received a 15 percent grant, they could receive the entire balance in the way of a loan.

This is absolutely essential if your low-cost housing and slum-clearance program is to be a success. Nothing else can insure it.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment, and I shall try to take less than 5 minutes.

From experience with a municipal housing project, may I say, therefore—not talking from a blueprint but talking from

experience—I am absolutely opposed to making municipalities put up one cent in contribution, thus sharing the cost of a local housing project. Therefore I am against this amendment. Municipalities do not have to put up money to show good faith. If one of them sets up its own housing authority and gets facts and figures to convince the national housing group that a housing project should be built in that municipality, they are showing good faith there without having to put up more funds to demonstrate good faith. Realize this: The municipalities of this country have been hard hit financially. They have had to contribute a lot of money in supplementary relief on top of what the United States Government has given them. Give the municipalities a chance to have local housing projects without putting up a cent, much less what the gentleman says. I am against the amendment and hope it is defeated.

Mr. McGRANERY. Mr. Chairman, I move to strike out the last word. Again my distinguished friend on the committee [Mr. HANCOCK] has said that we have reached the heart of this bill. This is its second heart. To enact this amendment would be again to destroy the bill. We have sat on that committee and, as the gentleman from Connecticut [Mr. PHILLIPS] has said, met with many suggestions that there should be no contribution made, but after considering the matter carefully the committee finally wrote into this bill a contribution of 15 percent. The mayor of the city of New York, representing the mayors of all of the cities of the United States, said that if they were to be required to make a contribution, he would not be representing the cities, because there again he could make appeal to private capital; but this is not a private housing program; this is a public housing program; and if you write this amendment into the bill, you can again tear up the bill.

The requirement in the present bill is a burden greater than the cities can carry, and the amendment proposed by Mr. HANCOCK would clearly make it absolutely impossible for any city to carry out a slum-clearance program. There is nowhere in the minutes taken before our committee a single statement that points to the possibility of the ability of any city to meet the requirements of this amendment; and I urge the membership of this House to vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 51, noes 82.

So the amendment was rejected.

Mr. VOORHIS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS: Page 44, lines 1 and 2, after the words "such capital grants", strike out "but in no event shall such loans exceed 85 percent of such cost", and on page 44, line 6, after the word "exceed", strike out "85 percent of."

Mr. VOORHIS. Mr. Chairman, first, may I say that I believe that we are doing in the House this afternoon a truly great thing. I want to thank the committee which reported this bill, and say that, although all of us know it is not perfect and that a lot of experience will be required in this great undertaking, yet, after all, America is today embarking on the great task of doing away with slums. A long struggle must ensue, as we all know; the slums will not be easily done away with. My amendment is one in which I think those who sincerely desire low-rent housing can all agree. Certainly those who voted against the amendment just voted down, of the gentleman from North Carolina [Mr. HANCOCK], should agree with this amendment. It restores the provision in the Senate bill which permits loans by the housing authority up to 100 percent of the acquisition or development cost of the project. The amendment has to do only with loans. It has nothing to do with grants or subsidies or annual contributions. I am in favor of local contributions. I believe they should be made. I have no quarrel with the requirement that local communities be required to furnish annual grants or subsidies equal to 25 percent of the annual subsidies furnished to the local public-housing agencies by the United States Housing Authority. But I do not believe you can expect a locality to make a 15 percent capital grant, 15 percent of the original cost of construction of the project. I know that is not what the bill says; but, in view of the fact that the loan from the United States Housing Authority is limited to 85 percent, and that a first lien must be given on the project in order to secure that loan, I do not believe that it would be possible for the State, county, or municipality to be able to borrow money on a second lien on such property.

Therefore, the only practical possibility would be a capital grant from the locality. I do not believe that very many localities can contribute 15 percent of the construction cost of projects. Certainly the poorer cities cannot do it, the very cities which have been in the minds of many Members this afternoon, the cities about which they have been wondering whether they would get any good out of this bill. They are the ones that will be affected if you limit these loans to 85 percent and fail to adopt this amendment. Security for these loans is ample. The very first charge against annual subsidies is to be payment of amortization cost on these loans. They are secured further by having a first lien on the value of the property. It seems to me, therefore, that while we stand to the principle of requiring local contributions on the annual basis, we should not require, as in effect the provision of 85-percent limitation seems to do, a 15-percent capital grant of the original cost of the project by the localities.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Yes; I yield.

Mr. GIFFORD. Does the gentleman think we have got a lien? We pay all the costs of condemnation, all the expenses of acquiring, tearing down one set of buildings and that sort of thing before we even start on the new project.

Mr. VOORHIS. I do not understand the bill that way. I understand that this loan is to be limited to the development or acquisition costs of the project. These loans are, after all, guaranteed by the Government itself, as many Members have pointed out, since the annual subsidies granted by the Authority are to be used to repay the loans.

Mr. GIFFORD. Acquisition means condemnation and it means the demolition of the old buildings and all those things, which will amount to perhaps 125 or 140 percent. That is much more than 100 percent. The gentleman would like for us to put it all up. Is that right?

Mr. VOORHIS. I am anxious to have this housing plan go. I am anxious to have it do good. I am anxious for it to be liberal enough so that the cities who need help can get it for their people. I think all America has an interest in getting our people out of slums—especially the children. And I think our bill here should be framed not so as to present stumbling blocks to the work, but so as to insure its going forward promptly.

Mr. GIFFORD. It does not matter about the Treasury?

Mr. VOORHIS. Of course, it does; but, as I have pointed out, the loans are perfectly well secured. My amendment does not affect grants or subsidies. It merely restores the loan provisions in the Senate bill. There are many people who have advocated it, among them some of our ablest authorities on housing.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment. This is the very proposition about which I spoke a while ago. We have a proposition here now as to whether or not the Authority established by the United States Government shall make the entire loan or whether we shall have some responsibility placed on the local authorities. There are many people, a number of them on the committee and a great many people who appeared before our committee, who were in favor of making this contribution by the local authorities more than 15 percent. It is just a question now of whether we are going to have the Government put up 100 percent or whether we are going to require the municipalities to make at least an initial contribution of 15 percent. By doing so we will place the responsibility on the local authorities. To say that the great cities of this country cannot contribute 15 percent is to my mind ridicu-

lous. I have more faith and confidence in the credit and ability of the cities of this Nation than to say they cannot contribute 15 percent. If they are not willing to contribute that much to do away with their slum areas and thereby save millions of dollars in court costs, in criminal and delinquent cases and in crime and in health, then they are not entitled to have the Government come in and pay the entire amount. By making this contribution it will be a saving to them from a financial and economic standpoint.

By all means, I ask that this amendment be voted down.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

Mr. DEMUTH. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. DEMUTH: Page 44, line 13, after the period, insert a new section, as follows:

"SEC. 10. (a) The United States Housing Authority shall make loans to construct individual detached dwellings—the loan to be secured by a mortgage against said lot and dwelling and other appurtenance thereto.

"(b) The interest on said mortgage shall be 3 percent per annum and also shall be amortized annually by an amount equal to 1 percent of the original mortgage.

"(c) The United States Housing Authority may loan 80 percent of the appraised value of the real property.

"(d) The United States Housing Authority may advance, if necessary, 80 percent of the acquisition cost of a lot; 70 percent of the value of the building may be paid promptly or semimonthly estimates of labor performed and material erected.

"(e) The United States Housing Authority shall make a character loan up to $300 to enable the applicant to purchase a lot to initiate this program. This loan shall be paid on the basis of $5 monthly plus 4 percent interest.

"(f) No person shall be eligible who is not a citizen of the United States.

"(g) The value of a lot shall not exceed $1,100 nor $35 per foot, including paving, and the value of no dwelling constructed under the terms of this act shall exceed $5,000.

"(h) The annual income of the applicant shall be at least four times the annual charge. By annual charge is meant a sum of all annual interest, fire insurance, and taxes on the lot."

Mr. WILLIAMS. Mr. Chairman, I make a point of order against the amendment—that it is not germane to the bill or any section in the bill. This is a public housing bill, and the amendment proposes to loan money to a private individual to build a home.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. DEMUTH. Yes, Mr. Chairman, I do.

Mr. Chairman, I offered this amendment to make a better rounded housing program. This amendment will develop more contented and better citizenry by making home ownership possible for many of those now ill-housed. It will provide more work and more income for labor per dollar expended than is provided under the main part of this bill. It will benefit a much larger number of those now ill-housed.

Mr. WILLIAMS. Mr. Chairman, the regular order.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order, not on the merits of the amendment, but on the point of order, as to whether or not the amendment is germane to the bill?

Mr. DEMUTH. Mr. Chairman, in regard to the point of order, in that this is a public housing bill and my amendment is aimed only to help the public secure better housing facilities, I contend that my amendment is germane to the purpose and intent of the bill.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The gentleman from Pennsylvania offers an amendment to the pending bill to which the gentleman from Missouri makes a point of order. The pending bill provides financial assistance to States and political subdivisions thereof. The amendment offered by the gentleman from Pennsylvania seeks considerably to change the purpose and scope of the bill in that it would make loans directly to individuals and provides for character loans and various other matters which, in the opinion of the Chair, are not germane to the bill.

The point of order is sustained.

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent that my colleague from Pennsylvania may extend his remarks on the amendment he offered.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MAY. Mr. Chairman, I ask unanimous consent that the further reading of the bill may be dispensed with.

Mr. RAMSPECK. Mr. Chairman, I object.

Mr. STEAGALL. Mr. Chairman, I move that the further reading of the bill be dispensed with, that amendments may be offered to any part of the bill considered as read.

Mr. RAMSPECK. Mr. Chairman, that motion is not in order.

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the motion.

The CHAIRMAN. The Chair is of the opinion that that could be done only by unanimous consent and sustains the point of order.

Mr. STEAGALL. Mr. Chairman, I withdraw the motion.

The Clerk read as follows:

ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute at least 25 percent of the annual contributions herein provided in the form of cash or tax remissions, general or special, or tax exemptions. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe and insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project.

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition, or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield at the going Federal rate of interest (at the time such contract is made) plus 1 percent upon the development or acquisition cost of the low-rent housing project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

(c) In case any contract for annual contributions is made for a period exceeding 20 years, the Authority shall reserve the right to reexamine the status of the low-rent housing project involved at the end of 10 years and every 5 years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding 60 years.

(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

(e) The Authority is authorized, on or after the date of the enactment of this act, to enter into contracts which provide for annual contributions aggregating not more than $5,000,000 per annum, on or after July 1, 1938, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum.

Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of section 10 be dispensed with.

Mr. RAMSPECK. Mr. Chairman, I object.

The Clerk concluded reading the section.

Mr. SPENCE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE: Page 45, line 15, before the period, insert a comma and the following: "except that such elimination may in the discretion of the Authority be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to low-income families is so acute as to force dangerous overcrowding of such families."

Mr. SPENCE. Mr. Chairman, the bill provides that for every new unit erected an existing unit shall be destroyed. This is a committee amendment and merely provides that the elimination may, in the discretion of the Authority, be deferred in any locality where there is such an acute shortage of decent, safe, and sanitary housing as to force dangerous overcrowding.

The bill as originally drafted would result in some instances in puting into the new unit as many people as were in the old unit. The great evils of the slums come from overcrowding. The sordid and degraded conditions are due to the fact that great numbers of people in these congested areas have to live together in one room. The same conditions may recur in the new units; they may become as crowded and the conditions as insanitary as those in the slums.

We offer this amendment in the belief that it will remedy that condition and make more effective the provisions of the bill.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. STEAGALL. The gentleman should say this is a committee amendment which we hope will be adopted.

Mr. SPENCE. Yes; I did say that. This is a committee amendment.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. DONDERO. This will relieve a situation where there is overcrowding now but where there are no buildings to be torn down. Is that correct?

Mr. SPENCE. Yes; where the conditions would still remain if people were merely to be transferred from an old building to a new building.

Mr. DONDERO. I have a tent city in my district but no building to be torn down if a new building is built. This amendment is designed to reach that situation.

Mr. SPENCE. It will reach that situation; yes.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

It was our purpose as I understood it to make that applicable to slum clearance. I called the Committee's attention to the fact that this proviso has to do only with low-rent housing and that what the gentleman from Kentucky has said applies to this particular section. This is primarily a slum-clearance bill. The reason for clearing the slums is to get rid of these areas which are insanitary, which breed disease, which are unsafe, and because of the fact that buildings collapse and cause loss of life. Any slum-clearance bill must, of necessity, carry with it the thought that there shall be a like number of buildings demolished for those which are erected as new projects.

I am willing to leave some of this to the discretion of the Authority, because overcrowded conditions sometimes cause slum conditions. It is with that understanding that we go along with the committee amendment. I know that no great harm can come from the adoption of it because changes will be recommended to us before the first of the year which will clarify the situation.

Mr. ELLENBOGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill has been limited in so many respects that it is very questionable whether it will be useful at all. However, this is one of the amendments that restores some sanity to the bill, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: On page 45, after the word "area", in line 13 and before the comma, insert the following words: "within a period of 2 years after the development of the low-rent housing project."

Mr. HANCOCK of North Carolina. Mr. Chairman, this amendment is intended to require that within a period of 2 years after the completion of a low-rent housing project a substantial number of unsafe, insanitary dwellings of slums shall be demolished. I think it is quite apparent to all of us from the discussion here today and from the debate in the other body, as well as from utterances from the White House and statements made by the original author of this bill, Senator WAGNER, that its primary and chief objective is to get rid of these deplorable and inhuman slum areas wherever they exist. I admit that there must be some latitude and flexibility in carrying out this demolition program in order not to suddenly increase the shortage of homes. My amendment takes care of this.

If this amendment is adopted, we will have in this bill not only a low-rent housing but a slum clearance. It will be a unified program as a part of it. Under the language on page 45, if you will read it carefully, there is no mandatory provision providing for the demolition and elimination of the slum areas.

Mr. STEAGALL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Alabama.

Mr. STEAGALL. Does the gentleman insist on the accuracy of that statement? Does not the language of the bill require of the local agency a satisfactory arrangement for the demolition or repair of slums existing at the time the project is undertaken?

Mr. HANCOCK of North Carolina. I insist on the accuracy of my statement and I also say that the statement of the chairman is absolutely correct; but even with that the only thing that is required is that the local housing agency shall make satisfactory arrangements—nothing mandatory and nobody could question "what was satisfactory to the Authority."

Mr. STEAGALL. And under the amendment they would be permitted to defer that act.

Mr. HANCOCK of North Carolina. Under the present language of the bill nobody can question whether the arrangement providing for demolition will be in 1 year, 2 years, 10 years, or 50 years. You will not question that statement, I know.

Mr. STEAGALL. But it does require it.

Mr. HANCOCK of North Carolina. It looks toward the requirement of demolition at some future date.

Mr. Chairman, under the language appearing on that page, the entire amount of $500,000,000 could be loaned before a single slum in America is cleared and the main purpose of this bill would be absolutely destroyed, its social objectives defeated, and we would still have in the congested areas of this country these crime and disease-breeding slums for which this Government will, before the program is finished, if every citizen of low income is treated equally, have spent billions of dollars. Remember again under this bill the loans will be $500,000,000; in addition the United States Government is going to subsidize every family that

qualifies for a low-rent house. It means under this bill each family over 60 years gets $10,500, or $175 per family per year. Think of this, and then have no requirement that slums be eradicated and the social menace removed.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from New York.

Mr. DICKSTEIN. Why does the gentleman fix 2 years? How did he come to the conclusion that 2 years will do the job?

Mr. HANCOCK of North Carolina. I think that within 2 years the congestion in housing in the metropolitan area or locality might be solved. I certainly hope it would be partially relieved. My amendment does not provide for demolition until 2 years after the low-rent housing project has been developed, which means physical completion.

[Here the gavel fell]

Mr. REILLY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

Mr. Chairman, the committee was informed that there are some slum areas where you would have to erect three times the home units in order to close a dwelling in said slums. There will be two kinds of slum projects. One project will be built in the slum area and, of course, all of these dwellings will be demolished. Other projects will be built in new areas, and in some cases you would have to construct three times as many buildings to permit you to destroy a slum building in the old slum area. The evil of the slum situation today lies in the overcrowded condition of slum dwellings; that is, four or five families living in each house.

I submit that should the gentleman from North Carolina be one of the men designated to execute the provisions of this bill, he would destroy slums just as soon as it was practically possible to do so, and no sooner. Instead of making it obligatory and imperative on the Authority to destroy slums, as provided by the amendment, the pending bill makes it permissive. The Authority will demolish or close up slum residences when the housing situation in the community permits.

Mr. Chairman, I ask that the amendment offered by the gentleman from North Carolina [Mr. HANCOCK] be rejected.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The amendment was rejected.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 46, line 14, strike out "twenty" and insert in lieu thereof "ten."

The amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 45, line 12, after the word "unsafe" strike out the word "and" and insert the word "or."

Mr. STEAGALL. Mr. Chairman, there is no objection to that correcting amendment.

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 45, line 8, after the word "housing", insert "or slum clearance."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that throughout section 10 wherever the words "low-cost housing projects" appear the words "or slum clearance" may be inserted between the words "housing" and "projects."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent housing project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however*, That no capital grant shall be made for the development of any low-rent housing project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project.

(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent housing project, which shall in no case exceed 25 percent of its development or acquisition cost.

(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

(d) The Authority is authorized, on or after the date of the enactment of this act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than $10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than $10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than $10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent housing project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 percent of the development cost of the low-rent housing project involved.

(f) No capital grant pursuant to this section shall be made for any low-rent housing project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made or tax remissions or tax exemptions) in an amount not less than 25 percent of its development or acquisition cost.

Mr. KELLER (interrupting the reading of the section). Mr. Chairman, I ask unanimous consent that the further reading of this section may be dispensed with.

Mr. RAMSPECK. I object, Mr. Chairman.

The Clerk concluded the reading of the section.

Mr. SPENCE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SPENCE: Page 48, line 21, before the period insert a comma and the following, "except as such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to low-income families is so acute as to force dangerous overcrowding of such families."

Mr. SPENCE. Mr. Chairman, this is a perfecting committee amendment, exactly the same as the amendment we adopted to the previous section. I ask that this amendment be adopted.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Kentucky.

The committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as folows:

Amendment offered by Mr. WOLCOTT: Page 48, line 9, after the word "housing" insert "or slum clearance."

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan.

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that wherever the phrase "low-cost housing projects" appears in section 11, the words "or slum clearance" may be inserted between the words "housing" and "projects."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SEGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to ask a question of the chairman of the committee, which may have been answered in my absence. If a low-salaried tenant is occupying a low-rental unit, and his salary is increased 50 percent or more, what happens?

Mr. STEAGALL. He goes out.

Mr. SEGER. He goes out and goes into a higher-grade tenement?

Mr. STEAGALL. The gentleman is correct. This bill is to apply to the occupants of low-grade tenements.

Mr. SEGER. Is that provided in this bill?

Mr. STEAGALL. Yes.

The Clerk read as follows:

DISPOSAL OF FEDERAL PROJECTS

SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

(d) The Authority may lease any Federal low-rent housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303b), shall not apply to any lease pursuant to this act.

(e) In the administration of any Federal low-rent housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

GENERAL POWERS OF THE AUTHORITY

SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent housing project which it previously owned or in connection with which it has made a loan pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (c), such jurisdiction and such rights are hereby fully restored.

(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent housing projects, the disposition of which is governed elsewhere in this act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

Mr. KELLER (interrupting the reading of the section). Mr. Chairman, I ask that the further reading of this section be dispensed with.

Mr. RAMSPECK. I object, Mr. Chairman.

The Clerk resumed the reading of the amendment.

Mr. KELLER. Mr. Chairman, I ask unanimous consent that the further reading of this section may be dispensed with.

Mr. RAMSPECK. Mr. Chairman, reserving the right to object, I may say to the gentleman from Illinois that I gave notice to the Chairman of this committee when he cut me off from debate that this bill was going to be read, and it is going to be read. I object, Mr. Chairman.

The Clerk concluded the reading of the section.

The Clerk read as follows:

SEC. 14. Subject to the specific limitations or standards in this act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this act. Any rule of law contrary to this provision shall be deemed inapplicable.

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this act will be achieved, it is hereby provided that—

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 percent per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 percent per annum or to declare the unpaid principal on said loan due forthwith.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved.

(5) With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials and economy will be promoted both in construction and administration and (b) that the average construction cost of the dwelling units (excluding land and non-dwelling facilities) in any such project is not greater than the average construction cost

of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act. The Authority shall determine, in making loans, grants, or annual contributions for projects hereafter initiated, that, in each fiscal year, the average family-dwelling-unit cost (as herein defined) shall not exceed $5,000.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 56, line 24, strike out "$5,000" and insert in lieu thereof "$4,000, and the cost per room shall not exceed $1,000, including in either case the cost of the land and the cost of renovating old buildings, less value of salvage."

Mr. HANCOCK of North Carolina. Mr. Chairman, this amendment is similar to the amendment which was adopted in the Senate, with this exception: In the Senate amendment the per-dwelling-unit cost was limited to $4,000 and the per-room cost to $1,000, excluding land and the cost of demolition. Under this amendment $4,000 is the limit placed upon the dwelling cost and $1,000 upon a room, whichever may be the lesser, including cost of land and demolition cost, but there is left in the language of this particular provision the word "average", so that some latitude and flexibility can be given to the local housing agency to meet peculiar conditions similar to those described to us by our friends from the larger centers.

Mr. Chairman, if we will stop, use some common sense, and seriously consider what we are trying to do under this bill, I know the House will vote favorably upon this amendment. The objective of this bill is to provide for those in the low-income brackets and who live in slums without sunshine or air safe, decent, and sanitary housing facilities. I think it can be truthfully said that not 50 percent of the American families today occupy dwellings that cost in excess of $3,000. We must remember that this unfortunate group of people to whom the benefits of this bill are directed are those who have been living in squalor conditions, within incomes ranging from $700 to $1,200 a year. You cannot afford to jump them up to $6,000 dwellings.

We must not only consider the cost involved, but I want you to consider the question of such a procedure on the morale of the men and women in this country who, through self-denial, self-discipline, and frugality, have been able to earn for themselves their own little modest homes. I want you to consider the attitude of the citizen who has, through years of sacrifice and from meager wages been able to build for himself a safe, decent, and sanitary dwelling costing from $2,500 to $3,000.

Did you know that about 38 percent of the homes which have been insured under title II of the Federal Housing Act—and they are doing some fine work—have been erected at a cost of less than $2,500?

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I cannot yield right now.

Think about the man or woman, the working man or woman, who is living today in a $2,000 or $2,500 or $3,000 little home, built with their own money, and you let them see these structures go up. How do you reckon they will feel, and especially when they see this special class entering these comparatively luxurious apartments or dwellings? I will tell you that the projects built under P. W. A.—I do not care where they are located—are superior to the home of the average family in that community. What effect do you think this has upon the morale of the honest-to-God American citizen? Fellows, let us watch our step, for God knows we are in dangerous territory. Do not let us do this thing. Let us act sensibly and insist on restricting these almost free homes to a type and cost of construction that will not discourage or destroy the incentive for home ownership in America. [Applause.] May I illustrate the danger by reading this letter:

To the EDITOR.

SIR: After years of struggle and many reverses, I have purchased a suburban lot and saved enough cash to build a home for my family to cost not more than $2,500. Despite high taxes I hope we will be able to swing it and give my family a roof over their heads that they can call their own.

I was brought up to believe it was more desirable to have something you could call your own than to use something that belonged to somebody else, even if it was more pretentious, and live like you could afford it. In this connection I have had quite a shock. I have a daughter, almost a young lady, who thinks her friends would look down on her if we lived in a house we can afford. They tell her that they plan to live in P. W. A. houses costing from $4,000 to $6,000, which she thinks will place them in a higher social scale, although their income is not as large as mine. My trouble is that my income is too high to permit me to occupy a $6,000 Government house and too low to enable me to live in one of my own costing more than $2,500.

I read in your paper where the Associated Press says that "W. P. A. architects and engineers have insisted in their $140,000,000 slum clearance campaign that every room be an outside room and that modern kitchen and bathroom equipment be installed." If I could build a house like that, I believe my daughter would be satisfied. Would the P. W. A. supplement my $2,500 with another $2,500, or is it the policy to spend from $1,000 to $1,300 a room in building homes for persons who have nothing of their own to contribute?

Mr. WHITE of Ohio and Mr. O'CONNOR of New York rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. WHITE of Ohio. Mr. Chairman, I rose to offer an amendment, but I think one of the finest Members of this House is the gentleman from New York, and I am going to withhold my amendment so that he may be heard.

Mr. O'CONNOR of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are more ways of scuttling a ship than using an auger, and if this amendment were adopted, this bill would be absolutely useless, as the House committee has already determined, I would vote against the bill and every Member from any of the metropolitan centers should likewise vote against it.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR of New York. I have hardly got started, but I yield to the gentleman.

Mr. COCHRAN. I will say that there is one Member from a metropolitan district who will not vote against it.

Mr. O'CONNOR of New York. Well, there must be some undemocratic reason which prompts the great economist. As I said this morning, it has been proven that you cannot possibly, in any of the metropolitan districts, build one of these projects at a cost of $1,000 a room or $4,000 a unit. The two projects in New York, the Harlem and the Williamsburg, have cost $1,600 a room. The project in Atlanta cost $4,600 plus for four rooms, the project in Cincinnati cost over $4,600 for four rooms, and so on throughout the country, and nobody knows but what within the next year, which is the earliest time when this experiment can get under way, what the cost of material and labor is going to be. It just cannot be done, and when the Senate put in the $4,000 limitation, the House committee on the presentation made to it, fully realized that it could not be done throughout the country.

There is no requirement in this bill that the authority in charge shall spend $5,000 per unit if they can build it cheaper in some communities, and the gentleman from North Carolina [Mr. HANCOCK], one of the most brilliant men in this House, one of the men who knows more about these subjects than most of us, talks about "palatial apartments."

Of course, that is a great extravagance as to any one of these housing projects. I am sure the gentleman, and many other people, would not live in what they call "palatial projects", which rent for $4 and a few cents per month per room, where the rooms are small, where they are usually located in the old sections of these cities, and only certain types of people will live in such sections.

Of all the items in the bill this is the most important. You might just as well forget about a housing bill if you adopt an amendment to go back to a limitation of $4,000, and I hope the membership of this Committee, in fairness and in sincerity, if they want to pass a housing bill, will defeat this amendment, because with this amendment in,

I for one, and I am sure many here who are interested in housing, will vote against the entire bill.

Mr. STEAGALL. Mr. Chairman, I call attention to another limitation in the bill. It is this:

The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials and economy will be promoted both in construction and administration and (b) that the average construction cost of the dwelling units (excluding land and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act.

That, Mr. Chairman, is the real limit. That is the limit that ought to be applied to expenditures. If that is complied with in good faith, then we have set the only limit that can be established that will admit of such an administration of this act as will accomplish the declared purpose of the bill. That is the real test. There need not have been any other.

Mr. O'CONNOR of New York. And as I said this morning as a matter of fact there should not be a limitation of $5,000 in there, and there is no necessity for that at all.

Mr. STEAGALL. The other is the real limitation and the only one that ought really to be in the bill. The $5,000 limit was put in by gentlemen who wanted to satisfy some of those who, like our good friend from North Carolina [Mr. HANCOCK], wanted a specific limitation.

Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 59, noes 97.

So the amendment was rejected.

The Clerk read as follows:

SEC. 16. In order to protect labor standards—

(1) The provisions of the act of August 30, 1935, entitled "An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the act of August 24, 1935, entitled "An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work" (U. S. C., 1934 ed., Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of low-rent-housing or slum-clearance projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the act of August 30, 1935, and section 3 of the act of August 24, 1935.

(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

(3) The act entitled "An act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of low-rent-housing or slum-clearance projects.

(4) The benefits of the act entitled "An act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

(5) The provisions of sections 1 and 2 of the act of June 13, 1934 (U. S. C., 1934 edition, title 40, secs. 276 b and 276 c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this act.

(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within 5 days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

During the reading of the foregoing the following occurred:

Mr. KELLER (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the section be dispensed with.

The CHAIRMAN. Is there objection?

Mr. RAMSPECK. I object.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, for the purpose of making an inquiry of the chairman of the committee. I call his attention to paragraph 6 on page 59, which provides in effect that every contractor engaged on one of these projects shall make a report monthly to the Secretary of Labor as to the number of persons on his pay rolls, the aggregate amount of the pay roll, and the total amount of man-hours worked, and itemized expenses for materials. But it also provides that the subcontractor shall make the same kind of report. Does the committee intend that the subcontractor on one of these projects, which might, for example, be a lumber company situated in the State of Mississippi providing lumber as a subcontractor to a project in New York City, shall furnish to the Secretary of Labor a list of all its employees in Mississippi, the number of hours they work, and what they spend? The gentleman from Minnesota [Mr. KVALE] suggests that I may be mistaken. I read the language:

Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner * * * as to the number of persons in their respective pay rolls, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for material.

Surely the committee does not mean that a subcontractor, which may be the Bell Telephone Co., employing thousands and thousands of people, shall monthly furnish to the Secretary of Labor the total of the man-hours worked by all of the people in its employ, whether they are working as a subcontractor or not.

Mr. STEAGALL. Mr. Chairman, if we intend to make such a requirement, that would be the only method by which to make the provisions of the act effective.

Mr. WADSWORTH. What does the committee intend to require of a subcontractor?

Mr. STEAGALL. That he supply this information so that it will be available to the Department of Labor. I would assume that the contractor will obtain this information from the subcontractor and that it would be transmitted to the Department of Labor.

Mr. WADSWORTH. But it goes far beyond the intent just expressed.

Mr. STEAGALL. That is the law now in effect. It was not put into this bill as a new proposition.

Mr. WADSWORTH. Not as to the subcontractor.

Mr. STEAGALL. How would the contractor be able to do it if in some way the subcontractor did not furnish him the information?

Mr. WADSWORTH. Is it an attempt to write the Walsh-Healey Act into this law?

If it is, it goes far beyond the Walsh-Healey bill. Surely, the gentleman does not contend that a huge concern which takes a subcontract to furnish brass fittings in a flat must, as is provided in this section, supply to the contractor and, through him, to the Secretary of Labor the total number of man-hours worked by all the people in his plant, whether they are working on these particular brass fittings or on brass for all the rest of the people of the United States.

Mr. STEAGALL. I think the gentleman is stretching the construction of this act beyond any reasonable interpretation.

Mr. WADSWORTH. I am reading the English language.

Mr. STEAGALL. The situation to which the gentleman refers would be that of a materialman.

Mr. WADSWORTH. He is a subcontractor.

Mr. STEAGALL. But he would be a materialman if he furnished the fittings or other articles such as the gentleman suggests.

Mr. WADSWORTH. But he may contract to install them.

Mr. STEAGALL. That would be an entirely different matter.

Mr. WADSWORTH. Even then he would have to furnish the total number of man-hours worked in his plant for the whole month every month of the year in which he does any work on this project.

Mr. STEAGALL. I will say that my interpretation of this provision would be that the Department of Labor would be able to ascertain from the reports who had worked on these buildings—the hours, the time, and the wages. That is all that would be accomplished.

Mr. WADSWORTH. But the amendment is not confined to the building. The amendment reaches back to the plant.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. FISH. Mr. Chairman, I move to strike out the last word. I would like to suggest to the chairman of the Committee on Banking and Currency with reference to the colloquy between him and the gentleman from New York [Mr. WADSWORTH] that it might clarify the situation if he added the words, on page 59, line 10, after the words "pay rolls", "on the particular project."

Mr. STEAGALL. If you will read the entire provision, you will see that it applies to all who worked on the project. Those who worked. They are the people to whom it applies. It does not apply to anybody else.

Mr. FISH. If you add those words "as to the particular project", that would clear up the whole situation and would not change the purpose of this section. Otherwise it might require a list of employees of subcontractors all over the country. If you will accept the amendment, I will offer that.

Mr. STEAGALL. If you will read the language in lines 13 and 14 you will see its application is limited to the work. That means the people who labor on this project. If you want to apply the law, this is the way to do it. Otherwise you will defeat the purpose of the bill.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. WADSWORTH. For the purpose of asking the gentleman from Alabama a question.

Mr. FISH. Yes; I yield to the gentleman from New York.

Mr. WADSWORTH. I appreciate the courtesy. I want to put this question, if I may, without being impertinent to the Chairman of the Committee: Is it not a fact that under the language as now printed in paragraph 6 this would happen: We will say the General Electric Co. takes a subcontract to wire one of these buildings, if they do that kind of business. Under this language would it not be a fact that the General Electric Co. would have to report to the Secretary of Labor how many men were on its pay rolls at Schenectady, N. Y., at Pittsfield, Mass., and at various other points, and the total number of man-hours worked at all of them?

Mr. STEAGALL. Why should he not be required to give account of the labor employed by him and the remuneration applied, the same as anybody else who works on the project?

The pro-forma amendment was withdrawn.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 59, line 3, strike out "any contractor" and insert "all contractors"; and in line 5, strike out the word "and" and strike out all of lines 6, 7, and 8, and the words "of Labor" in line 9.

Mr. WADSWORTH. Mr. Chairman, if that amendment should be adopted the paragraph would read in this fashion:

(6) All contractors engaged on any project financed in whole or in part with funds made available pursuant to this act shall report monthly to the Secretary of Labor as to the number of persons on their respective pay rolls, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

But it would not compel subcontractors, a part of whose business might be the doing of a job on one of these apartment houses, to file with the Secretary of Labor a complete account of all the man-hours worked in their plants on all other business, which the language of the bill certainly does.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McGRANERY. Does the gentleman understand that one of the specific reasons for that particular provision is to prevent what is commonly known as kick-backs coming from the employees to the employers whether they be directly the contractor or the subcontractor? There have been many instances of kick-backs and indictments in our courts for just that very thing. I feel as does the gentleman that perhaps the language may be too broad.

Mr. WADSWORTH. It is all-inclusive.

Mr. McGRANERY. It should be limited, but I do think that the subcontractor should be required to make the same kind of return as the general contractor on the job. The language should limit it, however, to the specific project upon which they are working.

Mr. WADSWORTH. I am not thoroughly familiar, by any means, with the various laws on the statute books regulating hours and wages with respect to Government work. I remember vaguely the terms of the Walsh-Healey Act which was passed last year. That act does not go as far as this proposes to go. No act upon the statute books, I think, goes as far as this. I am wondering, Mr. Chairman, if you can ever get a subcontractor to take a subcontract under such a provision. The expense to be imposed upon them would be almost prohibitive.

Mr. McCORMACK and Mr. STEAGALL rose.

Mr. WADSWORTH. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think that the gentleman from New York has in mind something that the committee had in mind. Certainly we do not want to require subcontractors to make a report about employees employed out in California or elsewhere away from the job. I do not think the committee intends to.

I think that the gentleman from Pennsylvania [Mr. McGRANERY] is right, that the subcontractors should report their employees on the project. Along this line of reasoning I suggest to my friend that it could be taken care of by adding in line 6, after the word "report", the words "its employees on the project", so that it will read:

Shall cause all subcontractors to report its employees on the project.

That confines the operation of the provision.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. STEAGALL. The language in the last line reads "subcontractors on the work." It seems to me this confines it to the particular project. Anyone would construe it that way.

If we do not place a similar requirement on subcontractors there is nothing to hinder contractors from turning all the work over to subcontractors and thus being themselves exempt from the requirements of the law.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from New York [Mr. WADSWORTH]:

The Clerk read as follows:

Amendment offered by Mr. FISH as a substitute for the amendment offered by Mr. WADSWORTH:

Page 59, line 10, after the words "pay rolls", insert "on the particular project."

Mr. WADSWORTH. That is satisfactory.

Mr. FISH. My amendment is satisfactory to the gentleman from New York. I hope the Committee will accept it. It is merely a clarifying amendment.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. FISH. Yes.

Mr. SUMNERS of Texas. Mr. Chairman, I make the suggestion for the consideration of the Committee that unanimous consent be asked that this subsection be passed over for the present. It is a very important matter and it is perfectly evident that it is being amended in haste without due consideration. If it could be passed over to the heel of the bill, if it is to be amended, then it could be amended deliberately after being studied.

Mr. FISH. I may say to the gentleman from Texas that I do not think there is any difficulty about the matter. It is merely a clarifying amendment. It is satisfactory to the gentleman from New York. I do not know anyone who opposes it, and it makes the bill say exactly what we want it to say.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from New York [Mr. FISH] may be again reported so that we may know exactly what we are passing upon.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FISH as a substitute to the amendment offered by the gentleman from New York: After the words "pay rolls" in line 10 insert: "on the particular project."

Mr. FISH. This leaves the language as it is in the present bill with the exception of the amendment I have offered. I do not think there is any objection to that.

Mr. STEAGALL. Mr. Chairman, I may say unless some member of the committee has a different view from myself, the amendment suggested by the gentleman from New York [Mr. FISH], who is now offering the substitute amendment is satisfactory.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. FISH].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH], as amended by the substitute.

The amendment, as amended by the substitute, was agreed to.

The Clerk read as follows:

FINANCIAL PROVISIONS

SEC. 17. The Authority shall have a capital stock of $1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipt for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26,000,000 for the fiscal year ending June 30, 1938, of which $1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this act until expended.

SEC. 19. Any funds available under any act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this act.

SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this act. The Authority may issue such obligations in an amount not to exceed $100,000,000 on or after the date of enactment of this act, an additional amount not to exceed $200,000,000 on or after July 1, 1938, and an additional amount not to exceed $200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding 60 years from date of issue, bear such rates of interest not exceeding 4 percent per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

(d) Not more than 10 percent of the funds provided for in this act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

Mr. FISH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 62, line 24, after the word "than" strike out "10" and insert "15."

Mr. FISH. Mr. Chairman, in the other branch the Wagner housing bill was adopted with a 20-percent maximum for any one State. The House committee reduced that to 10 percent. I am offering an amendment now to make it 15 percent as a matter of equity and justice.

Mr. Chairman, the prime reason for this bill is to take care of slum clearance in the large industrial centers of America, particularly New York, Detroit, Philadelphia, Pittsburgh, Chicago, and other cities. May I say to those Members who come from the farm districts that the city of New York, for example, that contributes over 30 percent of Federal taxes and where the need is the greatest for slum clearance, as the congestion is worse there, should at least be permitted to get 15 percent back.

I am sorry to say we have no Republicans from New York City. The same thing applies to Philadelphia, Pittsburgh, Detroit, and Chicago. The Democratic Members from New York City, Pittsburgh, and elsewhere have been voting for farm relief for flood control, for waterpower projects, for Dust Bowl relief, and almost everything that the farmers have been asking for. Therefore I say, as a matter of justice and fair dealing and sportsmanship the amendment I have offered ought to be adopted. This money should go where it is most needed. It is needed in the congested sections of the cities of New York, Detroit, Chicago, and Philadelphia more than anywhere else. Why should we limit this bill to 10 percent to any one State? The Senate put it at 20 percent. I offer the amendment as a fair compromise at 15 percent and I hope it will be agreed to.

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment. It is recognized by everybody that has given thought to this legislation that what we are doing now is only a beginning. It is impossible now to anticipate the developments and conditions that will confront the Authority in years to come in the administration of this act; and certainly for the time being, with the limited funds sup-

plied by this bill and the limited accomplishments that we might reasonably expect, there can be no harm in fixing a limit which will not allow any one State to have more than one-tenth of the sum that is to be distributed among 48 States.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. As I said this morning, of course I am opposed to the 10 percent. I am really opposed to the 20 percent. But this act is not going to be administered within 6 months or a year, so while I do not like the limitation and I do not like the "pork barrel" aspects of it, for the present I feel that matter will take care of itself. When the situation changes we will be back here, every Democrat will be back here for many years to come, and we can take care of the situation when it arises.

Mr. STEAGALL. I appreciate the gentleman's suggestions which are entirely in accord with the views of the Committee on Banking and Currency.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The amendment was rejected.

The Clerk read as follows:

PENALTIES

SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or makes any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 26. No individual, association, partnership, or corporation shall use the words "United States Housing Authority", or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding $1,000.

SEC. 27. Wherever the application of the provisions of this act conflicts with the application of the provisions of Public No. 837, approved June 29, 1936 (49 Stat. 2025), Public, No. 845, approved June 29, 1936 (49 Stat. 2035), or any other act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this act shall prevail.

SEC. 28. The President is hereby authorized to make available to the Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public, No. 307, 73d Cong.). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

Mr. KELLER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the section may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. KELLER].

Mr. RAMSPECK. Mr. Chairman, I object.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: After the period, in line 3, page 65, insert the following new paragraphs:

"Section 201 (a) of title II of the National Housing Act is amended by striking out the words 'not more than four' and inserting in lieu thereof the words 'one or more.'

"Section 203 (b) subsection (2) of title II of the National Housing Act is amended by striking out the word 'executed' and the period at the end of said subsection and inserting in lieu thereof the following: 'insured; or cover a multifamily dwelling and involve a principal obligation in excess of $16,000 but not in excess of $200,000 and not to exceed 80 percent of the appraised value of the property as of the date the mortgage is insured:'."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment. Enough of the amendment has been read so that it is apparent the proposed amendment is not germane to the purposes of this bill. It is beyond the purposes and scope of the bill before us, and I make the point of order it is not germane to the bill now under consideration.

The CHAIRMAN. Does the gentleman from North Caroline [Mr. HANCOCK] desire to be heard?

Mr. HANCOCK of North Carolina. Mr. Chairman, yes; I would like to be heard on the point of order.

Section 1 of S. 1685, as reported with an amendment by the Committee on Banking and Currency of the House of Representatives, is a declaration of policy.

First. It is declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income that are injurious to the health, safety, and morals of the citizens of the Nation.

The National Housing Act was enacted in part for precisely the same purposes. It is so stated in the preamble to the act where the declared policy of Congress is stated—

To encourage improvement in housing standards and conditions * * *.

Section 207 of the National Housing Act, which is proposed to be amended, authorizes the Federal Housing Administrator to insure mortgages held by Federal or State instrumentalities or municipal or corporate instrumentalities of one or more States formed for the purpose of providing housing for persons of low income. Under this section of the National Housing Act provision is made for the use of the credit of the United States—

To assist the several States and their political subdivisions * * * to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income.

The inclusion, therefore, of the proposed amendments in the Wagner-Steagall bill would seem to be entirely appropriate and germane because the proposed amendments deal with precisely the same situations as are dealt with by the Wagner-Steagall bill. It would be difficult to find two subjects more closely akin or more relevant to each other.

The enactment of the Wagner-Steagall bill would make it possible for "State instrumentalities, * * * or municipal corporate instrumentalities * * *" to obtain grants and loans from an agency of the Federal Government for the purpose of providing dwellings for persons of low income.

Under section 207 of the National Housing Act, which is proposed to be amended, "the several States and their political subdivisions" can now obtain from an agency of the Federal Government the credit of the United States for the purpose of providing housing for persons of low income. The transactions carried on pursuant to section 207 of the National Housing Act are completely described in the declaration of policy contained in the Wagner-Steagall bill, and the credit of the United States has actually been made available to a State agency for the purpose of providing housing for persons of low income through the insurance of a mortgage under section 207 of the National Housing Act.

Second. The announced purpose of the bill now before the House is to improve housing conditions and standards. This is precisely the purpose of the amendments to the National Housing Act in that the objective sought to be attained by the amendments is to clarify and liberalize the provisions of that act so as to more fully accomplish the purpose declared to be the original reason for the enactment of the National Housing Act which purpose was to improve housing conditions and standards.

Third. Another declared policy in the bill now before the House is to increase employment by the construction of new housing. This is one of the purposes which will be accomplished by these amendments, through the encouragement by use of the insurance scheme of the building with private capital of housing units throughout the country. In this respect, the operations under these amendments will supplement and not antagonize the operations under the bill now before the House and will reach a kind of building operations which is not reached by the present bill, but which nevertheless is clearly within the purposes sought to be accomplished by it.

These amendments will greatly increase the supply of housing and avert a housing shortage with the result of an exorbitant increase in rents and overcrowding. The building of new lost-cost housing projects under these amendments will release other more obsolete structures which can then be occupied by persons who require a lower rental.

Fourth. The primary purpose of the proposed amendments has been explained and has been shown to be closely akin, if not identical, to the purposes sought to be accomplished by the bill now before the House.

The proposed amendments that have to do with national mortgage associations which are authorized to be set up by title III of the National Housing Act, serve the purpose of perfecting the financial machinery appropriate for the accomplishment of the primary purpose, that is, the construction of adequate housing throughout the country.

Through the operations of these national mortgage associations in the sale of their debentures, the public is permitted to invest in these housing operations, and in this way millions of private funds now seeking investment can be utilized in the promotion of the general housing program.

Mr. WOLCOTT. Mr. Chairman, about the only thing the amendment and the bill have in common is that in the titles of the two bills the word "housing" is used. This amendment, which even changes the scope of the Federal Housing Authority, refers to an act which creates on the part of the Government an agency by which banks and other financial institutions of the country may have their loans insured. The bill before the committee is a bill providing for the creation of an authority not for the purpose of insuring loans but for the purpose of making grants or contributions for a specific and most definite purpose. The purpose of the bill before us (S. 1685) is to eliminate unsafe and insanitary housing conditions, to eradicate slums, to provide for decent, safe, and sanitary dwellings for families of low income, to reduce unemployment, and so forth. The Federal Housing Act had to do with insurance of loans without regard to sanitation, without regard to safety, and without regard to the income of the people who were to have their loans insured.

I think the Chairman has even today established a precedent for a ruling sustaining the point of order by sustaining the point of order made against the amendment offered by the gentleman from Pennsylvania.

In summary, Mr. Chairman, I submit the amendment offered is dissimilar in purpose to the pending bill, is not within the purpose and scope of the bill S. 1685, and, therefore, is not germane.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Missouri.

Mr. WILLIAMS. May I suggest, in addition to what has been stated on the point of order, that the National Housing Administration is an agency which insures private loans, and is simply to further private building. I call attention again to the fact that the pending bill is a public housing bill.

Mr. WOLCOTT. The point is very well taken.

Mr. WILLIAMS. The amendment is not germane to this bill.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from North Carolina offers an amendment to the pending bill which has been reported by the Clerk.

The Chair invites attention to the fact that the pending bill has for its express purpose the creation of a United States Housing Authority, to provide financial assistance to the States and political subdivisons thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, and so forth. The amendment offered by the gentleman from North Carolina seeks to amend section 201 (a), title II, of the National Housing Act, which is existing law, enacted for specific purposes therein stated and provided.

The Chair has rather hurriedly, but he feels adequately, examined several precedents which at least impress the Chair as being sufficiently near in point to be decisive of the pending question. Attention is invited to section 2967, volume 8, of Cannon's Precedents of the House, which reads as follows:

To a bill proposing to raise the price of agricultural products to a basis of comparative equality with the price of other commodities through the establishment of a Federal Farm Board authorized to promote effective marketing, an amendment proposing to raise agricultural prices through the authorization of export debentures on agricultural products was held not to be germane.

The Chair also invites attention to section 2978 of the same volume of Cannon's Precedents of the House of Representatives, which reads as follows:

One method of attaining an object is not germane to another method of attaining such object unless closely related.

To a bill providing for the distribution of coal by vesting in the Interstate Commerce Commission power to establish priorities, an amendment providing for distribution through governmental purchase was held not to be germane.

The Chair would also invite attention to a decision appearing at page 7180 of the CONGRESSIONAL RECORD under date of May 13, 1936, the second session of the Seventy-fourth Congress, as follows:

To a bill providing for the refinancing of agricultural indebtedness at a reduced rate of interest through the medium of the Farm Credit Administration, an amendment proposing the extension of agricultural credit at a lower rate of interest through an agricultural bank-note committee was held not germane.

The Chair believes that in view of these precedents and the further fact that the pending bill does not purport to amend the existing Federal Housing Act, the amendment here presented offers in effect a new subject not sought to be covered by the pending bill. Therefore, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 29. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 30. This act may be cited as the "United States Housing Act of 1937."

Mr. KELLER (interruptiong the reading of the section). Mr. Chairman, I ask unanimous consent that the further reading of the section be dispensed with.

Mr. RAMSPECK. I object, Mr. Chairman.

The Clerk concluded the reading of the section.

The Clerk concluded the reading of the committee amendment.

The CHAIRMAN. The question is on the committee amendment, as amended, to the Senate bill.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill

(S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, pursuant to House Resolution 320, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment is as follows:

Strike out all after the enacting clause and insert:

"DECLARATION OF POLICY

"SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

"DEFINITIONS

"SEC. 2. When used in this act—

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this act shall be available solely for families of citizens of the United States whose net income does not exceed four times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed five to one.

"(2) The term 'families of low income' means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

"(3) The term 'slum' means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

"(4) The term "slum clearance" means the demolition and removal of buildings from any slum area.

"(5) The term "development" means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

"(6) The term 'administration' means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

"(7) The term 'acquisition cost' means the amount prudently required to be expended by a public housing agency in acquiring or developing a low-rent-housing or slum-clearance project.

"(8) The term 'average family-dwelling-unit cost' means the average construction cost in a fiscal year of a dwelling unit based on all the dwelling units in all the projects for which the Authority has made loans, grants, or annual contributions during said fiscal year. The date of the first allotment of funds for a project shall be used to determine within which fiscal year such project is to be included for the purpose of ascertaining said average. In computing the average family-dwelling-unit cost there shall be excluded the cost of the land, demolition, and nondwelling facilities. The term 'nondwelling facilities' shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, sanitary utility and other facilities), and administrative, educational, recreational, and commercial facilities in the project.

"(9) The term 'going Federal rate of interest' means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of 10 years or more.

"(10) The term 'public housing agency' means any State, county, municipality or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

"(11) The term 'State' includes the States of the Union, the District of Columbia, and the Territories, dependencies and possessions of the United States.

"(12) The term 'Authority' means the United States Housing Authority created by section 3 of this act.

"UNITED STATES HOUSING AUTHORITY

"SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

"(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of 5 years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

"(c) The Administrator shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

"(d) An Advisory Board is hereby established in the Authority, which Board shall consist of nine members to be appointed by the President. The Board shall make recommendations to the Administrator on matters relating to the policies of the Authority, and shall meet upon call of the Administrator. The members of the Board shall receive no annual salary for their services on the Board, but may be paid necessary traveling expenses and reasonable per-diem compensation for services performed. In selecting members of the Board the President shall have due regard to representation of public housing, labor, construction, and other interests, and various geographical areas of the country.

"SEC. 4. (a) The Administrator is authorized without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation of such officers, attorneys, experts, and employees as may be necessary for the proper performance of the duties of the Authority under this act.

"(b) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services the Authority may make reasonable payments for necessary traveling and other expenses.

"(c) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this act.

"SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

"(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

"(c) The Authority shall have an official seal, which shall be judicially noticed.

"(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

"(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

"SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by

the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

"(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than $300.

"(c) The use of funds made available for the purposes of this act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this act shall contain a provision identical to the one prescribed in section 3 of title 3 of such act.

"(d) No annual contribution, grant, or loan, or contract for any annual contribution, grant, or loan of funds under this act shall be undertaken by the Authority except with the approval of the President.

"SEC. 7. In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

"SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

"LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

"SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 85 percent of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 85 percent of the development or acquisition cost of such project. Such loans shall be secured by a first and a paramount lien against such projects and the revenues derived therefrom, shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of 1 percent, and shall be repaid within such period not exceeding 60 years, as may be deemed advisable by the Authority.

"ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

"SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute at least 25 percent of the annual contributions herein provided in the form of cash or tax remissions, general or special, or tax exemptions. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing or slum-clearance project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project, except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to low-income families is so acute as to force dangerous overcrowding of such families.

"(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield at the going Federal rate of interest (at the time such contract is made) plus 1 percent upon the development or acquisition cost of the low-rent-housing or slum-clearance project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public-housing agency.

"(c) In case any contract for annual contributions is made for a period exceeding 20 years, the Authority shall reserve the right to reexamine the status of the low-rent housing project involved at the end of 10 years and every 5 years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding 60 years.

"(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

"(e) The Authority is authorized, on or after the date of the enactment of this act, to enter into contracts which provide for annual contributions aggregating not more than $5,000,000 per annum, on or after July 1, 1938, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

"CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

"SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however*, That no capital grant shall be made for the development of any low-rent housing or slum-clearance project involving the construction of new dwellings, unless arrangements satisfactory to the Authority are made for the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project, except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to low-income families is so acute as to force dangerous overcrowding of such families.

"(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent housing or slum-clearance project, which shall in no case exceed 25 percent of its development or acquisition cost.

"(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

"(d) The Authority is authorized, on or after the date of the enactment of this act, to make capital grants (pursuant to subsection (b) of this section) aggregating not more than $10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than $10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than $10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

"(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 percent of the development cost of the low-rent housing or slum-clearance project involved.

"(f) No capital grant pursuant to this section shall be made for any low-rent housing or slum-clearance project unless the public housing agency receiving such capital grants shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made or tax

remissions or tax exemptions) in an amount not less than 25 percent of its development or acquisition cost.

"DISPOSAL OF FEDERAL PROJECTS

"SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

"(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

"(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

"(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this act.

"(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

"GENERAL POWERS OF THE AUTHORITY

"SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent-housing project which it previously owned or in connection with which it has made a loan pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

"(b) The acquisition by the Authority of any real property pursuant to this act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (c), such jurisdiction and such rights are hereby fully restored.

"(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

"(d) The authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

"(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this act.

"SEC. 14. Subject to the specific limitations or standards in this act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this act. Any rule of law contrary to this provision shall be deemed inapplicable.

"SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this act will be achieved, it is hereby provided that—

"(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 percent per annum or to declare the unpaid principal on said loan due forthwith.

"(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 percent per annum or to declare the unpaid principal on said loan due forthwith.

"(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

"(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved.

"(5) With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials and economy will be promoted both in construction and administration and (b) that the average construction cost of the dwelling units (excluding land and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act. The Authority shall determine, in making loans, grants, or annual contributions for projects hereafter initiated, that, in each fiscal year, the average family-dwelling-unit cost (as herein defined) shall not exceed $5,000.

"SEC. 16. In order to protect labor standards—

"(1) The provisions of the act of August 30, 1935, entitled 'An act to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings' (49 Stat. 1011), and of the act of August 24, 1935, entitled 'An act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work' (U. S. C., 1934 edition, Sup. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of low-rent housing or slum-clearance projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the act of August 30, 1935, and section 3 of the act of August 24, 1935.

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

"(3) The act entitled 'An act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes', as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of low-rent-housing or slum-clearance projects.

"(4) The benefits of the act entitled 'An act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes' (39 Stat. 742), shall extend to officers and employees of the Authority.

"(5) The provisions of sections 1 and 2 of the act of June 13, 1934 (U. S. C., 1934 ed., title 40, secs. 276 (b) and 276 (c), shall

apply to any low-rent housing or slum-clearance project financed in whole or in part with funds made available pursuant to this act.

"(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within 5 days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"FINANCIAL PROVISIONS

"SEC. 17. The Authority shall have a capital stock of $1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipt for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

"SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26,000,000 for the fiscal year ending June 30, 1938, of which $1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this act until expended.

"SEC. 19. Any funds available under any act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this act.

"SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this act. The Authority may issue such obligations in an amount not to exceed $100,000,000 on or after the date of enactment of this act, an additional amount not to exceed $200,000,000 on or after July 1, 1938, and an additional amount not to exceed $200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding 60 years from date of issue, bear such rates of interest not exceeding 4 percent per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

"(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

"(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

"(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

"(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

"SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

"(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

"(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

"(d) Not more than 10 percent of the funds provided for in this act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

"PENALTIES

"SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

"SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or makes any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 26. No individual association, partnership, or corporation shall use the words 'United States Housing Authority', or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding $1,000.

"SEC. 27. Wherever the application of the provisions of this act conflicts with the application of the provisions of Public, No. 837, approved June 29, 1936 (49 Stat. 2025); Public, No. 845, approved June 29, 1936 (49 Stat. 2035); or any other act of the United States dealing with housing or slum clearance; or any Executive order, regulation, or other order thereunder, the provisions of this act shall prevail.

"SEC. 28. The President is hereby authorized to make available to the Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public, No. 307, 73d Cong.). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

"SEC. 29. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 30. This act may be cited as the 'United States Housing Act of 1937.'"

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

Mr. LUCE. Mr. Speaker, I present a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LUCE. I am.

The SPEAKER. The gentleman is a member of the commitee reporting the bill.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LUCE moves that the bill be recommitted to the committee with instructions to report the same back forthwith with the following amendment:

On page 39, strike out subsection (a) of section 4, and insert in lieu thereof the following:

"The Administrator is authorized, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, to employ and fix the compensation of such officers, attorneys, experts, and employees as may be necessary for the proper performance of the duties of the Authority under this act at salaries fixed in accordance with the Classification Act."

Mr. STEAGALL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts to recommit the bill.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. LUCE. Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The question was taken; and there were—yeas 140, nays 221, not voting 70, as follows:

[Roll No. 147]

YEAS—140

Allen, Ill.	Ellenbogen	Lord	Rutherford
Allen, Pa.	Engel	Lucas	Sauthoff
Amlie	Englebright	Luce	Schneider, Wis.
Andresen, Minn.	Ferguson	Luckey, Nebr.	Seger
Andrews	Fish	Ludlow	Shafer, Mich.
Arends	Fitzgerald	Luecke, Mich.	Shanley
Bates	Gearhart	McCormack	Sheppard
Bernard	Gehrmann	McLean	Short
Bigelow	Gifford	McMillan	Simpson
Boehne	Griswold	Magnuson	Smith, Conn.
Bolleau	Guyer	Mahon, Tex.	Smith, Wash.
Brewster	Gwynne	Mapes	Snell
Buck	Haines	Martin, Mass.	Stefan
Burdick	Halleck	Mason	Taber
Carlson	Hancock, N. Y.	Maverick	Tarver
Case, S. Dak.	Hartley	Mead	Taylor, Tenn.
Church	Havenner	Michener	Teigan
Citron	Hill, Wash.	Millard	Terry
Clason	Holmes	Mott	Thomas, N. J.
Cochran	Hope	O'Connell, Mont.	Thomason, Tex.
Coffee, Wash.	Houston	Oliver	Thompson, Ill.
Cole, N. Y.	Hull	O'Neill, N. J.	Thurston
Crawford	Jarrett	Pace	Tobey
Crosser	Jenkins, Ohio	Patterson	Towey
Crowther	Johnson, Lyndon	Pettengill	Treadway
Dingell	Johnson, Minn.	Powers	Voorhis
Dirksen	Kelly, N. Y.	Ramsay	Wadsworth
Disney	Kenney	Ramspeck	Welch
Ditter	Kinzer	Randolph	White, Ohio
Dockweiler	Knutson	Reece, Tenn.	Wigglesworth
Dondero	Kvale	Reed, Ill.	Withrow
Douglas	Lambertson	Rees, Kans.	Wolcott
Dowell	Lemke	Reilly	Wolfenden
Dunn	Lewis, Colo.	Rich	Woodruff
Eicher	Lewis, Md.	Rogers, Mass.	Woodrum

NAYS—221

Aleshire	Doxey	Keller	Pearson
Allen, Del.	Drew, Pa.	Kelly, Ill.	Peterson, Fla.
Anderson, Mo.	Drewry, Va.	Kennedy, Md.	Peterson, Ga.
Arnold	Driver	Kennedy, N. Y.	Pfeifer
Ashbrook	Duncan	Keogh	Phillips
Atkinson	Eberharter	Kerr	Quinn
Barry	Eckert	Kirwan	Rabaut
Beam	Edmiston	Kitchens	Rankin
Bell	Elliott	Kocialkowski	Richards
Biermann	Evans	Kopplemann	Rigney
Bloom	Faddis	Kramer	Robinson, Utah
Boland, Pa.	Farley	Lanham	Rogers, Okla.
Boren	Flannagan	Lanzetta	Romjue
Boykin	Flannery	Larrabee	Ryan
Boylan, N. Y.	Fleger	Lea	Sabath
Bradley	Fletcher	Leavy	Sacks
Brooks	Forand	Lesinski	Sadowski
Brown	Ford, Calif.	Long	Sanders
Buckler, Minn.	Ford, Miss.	McAndrews	Schaefer, Ill.
Burch	Frey, Pa.	McFarlane	Schuetz
Byrne	Fries, Ill.	McGehee	Schulte
Caldwell	Fuller	McGranery	Secrest
Cannon, Mo.	Garrett	McGrath	Shannon
Cartwright	Gavagan	McKeough	Smith, Va.
Casey, Mass.	Gildea	McLaughlin	Snyder, Pa.
Celler	Gingery	McSweeney	South
Champion	Goldsborough	Mahon, S. C.	Sparkman
Chandler	Gray, Pa.	Maloney	Spence
Chapman	Green	Mansfield	Stack
Clark, N. C.	Greenwood	Martin, Colo.	Starnes
Claypool	Greever	Massingale	Steagall
Coffee, Nebr.	Gregory	May	Sumners, Tex.
Colden	Griffith	Merritt	Sutphin
Cole, Md.	Hancock, N. C.	Miller	Sweeney
Collins	Harrington	Mills	Swope
Colmer	Hart	Mitchell, Tenn.	Taylor, S. C.
Cooley	Harter	Moser, Pa.	Thom
Cooper	Healey	Mosier, Ohio	Thomas, Tex.
Costello	Hendricks	Murdock, Ariz.	Tolan
Cox	Hennings	Murdock, Utah	Transue
Cravens	Higgins	Nichols	Turner
Creal	Hildebrandt	Norton	Umstead
Crowe	Hill, Okla.	O'Brien, Ill.	Vincent, B. M.
Cullen	Honeyman	O'Brien, Mich.	Wallgren
Curley	Hook	O'Connell, R. I.	Wearin
Daly	Hunter	O'Connor, Mont.	Weaver
Deen	Imhoff	O'Connor, N. Y.	Wene
Delaney	Izac	O'Day	West
Dempsey	Jacobsen	O'Leary	Whelchel
DeMuth	Jarman	O'Malley	Whittington
DeRouen	Jenckes, Ind.	O'Toole	Wilcox
Dickstein	Johnson, Luther A.	Owen	Williams
Dies	Johnson, Okla.	Parsons	Wolverton
Dixon	Johnson, W. Va.	Patrick	Wood
Dorsey	Kee	Patton	Zimmerman
			The Speaker

NOT VOTING—70

Allen, La.	Bland	Carter	Cummings
Bacon	Boyer	Clark, Idaho	Doughton
Barden	Buckley, N. Y.	Cluett	Eaton
Beiter	Bulwinkle	Crosby	Fernandez
Binderup	Cannon, Wis.	Culkin	Fitzpatrick
Fulmer	Kloeb	Palmisano	Smith, Maine
Gambrill	Kniffin	Patman	Smith, W. Va.
Gasque	Lambeth	Pierce	Somers, N. Y.
Gilchrist	Lamneck	Plumley	Sullivan
Gray, Ind.	McClellan	Poage	Taylor, Colo.
Hamilton	McGroarty	Polk	Tinkham
Harlan	McReynolds	Rayburn	Vinson, Fred M.
Hill, Ala.	Maas	Reed, N. Y.	Vinson, Ga.
Hobbs	Meeks	Robertson	Walter
Hoffman	Mitchell, Ill.	Robsion, Ky.	Warren
Jenks, N. H.	Mouton	Scott	White, Idaho
Jones	Nelson	Scrugham	
Kleberg	O'Neal, Ky.	Sirovich	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BANKHEAD and he answered "no."

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York (for) with Mr. Patman (against).
Mr. Robertson (for) with Mr. McReynolds (against).
Mr. Cluett (for) with Mr. Sullivan (against).
Mr. Hoffman (for) with Mr. Beiter (against).
Mr. Kleberg (for) with Mr. Boyer (against).
Mr. Lamneck (for) with Mr. Hobbs (against).
Mr. Smith of Maine (for) with Mr. Vinson of Georgia (against).
Mr. Binderup (for) with Mr. Gray of Indiana (against).
Mr. Bacon (for) with Mr. Scott (against).

General pairs until further notice:

Mr. Rayburn with Mr. Carter.
Mr. Warren with Mr. Eaton.
Mr. Doughton with Mr. Plumley.
Mr. Bland with Mr. Tinkham.
Mr. Fred M. Vinson with Mr. Maas.
Mr. Meeks with Mr. Culkin.
Mr. Taylor of Colorado with Mr. Gilchrist.
Mr. Hill of Alabama with Mr. Jenks of New Hampshire.
Mr. Lambeth with Mr. Walter.
Mr. McClellan with Mr. Poage.
Mr. Scrugham with Mr. Crosby.
Mr. Bulwinkle with Mr. Barden.
Mr. Palmisano with Mr. Mouton.
Mr. Cummings with Mr. O'Neal of Kentucky.
Mr. Somers of New York with Mr. Polk.
Mr. Kniffin with Mr. White of Idaho.
Mr. Jones with Mr. Smith of West Virginia.
Mr. Fulmer with Mr. Buckley.
Mr. Pierce with Mr. Allen of Louisiana.
Mr. Fitzpatrick with Mr. Hamilton.
Mr. Gasque with Mr. Fernandez.
Mr. Harlan with Mr. Clark of Idaho.

Mr. EICHER changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HANCOCK of North Carolina. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from North Carolina demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] One hundred and fifteen Members have risen, a sufficient number, and the yeas and nays were ordered.

The question was taken; and there were—yeas 275, nays 86, not voting 70, as follows:

[Roll No. 148]

YEAS—275

Aleshire	Burdick	Daly	Evans
Allen, Del.	Byrne	Deen	Faddis
Allen, Ill.	Cannon, Mo.	Delaney	Farley
Allen, Pa.	Cartwright	Dempsey	Ferguson
Amlie	Casey, Mass.	DeMuth	Fish
Anderson, Mo.	Celler	DeRouen	Fitzgerald
Arnold	Champion	Dickstein	Flannagan
Ashbrook	Chandler	Dies	Flannery
Atkinson	Chapman	Dingell	Fleger
Barry	Church	Dirksen	Fletcher
Beam	Citron	Disney	Forand
Beiter	Clark, Idaho	Dixon	Ford, Calif.
Bell	Claypool	Dockweiler	Frey, Pa.
Bernard	Cochran	Dondero	Fries, Ill.
Bigelow	Coffee, Wash.	Dorsey	Gavagan
Bloom	Colden	Dowell	Gearhart
Boehne	Cole, Md.	Drew, Pa.	Gehrmann
Bolleau	Collins	Driver	Gildea
Boland, Pa.	Cooper	Duncan	Gingery
Boren	Costello	Dunn	Goldsborough
Boykin	Cravens	Eberharter	Gray, Pa.
Boylan, N. Y.	Creal	Eckert	Green
Bradley	Crosser	Edmiston	Greenwood
Brooks	Crowe	Eicher	Greever
Brown	Crowther	Ellenbogen	Gregory
Buck	Cullen	Elliott	Griffith
Buckler, Minn.	Curley	Engel	Griswold

Haines	Kvale	O'Brien, Mich.	Smith, Conn.
Hancock, N. Y.	Lanzetta	O'Connell, Mont.	Smith, Wash.
Harrington	Larrabee	O'Connell, R. I.	Snyder, Pa.
Hart	Lea	O'Connor, Mont.	Somers, N. Y.
Harter	Leavy	O'Connor, N. Y.	South
Hartley	Lemke	O'Day	Sparkman
Havenner	Lesinski	O'Leary	Spence
Healey	Lewis, Colo.	O'Malley	Stack
Hendricks	Lewis, Md.	O'Neill, N. J.	Starnes
Hennings	Long	O'Toole	Steagall
Higgins	Lucas	Pace	Sumners, Tex.
Hildebrandt	Ludlow	Parsons	Sutphin
Hill, Okla.	Luecke, Mich.	Patrick	Swope
Hill, Wash.	McAndrews	Patterson	Teigan
Honeyman	McClellan	Peterson, Fla.	Terry
Hook	McCormack	Pettengill	Thom
Houston	McFarlane	Pfeifer	Thomas, Tex.
Hull	McGranery	Phillips	Thomason, Tex.
Hunter	McGrath	Powers	Thompson, Ill.
Imhoff	McKeough	Quinn	Tolan
Izac	McLaughlin	Rabaut	Towey
Jacobsen	McSweeney	Ramsay	Transue
Jarman	Magnuson	Ramspeck	Umstead
Jenckes, Ind.	Maloney	Randolph	Vincent, B. M.
Jenkins, Ohio	Mansfield	Reed, Ill.	Vinson, Fred M.
Johnson, Lyndon	Mapes	Reilly	Voorhis
Johnson, Minn.	Martin, Colo.	Rigney	Wallgren
Johnson, Okla.	Mason	Robinson, Utah	Walter
Johnson, W. Va.	Massingale	Rogers, Okla.	Wearin
Kee	Maverick	Romjue	Weaver
Keller	Mead	Ryan	Welch
Kelly, Ill.	Merritt	Sabath	Wene
Kelly, N. Y.	Millard	Sacks	West
Kennedy, Md.	Miller	Sadowski	Wilcox
Kennedy, N. Y.	Mills	Sauthoff	Williams
Kenney	Moser, Pa.	Schaefer, Ill.	Withrow
Keogh	Mosier, Ohio	Schuetz	Wolcott
Kerr	Mott	Schulte	Wolverton
Kirwan	Murdock, Ariz.	Secrest	Wood
Kocialkowski	Murdock, Utah	Seger	Zimmerman
Kopplemann	Norton	Shanley	The Speaker
Kramer	O'Brien, Ill.	Shannon	

NAYS—86

Andrews	Gifford	Martin, Mass.	Simpson
Arends	Guyer	May	Snell
Bates	Gwynne	Michener	Stefan
Biermann	Halleck	Mitchell, Tenn.	Taber
Brewster	Hancock, N. C.	Nichols	Tarver
Caldwell	Holmes	Oliver	Taylor, S. C.
Carlson	Hope	Owen	Taylor, Tenn.
Clason	Jarrett	Patton	Thomas, N. J.
Coffee, Nebr.	Johnson, Luther A.	Pearson	Thurston
Cole, N. Y.	Kinzer	Peterson, Ga.	Tobey
Colmer	Kitchens	Polk	Treadway
Cooley	Knutson	Rankin	Turner
Cox	Lambertson	Reece, Tenn.	Wadsworth
Crawford	Lanham	Rees, Kans.	Whelchel
Ditter	Lord	Rich	White, Ohio
Douglas	Luce	Richards	Whittington
Doxey	Luckey, Nebr.	Rogers, Mass.	Wigglesworth
Drewry, Va.	McGehee	Rutherford	Wolfenden
Englebright	McLean	Sanders	Woodruff
Ford, Miss.	McMillan	Shafer, Mich.	Woodrum
Fuller	Mahon, S. C.	Sheppard	
Garrett	Mahon, Tex.	Short	

NOT VOTING—70

Allen, La.	Doughton	Kniffin	Robertson
Andresen, Minn.	Eaton	Lambeth	Robsion, Ky.
Bacon	Fernandez	Lamneck	Schneider, Wis.
Barden	Fitzpatrick	McGroarty	Scott
Binderup	Fulmer	McReynolds	Scrugham
Bland	Gambrill	Maas	Sirovich
Boyer	Gasque	Meeks	Smith, Maine
Buckley, N. Y.	Gilchrist	Mitchell, Ill.	Smith, Va.
Bulwinkle	Gray, Ind.	Mouton	Smith, W. Va.
Burch	Hamilton	Nelson	Sullivan
Cannon, Wis.	Harlan	O'Neal, Ky.	Sweeney
Carter	Hill, Ala.	Palmisano	Taylor, Colo.
Case, S. Dak.	Hobbs	Patman	Tinkham
Clark, N. C.	Hoffman	Pierce	Vinson, Ga.
Cluett	Jenks, N. H.	Plumley	Warren
Crosby	Jones	Poage	White, Idaho
Culkin	Kleberg	Rayburn	
Cummings	Kloeb	Reed, N. Y.	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BANKHEAD, and he answered "aye."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Patman (for) with Mr. Reed of New York (against).
Mr. McReynolds (for) with Mr. Robertson (against).
Mr. Sullivan (for) with Mr. Cluett (against).
Mr. Boyer (for) with Mr. Kleberg (against).
Mr. Hobbs (for) with Mr. Lamneck (against).
Mr. Vinson of Georgia (for) with Mr. Smith of Maine (against).
Mr. Culkin (for) with Mr. Hoffman (against).

Additional general pairs:

Mr. Burch with Mr. Andresen of Minnesota.
Mr. Nelson with Mr. Robsion of Kentucky.
Mr. Smith of Virginia with Mr. Case of South Dakota.
Mr. Clark of North Carolina with Mr. Schneider of Wisconsin.
Mr. Gambrill with Mr. Bacon.
Mr. Sweeney with Mr. Maas.
Mr. Bland with Mr. Tinkham.
Mr. Doughton with Mr. Plumley.
Mr. Hill of Alabama with Mr. Jenks of New Hampshire.
Mr. Warren with Mr. Eaton.
Mr. Rayburn with Mr. Carter.
Mr. Taylor of Colorado with Mr. Gilchrist.

Mr. KITCHENS changed his vote from "aye" to "no."

Mr. SHAFER of Michigan changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONSERVATION OF HELIUM GAS

Mr. DRIVER, from the Committee on Rules, submitted the following resolution (H. Res. 323, Rept. No. 1595) on the bill (S. 1567) authorizing the conservation, production, exportation, and sale of helium gas, for printing in the RECORD:

House Resolution 323

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1567, an act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENDING THE CIVIL SERVICE ADMINISTRATION

Mr. MEAD, from the Select Committee on Government Organization, submitted a privileged report on the bill (H. R. 8277, Rept. 1587) to establish a Civil Service Administration, to extend the merit system, to extend the Classification Act of 1923, and for other purposes, which was referred to the Union Calendar and ordered printed.

STAMP TAX ON STEAMSHIP TICKETS BETWEEN UNITED STATES AND PUERTO RICO

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1481) to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. SNELL. Mr. Speaker, reserving the right to object, it was understood no more business would come up here tonight. I told a great many Members they could go home after this roll call. I understood a motion to adjourn would come immediately.

Mr. THOMPSON of Illinois. This is a unanimous report from the Committee on Ways and Means.

Mr. SNELL. We will have plenty of time tomorrow.

The SPEAKER. The Chair will recognize the gentleman tomorrow if objection is made.

Mr. SNELL. Mr. Speaker, I object.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4277. An act to provide for the extension of certain prospecting permits, and for other purposes;

H. R. 6563. An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a real estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes;

H. R. 7909. An act to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to

amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes; and

H. J. Res. 363. Joint resolution to authorize an additional appropriation to further the work of the United States Constitutional Sesquicentennial Commission.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1283. An act to increase the extra pay to enlisted men for reporting; and

S. 2281. An act to regulate proceedings in adoption in the District of Columbia.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4277. An act to provide for the extension of certain prospecting permits, and for other purposes.

H. R. 7909. An act to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes; and

H. J. Res. 363. Joint resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission.

ADJOURNMENT

Mr. O'CONNOR of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Thursday, August 19, 1937, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MEAD: Select Committee on Government Organization. H. R. 8277. A bill to establish the Civil Service Administration, to extend the merit system, to extend the Classification Act of 1923, and for other purposes; without amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the state of the Union.

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. H. R. 7869. A bill to define certain units and to fix the standards of weights and measures of the United States; with amendment (Rept. No. 1588). Referred to the House Calendar.

Mr. GRISWOLD: Committee on Flood Control. H. R. 6560. A bill to authorize a modification of the project for the control of floods in Lowell Creek, Alaska; without amendment (Rept. No. 1594). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARLAN: Committee on Rules. House Resolution 323. A resolution providing for the consideration of S. 1567; without amendment (Rept. No. 1595). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COFFEE of Washington: Committee on Claims. H. R. 3648. A bill for the relief of the K. E. Parker Co.; with amendment (Rept. No. 1589). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 6296. A bill for the relief of Dr. A. C. Antony and others; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6370. A bill for the relief of Joseph Calarese; with amendment (Rept. No. 1591). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2699. An act for the relief of Max D. Ordman; without amendment (Rept. No. 1592). Referred to the Committee of the Whole House.

Mr. LESINSKI. Committee on Invalid Pensions. H. R. 8280. A bill granting pension to a soldier, and pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers and sailors of the Civil War; without amendment (Rept. No. 1593). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRED M. VINSON: A bill (H. R. 8276) to amend the Budget and Accounting Act of 1921, to establish the Office of Auditor General of the United States, and for other purposes; to the Select Committee on Government Organization.

By Mr. MEAD: A bill (H. R. 8277) to establish the Civil Service Administration, to extend the merit system, to extend the Classification Act of 1923, and for other purposes; to the Select Committee on Government Organization.

By Mr. MAY (by request): A bill (H. R. 8278), to provide for the exploitation of oil, gas, and other minerals on the lands comprising the Barksdale Field Military Reservation, La.; to the Committee on Military Affairs.

By Mr. VOORHIS: A bill (H. R. 8279) to amend the Social Security Act to provide for aid to transients; to the Committee on Ways and Means.

By Mr. DREWRY of Virginia: A bill (H. R. 8281) authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes; to the Committee on Naval Affairs.

By Mr. MAVERICK: A bill (H. R. 8282) creating a United States Unemployment Commission to investigate the problem of unemployment in the United States, and for other purposes; to the Committee on Labor.

By Mr. WIGGLESWORTH: Resolution (H. Res. 321) requesting the Federal Communications Commission to transmit to the House of Representatives all information regarding any member, agent, or employee of the Commission financially interested in the manufacture or sale of any radio appliances; to the Committee on Interstate and Foreign Commerce.

By Mr. SHANNON: Resolution (H. Res. 322) to adjust the pay of employees of the House restaurant; to the Committee on Accounts.

By Mr. ELLENBOGEN: Joint resolution (H. J. Res. 492) proposing an amendment to the Constitution of the United States providing for a term of 4 years for Representatives in Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. McCORMACK: Joint resolution (H. J. Res. 493) consenting to an interstate compact relating to flood control in the Connecticut River Valley; to the Committee on Flood Control.

Also, joint resolution (H. J. Res. 494) consenting to an interstate compact relating to flood control in the Merrimack River Valley; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severallly referred as follows:

By Mr. EDMISTON: A bill (H. R. 8283) granting a pension to Rachel Melvina Ann Campbell Frum; to the Committee on Invalid Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 8284) for the relief of Anthony O'Hara; to the Committee on Claims.

By Mr. HENDRICKS: A bill (H. R. 8285) granting a pension to Bessie Hall; to the Committee on Invalid Pensions.

By Mr. O'CONNOR of Montana: A bill (H. R. 8286) for the relief of Bessie C. Baker and Aaron Noah Baker; to the Committee on Claims.

By Mr. POAGE: A bill (H. R. 8287) for the relief of Mrs. Neal Bassel; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3295. By Mr. CLASON: Petition of Giles W. Halladay, Herman A. Cordes, and Rocco Cascella, members of the Board of Selectmen of the Town of Agawam, Mass., requesting the consent of Congress to the ratification of the Connecticut River flood-control compact as entered into by the States of New Hampshire, Vermont, Rhode Island, and Massachusetts; to the Committee on Flood Control.

3296. By Mr. COLDEN: Petition of 71 citizens of Los Angeles County, Calif., urging the enactment of House bill 6587, providing for the transfer of all positions under collectors of internal revenue (including the collectors) to the classified civil service; to the Committee on the Civil Service.

3297. By Mr. CURLEY: Petition of Local 802, American Federation of Musicians, Associated Musicians of Greater New York, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3298. By Mr. MOTT: Petition of Ray F. Sloneker and 26 other citizens of Medford, Oreg., protesting against the enactment of House Joint Resolution 285; to the Committee on the Library.

3299. By Mr. THURSTON: Petition of members of the Woman's Missionary Society of the Methodist Church of Cedar, Iowa, urging legislation to take the profits out of war and opposing any offensive war by proper methods; to the Committee on Military Affairs.

3300. By the SPEAKER: Petition of the American Radio Telegraphists Association, New York, N. Y., concerning Black-Connery bill, which would establish minimum wages and maximum hours of work; to the Committee on Labor.

SENATE

THURSDAY, AUGUST 19, 1937

(Legislative day of Monday, Aug. 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, August 18, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws.

The message also announced that the House had passed the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1283. An act to increase the extra pay to enlisted men for reporting;

S. 2281. An act to regulate proceedings in adoption in the District of Columbia; and

H. R. 6563. An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes.

CALL OF THE ROLL

Mr. LEWIS. As we are entering upon the serious consideration of the tax bill and need a quorum, I suggest the absence of one, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Colo.	Radcliffe
Andrews	Connally	King	Reynolds
Ashurst	Copeland	La Follette	Schwartz
Austin	Davis	Lewis	Schwellenbach
Bankhead	Dieterich	Lodge	Sheppard
Barkley	Donahey	Logan	Shipstead
Berry	Ellender	Lonergan	Smathers
Bilbo	George	Lundeen	Smith
Bone	Gerry	McAdoo	Steiwer
Borah	Gillette	McGill	Thomas, Okla.
Bridges	Glass	McKellar	Thomas, Utah
Brown, Mich.	Green	Minton	Townsend
Brown, N. H.	Guffey	Moore	Truman
Bulkley	Hale	Murray	Van Nuys
Bulow	Harrison	Neely	Wagner
Burke	Hatch	Nye	Walsh
Byrd	Herring	O'Mahoney	Wheeler
Byrnes	Hitchcock	Overton	White
Capper	Holt	Pepper	
Caraway	Hughes	Pittman	
Chavez	Johnson, Calif.	Pope	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Connecticut [Mr. MALONEY], and the Senator from Nevada [Mr. MCCARRAN] are absent because of illness.

The Senator from Maryland [Mr. TYDINGS] and the Senator from Oklahoma [Mr. LEE] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in connection with the dedication of the battle monuments in France, having been appointed a member of the commission to attend those ceremonies.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

HUGO L. BLACK

Mr. BANKHEAD. Mr. President, yesterday I put some telegrams in the RECORD having reference to the appointment of my colleague [Mr. BLACK] to be an Associate Justice of the Supreme Court of the United States. I desire this morning to place in the RECORD a telegram from the president of Tuskegee Institute, Ala., the leading colored institute or college of this country. I will read the telegram, which is addressed to Senator HUGO L. BLACK:

TUSKEGEE INSTITUTE, ALA., *August 18, 1937.*

Senator HUGO L. BLACK:

Tuskegee Institute joins with your many friends in Alabama and over the Nation at large in congratulating you upon the signal honor bestowed upon you in your election to the highest tribunal of the Nation. We wish for you every success.

F. D. PATTERSON, *President.*

Mr. Patterson, president of the institute, of course, is well known to be a colored man.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 113)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1938 (Bureau of

Reclamation; Cabinet Gorge project, Idaho), amounting to $25,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DISTRICT OF COLUMBIA (S. DOC. NO. 114)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia, fiscal year 1938 (survey of tax structure, District of Columbia), amounting to $5,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION (S. DOC. NO. 115)

The VICE PRESIDENT laid before the Senate a supplemental estimate of appropriation for the United States Constitution Sesquicentennial Commission, amounting to $275,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate seven letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Treasury Department, the Navy Department, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Veterans' Administration, and the United States Employees' Compensation Commission, that are not needed in the conduct of business and have no permanent value or historical interest, and suggesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. MCKELLAR members of the committee on the part of the Senate.

PUBLIC-SCHOOL BUILDING AT WORLEY, IDAHO

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2862) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho, which was, on page 1, line 5, to strike out "$101,000" and insert "$30,000."

Mr. BORAH. I move that the Senate concur in the House amendment.

The motion was agreed to.

REIMBURSEMENT OF ENLISTED MEN OF THE NAVY

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2647) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937, which was, on page 1, line 6, to strike out "$545.75" and insert "$667.80."

Mr. WALSH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LOW-COST HOUSING

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

Mr. WALSH. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WALSH, Mr. COPELAND, Mr. THOMAS of Utah, Mr. BORAH, and Mr. LA FOLLETTE managers on the part of the Senate at the conference.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the memorial of the committee on activity, Sons of the Revolution, signed by its chairman and also by officers and members of sundry patriotic and other organizations, remonstrating against the enactment of legislation to reorganize the Federal judiciary, which was referred to the Committee on the Judiciary.

Mr. COPELAND presented petitions of sundry citizens of New York City and Brooklyn and vicinity, New York, praying for the enactment of the bill (H. R. 7948) providing for the promotion of employees in the customs field service, which were referred to the Committee on Finance.

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to abolish the Federal Reserve System as at present constituted, and also praying that Congress exercise its constitutional right to coin money and regulate the value thereof, which were referred to the Committee on Banking and Currency.

He also presented resolutions endorsed by the selectmen of Easthampton and Wilbraham, Mass., favoring the prompt approval and ratification, without amendment, of the Connecticut River interstate flood control compact, so that immediate construction of impounding reservoirs may be possible, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 2985) for the relief of John F. Fahey, United States Marine Corps, retired, reported it without amendment and submitted a report (No. 1263) thereon.

He also, from the same committee, to which was referred the bill (S. 2963) authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes, reported it without amendment and submitted a report (No. 1271) thereon.

He also, from the Committee on Finance, to which was referred the bill (H. R. 7948) providing for the promotion of employees in the customs field service, reported it without amendment and submitted a report (No. 1277) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2825) to enable the Department of Agriculture to prevent the spread of pullorum and other diseases of poultry and to cooperate with official State agencies in the administration of the National Poultry Improvement Plan, and for other purposes, reported it with an amendment and submitted a report (No. 1264) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5639. A bill for the relief of Henrietta Wills (Rept. No. 1265);

H. R. 5768. A bill for the relief of Mary Louise Chambers, a minor (Rept. No. 1266);

H. R. 5846. A bill for the relief of Carolina Maldonado (Rept. No. 1267);

H. R. 5912. A bill for the relief of Judd & Detweiler, Inc. (Rept. No. 1268); and

H. R. 5989. A bill for the relief of J. L. Myers (Rept. No. 1269).

Mr. SCHWARTZ also, from the Committee on Claims, to which was referred the bill (H. R. 5871) for the relief of Ralph B. Sessoms, reported it with an amendment and submitted a report (No. 1270) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4399. A bill authorizing payment for certain lands appropriated by the United States, and for other purposes (Rept. No. 1272);

H. R. 4539. A bill authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation (Rept. No. 1273); and

H. R. 6042. A bill making further provision with respect to the funds of the Metlakahtla Indians of Alaska (Rept. No. 1274).

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (H. R. 7867) to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming, reported it without amendment.

THIRD DEFICIENCY APPROPRIATIONS—REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. ADAMS subsequently, from the Committee on Appropriations, to which was referred the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, reported it with amendments and submitted a report (No. 1276) thereon.

INVESTIGATION OF EXECUTIVE AGENCIES OF THE GOVERNMENT (S. REPT. NO. 1275)

Mr. BYRD. Mr. President, as chairman of the Senate Select Committee to Investigate the Executive Agencies of the Government, I submit and ask to have printed in the RECORD a preliminary report from that committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

The Select Committee to Investigate the Executive Agencies of the Government was created under Senate Resolution 217, Seventy-fourth Congress, passed February 24, 1936, "to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished or the personnel thereof reduced."

The committee was directed to report to the Seventy-fifth Congress, and from time to time thereafter, the results of its investigations, together with its recommendations, if any, for necessary legislation.

The committee proceeded to its assignment with an attitude of looking before leaping into a task of such magnitude. It retained the Brookings Institution, in conjunction with the President's committee on administrative management and the committee on reorganization of the House of Representatives, to make a functional and fact-finding survey of the agencies of the Government. The Brookings Institution recently completed that survey and submitted it to the committee in the form of a report of more than 500,000 words.

The Brookings Institution incorporated in the report its own observations and conclusions for the benefit of the committee. This committee has not had the time sufficient to study and digest the report. Therefore, at this time it wishes neither to accept nor reject the conclusions reached or the recommendations suggested by the Brookings Institution. The committee proposes to continue its careful study of the report and to report further from time to time in accordance with the resolution.

However, the committee is pleased to submit the report of the Brookings Institution in its entirety, with the understanding that the observations, conclusions, and recommendations therein contained are not to be construed as committee recommendations, and that they are not necessarily the sense or views of the committee as a whole, or any member thereof, and ask leave to have the report printed for the purposes of general information and reference for Members of the Senate and the House of Representatives and the public generally.

The committee, in compliance with the terms of the resolution, proposes to continue its study of the agencies and their relationships by further analysis of the Brookings Institution report and further study at other sources of information and report its findings.

The committee takes this opportunity to inform the Senate that it plans a further and detailed and exhaustive study of the personnel of the executive agencies of the Government, as directed by the resolution, and to report to the Senate, as a separate phase of its work, its findings and recommendations in this tremendous and engaging field.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 2987) for the relief of H. B. Van Brunt; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 2988) for the relief of Ida L. Holland; to the Committee on Claims.

By Mr. COPELAND (by request):

A bill (S. 2989) to provide a new fiscal policy for the District of Columbia; to the Committee on the District of Columbia.

By Mr. WAGNER:

A bill (S. 2990) to provide additional stimulation to the financing of housing construction through private means, to increase the supply of moderate-priced rental housing, to increase employment in the building trades and related occupations, to amend the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 212) to investigate the claims against the United States of certain members of the Wisconsin Band of Pottawatomie Indians; to the Committee on Indian Affairs.

A joint resolution (S. J. Res. 213) transferring the State of Oklahoma from region 3 to region 4 for the purposes of the Works Progress Administration; to the Committee on Appropriations.

CHANGES OF REFERENCE

Mr. ASHURST. Mr. President, on August 17 instant the bill (H. R. 1485) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes", which deals with the judicial power of Puerto Rico and creates an additional judgeship in Puerto Rico, was referred to the Committee on Territories and Insular Affairs. I ask unanimous consent that the Committee on Territories and Insular Affairs be discharged from the further consideration of the bill and that it be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, the change of reference will be made.

On motion by Mr. BARKLEY, the Committee on the Library was discharged from the further consideration of the joint resolution (S. J. Res. 204) authorizing the President to issue a proclamation with respect to commemoration of the four hundredth anniversary of the journey and explorations of Coronado in western America, and it was referred to the Committee on Foreign Relations.

HEARINGS BEFORE COMMITTEE ON INTEROCEANIC CANALS

Mr. CLARK submitted the following resolution (S. Res. 183), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interoceanic Canals, or any subcommittee thereof, hereby is authorized during the Seventy-fifth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

INVESTIGATION PERTAINING TO COURTS IN PUERTO RICO

Mr. BURKE submitted the following resolution (S. Res. 184), which was referred to the Committee on the Judiciary:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, hereby is authorized to investigate the advisability of amending section 40 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", as proposed in H. R. 1485, Seventy-fifth Congress.

For the purposes of this resolution the committee or subcommittee is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Seventy-fifth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to employ such clerical and other assistance, and to make such other expenditures as it deems advisable. The cost of steno-

graphic services to report such hearings shall not exceed 25 cents per hundred words. The expenses of the committee, which shall not exceed $2,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ADDITIONAL MESSENGER, SENATE PRESS GALLERY

Mr. BYRNES submitted the following resolution (S. Res. 185), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Sergeant at Arms hereby is authorized to continue until January 2, 1938, the employment of an additional messenger for service to press correspondents, to be paid from the contingent fund of the Senate at the rate of $1,440 per annum, as authorized by Resolution No. 236, Seventy-fourth Congress, agreed to February 20, 1936.

PERMANENT DISCOUNT AND PURCHASE SYSTEM FOR REAL-ESTATE MORTGAGES

Mr. WAGNER submitted the following resolution (S. Res. 186), which was referred to the Committee on Banking and Currency:

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the desirability of providing, through the establishment of a Federal mortgage bank or otherwise, a permanent discount and purchase system for mortgages on urban real estate, with a view to easing mortgage credit, stabilizing mortgage practices, and assisting in the reestablishment of a normal mortgage market. The committee so appointed shall report to the Senate, at the beginning of its next session, the results of its investigation together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fifth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORTS OF DISTRICT PUBLIC-UTILITY COMPANIES

Mr. KING. Mr. President, under the law the various public-utility companies in the District of Columbia are required to submit annual reports. I present the reports of the various utility organizations, and ask that they be printed as usual.

The VICE PRESIDENT. Without objection, it is so ordered.

The request of Mr. KING was reduced to writing and entered in the form of an order, as follows:

Ordered, That the annual reports of the following-named public-utility companies in the District of Columbia for the year ended December 31, 1936, heretofore transmitted to the Senate, be printed as a Senate document: Capital Traction Co.; Chesapeake & Potomac Telephone Co.; Georgetown Barge, Dock, Elevator & Railway Co.; Potomac Electric Power Co.; Washington Gas Light Co.; and Washington Railway & Electric Co.

NOTICE OF MOTION TO SUSPEND RULES

Mr. BYRNES submitted the following notice, which was read:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI, for the purpose of proposing to the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, the following amendment, viz, at the proper place to insert the following:

"Notwithstanding any other provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution No. 207, Seventy-fifth Congress. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the 10 spot cotton markets on the dates of sale of such cotton. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture."

STATEMENT OF APPROPRIATIONS, FIRST SESSION, SEVENTY-FIFTH CONGRESS

Mr. GLASS. Mr. President, it is customary at the end of each session of Congress to present for the RECORD a comparative statistical statement of appropriations. I desire now to have inserted in the body of the RECORD two statements compiled by the clerks of the Appropriations Committee of the respective Houses.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

1. This table shows the appropriations made during the first session of the Seventy-fifth Congress to be	$9,389,488,893.06
2. This table shows the appropriations made during the first session of the Seventy-fifth Congress to be less than same passed during the second session of the Seventy-fourth Congress	946,910,379.59
3. This table shows by deducting $2,237,000,000 for Adjusted Compensation Payment Act from the appropriations of the 74th Cong., 2d sess., leaves appropriations amounting to $8,099,399,272.65. By taking into account this deduction, the appropriations made during the first session of the Seventy-fifth Congress would be in excess of the appropriations of the previous session	1,290,089,620.41

Comparison of appropriations made during the Seventy-fourth Congress, second session, with same made during the Seventy-fifth Congress, first session

Title of act	Appropriations, Seventy-fourth Congress, second session	Appropriations, Seventy-fifth Congress, first session	Increase (+) or decrease (−) appropriations Seventy-fifth Congress, first session, compared with Seventy-fourth Congress, second session
REGULAR ANNUAL ACTS			
Agriculture	$173,565,606.00	$630,381,298.00	+$456,815,692.00
District of Columbia	43,573,910.00	45,915,641.00	+2,341,731.00
Independent offices	[1] 3,396,751,905.00	957,738,963.00	−2,439,012,942.00
Interior	114,579,357.05	132,732,499.85	+18,153,142.80
Legislative branch	23,314,428.00	24,085,736.78	+771,308.78
Military	383,104,859.00	415,263,154.00	+32,158,295.00
Navy	526,546,532.00	516,258,808.00	−10,287,724.00
State, Justice, Commerce, and Labor	116,370,395.00	126,127,387.00	+9,756,992.00
State	17,829,550.00	18,584,080.00	+754,530.00
Justice	41,223,925.00	40,882,565.00	−341,360.00
Commerce	35,257,220.00	43,032,242.00	+7,775,022.00
Labor	21,784,700.00	23,628,500.00	+1,843,800.00
Great Lakes Exposition	275,000.00		−275,000.00
Treasury and Post Office	992,524,892.00	1,503,441,943.00	+510,917,051.00
Treasury	211,940,303.00	719,182,390.00	+507,242,087.00
Post Office	780,584,589.00	784,259,553.00	+3,674,964.00
War, Civil functions	189,341,985.00	194,536,063.00	+5,194,078.00
Total, regular annual acts	5,959,673,869.05	4,546,481,403.63	−1,413,192,465.42

[Footnotes at end of table]

Comparison of appropriations made during the Seventy-fourth Congress, second session, with same made during the Seventy-fifth Congress, first session—Continued

Title of act	Appropriations, Seventy-fourth Congress, second session	Appropriations, Seventy-fifth Congress, first session	Increase (+) or decrease (−) appropriations Seventy-fifth Congress, first session, compared with Seventy-fourth Congress, second session
DEFICIENCY AND SUPPLEMENTAL ACTS			
Supplemental Appropriation Act, 1936	$368,232,462.64		−$368,232,462.64
First Deficiency Act, 1936	2,375,417,776.83		−2,375,417,776.83
First Deficiency Act, 1937		$948,975,868.89	+948,975,868.89
Work Relief Act, 1937		1,500,000,000.00	+1,500,000,000.00
Second Deficiency, 1937		81,737,540.14	+81,737,540.14
Third Deficiency, 1937		[2] 116,820,588.40	+116,820,588.40
Total, deficiency and supplemental acts	2,743,650,239.47	2,647,533,997.43	−96,116,242.04
Miscellaneous acts carrying appropriations	2,585,194.09	476,966,707.00	+474,381,512.91
PERMANENTS AND INDEFINITES			
Interest on the public debt	805,000,000.00	860,000,000.00	+55,000,000.00
Sinking fund and other debt-retirement funds	580,125,000.00	582,515,000.00	+2,390,000.00
Trust funds	113,382,378.00	130,716,645.00	+17,334,267.00
All other permanents and indefinites	131,982,592.04	145,275,140.90	+13,292,547.96
Total, permanents and indefinites	1,630,489,970.04	1,718,506,785.00	+88,016,814.96
Grand total	[1] 10,336,399,272.65	9,389,488,893.06	−946,910,379.59

[1] This sum includes $2,237,000,000 for Adjusted Compensation Payment Act.
[2] Approximated.

1. This table shows the appropriations made during the Seventy-fifth Congress, first session, to be $9,389,488,893.06.
2. This table shows the regular and supplemental estimates submitted during the Seventy-fifth Congress, first session, to be $9,585,619,909.57.
3. This table shows that the regular and supplemental estimates have been reduced $196,131,016.51.
4. This table also shows the regular and supplemental estimates have, by making certain unexpended balances available in lieu of direct appropriations, been reduced $85,613,166.51.

Comparison of Budget estimates and appropriations passed during the Seventy-fifth Congress, first session

Act	Budget estimates, fiscal year 1938	Supplemental estimates, fiscal year 1938 and prior fiscal years	Total Budget estimates	Appropriations, fiscal year 1938	Increase (+) or decrease (−) appropriations compared with estimates
REGULAR ACTS, 1938					
Agriculture and Farm Credit Administration	$732,784,290.00	$600,000.00	$733,384,290.00	$630,381,208.00	[1] −$103,003,082.00
District of Columbia	45,736,285.00	869,320.00	46,605,605.00	45,915,641.00	−689,964.00
Independent offices	973,310,963.00		973,310,963.00	957,738,963.00	−15,572,000.00
Interior	111,162,604.85	13,301,000.00	124,463,604.85	132,732,499.85	+8,268,895.00
Legislative	24,558,166.00	576,854.00	25,135,017.00	24,085,726.78	−1,049,280.22
Navy	562,425,709.00	1,500,000.00	563,925,709.00	516,258,808.00	[2] −47,666,901.00
State, Justice, Commerce, and Labor	124,289,887.40	4,536,280.00	128,826,167.40	126,127,387.00	−2,698,780.40
State	19,214,968.40	333,280.00	19,548,248.40	18,584,080.00	−964,168.40
Justice	40,263,659.00	1,896,000.00	42,159,659.00	40,882,565.00	−1,277,124.00
Commerce	40,659,630.00	2,307,000.00	42,966,630.00	43,032,242.00	+65,612.00
Labor	24,151,600.00		24,151,600.00	23,628,500.00	−523,100.00
Treasury and Post Office	1,515,996,218.00		1,515,996,218.00	1,503,441,943.00	−12,554,275.00
Treasury	730,251,740.00		730,251,740.00	719,182,390.00	−11,069,350.00
Post Office	785,744,478.00		785,744,478.00	784,259,553.00	−1,484,925.00
Military Establishment	416,486,461.00		416,486,461.00	415,263,154.00	[3] −1,223,307.00
Civil functions, War Department	194,370,544.00	205,000.00	194,575,544.00	194,536,063.00	−39,481.00
Total, regular annual acts	4,701,121,128.25	21,588,451.00	4,722,709,579.25	4,546,481,403.63	−176,228,175.62
DEFICIENCY ACTS					
First Deficiency, 1937		950,568,368.89	950,568,368.89	948,975,868.89	−1,592,500.00
Second Deficiency, 1937	43,000,000.00	57,614,288.03	100,614,288.03	81,737,540.14	−18,876,747.89
Relief Act of 1937		1,500,000,000.00	1,500,000,000.00	1,500,000,000.00	
Third Deficiency Act	[4] 40,131,963.00	[4] 76,688,625.40	[4] 116,820,588.40	[4] 116,820,588.40	
Total, deficiencies	83,131,963.00	2,584,871,282.32	2,668,003,245.32	2,647,533,997.43	−20,469,247.89
Miscellaneous [5]	18,000,000.00	458,400,300.00	476,400,300.00	476,966,707.00	+566,407.00
Permanent annuals	1,718,506,785.00		1,718,506,785.00	1,718,506,785.00	
Grand total	6,520,759,876.25	3,064,860,033.32	9,585,619,909.57	9,389,488,893.06	−196,131,016.51
Deduct amount of decrease of Budget estimates effected by making certain unexpended balances available in lieu of direct appropriations requested in the Budget estimates (see notes a, b, and c)					110,517,850.00
Net reduction in Budget estimates					85,613,166.51

[1] Deduct $100,000,000 on account of the use of an unexpended balance.
[2] Deduct $10,000,000 on account of the use of an unexpended balance.
[3] Deduct $517,850 on account of the use of an unexpended balance.
[4] These sums are approximated.
[5] Approximated.

APPLICATION OF NEUTRALITY LAWS TO FAR EASTERN SITUATION

[Mr. NYE asked and obtained leave to have printed in the RECORD a joint statement issued by himself, Senator BONE, and Senator CLARK, and also an editorial from the Washington Star, by Constantine Brown, which appear in the Appendix.]

ECONOMIC VIEWS OF SENATOR BYRD—ARTICLE BY GEORGE CREEL

[Mr. GLASS asked and obtained leave to have printed in the RECORD an article on the economic views of Senator BYRD, of Virginia, written by George Creel, and published in Colliers for Aug. 21, 1937, which appears in the Appendix.]

THE POSTMASTER'S OPPORTUNITY FOR SERVICE—ADDRESS BY HON. JAMES A. FARLEY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address on the Postmaster's Opportunity for Service, delivered by Hon. James A. Farley at the annual convention of the postmasters of North Carolina and South Carolina, at Fayetteville, N. C., Aug. 17, 1937, which appears in the Appendix.]

ADDRESS BY POSTMASTER GENERAL FARLEY IN RHODE ISLAND

[Mr. GREEN asked and obtained leave to have printed in the Record, an address to be delivered by Postmaster General James A. Farley, in Rhode Island on Aug. 29, which will appear hereafter in the Appendix.]

NEUTRALITY

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD two editorials on the subject of neutrality, one from the Washington Star of Aug. 13, 1937, and one from the New York Herald Tribune of Aug. 16, 1937, which will hereafter appear in the Appendix.]

EFFECT OF ACT OF MARCH 1, 1937, ON ELIGIBILITY OF MEMBERS OF CONGRESS

[Mr. BURKE asked and obtained leave to have printed in the RECORD two articles from the Recorder, of San Francisco, Calif., one published under date of Monday, Aug. 16, 1937, and the other under date of Aug. 17, 1937, relative to the effect of the act of Mar. 1, 1937, on the eligibility of Members of the present Congress for appointment as Supreme Court Justices, which appear in the Appendix.]

FEDERAL HOUSING LEGISLATION—STATEMENT BY MERWIN K. HART

[Mr. COPELAND asked and obtained leave to have inserted in the RECORD a statement by Merwin K. Hart on pending housing legislation, which appears in the Appendix.]

WHO ARE THE "LORD MACAULAYS"?—EDITORIAL IN THE PHILADELPHIA INQUIRER

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Who Are the 'Lord Macaulays'?", published in the Philadelphia Inquirer of Aug. 19, 1937, which appears in the Appendix.]

STATEMENT CONCERNING NUMBERS OF PERSONS IN EMPLOYMENT

[Mr. MINTON asked and obtained leave to have printed in the RECORD a statement concerning the numbers of persons in employment in the United States, which appears in the Appendix.]

TAX EVASION—STATEMENT OF THE NEW YORK SUN, INC.

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a statement of The New York Sun, Inc., in answer to a charge of tax evasion, which appears in the Appendix.]

UNION DUES, DEDUCTIONS, AND PAY OF MINERS IN WEST VIRGINIA

[Mr. HOLT asked and obtained leave to have printed in the RECORD an article from the Wheeling (W. Va.) Intelligencer, of the 14th instant, relative to union dues, deductions, and the pay of miners in West Virginia, which appears in the Appendix.]

SMALL CLAIMS BRANCH IN MUNICIPAL COURT OF THE DISTRICT

Mr. KING. Mr. President, on the 6th instant, Senate bill 1835, establishing a small claims and conciliation branch in the municipal court of the District of Columbia for improving the administration of justice in small cases and providing assistance to needy litigants, and for other purposes, was passed. A motion was made and is pending to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion was agreed to.

PREVENTION OF TAX EVASION AND AVOIDANCE

The Senate resumed the consideration of the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

The VICE PRESIDENT. The tax bill is before the Senate. Are there any further amendments to be offered? Is there any further debate?

Mr. BRIDGES. Mr. President, I have had in mind offering an amendment providing for a complete investigation of the entire tax situation. The amendment would be inserted at the end of the bill and would add a new section as follows:

SEC. 604. The Joint Committee on Internal Revenue Taxation is directed to make a study of the Federal, State, and local tax systems to discover their interrelationship and overlapping, to study the comparative burdens imposed by these several tax systems on the different sources of revenue with the end of discovering new sources of revenue, of remedying duplications and conflicts that might exist in the tax system, and of removing present taxes that are economically unsound in the multifarious taxing units of this country.

In order to carry out this inquiry an appropriation of $50,000 to the Joint Committee on Internal Revenue Taxation is hereby authorized. The committee is authorized to employ such experts and assistants as are necessary, without regard to the Classification Act of 1923. The committee is further authorized to call upon the several departments of the Government for such assistance as they are able to render to it. The committee is directed to report its findings and recommendation to the Congress not later than the 15th of February 1938.

In order to carry out the purpose of the amendment it was my purpose to ask for the necessary appropriation to enable the Joint Committee on Internal Revenue Taxation to conduct the investigation. I understand, indirectly, however, that such an investigation is already in progress. Before offering the amendment I should like to ask the chairman of the Finance Committee regarding it.

Mr. HARRISON. Mr. President, the Senator is correct in his understanding. The Joint Committee on Internal Revenue Taxation are now making such a study. They have submitted already a very voluminous report and will continue their studies. I do not think it necessary and, therefore, hope the Senator will not offer his amendment.

Mr. BRIDGES. Will the study be completed so that it will be in the hands of Congress early in another session?

Mr. HARRISON. The first report is already completed and is available. We are going to make further studies and reports just as soon as possible.

Mr. BRIDGES. In that case I shall not offer the amendment.

The VICE PRESIDENT. The bill is before the Senate and open to amendment. Are there any further amendments to be offered? If not, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8234) was read the third time and passed.

Mr. HARRISON. Mr. President, I ask unanimous consent that the tax bill may be printed with the Senate amendments properly numbered.

The VICE PRESIDENT. Without objection, it is so ordered.

CONSIDERATION OF UNOBJECTED-TO BILLS ON CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the calendar will be called for the consideration of unobjected-to bills.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 1436) providing for the employment of skilled shorthand reporting in the executive branch of the Government was announced as first in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 419) to promote the general welfare through the appropriation of funds to assist the States and Territories

in providing more effective programs of public education was announced as next in order.

Mr. BARKLEY and Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 847) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. BARKLEY and Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2106) for the allowances of certain claims not heretofore paid, for indemnity for spoliations by the French, prior to July 31, 1801, was announced as next in order.

Mr. BURKE. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1760) to promote the safety of scheduled air transportation was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2226) to regulate interstate commerce in the products of child labor, and for other purposes, was announced as next in order.

Mr. BARKLEY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 6215) to repeal provisions of the income tax requiring lists of compensation paid to officers and employees of corporations was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2410) to amend the Judicial Code, as amended, was announced as next in order.

Mr. WHITE. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 144) proposing an amendment to the Constitution of the United States prohibiting child labor was announced as next in order.

Mr. BARKLEY. I ask that the joint resolution be passed over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching was announced as next in order.

Mr. BARKLEY. Mr. President, the bill has been made a special order for the next session, so it should go over at this time.

The VICE PRESIDENT. The bill will be passed over.

ASSIGNMENT OF NAVAL OFFICERS TO DEPARTMENT OF COMMERCE

The bill (S. 2482) to provide for the assignment of officers of the Navy for duty under the Department of Commerce and appointment to positions therein was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. WALSH. Mr. President, I do not think the bill ought to be passed in the absence of the Senator from Virginia [Mr. BYRD]. On a previous call of the calendar he objected to its consideration.

Briefly, a bill was presented by the administration and referred to the Committee on Naval Affairs which would have permitted the appointment by the President of active or retired naval or Army officers to civilian positions under the United States Government. That proposal for general authority was unanimously rejected by the committee. Under general laws, Army and naval officers cannot be appointed to civil positions except in specified exceptions.

Later a bill was presented by the administration which the committee reported favorably permitting the President, if he chose, to appoint a naval officer to the Bureau of Marine Inspection in the Department of Commerce. The Bureau of Marine Inspection has to do with the safety and equipment of navigable ships. The Department of Commerce complain that they are unable to employ one who is free from connections or previous service with a private steamship line. The committee thought it was in the public interest that the President, in the event he could not obtain from civilian life a man possessing the education, training, or broad experience of a naval officer should have authority to appoint an active or retired officer of the Navy to this Bureau. That is the reason why the bill limits authority of appointment to only one person in the Department of Commerce.

However, I do not think the bill ought to pass until the Senator from Virginia is present, so I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

REFUND OF COTTON, TOBACCO, AND POTATO TAXES

The bill (S. 2601) to provide for refund of amounts collected as tax under the Bankhead Cotton Act, 1934, the Kerr Tobacco Act, as amended, and the Potato Act of 1935 was announced as next in order.

Mr. AUSTIN. Let the bill go over.

Mr. BARKLEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. AUSTIN. Very well.

Mr. BARKLEY. My colleague the junior Senator from Kentucky [Mr. LOGAN] has an amendment which he desires to offer. The bill provides for the refund of certain taxes collected from farmers under the Smith-Kerr Tobacco Act and the Bankhead Cotton Act. Unless the bill is passed a great number of lawsuits may be filed against the Government for the recovery of the tax. I hope the Senator will not object to its present consideration.

Mr. AUSTIN. Mr. President, probably due to the fact that there was some confusion at the time we discussed the matter the other day, I did not get a clear idea of the particular matter connected with the bill, which causes me to object to its consideration at this time on the call of the calendar. If that could be cleared up within a few moments, I might be disposed to withdraw my objection.

Mr. LOGAN. Mr. President, I think the Senator's confusion as well as my own with reference to the matter grows out of an amendment adopted in the Committee on Claims and which has brought forth very extensive protests from the Department. It is my purpose, if we take up the bill for consideration, to ask that that amendment be rejected. If that were done the subject matter would then relate to the sole question of refunding taxes actually paid into the Treasury, taxes which were illegally collected under an unconstitutional act, as has been held by every court that has passed on it.

For instance, a tobacco grower was limited to 2,000 pounds. If he raised more than that, say 3,000 pounds, he had to pay a tax on 1,000 pounds, or if he did not come under the act or agreement he had to pay a certain penalty anyway. Such men are the little tobacco growers. The big ones have gone into court and will be able to recover the taxes thus improperly paid, but the poor little farmer, who perhaps has $10 or $25 involved, can never get his money back except through the provisions of the bill. That is really all there is to the bill.

Mr. AUSTIN. Mr. President, let me ask the Senator a question. Did the Federal Government employ the funds so illegally collected, as well as the funds legally collected, in obtaining a reduction of production through the payment of subsidies or bounties or other sums to farmers who produced less cotton?

Mr. LOGAN. I can only say to the Senator that I do not know what the Government did with the money; but those from whom it was collected got no benefit at all. They just paid the penalty.. Let me say to the Senator, furthermore, that some of the warehousemen who declined to obey the law, the larger taxpayers, last year had the money refunded to them by a resolution of Congress.

Those who did obey the law and paid the tax, whatever it was, are the ones who are having to go to court and bring suit on claims in order to collect; and with that

amendment out, the bill does not cover anything except what the Government took from persons from whom it had no right to take it under the law.

Mr. AUSTIN. I ask the Senator from Kentucky if it is not necessary for the Senate to take action upon a change in the language of section 2, line 2, on page 2, if the Senator is to have the question he mentions taken into conference? The first paragraph in the section reads as follows:

SEC. 2. (a) Such refund may be allowed only to the person or persons who paid, or for whose account there was paid, the tax.

It occurs to me that under that language there might be two claimants to the same tax, the difficulty being in the phrase "or for whose account there was paid."

Mr. LOGAN. I will say to the Senator that I think the matter is perfectly clear to those who are familiar with it, but I, myself, do not understand that particular feature; and if the Senator wants that language stricken out, I shall be willing to agree that it may be stricken out.

Mr. AUSTIN. Then, Mr. President, I will withdraw my objection to proceeding to the consideration of the bill if the Senator will undertake to strike out the phrase "or for whose account there was paid."

Mr. LOGAN. If the Senator will offer that amendment when we are considering the bill, the words to which he refers may be stricken out.

Mr. AUSTIN. I withdraw the objection, but I do so with the understanding that this amendment will be made.

The PRESIDENT pro tempore. The Senator may object at any time during the proceedings. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2601), which had been reported from the Committee on Claims with amendments.

Mr. AUSTIN. Mr. President, on page 2, line 2, I move to strike out the words "or for whose account there was paid."

Mr. LOGAN. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was agreed to.

The PRESIDENT pro tempore. The amendments reported by the committee will be stated.

The CHIEF CLERK. In section 2, on page 3, line 18, after the word "shall", it is proposed to strike out "not be considered as payment of tax" and insert "be considered as payment of tax to the extent of the actual amount paid for such certificate by the claimant."

Mr. LOGAN. Mr. President, that is the amendment which I assured the Senator and several other Senators that I would ask to have rejected, because it is the one that caused all the trouble.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The CHIEF CLERK. In section 4, on page 4, line 8, after the word "Secretary", it is proposed to insert:

Provided, however, That claims filed prior to the passage of this act may be considered without the filing of another claim.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. MINTON. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Indiana will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

That section 903 of the Revenue Act of 1936 is amended by striking out "July 1, 1937" and inserting in lieu thereof "January 1, 1938."

Mr. MINTON. Mr. President, in explanation of this amendment, I desire to say that on July 1, 1937, the time expired within which processors were required to file their claims for refunds of the processing tax. Many of the smaller processors have been unable to present their claims within the limitation originally fixed by the act, because the forms were late in getting out and because, as we all know, the smaller processor does not have the kind of books that the larger fellow has; and consequently the smaller one, in many cases, was unable to accumulate his data and comply with the requirements of the Department within the short period of limitation originally fixed by the statute. This amendment would simply extend the time until the 1st of January 1938 to enable these claimants, largely the smaller ones, to finish filing their claims.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. MINTON. Yes; I yield.

Mr. AUSTIN. To what bill does this amendment apply?

Mr. MINTON. It is an amendment of certain provisions of the Revenue Act of 1936. It does not apply to this bill.

Mr. AUSTIN. What is the parliamentary status of Senate bill 2601?

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana.

Mr. AUSTIN. The amendment is offered to Senate bill 2601?

The PRESIDENT pro tempore. It is offered to this bill.

The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

The bill (S. 2601) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, is authorized and directed to refund any amount paid to or collected by a collector of internal revenue as tax (which for the purposes of this act shall include penalties and interest), under the Bankhead Cotton Act of 1934 (48 Stat. 598), as amended; Kerr Tobacco Act (48 Stat. 1275), as amended; and under the Potato Act of 1935 (49 Stat. 750).

SEC. 2. (a) Such refund may be allowed only to the person or persons who paid, or for whose account there was paid, the tax.

(b) In the case of amounts paid as tax under the Bankhead Cotton Act with respect to the ginning of cotton—

(1) Refund shall be allowed to the ginner of the cotton only to the extent that the ginner has not shifted the burden of the tax by including it in any charge or fee for ginning, or by collecting it from the owner or owners of the cotton ginned, or in any manner whatsoever.

(2) Refund shall be allowed to the owner or owners of the cotton at the time of ginning, to the extent that the amount of tax was shifted to such owner or owners by the cotton ginner and was not shifted by such owner or owners to other persons. In such cases, but only for the purposes of this act, the tax shall be considered to have been paid by the ginner to the United States for the account of such owner or owners.

(3) In the case of seed cotton sold by a producer prior to the ginning thereof, refund shall be allowed to such producer to the extent that the burden of tax was shifted to him.

(4) As to tax paid to a collector of internal revenue by a person other than the ginner, as in the case of tax paid under section 4 (f) of the Bankhead Cotton Act, refund shall be allowed to and claim therefor shall be filed by the person or persons who paid such tax to the collector of internal revenue.

(5) In the case of any claim for refund filed by a person other than the ginner of the cotton with respect to which the tax was paid, the Commissioner may require that there be submitted a waiver of refund executed by such ginner.

(c) No refund may be allowed of any amount paid as tax under the statutes referred to in section 1 with respect to which refund or reimbursement has been heretofore made by the Secretary of Agriculture or the Commissioner of Internal Revenue.

(d) For the purposes of this act, satisfaction of tax liability by surrender or submission of tax-exemption certificates, tax-payment warrants, or tax-exemption stamps shall not be considered as payment of tax.

SEC. 3. Except as authorized by this act, no refund shall be made or allowed, in pursuance of court decision or otherwise, of any amount paid as tax under the statutes set out in section 1.

SEC. 4. No refund shall be made or allowed, in pursuance of court decision or otherwise, of any amount paid by or collected from any person as tax under the statutes set forth in section 1 unless after the enactment of this act and prior to July 1, 1938, a claim for such refund of such amount by the person entitled thereto has been filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary: *Provided, however,* That claims filed prior to the passage of this act

may be considered without the filing of another claim. All evidence relied upon in support of such claim shall be clearly set forth under oath.

SEC. 5. Notwithstanding any other provision of law, no court shall have jurisdiction of any suit or proceeding, whether brought before or after the date of enactment of this act, for the recovery, recoupment, set-off, refund, or credit of, or counterclaim for, any amount paid by or collected from any person as a tax under the statutes set out in section 1 (a) before the expiration of 6 months from the date of filing a claim therefor under this act, unless the Commissioner renders a decision thereon within that time, or (b) after the expiration of 2 years from the date of mailing by registered mail by the Commissioner to the claimant a notice of disallowance of that part of the claim to which such suit or proceeding relates. Any consideration or any action by the Commissioner with respect to such claim following the mailing of notice of disallowance shall not operate to extend the period within which any suit or proceeding may be brought.

SEC. 6. Concurrent with the Court of Claims, the district courts of the United States shall have jurisdiction of cases to which this act applies, regardless of the amount in controversy, if such district courts would have had jurisdiction of such cases but for limitations under the Judicial Code, as amended, on jurisdiction of such courts based upon the amount in controversy.

SEC. 7. No interest shall be allowed by the Commissioner or by any court with respect to any amount paid or collected as tax under the statutes set out in section 1, except with respect to amounts refund of which is made or allowed under this act.

SEC. 8. In the absence of fraud the findings of fact and conclusions of law of the Commissioner upon the merits of any claim presented under this act, and the mathematical calculations therein, shall not be subject to review by any other administrative or accounting officer, employee, or agent of the United States.

SEC. 9. No collector of internal revenue or internal-revenue officer or employee shall be in any way liable to any person for any act done by him in the assessment or collection of any amount as tax under the statutes set out in section 1, or for the recovery of any money exacted by or paid to him and paid into the Treasury in performance of his official duties under the said acts, or if such collector or officer acted under the direction of the Secretary or other proper officer of the Government.

SEC. 10. No claim for refund shall be denied upon the ground that a proceeding to recover had become barred by the limitation provisions of the statutes set out in section 1.

SEC. 11. The Commissioner shall, with the approval of the Secretary, prescribe such rules and regulations as may be deemed necessary to carry out the provisions of this act.

SEC. 12. There is hereby authorized to be appropriated the sums that may be necessary to carry out the provisions of this act.

SEC. 13. That section 903 of the Revenue Act of 1936 is amended by striking out "July 1, 1937", and inserting in lieu thereof "January 1, 1938."

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 140) authorizing an investigation of the delivery or nondelivery of mail to establishments where industrial strife is in progress was announced as next in order.

Mr. BARKLEY. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 2707) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was announced as next in order.

Mr. KING. Mr. President, I have heretofore objected to the consideration of this measure. I am not willing today to withdraw my objection. I have read the findings of the Court of Claims, and they do raise some questions which probably have not been fully considered; but I should like further time to look into the bill, and I therefore ask that it may be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT OF FOREIGN COMMERCE SERVICE OFFICERS

The Senate proceeded to consider the bill (S. 988) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927, as amended, which had been reported from the Committee on Commerce, with amendments.

Mr. COPELAND. Mr. President, this bill, judging by its size, seems to be a very formidable one. I hope the Senate will bear with me a moment until I make clear what it is about.

There are 94 employees of the Commerce Department in foreign service. They do not have retirement privileges, as do their brothers in the State Department. In consequence the Department of Commerce is embarrassed in its work abroad, because it happens on various occasions that it loses employees, who go over to the State Department.

While the bill seems a lengthy one, the meat of it is that under its terms the 94 persons who were not cared for under the Rogers Act will be given the same privileges as are other employees under the Rogers Act. It will cost the country nothing for 9 years. At the end of 9 years it will cost about $50,000 a year.

Mr. McKELLAR. Mr. President, as I recall, this is one of the bills to which I have heretofore objected.

Mr. COPELAND. Yes.

Mr. McKELLAR. Since that time I have looked into the bill more carefully, and I have no objection to its consideration.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. KING. My recollection is that when Mr. Coolidge was President of the United States, a very earnest effort was made under the direction of the then Secretary of Commerce, Mr. Hoover, to create a new foreign-service organization, and a bill for that purpose finally was enacted. I held up the bill for several years because I thought it was very unfair and very unjust. It discriminated against members of the State Department, giving the employees of the Commerce Department nearly double the salaries that were paid to men who had been in the Consular Service and Diplomatic Service for years, and the new men were to be appointed without any competitive examination. I felt that the new services was to be a rendezvous for political parasites, and I opposed the bill bitterly for a number of years, but finally it was passed. I know that it was not sympathized with by the then President of the United States.

I am wondering whether these Foreign Service officers are now paid the same salaries that were contemplated in the original bill, whether they have been brought under civil service, whether they are under the direction of the State Department, or whether they are roving officers, subject only to the orders of the Department of Commerce. If the latter, I shall oppose the bill.

Mr. COPELAND. Mr. President, I am very familiar with the bill proposed by Mr. Hoover when he was Secretary of Commerce. I was a member of the Commerce Committee at the time. The plan of his was, perhaps I might say, rather inflationary; but, as a matter of fact, this small number of employees have very modest salaries. Their salaries vary from $3,600 to, at the very extreme, $8,000, and there are very few of the latter. They are very intimately associated with the employees of the State Department.

Last summer I had occasion to travel a good many miles abroad, and I took pains to examine into what these commercial attachés were doing, and how they were cooperating with the State Department. I assure my friend from Utah that under the present arrangement there has been brought about, largely under this administration, a happier relationship than theretofore existed.

Mr. KING. Let me say to the Senator, as an illustration, that when I was in London a number of years ago, some person connected with the State Department sent a telegram to our Ambassador in Great Britain to the effect that there was a potato blight down in Sicily. He immediately cabled, of course, to the State Department. A representative of the Foreign Service of the Department of Commerce learned of the matter in London from the State Department, and he cabled to the Department of Commerce. Then some representative of the Labor Department learned of it, and he cabled to the Labor Department. Then some representative of the Treasury Department learned of it through our Ambassador, and he cabled to the Treasury Department. Finally, every department of the Government which had ambassadors and employees and supernumeraries floating around through Great Britain and through Europe received cablegrams from them. The whole system then—and it has

not been perfected as it should have been—was honeycombed with useless and unnecessary employees, and the expenditures were wholly disproportionate to any benefit that might have resulted.

I have felt from the beginning that all our foreign officials should be under the control of the Department of State.

Mr. COPELAND. Let me say to the Senator that since this administration came into power there has been brought about coordination and a dovetailing of the activities of the commercial attachés abroad with the State Department. Before any letter is sent out from any foreign place where there is a foreign commissioner of the Department of Commerce it goes through the State Department. It does not go directly to the Department of Commerce; it goes through the State Department. So I think the Senator from Utah has performed a good function; he has succeeded in bringing about a coordination which did not exist before.

The PRESIDENT pro tempore. The clerk will state the first amendment of the committee.

The amendments of the Committee on Commerce were, on page 2, line 6, after the word "commissioners", to strike out the comma and "and such clerks as may be appointed in accordance with the provisions of this act"; on page 4, line 1, before the word "appointments", strike out the word "asking" and insert the word "making"; on page 8, after line 5, to strike out:

(i) The Secretary of Commerce may, under such rules and regulations as he may prescribe, furnish the officers and appointive clerks in the Foreign Commerce Service stationed outside the continental limits of the United States, without cost to them and within the limits of any appropriation made for this purpose, allowances for living quarters, heat, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U. S. C., title 5, sec. 70): *Provided*, That the provisions of this paragraph shall apply only to citizens of the United States: *Provided further*, That the provisions of this paragraph shall not apply to those living rent-free in Government buildings.

(j) The Secretary may authorize the payment of traveling expenses and costs of transportation, under such regulations as he may prescribe, of families and effects of such officers and appointive clerks of the Foreign Commerce Service in going to and returning from their posts, or in proceeding from one post to another, under the orders of the Secretary, and also the defraying of expenses of preparing and transporting the remains of such officers and appointive clerks and dependent members of their families, who may die abroad or in transit while such officer or appointive clerk is in discharge of his official duties, to the last permanent residence of such officer or appointive clerk in the United States, or to a place in the United States not more distant, for interment, and for the ordinary expenses of such interment: *Provided*, That the provisions of this subdivision shall apply only to those who are citizens of the United States, and dependent members of their families.

On page 9, after line 9, to insert:

(i) The act of April 12, 1930 (46 Stat. 163), entitled "An act to amend an act entitled 'An act to establish in the Bureau of Foreign and Domestic Commerce a Foreign Commerce Service of the United States, and for other purposes', approved March 3, 1927", is hereby repealed.

On the same page, line 15, after the word "officer", to strike out the words "or appointive clerk dies outside the continental limits of the United States" and to insert the word "dies"; in line 19, after the words "equal to" to strike out "his salary for 3 months at the rate effective immediately prior to his decease: *Provided*, That the provisions of this subdivision shall apply only to those who are citizens of the United States, their widows, or heirs at law", and to insert "the allowance made to such officer for the time necessarily occupied in making the transit from his post of duty to his residence in the United States"; on page 11, beginning with line 1, to strike out:

SEC. 6. (a) Any officer, clerk, employee, or assistant of the Bureau of Foreign and Domestic Commerce, while on duty outside the continental limits of the United States and away from the post to which he is assigned, shall be entitled to receive his necessary traveling expenses and his expenses incurred for subsistence, or per-diem allowance in lieu thereof, in accordance with law, including, at the discretion of the Secretary, expenses for subsistence for the entire period while attending a trade gathering, congress, or conference, and, in any other case, for the entire period while remaining continuously in any one place.

And to insert:

SEC. 6. (a) Any Foreign Commerce Service officer of whatever class detailed for duty in connection with trade conferences or international gatherings, congresses, or conferences, or for other special duty not at his post or in the Department of Commerce, except temporarily for purposes of consultation, shall be paid expenses for travel and subsistence at the rates prescribed by law.

On page 11, line 21, after the word "officer", to strike out "an allowance for actual subsistence, or a per-diem allowance in lieu thereof, while on travel status" and to insert "expenses for travel and subsistence"; on page 12, line 3, after the word "receive", to strike out "the traveling expenses and actual expenses incurred for subsistence, or per-diem allowance in lieu thereof, authorized by law" and to insert "expenses for travel and subsistence, at the rate prescribed by law"; on the same page, in line 11, after the word "officers", to strike out "and appointive clerks"; on page 14, line 20, after the word "authorized", to insert a colon and the following proviso: "*Provided*, That in no event shall the aggregate total appropriation exceed the aggregate total of the contributions of the Foreign Commerce Service theretofore made, and accumulated interest thereon"; on page 15, line 4, after the word "officers", to strike out "and appointive clerks"; in line 13, after the word "officer", to strike out "or clerk"; in line 16, after the word "officer", to strike out "or clerk"; in line 17, before the word "years", to strike out "twenty" and insert "thirty"; on the same page, after line 18, to strike out:

(e) Annuities shall be paid to retired officers and clerks at the rate of 2 percent of the average annual basic salary during the 10 years next preceding the date of retirement multiplied by the number of years of service.

And in lieu thereof to insert:

(e) Annuities shall be paid to retired Foreign Commerce Service officers under the following classification, based upon length of service, and at the following percentages of the average annual basic salary for the 10 years next preceding the date of retirement: Class A, 30 years or more, 60 percent; class B, from 27 to 30 years, 54 percent; class C, from 24 to 27 years, 48 percent; class D, from 21 to 24 years, 42 percent; class E, from 18 to 21 years, 36 percent; class F, from 15 to 18 years, 30 percent: *Provided, however*, That in computing the average annual basic salary for the 10 years next preceding the date of retirement, so much of an officer's service as was rendered prior to March 3, 1927, in accordance with the classification and salaries established by laws then in effect, as it is possible to credit to him by applying to all such periods of service rendered prior to March 3, 1927, the rules for corresponding classes in the classification provisions in section 3 of this act, shall be considered as having been performed in accordance with the classifications and salaries established for Foreign Commerce Service officers in section 3b of this act.

On page 16, line 21, after the word "officers", to strike out "and clerks"; on page 17, line 22, after the word "his", to insert "or her"; in line 23, after the word "case", to strike out "an officer or clerk" and to insert "a Foreign Commerce officer"; on page 18, line 3, after the word "officer", to strike out "or clerk"; in line 17, after the word "recovery", to strike out the comma and "in which event the officer or clerk shall be reinstated at a salary no less than he received immediately prior to the time of his retirement on account of age to be based upon length of active service under the provisions of subdivision (e) and (c) of this section"; on page 19, after the word "fund" and the period at the end of line 1, to insert "When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or to his legal representatives"; on the same page, in line 10, after the word "officers", to strike out "and clerks"; in line 12, after the word "so", to strike out the word "on" and the comma and to insert the word "on"; on line 13, after the word "service", to insert the words "for the purpose of retirement, fractional months being considered as full months in computing such service"; in line 19, after the word "officer", to strike out "or clerk"; on page 20, line 6, after the word "officer", to strike out "or clerk"; in line 11, after the word "officers", to strike out "and clerks"; in line 16, before the word "assistant", to insert the

word "or"; and in the same line, after the words "trade commissioner" and the comma, to strike out the words "or appointive clerk"; in line 18, after the word "officer", to strike out the words "or clerk"; on page 21, line 2, after the word "officer", to strike out the words "or clerk"; in line 4, before the word "shall", to strike out the words "or clerk"; in line 13, and after the word "officers", to strike out "and appointive clerks"; in line 17, after the words "equal to", to strike out "2 percent of his average annual salary during the 10 years next preceding the date of retirement multiplied by the number of years of his service, or with a bonus of 1 year's salary at the time of his retirement, at the option of the officer or clerk to be retired, either annuity or 1 year's salary to be payable out of the Foreign Commerce Service retirement and disability fund, and, except as herein provided, subject to the same provisions and limitations as other annuities payable out of such funds; but no return of contributions to such fund, except as hereinafter provided, shall be made in the case of any officer or clerk retired under the provisions of this section. Whenever it is determined that the efficiency rating of an officer or appointive clerk is unsatisfactory, thereby meaning below the standard required for the service, and such determination has been confirmed by the Secretary, the officer or clerk shall be notified thereof, and if, after a reasonable period to be determined by the circumstances in each particular case, the rating of such officer or clerk continues to be found unsatisfactory and such finding is confirmed by the Secretary after a hearing accorded the officer or clerk, such officer or clerk shall be separated from the service with the annuity or bonus provided in this section, but no officer or clerk so separated from the service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 10 years. He shall, however, if he has not served at least 10 years, have returned to him the full sum of his contribution to the annuity fund, with interest thereon at 4 percent compounded annually. The benefits of this section, except that at the option of the Secretary the return may be made of an officer's or clerk's contribution to the annuity fund, shall not be given to those separated from the Foreign Commerce Service on account of malfeasance in office"; and to insert: "25 percent of his salary at the time of retirement, in the case of officers over 45 years of age or in the case of officers under 45 years of age with a bonus of 1 year's salary at the time of his retirement, either annuity of 1 year's salary to be payable out of the Foreign Commerce Service officers' retirement and disability fund and except as herein provided, subject to the same provisions and limitations as other annuities payable out of such funds; but no return of contributions shall be made under paragraphs (i) or (l) of section 9 of this title in the case of any Foreign Commerce Service office retired under the provisions of this section. Whenever it is determined that the efficiency rating of an officer is unsatisfactory, thereby meaning below the standard required for the Service, and such determination has been confirmed by the Secretary, the officer shall be notified thereof, and if, after a reasonable period to be determined by the circumstances in each particular case, the rating of such officer continues to be found unsatisfactory and such finding is confirmed by the Secretary after a hearing accorded the officer, such officer shall be separated from the Service with the annuity or bonus provided in this section, but no officer so separated from the Service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 15 years. He shall, however, if he has not served at least 15 years, have returned to him the full sum of his contribution to the annuity fund, with interest thereon at 4 percent compounded annually. The benefits of this section, except at the option of the Secretary the return of an officer's contribution to the annuity fund, shall not be given to Foreign Commerce Service officers separated from the Foreign Commerce Service on account of malfeasance in office"; so as to make the bill read:

Be it enacted, etc., That the act approved March 3, 1927, entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", as amended, is hereby amended to read as follows:

"That there is hereby established in the Bureau of Foreign and Domestic Commerce of the Department of Commerce the Foreign Commerce Service of the United States (hereinafter referred to as the Foreign Commerce Service), consisting of officers to be graded in the following order and to be known as commercial attachés, assistant commercial attachés, trade commissioners, and assistant trade commissioners.

"This act may be cited as the Foreign Commerce Service Act.

"SEC. 2. Under the direction of the Secretary of Commerce (hereinafter referred to as the Secretary), the officers of the Foreign Commerce Service shall—

"(a) Promote the foreign commerce of the United States;

"(b) Investigate and report upon commercial and industrial conditions and activities in foreign countries which may be of interest to the United States;

"(c) Perform such other duties as the Secretary may direct in connection with the promotion of the industries, trade, or commerce of the United States;

"(d) Make such inspections of the Foreign Commerce Service as the Secretary may direct.

"SEC. 3. (a) The Secretary is authorized to appoint officers of the Foreign Commerce Service, but only after eligibility has been determined by examinations held by the Civil Service Commission and the Department of Commerce in coordination, under regulations approved by the Civil Service Commission, except that the Secretary may, with the approval of the Civil Service Commission, appoint without such examination any person who, prior to the date on which this act takes effect, has served, or has passed an examination for appointment, as commercial attaché, assistant commercial attaché, trade commissioner, assistant trade commissioner, commercial agent, or special agent in the Bureau of Foreign and Domestic Commerce: *Provided*, That the Secretary is authorized to appoint officers of the Foreign Commerce Service, under such rules and regulations as he may prescribe, after 5 years of satisfactory service in an executive or quasi-executive position in the Bureau of Foreign and Domestic Commerce or one of its district offices by transfer therefrom: *Provided further*, That no candidate shall be eligible for examination for appointment to the Foreign Commerce Service who is not an American citizen and who shall not have been such at least 15 years.

"(b) The Secretary shall appoint each officer of the Foreign Commerce Service to a grade specified in section 1, and to one of the following classes, and shall fix his compensation within the salary range specified for such class: Class 1, $8,000 to $10,000; class 2, $6,000 to $8,000; class 3, $4,000 to $6,000; class 4, $3,000 to $4,000; class 5, below $3,000. In making appointments to a grade and class and in fixing compensation the Secretary shall take into consideration the examination and record of the officer and the post to which assigned and the various commercial interests of the different sections of the country.

"(c) There shall be in the Department of Commerce a Board of Foreign Commerce Personnel for the Foreign Commerce Service, whose duty it shall be to submit recommendations to aid the Secretary of Commerce in making promotions and demotions and other changes in the Foreign Commerce Service. The Board shall be composed of the Assistant Directors of the Bureau of Foreign and Domestic Commerce. The efficiency ratings and recommendations for promotion made by the Board shall be subject to the approval of the Director of the Bureau of Foreign and Domestic Commerce.

"(d) The Foreign Service Division of the Bureau shall assemble, record, and be the custodian of all available information in regard to the character, ability, conduct, quality of work, industry, experience, dependability, and general availability of Foreign Commerce Service officers, including reports of inspecting officers and efficiency reports of supervising officers. All such information shall be appraised at least once in 2 years by the Board of Foreign Commerce Personnel, and the result of such appraisal, expressed in terms of "good", "satisfactory", or "unsatisfactory", accompanied by a concise statement of the considerations upon which they are based, shall, when approved by the Director of the Bureau, be entered upon records to be known as the efficiency records of the officers, and shall constitute their efficiency ratings for the period. No charges against an officer that would adversely affect his efficiency rating or his value to the Service, if true, shall be taken into consideration in determining his efficiency rating except after the officer shall have had an opportunity to reply thereto: *Provided*, That the official appraisal of the officer concerned by officials of the Department of Commerce who are responsible for the administration of the Foreign Commerce Service shall not be considered as such a charge. The rulings of the Secretary of Commerce on any charges and replies thereto shall be final. The Chief of the Foreign Service Division of the Bureau of Foreign and Domestic Commerce shall be responsible for the keeping of accurate and impartial efficiency records of Foreign Commerce Service officers and shall take all measures necessary to insure their accuracy and impartiality. Not later than November 1, at least every 2 years, the Board of Foreign Commerce Personnel shall prepare a list in which all Foreign Commerce Service officers shall be graded in accordance with their relative efficiency and value to the Service. This list shall be submitted to the Director of the Bureau for his approval, and when approved by him shall be transmitted to the Secretary of Commerce with recommendations to serve as an aid to

the Secretary in making promotions to the next higher class or for salary increases provided for under subdivision (e) of this section. The aforesaid correspondence and records shall be confidential, except to the President, the Secretary of Commerce, the Director of the Bureau of Foreign and Domestic Commerce, the members of the Board of Foreign Commerce Personnel, and such employees as may be assigned to work on such correspondence and records.

"(e) Subject to the approval of the Secretary of Commerce, all officers of the Foreign Commerce Service having a rating of satisfactory or better who shall have been in classes 4 or 5 for a continuous period of 9 months or more shall on the first day of each fiscal year be eligible for an increase of salary of $100 per annum, except that no officer shall receive under the provisions of this section a salary above the maximum of his class, and all such officers in classes 1, 2, or 3 shall in the same circumstances be eligible for an increase of $200: *Provided*, That increases in salary under the terms of this section shall be paid to Foreign Commerce Service officers only as the right to such increases accrues after July 1, 1937.

"(f) The Secretary is authorized to promote or demote in grade or class, to increase or decrease within the salary range fixed for the class the compensation of, and to separate from the service, officers of the Foreign Commerce Service, but in so doing the Secretary shall take into consideration the records of efficiency, determined in accordance with provisions of paragraphs (c), (d), and (e) of this section and the recommendation, approved by the Director of the Bureau, of the Board of Foreign Commerce Personnel.

"(g) Any officer of the Foreign Commerce Service may be assigned for duty in the United States for a period of not more then 3 years without change in grade, class, or salary, or with such changes as the Secretary may direct.

"(h) The Secretary of Commerce is authorized, whenever he deems it would be in the public interest, but not oftener than once in 3 years in the case of each officer, to order to the United States on his statutory leave of absence any foreign commerce officer serving abroad: *Provided*, That the expenses of transportation and subsistence of such officers and their immediate families, in traveling from their posts to their homes in the United States and return, shall be paid under the same rules and regulations applicable in the case of officers going to and returning from their posts under orders of the Secretary of Commerce when not on leave: *Provided further*, That while in the United States the services of such officers shall be available for trade conference work and for such other duties in the Department of Commerce and elsewhere in the United States as the Secretary of Commerce may prescribe.

"(i) The act of April 12, 1930 (46 Stat. 163), entitled 'An act to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927', is hereby repealed.

"(j) Whenever any Foreign Commerce officer dies in the discharge of his duty, there shall be paid to his widow or, if no widow survive him, then to his heirs at law, a sum of money equal to the allowance made to such officer for the time necessarily occupied in making the transit from his post of duty to his residence in the United States.

"SEC. 4. (a) Subject to the requirements of the civil-service laws and rules, the Secretary is authorized to appoint, fix the compensation of, promote, demote, and separate from the service such clerks and other assistants for officers of the Foreign Commerce Service as he may deem necessary.

"(b) When authorized by the Secretary and in accordance with the regulations of the Civil Service Commission, officers of the Foreign Commerce Service may employ in a foreign country, from time to time, fix the compensation of, and separate from the service such clerical and subclerical assistants as may be necessary.

"SEC. 5. (a) Any officer of the Foreign Commerce Service designated by the Secretary of Commerce shall, through the Department of State, be regularly and officially attached to the diplomatic mission of the United States in the country in which he is to be stationed. If any such officer is to be stationed in a country in which there is no diplomatic mission of the United States, appropriate recognition and standing, with full facilities for discharging his official duties, shall be arranged by the Department of State. The Secretary of State may reject the name of any such officer if in his judgment the assignment of such officer to the post designated would be prejudicial to the public policy of the United States.

"(b) No officer of the Foreign Commerce Service shall be considered as having the character of a public minister

"SEC. 6. (a) Any Foreign Commerce Service officer of whatever class detailed for duty in connection with trade conferences or international gatherings, congresses, or conferences, or for other special duty not at his post or in the Department of Commerce, except temporarily for purposes of consultation, shall be paid expenses for travel and subsistence at the rates prescribed by law.

"(b) The Secretary may authorize any officer of the Foreign Commerce Service to fix, in an amount not exceeding the allowance fixed for such officer, expenses for travel and subsistence for any clerical or subclerical assistant employed by such officer under subdivision (b) of section 4.

"(c) Any such officer, clerk, employee, or assistant, while on duty within the continental limits of the United States, shall be entitled to receive expenses for travel and subsistence, at the rate prescribed by law.

"(d) The Secretary is authorized, at posts where in his judgment it is required by the public interests for the purpose of meeting the unusual or excessive costs of living ascertained by him to exist, to grant compensation to Foreign Commerce Service officers stationed outside the continental limits of the United States, in addition to salaries and other allowances, within such appropriations as Congress may make for such purposes: *Provided*, That all such additional compensation and reasons therefor shall be reported to Congress with the annual budget: *Provided further*, That the provisions of this paragraph shall apply only to citizens of the United States.

"SEC. 7. Any appropriation available during the fiscal year ending June 30, 1937, and thereafter for the Department of Commerce for the Foreign Commerce Service, for commercial attachés, and other employees and expenses, or for promoting commerce in Europe and other areas, South or Central America, Africa, or the Far East, all of which appropriations shall be after July 1, 1937, under a single head called 'Promoting commerce in areas outside the continental United States', shall be available for carrying out the provisions of this act, including the payment of salaries and compensation for personal services, in the District of Columbia or elsewhere, compensation of clerical assistants for Foreign Commerce officers at a rate not to exceed $3,000 per annum for each person employed, necessary janitor and messenger service, traveling and subsistence expenses and per-diem allowances, the purchase of necessary furniture and equipment, stationery and supplies, typewriting, adding, and computing and duplicating machines, accessories and repairs, the purchase of law books, books of reference and periodicals, uniforms, foreign and domestic newspapers, reports, documents, maps, plans, specifications, manuscripts, and all other necessary publications, ice and drinking water for office use, the payment of rent outside the District of Columbia, and all other necessary incidental expenses; payment in advance of rent, telephone, subscriptions to publications, and other charges is authorized where custom or practice in a foreign country requires. With the approval of the Secretary, an officer of the Foreign Commerce Service may enter into leases for office quarters for periods not exceeding 10 years.

"SEC. 8. The purchase of supplies and equipment or the procurement of services for the Bureau of Foreign and Domestic Commerce, in foreign countries, may be made in open market without compliance with the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), in the manner common among businessmen, when the aggregate amount of the purchase or the service does not exceed $100 in any instance.

"SEC. 9. The Secretary of Commerce shall prescribe rules and regulations for the establishment of a Foreign Commerce Service retirement and disability system to be administered under his direction and in accordance with the following:

"(a) The Secretary shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force and such appropriations are hereby authorized: *Provided*, That in no event shall the aggregate total appropriation exceed the aggregate total of the contributions of the Foreign Commerce Service theretofore made, and accumulated interest thereon.

"(b) There is created a special fund to be known as the Foreign Commerce Service retirement and disability fund.

"(c) Five percent of the basic salary of all Foreign Commerce officers eligible to retirement shall be contributed to the Foreign Commerce Service retirement and disability fund, and, beginning on July 1, 1937, the Secretary of the Treasury is directed to cause such deductions to be made at the end of each month and deposited with the Treasury Department to the credit of the Foreign Commerce Service retirement and disability fund for the payment of annuities, refunds, bonuses, and allowances in accordance with the provisions of this act.

"(d) When any officer of the Foreign Commerce Service has reached the age of 65 years and rendered at least 15 years of service he shall be retired: *Provided*, That if any such officer shall have served 30 years he may be retired at his own request before reaching the age of 65 years.

"(e) Annuities shall be paid to retired Foreign Commerce Service officers under the following classification, based upon length of service and at the following percentages of the average annual basic salary for the 10 years next preceding the date of retirement: Class A, 30 years or more, 60 percent; class B, from 27 to 30 years, 54 percent; class C, from 24 to 27 years, 48 percent; class D, from 21 to 24 years, 42 percent; class E, from 18 to 21 years, 36 percent; class F, from 15 to 18 years, 30 percent: *Provided, however*, That in computing the average annual basic salary for the 10 years next preceding the date of retirement, so much of an officer's service as was rendered prior to March 3, 1927, in accordance with the classification and salaries established by laws then in effect, as it is possible to credit to him by applying to all such periods of service rendered prior to March 3, 1927, the rules for corresponding classes in the classification provisions in section 3 of this act, shall be considered as having been performed in accordance with the classifications and salaries established for Foreign Commerce Service officers in section 3b of this act.

"(f) Those officers who retire before having contributed for each year of service shall have withheld from their annuities to the credit of the Foreign Commerce Service retirement and disability

fund such proportion of 5 percent as the number of years in which they did not contribute bears to the total length of service: *Provided*, That no deductions shall be made from the annuities of those who have contributed 30 years, and no officer shall be required to contribute more than 30 years in any circumstances.

"(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the Foreign Commerce Service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

"(h) None of the moneys mentioned in this section shall be assignable either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process.

"(i) In case an annuitant dies without having received in annuities an amount equal to the total amount of his contributions from salary with interest thereon at 4 percent per annum compounded annually up to the time of his death, the excess of said accumulated contributions over the said annuity payments shall be paid to his or her legal representatives; and in case a Foreign Commerce officer shall die without having reached the retirement age the total amount of his contribution with accrued interest, after deducting any payments under the provisions of subdivision (j), shall be paid to his legal representatives.

"(j) Any officer of the Foreign Commerce Service who, before reaching the age of retirement, becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary of Commerce, be retired on an annuity under subdivision (e) of this section: *Provided, however*, That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary to conduct the examination: *Provided further*, That unless the disability be permanent or continue beyond the age of 65, a like examination shall be made annually in order to determine the degree of disability, and the payment of annuity shall cease from the date of the medical examination showing recovery.

"Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Foreign Commerce Service retirement and disability fund. When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or to his legal representatives.

"(k) The Secretary is authorized from time to time to establish a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to July 1, 1912, at such posts, inclusive of regular leaves of absence, of officers hereafter retired, shall be counted as 1½ years, and so on, in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such service: *Provided, however*, That the Secretary may at any time cancel the designation of any places as unhealthful without affecting any credit which has accrued for service at such posts prior to the date of the cancelation.

"(l) Whenever an officer becomes separated from the Foreign Commerce Service without being eligible for retirement on an annuity, the total amount of contribution from his salary, with interest thereon at 4 percent compounded annually up to the date of such separation, shall be returned to him.

"(m) The Secretary is authorized to expend from surplus money to the credit of the Foreign Commerce Service retirement and disability fund an amount not exceeding $1,000 per annum for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

"(n) Any officer of the Foreign Commerce Service who may hereafter be reinstated, appointed, or transferred to a position in the Bureau of Foreign and Domestic Commerce shall, with the approval of the Director of such Bureau, be entitled to all the benefits of this section in the same manner and under the same conditions as officers of the Foreign Commerce Service.

"(o) For the purpose of this section the period of service shall be computed from the date of entry on duty as commercial attaché, assistant commercial attaché, trade commissioner, or assistant trade commissioner, and shall include periods of service at different times as an officer of the Foreign Commerce Service, or while on assignment to the Department of Commerce, or on special duty or service in another Department or establishment of the Government, but all periods of separation from the service and so much of any period of leave of absence without pay as may exceed 6 months shall be excluded: *Provided*, That service in an executive or quasi-executive position or as a clerk in the Bureau of Foreign and Domestic Commerce or one of its domestic or foreign offices prior to appointment as an officer of the Foreign Commerce Service may be included in the period of service, in which cases the officer shall pay into the Foreign Commerce Service retirement and disability fund a special contribution equal to 5 percent of his annual salary for each year of such employment, with interest thereon to date of payment compounded annually at 4 percent: *Provided further*, That such special contribution shall be subject to the limitations established by subdivision (f) of this section.

"SEC. 10. Notwithstanding the provisions of section 3 of this act, the Secretary shall establish regulations providing for the separation of officers from the Foreign Commerce Service, in accordance with the conditions hereinafter prescribed. An officer or clerk so separated from the Service shall be retired, after a hearing by the Secretary, upon an annuity equal to 25 percent of his salary at the time of retirement, in the case of officers over 45 years of age or in the case of officers under 45 years of age with a bonus of 1 year's salary at the time of his retirement, either annuity of 1 year's salary to be payable out of the Foreign Commerce Service officers' retirement and disability fund and except as herein provided, subject to the same provisions and limitations as other annuities payable out of such funds; but no return of contributions shall be made under paragraphs (i) or (l) of section 9 of this title in the case of any Foreign Commerce Service officer retired under the provisions of this section. Whenever it is determined that the efficiency rating of an officer is unsatisfactory, thereby meaning below the standard required for the Service, and such determination has been confirmed by the Secretary, the officer shall be notified thereof, and if, after a reasonable period, to be determined by the circumstances in each particular case, the rating of such officer continues to be found unsatisfactory and such finding is confirmed by the Secretary after a hearing accorded the officer, such officer shall be separated from the Service with the annuity or bonus provided in this section, but no officer so separated from the Service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 15 years. He shall, however, if he has not served at least 15 years, have returned to him the full sum of his contribution to the annuity fund, with interest thereon at 4 percent compounded annually. The benefits of this section, except at the option of the Secretary the return of an officer's contribution to the annuity fund, shall not be given to Foreign Commerce Service officers separated from the Foreign Commerce Service on account of malfeasance in office.

"SEC. 11. In the event of public emergency any retired Foreign Commerce Service officer may be recalled temporarily to active service by the Secretary of Commerce, and while so serving he shall be entitled in lieu of his retirement allowance to the full pay of the class in which he is temporarily serving, or his retirement allowance, whichever is greater.

"SEC. 12. All acts and parts of acts at variance with the provisions of this act are hereby repealed.

"SEC. 13. This act shall take effect upon its enactment."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (H. J. Res. 413) to permit the transportation of passengers by Canadian passenger vessels between ports or places in the United States on Lake Ontario and the St. Lawrence River was announced as next in order.

Mr. WHITE. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2024) to amend the civil-service law to permit certain employees of the legislative branch of the Government to qualify for positions under the competitive classified civil service, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

OPERATION OF MOTOR VEHICLES BY UNLICENSED OPERATORS

The Senate proceeded to consider the bill (S. 589) prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment of the committee was, on page 1, line 4, after the word "commerce", to insert the words "or foreign commerce."

The amendment was agreed to.

Mr. KING. Mr. President, I should like to have an explanation of the bill. In the absence of explanation, let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

INTERSTATE COMPACT—CONNECTICUT RIVER FLOOD CONTROL—JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 177) consenting to an interstate compact relating to flood control in the Connecticut River Valley, was announced as next in order.

Mr. LA FOLLETTE. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. AUSTIN subsequently said: Mr. President, the junior Senator from Massachusetts [Mr. LODGE] has been trying for several days to arrange to make a motion to proceed to the consideration of Calendar No. 979, Senate Joint Resolution 177, and he intends to make such a motion at the first opportunity.

Mr. WALSH. Mr. President, in connection with what the Senator has just said, I was informed this morning that the Governors of four of the New England States who are interested are to meet with the President tomorrow in connection with this subject matter. I thought I ought to give the Senator that information.

Mr. AUSTIN. I thank the Senator on behalf of his colleague.

Mr. BRIDGES. Mr. President, can the Senator from Massachusetts tell me when the conference is to be held?

Mr. WALSH. About 11 o'clock this morning I had occasion to telephone the White House in connection with another subject, and I was informed that the President had invited the Governors of the New England States to confer with him tomorrow to discuss with him this subject matter. That is the only information I have regarding the matter.

I might add that late yesterday afternoon, upon my return to the Senate after an absence of a few days on naval activities I conferred with the attorney general of Massachusetts on this subject. He had been in conference with the Power Commission and others in reference to some changes or modifications that were being contemplated by the Commission but he had no knowledge of a conference with the President.

JOINT RESOLUTION AND BILLS PASSED OVER

The joint resolution (S. J. Res. 178) consenting to an interstate compact relating to flood control in the Merrimack River Valley, was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1351) to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes, was announced as next in order.

Mr. BRIDGES. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 2904) for the relief of officers and soldiers of the Volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after ratification of the treaty of peace, April 11, 1899, was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

CLAIM OF MINNIE C. DE BACK

The bill (S. 610) to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, be amended to read as follows:

"That jurisdiction is hereby conferred upon the United States District Court for the Northern District of California, southern division, to hear, determine, and render judgment upon the claim of Minnie C. de Back, of San Francisco, Calif., for damages for personal injuries received by her on or about July 3, 1931, while riding as a passenger in the Territory of Alaska on one of the trains of the Alaska Railroad, operated by the United States under the provisions of the act entitled 'An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes', approved March 12, 1914, as amended.

"SEC. 2. In the determination of such claim the United States shall be held liable for any tort committed by any of its officers, agents, or employees to the same extent as if the United States were a private person.

"SEC. 3. Suit upon such claim may be instituted at any time within 1 year after the enactment of this amendatory act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim and appeals from and payment of any judgment thereon shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 'Twentieth' of section 24 of the Judicial Code, as amended."

SEC. 2. The title of the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, is amended to read as follows: "An act conferring jurisdiction upon the United States District Court for the Northern District of California, southern division, to hear, determine, and render judgment upon the claim of Minnie C. de Back."

PURCHASE OF AIR-NAVIGATION FACILITIES

The Senate proceeded to consider the bill (S. 2817) providing for the purchase by the United States of air-navigation facilities established with the approval of the Secretary of Commerce by air-mail contractors on their contract routes, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert the following:

That notwithstanding any other provision of law, the Secretary of Commerce is authorized, in his discretion, to purchase with any moneys available, or which may be made available, for the establishment of air-navigation facilities, and in accordance with the order of priority assigned to airways installation projects in the current 6-year plan of public construction of the Bureau of Air Commerce, any air-navigation facility which the Secretary of Commerce is authorized under the Air Commerce Act of 1926, as amended, to establish, maintain, and operate, and which has been established, or which hereafter may be established in accordance with the standards and specifications of the Bureau of Air Commerce, on any officially designated civil airway, by the air-mail contractor possessing an air-mail contract to operate thereon, provided the Secretary of Commerce shall certify that acquisition of such air-navigation facilities is in the public interest. In case of any such purchase the price to be paid shall be determined by the Secretary, who shall take into consideration the actual cost to the owner, the cost at the time of the purchase of a similar installation to the Bureau of Air Commerce, and the operating age of the equipment.

Mr. LA FOLLETTE. Mr. President, will not the Senator from New York explain this bill and the reasons for it?

Mr. COPELAND. Mr. President, the Department of Commerce, lacking any money to install ground facilities for the protection of aviation, some of the private lines have installed facilities, and own them. It is embarrassing now to the Department to have private ownership of facilities which are publicly operated. The Department now has the money, and we had to go through great tribulation in order to obtain it in the appropriation bill for the Department of Commerce, with which to provide the facilities, so it will not need any more money. Instead of buying new facilities in certain places, they will take over facilities which have been privately installed. That is the purpose of the bill.

Mr. LA FOLLETTE. I ask that the amendment of the committee be read.

The amendment was read.

Mr. LA FOLLETTE. Mr. President, as I heard the amendment read, I got the impression that if private companies built these facilities in the future it would be possible for the Department to purchase them. Is that correct?

Mr. COPELAND. The language may be so broad as to permit that. If it is, I shall not lament, because we are being very seriously criticized by the Air Pilots' Association, a fact which has been brought out in connection with the legislation proposed regarding the Washington-Hoover Airport. We are being criticized because we are not installing these devices rapidly enough. Personally, I sympathize with that criticism. If the Department of Commerce can hasten the installation of safety devices by the aid of concerns selfish enough to design them for their own benefit, that is well so far as the United States is concerned, but of course that will have to be done under strict arrangements made

by the Secretary, and at prices which will be determined by him.

Mr. LA FOLLETTE. I also desire to call attention to the fact that the bill begins "That notwithstanding any other provision of law." What is the purpose of preventing other provisions of law with regard to the purchase of property of this nature from applying to this matter?

Mr. COPELAND. In the report on the appropriation bill we specifically designated that certain money should be spent for teletype, certain money for radio installation, and that sort of thing. The report would certainly make it clear that it was newly purchased and directly purchased by the Department. I am quite sure that this will be safeguarded by the Department. It must be. I hope the measure may be passed.

Mr. LA FOLLETTE. Over a long period of time legislation has been enacted to govern and regulate the purchase of property by the Government, and I question the wisdom of this sweeping elimination of the effect of those statutes upon this particular proposition, especially when the operations are to be carried on indefinitely in the future, and in view of the further fact that the entire question of the price to be paid is to be determined by the Department.

Mr. COPELAND. Would the Senator be better satisfied if the first clause were eliminated?

Mr. LA FOLLETTE. I should be better satisfied if the words "notwithstanding any other provision of law" were stricken out, as well as the words "or which hereafter may be established."

Mr. COPELAND. I will accept those amendments.

The PRESIDENT pro tempore. The clerk will state the amendments.

The CHIEF CLERK. In the committee amendment, on page 2, line 7, it is proposed to strike out the words "notwithstanding any other provision of law" and on line 17, after the word "established", to strike out "or which hereafter may be established."

The amendments to the amendment were agreed to.

Mr. McKELLAR. Mr. President, as a further safeguard, I ask the Senator whether he would accept an amendment to add, after the word "discretion", in line 8, the words "with the approval of the President"?

Mr. COPELAND. The suggested amendment is perfectly agreeable.

Mr. McKELLAR. I offer the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. AUSTIN. Mr. President, does the bill contemplate in the words "air navigation facilities" the establishment of additional weather stations?

Mr. COPELAND. The weather stations are under the Department of Agriculture.

Mr. AUSTIN. That is why I asked the question, because if the bill had that in contemplation, there would be a possible inconsistency in it.

Mr. COPELAND. All the weather stations are under the Department of Agriculture, and we succeeded this year in increasing the appropriations so that there will be weather reporting in the West where many accidents happen, due largely, I think, to the lack of facilities. However, that question is not involved here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee, as amended.

The amendment as amended was agreed to.

Mr. KING. Mr. President, does not the Senator think there ought to be some limitation on the amount?

Mr. COPELAND. The amount is provided in the appropriation for that specific purpose, so if the Secretary should undertake to purchase the devices he would not go beyond the appropriation.

Mr. KING. Does the Senator believe that all these facilities should be furnished to private corporations which undoubtedly are making profit or will make profit in their operations? Are we to furnish to them all of the facilities for transportation, for aviation, for airdromes, and so on? Why should they not pay some compensation to the Government for the advantages they are receiving?

Mr. COPELAND. My answer is no, we should not do that. As a matter of fact, the air lines represent 30 percent of the users of these facilities. Private fliers and Army and Navy and Coast Guard fliers represent the other 70 percent.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IMMIGRATION OF FILIPINOS TO HAWAII

The bill (H. R. 7561) to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934, was announced as next in order.

Mr. McKELLAR. Mr. President, did the Senator from Maryland [Mr. TYDINGS] ask that that bill go over?

Mr. KING. No. His committee, the Committee on Territories and Insular Affairs, favorably reported the bill.

Mr. McKELLAR. I understand that; but my recollection is that he himself asked that the bill be passed over for some reason.

Mr. KING. Some question was raised by the Senator from Wisconsin concerning the bill. The bill merely provides that Filipinos may not hereafter enter Hawaii, as they are permitted to do under existing law. The bill provides for excluding Filipinos from Hawaii.

The PRESIDENT pro tempore. Objection having been made, the bill will be passed over.

BILLS PASSED OVER

The bill (S. 2791) to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable was announced as next in order.

Mr. GUFFEY. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 7836) to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable was announced as next in order.

Mr. GUFFEY. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6628) to permit the further extension of the Air Mail Service was announced as next in order.

Mr. AUSTIN. Mr. President, the Senator from Missouri [Mr. TRUMAN] was called from the Chamber and asked me to object to that bill on his behalf. I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF COAST GUARD ENLISTED MEN

The bill (S. 2206) to provide for the transfer of enlisted men of the Coast Guard to the Fleet Naval Reserve was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. REYNOLDS subsequently said: Mr. President, I should like to make inquiry as to the disposition made of Senate bill 2206.

The PRESIDENT pro tempore. Objection was heard to it. It went over on objection by the Senator from Utah [Mr. KING].

Mr. REYNOLDS. I should like to be permitted to make reference to that bill at this time, if there is no objection.

Mr. KING. Mr. President, I am compelled to object to that bill being taken up at this time. The Navy Department objects, as well as other officials of the Government.

Mr. WALSH. I will say to the Senator from Utah that the Senator from North Carolina wishes to offer amendments to the bill which will completely change its provisions and

will remove the Navy from any connection with the Coast Guard Service in this matter.

Mr. KING. May I ask the Senator to let the bill be passed over until we have concluded the call of the calendar, so that I may have an opportunity to examine it?

Mr. REYNOLDS. Very well.

Mr. WALSH. Mr. President, I suggest that the Senator from North Carolina submit his proposed amendments to the bill, so that Members of the Senate may have the opportunity to know the nature of the amendments.

Mr. REYNOLDS. I offer certain amendments to the bill, which I ask to have read and lie on the table.

The PRESIDENT pro tempore. The amendments proposed by the Senator from North Carolina [Mr. REYNOLDS] will be stated.

The CHIEF CLERK. In line 4 it is proposed to strike out the words "Fleet Naval Reserve" and insert in lieu thereof the words "Coast Guard Reserve."

On page 2, line 6, it is proposed to strike out the words "Fleet Naval Reserve" and insert in lieu thereof the words "Coast Guard Reserve."

In line 18, it is proposed to strike out the words "Fleet Naval Reserve" and insert in lieu thereof the words "Coast Guard Reserve."

Strike out all of section 3 and insert in lieu thereof the following new section, to read as follows:

SEC. 3. That a Coast Guard Reserve is hereby created, and the provisions of the law applicable to enlisted men of the Navy who are transferred to the Fleet Naval Reserve shall, insofar as they are consistent with the provisions of this act, be applicable to enlisted men of the Coast Guard who are transferred to the Coast Guard Reserve.

Amend the title so as to read: "A bill to provide for the transfer of enlisted men of the Coast Guard to the Coast Guard Reserve."

The PRESIDENT pro tempore. The amendments will lie on the table.

Mr. KING. Mr. President, as I understand, we are not now considering the bill.

Mr. REYNOLDS. No, Mr. President. The Senator from Massachusetts requested that I submit the amendments for the RECORD.

Mr. WALSH. Yes; I made that request so the amendments would appear in the RECORD.

Mr. KING. Then I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

FORMER EMPLOYEES OF FEDERAL SUBSISTENCE HOMESTEAD CORPORATION

The bill (H. R. 3058) for the relief of former employees of the Federal Subsistence Homesteads Corporation, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1355) for the relief of Lawrence E. Thomas was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

MEASUREMENT OF VESSELS USING PANAMA CANAL

The bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. REYNOLDS. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. CLARK. Mr. President, I desire to give notice that as soon as I can obtain recognition after the call of the calendar I shall move that that bill be taken up for consideration.

Mr. COPELAND. I ask the Senator from Missouri if he will be good enough to examine the amendment I now present to him, which I propose to offer to that bill.

Mr. CLARK. I have already read the amendment proposed by the Senator from New York. It was printed in the RECORD yesterday.

Mr. COPELAND. Mr. President, I simply ask the Senator from Missouri to examine the amendment, and he says he has done so.

EMPLOYMENT BY WORKS PROGRESS ADMINISTRATION

The joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, was announced as next in order.

Mr. BARKLEY. I ask that the joint resolution be passed over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. COPELAND subsequently said: Mr. President, I inquire what became of Senate joint resolution 176?

The PRESIDENT pro tempore. The senior Senator from Kentucky [Mr. BARKLEY] asked that it go over.

Mr. COPELAND. Then, Mr. President, I will say that I hope the Senator from Washington [Mr. SCHWELLENBACH] will attempt to have the joint resolution, which is a very important measure, brought up for consideration by the Senate.

Mr. SCHWELLENBACH. I will say to the Senator from New York that I had intended, if possible, to have the joint resolution brought before the Senate for consideration as soon as possible.

Mr. COPELAND. I hope the Senator will succeed. The joint resolution involves a very important matter.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 161) authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons was announced as next in order.

Mr. KING. I ask that the joint resolution be passed over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

CLEVELAND RAILWAY CO.

The Senate proceeded to consider the bill (S. 2008) for the relief of The Cleveland Railway Co., which was read, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue is hereby authorized and directed to receive, consider, and determine in accordance with law, but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by The Cleveland Railway Co., a corporation organized and existing under the laws of the State of Ohio, having its principal place of business in Cleveland, Ohio, for the refund of income and profits taxes erroneously collected from the said The Cleveland Railway Co. for the taxable year 1926: *Provided, however,* That in the settlement of said claim interest shall not be allowed beyond February 28, 1936.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. BULKLEY. The bill authorizes the Commissioner of Internal Revenue to consider and determine the tax liability of the Cleveland Railway Co. for the year 1926, without reference to the statute of limitations. It happens that the Bureau of Internal Revenue audited the accounts of the Cleveland Railway Co., with respect to income-tax liability for a series of 7 years, and found deficiencies in 4 years and overassessments in 2 years. The deficiencies have now been paid. Nineteen hundred and twenty-six is one of the years in which an overassessment was found, and now refund of the overassessment is denied because it is contended that a claim was not filed for it in time. However, the railway company says that it did file a claim within the proper period, and there is a memorandum in the Bureau acknowledging that the claim for 1926 was before the Bureau within the statutory period. This bill provides only for the release of the company from the effect of the statute of limitations.

Mr. KING. Mr. President, I suppose the Senator is familiar with the report of the Acting Secretary of the Treasury, Mr. Magill, in which he states:

The Treasury Department opposes the enactment of this measure for the reasons above indicated.

Mr. BULKLEY. I am familiar with that, but I am also familiar with the action of the Senate Committee on Claims, which took issue with the Acting Secretary in saying that there is no reason for reopening this case. It is a plain question of justice. The deficiencies have all been paid. Why should not the overassessments be credited to the company? I hope the Senator will not object.

Mr. KING. What reason exists for the Treasury opposing it? Mr. Magill is a very just and fair man.

Mr. BULKLEY. Simply because they cannot find the claim that was filed within the statutory period. It was apparently lost in the Bureau. There is good evidence that the claim was filed on time, and that it simply was mislaid and did not turn up.

Mr. KING. Then the taxpayer did all that it was required to do under the law to preserve its rights?

Mr. BULKLEY. Yes. It seems clear that that is true.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAVID J. MAHONEY AND OTHERS

The bill (H. R. 2657) authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired, was considered, ordered to a third reading, read the third time, and passed.

LUKE FRANCIS BRENNAN

The Senate proceeded to consider the bill (H. R. 3372) for the relief of Luke Francis Brennan.

Mr. KING. Will the Senator from Massachusetts [Mr. WALSH] explain that bill?

Mr. WALSH. The bill is recommended and approved by the Navy Department, I will say, Mr. President.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

TRANSPORTATION AND SALE OF NATURAL GAS IN INTERSTATE COMMERCE

The Senate proceeded to consider the bill (H. R. 6586) to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes.

Mr. AUSTIN. Mr. President, may I ask the Senator from Montana [Mr. WHEELER] a question concerning this bill? Does the bill undertake to regulate the production of natural gas, or does it undertake to regulate the producers of natural gas?

Mr. WHEELER. It does not attempt to regulate the producers of natural gas or the distributors of natural gas; only those who sell it wholesale in interstate commerce. The National Association of Railroad and Utilities Commissioners have recommended the passage of the bill and have gone on record in its favor by passing resolutions. They are very much interested in it; the city of Detroit and the city of Cleveland and a large number of Senators have asked me to take it up.

Mr. AUSTIN. Mr. President, will the Senator yield for one other inquiry?

Mr. WHEELER. Yes.

Mr. AUSTIN. Is the bill limited in its scope to the regulation of transportation?

Mr. WHEELER. Yes; it is limited to transportation in interstate commerce, and it affects only those who sell gas wholesale.

Mr. CONNALLY. Mr. President, is it identical with the bill that came from the House?

Mr. WHEELER. It is identical with the bill that came from the House, the House bill having been reported without amendment, and it is identical with the bill recommended by the Interstate Commerce Committee last year.

Mr. KING. Mr. President, I should like to obtain information from the Senator as to the implications that arise from the bill, and what States it would affect. As an illustration, if gas is produced in Wyoming and is transported for consumption into the Senator's State or my State, would the Federal Power Commission have to do with such an activity?

Mr. WHEELER. No; and let me say to the Senator that, as a matter of fact, the bill does not interfere with the State regulation, in any way, shape, or form.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LA FOLLETTE. Is it not a fact that the utilities commissioners generally in the States have heartily endorsed this measure?

Mr. WHEELER. I just made that statement. I have a letter here written by the chief counsel, John E. Benton, which reads as follows:

NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS,
Washington, D. C., March 29, 1937.

Hon. CLARENCE F. LEA,
Chairman, House Interstate and Foreign Commerce Committee, Washington, D. C.

DEAR SIR: A joint meeting of the executive committee of this association and of the association's committee on legislation was held on March 26, 1937, for the consideration of legislative matters.

The provisions of H. R. 4008 were considered for the purpose of determining whether that bill will provide regulation of the character requested in the resolution heretofore adopted by this association, and presented at the hearing on March 24, 1936. Consideration was also given to the situation existing in Illinois, where the Illinois commission finds itself impeded by injunction proceedings in the Federal courts in its undertaking to discover what it costs the interstate pipe-line company to deliver gas in Illinois, although the commission is seeking that information only for the purpose of determining what the reasonable expenses of the local distributing company ought to be, and what price for gas sold in the Chicago areas should be approved by the commission as just and reasonable.

A resolution was unanimously adopted endorsing H. R. 4008, amended as requested on behalf of this association at the hearing on March 24. I attach a copy of the resolution hereto, and ask that it be printed as if presented at the hearing.

Yours very truly,

JOHN E. BENTON,
General Solicitor.

I may also add that many of the larger shippers in interstate commerce have gone on record as favoring this bill because they would rather have one body here in Washington regulate the interstate features of the matter than to have a lot of States try to regulate shipments.

Mr. WHITE. Mr. President, I am in complete accord with the general purposes of the bill, and I approve the general regulatory powers that are granted by it. There is one section of the bill, however, which causes me some concern. Section 3 of the bill gives to the Commission the power to prohibit exports or to prohibit imports of natural gas. It seems to me that it is most extraordinary and unusual to confer upon any commission the power to ban the exports or imports of any commodity whatsoever. I am wondering just what peculiar or particular reasons there were for the insertion of this provision. I wonder if there is any justification for including in this regulatory bill such an extreme power as this. Of course, we have with respect to certain commodities granted to the President the power to prohibit their export. I think we recognize the principle upon which that grant of power is based; but I cannot see why we should give to this Commission a power of that sweeping character.

Mr. WHEELER. The bill merely gives the Commission power over interstate commerce to prevent the commodity coming into a State if the State authorities, for instance,

should not want it to come in. I do not think there is anything the Senator need fear with reference to it in the slightest degree.

Mr. WHITE. The provision to which I refer reads that—

> No person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country.

Mr. WHEELER. That is for the purpose of conserving our natural gas in the event we wanted to conserve it. Suppose, for instance, that natural gas were being transported from this country into Canada when we had a shortage of natural gas, or suppose we were selling quantities of natural gas to foreign countries when we should not do it.

Mr. WHITE. That is quite true, but the prohibition against imports of gas would not be in behalf of the conservation of our gas supply.

Mr. WHEELER. On the other hand, it might be that some company wanted to import natural gas from Mexico, and the Commission might feel that it was not in the public interest that it should be imported into this country. So the bill simply gives the Commission power over interstate commerce either to prevent or to permit as the public interest may dictate.

Mr. CONNALLY. Mr. President, does the Senator mean that this bill proposes to give unlimited power to determine the matter of policy as to whether we should import or export any gas? I thought it merely conferred the power to regulate the transportation, the rates, and things of that kind. I am not going to vote for the bill if it gives the Commission the power to decide whether we may export gas or may import it. That power belongs right here in this Congress.

Mr. WHEELER. Let me read section 3.

Mr. CONNALLY. It is a very long bill, and I do not think we ought to pass a bill such as this under the rule which governs the proceedings of the Senate at this time.

Mr. WHEELER. I have no personal interest in the bill.

Mr. CONNALLY. I am sure the Senator has not and neither has the Senator from Texas.

Mr. WHEELER. But the administration has been much interested in it, and State public utility bodies are very much interested in it, because, as they have said, under the present set-up it is almost impossible for them properly to regulate the sale of natural gas in their communities without this kind of legislation.

Mr. WHITE. I think the letter of the Utilities Commissioners relates generally to the regulatory powers which are conferred, the power to control the movement of the commodity in interstate commerce. As I recall—though I may be in error—there is nothing in the commissioners' attitude which indicates approval of a prohibition against the export or prohibition against the import of natural gas. It seems to me that section 3 could be eliminated from the bill without impairing the efficacy of the proposed legislation.

Mr. BROWN of Michigan. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. BROWN of Michigan. This bill is practically identical with the bill that I introduced upon the same subject at the request of the authorities of the city of Detroit. I myself see no particular reason for retaining section 3 in the bill. It was not in my bill. I had just as soon see it stricken out.

Mr. WHEELER. I have no objection to section 3 being stricken out. I think it is rather immaterial.

Mr. BROWN of Michigan. I think so, too.

Mr. WHITE. Mr. President, I move that section 3 be stricken from the bill.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on the motion of the Senator from Maine.

The motion was agreed to.

Mr. KING. Mr. President, I should like an explanation from the able Senator from Montana as to the terms of the bill and the machinery which is set up to enforce it. It is a bill of many pages, and it seems to have all the machinery that would be found in a measure providing for the regulation of railroads. I should like to know what justification there is for interdicting the people of Wyoming, for instance, from transporting their natural gas to the Senator's State or to my State—for we use considerable of it—and what justification there is for the Federal Power Commission or any other commission, aside from commissions within the States, to fix the price at which the gas shall be sold. I cannot quite see how some interstate organization can adopt a standard, because there is such a difference in the cost of production and in the cost of transmission. Some mines may produce a large outflow of gas with very limited capital, while others may have invested hundreds of thousands of dollars in trying to develop oil and finally get gas at a cost which has been very great. So, it would seem to me to be very difficult to determine the price which should be charged, and that that would be a matter that should be regulated by the State into which the gas is transported for consumption.

Mr. WHEELER. Let me say to the Senator that this bill is unusual in the respect that those who transport the gas favor the bill. All the State public-utility bodies favor the bill and the Government has favored the bill.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. Let me finish the statement and I will then yield. The reason for it is that many persons who are shipping gas in interstate commerce for wholesale purposes—and this bill only affects gas sold at wholesale—find that some State through which their pipe line goes has sought to pass laws regulating the gas that is shipped through that particular State. That condition has caused considerable litigation. It may be that it is sought to transport natural gas from Montana through North Dakota into Minnesota and one State may try to regulate that transportation. There is no attempt in this bill to regulate the price of gas to retailers; that is left entirely to the State. The only thing it proposes is to attempt to regulate the price at which natural gas shall be sold at wholesale. The various States want the bill passed because of the fact that when they have tried to regulate the price of natural gas to the consumers they have not been able to do so because of the fact that injunctions have been gotten out in some of the State courts.

The city of Detroit, I think, has had such difficulty, as has the city of Columbus, the city of Cleveland, and the city of New Orleans, if I am not mistaken. All the largest cities that are using gas and all the State regulatory bodies want it. So far as I know, in practically every instance, those who are engaged in the transportation of gas have either expressed themselves in favor of the proposed legislation or have offered no objection before any of the committees to the bill. If I am in error about that I hope some Senator will correct me.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. CONNALLY. Is it not also true, even though the utility commissioners advocate it, that whenever a Federal agency takes over an activity such as this the State authorities begin to shift or lose their responsibility? If we turn this over to the Interstate Commerce Commission, essentially what they do will be reflected all over the country, because the interstate rates will be superimposed on the State commissions and they must necessarily be governed by them. Did not that happen to the railroads?

Mr. WHEELER. There is no doubt about that, but this is an entirely different situation.

Mr. CONNALLY. Yes; one involves the railroads and the other involves gas.

Mr. WHEELER. No. There is no attempt and can be no attempt under the provisions of the bill to regulate anything in the field except where it is not regulated at the present time. It applies only as to interstate commerce and only to the wholesale price of gas.

Mr. BORAH. Mr. President, as I understand, the bill is confined to the regulation of interstate commerce?

Mr. WHEELER. That is all, and nothing else.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. AUSTIN. I have not had time to examine the bill thoroughly or even the report. I seek information.

The Senator referred to litigation. I want to know whether the courts have not in litigation passed upon the matter of jurisdiction and already held that the regulation of rates, when the borders of States are crossed, is exclusively within the jurisdiction of the Commission?

Mr. WHEELER. That is correct.

Mr. AUSTIN. That is not the question that bothers me. I thought it was implied in the bill, at least, that there is an overreaching into the matter of State rights. Take the compact feature of the bill. I ask whether that right which the States have under the Constitution to enter into compacts with each other is attempted by the bill to be narrowed down and restricted so that they will be fettered and unable to enter into compacts freely with respect to their own internal affairs as affected by their interstate relations.

Is there such restriction contained in the paragraph on page 16, entitled "State compact", sections (a), (b), and (c) of section 11? I have read those provisions hastily. Apparently they require the States to report to the Commission immediately any compact which they undertake to make. I do not find, however, those restrictive clauses which are found in the measure introduced by the Senator from New Hampshire [Mr. BROWN] with respect to flood control in the valley of the Connecticut River.

Mr. WHEELER. There is no such restrictive provision. If the Senator will read paragraph (a) of section 11 he will see that it provides:

STATE COMPACTS—REPORTS ON

SEC. 11. (a) In case two or more States propose to the Congress compacts dealing with the conservation, production, transportation, or distribution of natural gas it shall be the duty of the Commission to assemble pertinent information relative to the matters covered in any such proposed compact, to make public and to report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact and to aid in the conservation of natural-gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas.

In other words, all the bill would do would be to give the Commission power to furnish to the States such information as it has, and require the States to furnish the Commission such information as they have. Then the Commission would report to the Congress its recommendations with reference to the compacts, and it would be for the Congress to act.

Mr. AUSTIN. Then, it would leave to the future the right to meet any effort on the part of the central government to acquire the natural resources of the State of Montana, or the State of Vermont, or any other State?

Mr. WHEELER. Oh, yes. It does not touch it in any way, shape, or form, except to require the furnishing of information.

Mr. AUSTIN. I have great fear of these occult methods of acquiring the natural resources of our several States.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. CONNALLY. Does the bill give to the Commission the power to fix the price at which the gas shall be sold?

Mr. WHEELER. At wholesale.

Mr. CONNALLY. Does it require the companies to sell at those prices?

Mr. WHEELER. It regulates the wholesale prices of gas.

Mr. CONNALLY. If a man should produce gas in my State and ship it in interstate commerce, then he would have to sell it at the price fixed by the Commission?

Mr. WHEELER. Exactly; at the wholesale price fixed by the Commission.

Mr. CONNALLY. The power to fix a low price involves the power to fix a high price.

Mr. WHEELER. Yes.

Mr. CONNALLY. The coal companies are opposed to the use of natural gas and oil, and are always fighting its use. With a commission such as the Interstate Commerce Commission controlling these matters, does not the Senator believe there would be tremendous pressure to put the rate probably so high that the public in the coal areas would use more coal and less gas?

Mr. WHEELER. I do not think so. I think we have to give credit to the Commission and say it would act honestly.

Mr. CONNALLY. I am not talking about honesty. They may think that a sound economic policy, just as the Senator thought it was a sound economic policy when he voted for the coal bill to raise the price of coal.

If the price of coal was raised by passing a bill here having that effect, could not the Interstate Commerce Commission under the provisions of this bill say "We think the price of gas ought to be higher? It is cleaner and nicer and better, and ought to cost a great deal more than coal. Therefore we will raise these prices and put them so high that very few people can afford to use gas."

Frankly, while I have no interest in the matter whatsoever, it seems to me this is a tremendously important bill for us to pass in this fashion. It does not seem to me to be the proper thing to do. We are going to be back here in January and perhaps in November, and then we will have plenty of time and opportunity to talk about the bill.

Mr. LEWIS. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. LEWIS. May I ask the Senator whether, in the very natural application of the provisions of the bill, it would not only permit the Commission to establish what it believed to be just and reasonable prices for wholesalers but would give to the Commission power to fix the prices of retailers, knowing that the wholesale prices as prescribed become necessarily the basis on which the retailer must fix his prices, as he measures the retail price by the wholesale price? That is the way it seems to me it would work.

Mr. WHEELER. The city of Chicago, if my recollection serves me rightly, wanted to find out what was the cost of gas, in order that they might use the information for the purpose of fixing the retail price of gas in the city of Chicago. They never were able to get any information, because the minute they sought to go into court to get information as to the cost of the natural gas and the cost of transporting it across State lines, an injunction was issued against them on the ground that they were interfering with interstate commerce.

The purpose of the bill is to help the State commissions and the people of the country find out what is the cost of transporting natural gas to the larger cities, such as Detroit, Chicago, Cleveland, and New York City. It does not do any good to give the Illinois commission the power to regulate the price of gas in the city of Chicago if they can be held up—and that is all it is—by pipe-line companies which ship the gas to Chicago and be told, "It is going to cost the city of Chicago so much at wholesale for this gas." What good does it do the people of Chicago if they cannot reach the wholesale price and do something to regulate the pipe-line companies which transport the gas into the city of Chicago?

The only purpose of the bill is to make effective such provisions of law as will help the State regulatory bodies function in the interest of the people of Chicago, St. Louis, Detroit, and the other large cities, to enable them to get something for their money and not be robbed when they are buying gas brought to them in interstate commerce.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. Yes; I yield to the Senator from Missouri.

Mr. CLARK. As I understand, this bill is designed on the theory of preventing the situation which now exists, by which a chain or a system may deliver gas at a State line to a company owned by that system, and thumb its nose at a State regulatory body—be it the utilities commission, the public-service commission, or whatever it may

be called—which may desire to inquire into the facts as to the actual rate base on which the company should be permitted to charge rates. In other words, it would be a matter of interstate contract rather than a matter of a return on a fair rate base, upon which all utility rates in this country are now supposed to be based.

Mr. WHEELER. I think the city of St. Louis has had exactly the same trouble that the city of Chicago has had with reference to the very thing the Senator mentions.

Mr. CLARK. We have two situations in our State, because one of the principal cities in Missouri is on one State line and the other principal city is on the other State line.

Mr. MINTON. And we in Indiana have had the same trouble that the Senator from Montana has so well pointed out. As the Senator says, when an effort is made to regulate the price of gas, we will say, by way of illustration, in Terre Haute, Ind., just across the Illinois line, as far as the Public Service Commission of the State of Indiana can go is to ascertain what the wholesale price is to the gas company in Terre Haute. That may be 50 or 60 cents a thousand; but when they say, "Produce your contract and let us look into the cost of getting that gas to the gateway at Terre Haute, Ind.", the company replies, "Oh, no; that is interstate commerce, and you cannot enter into that field."

Therefore, as the Senator has pointed out, our Public Service Commission cannot determine whether or not the people of Terre Haute are being charged a fair rate for their gas, because it cannot determine the fairness of the wholesale rate that is charged at the gate at Terre Haute.

Mr. WHEELER. As a matter of fact, as I have said before, most of the high-class pipe lines and gas people in the country have favored the bill, because, if they are doing a legitimate business, they have no objection to it. It is only the companies that want to use some device for preventing the State utilities from fixing a fair price that are opposing the bill.

Mr. BULKLEY. Mr. President, will the Senator explain just how this bill will improve the situation outlined by the Senator from Indiana [Mr. MINTON]? That is the situation that we have in Ohio, and I am very much interested in it.

Mr. WHEELER. It will improve the situation in this way: The Federal Power Commission will have power to regulate the price of gas shipped and sold at wholesale in interstate commerce, and so they will investigate and find out what is a fair price for it. The Senator's city of Cleveland, and other cities in Ohio, are helpless.

Mr. BULKLEY. The city of Cleveland uses gas imported from West Virginia; and the company which distributes the gas buys it in West Virginia from another corporation that is owned by the same people. How can we get around that?

Mr. WHEELER. Simply because of the fact that under the bill, if the gas is shipped in interstate commerce, the Federal Power Commission has the right to investigate and say whether or not the company which ships it charges a fair rate for the wholesale gas which it is selling to the city of Columbus or the city of Cleveland. At present, that cannot be done. No one can say whether the price charged is a fair price, or whether it is a high price, or whether the city of Cleveland or the city of Columbus is being robbed. When efforts are made to get that information they are blocked by injunctions in the lower Federal courts, because it is said that the city has no authority over interstate commerce.

Mr. BULKLEY. I thank the Senator. I think the bill will be of great benefit.

Mr. WHEELER. It will be of the greatest benefit, as a matter of fact, to every large city, and every user of gas that is shipped wholesale. My State is not at all affected by the bill, because all our gas is produced in the State. Therefore, the bill does not affect us in the slightest degree; but the authorities of cities like Columbus, Cleveland, Detroit, St. Louis, Chicago, Kansas City, and every single city in the United States that imports gas, have written me and begged me and pleaded with me to try to get this bill passed. Likewise, as I say, every State regulatory body has asked for it, and there has not been an objection that I know of coming from the transporters or producers of gas anywhere in the United States. In fact, one of them spoke to me about the matter and said he hoped the bill would pass, because he felt that it would stabilize the industry, and stop the industry from being held up to ridicule, and so forth.

Mr. LEWIS. Mr. President, I should like to ask the Senator a question. First, I inform the Senator that the public press and certain matters that come through the mail to men in public life, such as we are, tell me that there is a controversy at my city of Chicago between the concern called the People's Gas Co. and my city, due to the fact that the People's Gas Co. is being charged with having gas brought in from probably a natural-gas company or agency, and charging for that gas on a basis that might have been a fair charge for local gas made there in the city.

The details of these charges I do not know, but I ask the Senator if this condition has been brought before the committee, and how far the particular provision to which he is now alluding affects that situation.

Mr. WHEELER. This bill, of course, could not affect the price charged by the People's Gas Co. for gas produced in the State of Illinois, but when gas is brought into a State and sold at wholesale, the Federal authorities may simply go to the extent of saying, "A reasonable price for this gas which is shipped at wholesale is so much"—just as they fix rates for railroads. This is a very minor part of the regulation, and it touches only the part of the gas business which is not now regulated by anybody under any circumstances.

Mr. LEWIS. How far will the bill aid the city or the State commission to adjust what would be a fair price, if it be true that the gas company bringing natural gas from outside the State proceeds to charge for that natural gas the price that it might have been justified in charging for gas made there at home at higher cost?

Mr. WHEELER. The bill absolutely corrects that condition; and that is why the State regulatory bodies in Illinois and in every other State of the Union are in favor of this particular piece of legislation.

Mr. LEWIS. Such is the idea of the Senator, that it corrects that evil if it does exist?

Mr. WHEELER. Exactly.

Mr. MINTON. Mr. President, the bill enables the Commission which has charge of the matter under the bill to do away with discriminatory rates that are established, with which we are all familiar.

Mr. WHEELER. Exactly.

Mr. MINTON. For instance, in the northern part of my State, in the industrial area around Gary, the pipe lines bring in gas and sell it to certain industries with which the pipe lines may be affiliated; but when you try to buy gas for domestic distribution there you cannot buy it at a reasonable price. So the bill would do away with the discriminatory wholesale prices that the pipe lines charge.

Mr. WHEELER. Yes. At the present time, some of the pipe lines that are selling at wholesale will sell to one community at a certain price, and sell to another community at another price. They are permitted to sell to one industry at one price, and to sell to another industry at another price. In other words, the present state of affairs permits the old racket of rebates and discriminations against cities and against counties and against municipalities, and against particular industries in a community.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CONNALLY. What the Senator is saying leads me to the conclusion that in effect this bill will regulate local rates.

Mr. WHEELER. No; no.

Mr. CONNALLY. What rates will it regulate? Every rate is local somewhere. Here is a city that has locally produced gas. If the Interstate Commerce Commission can fix the price of gas in interstate commerce, it can very

easily permit that gas to come in at some other figure than that which applies locally; and inevitably that is going to have a tendency to give the Commission power, not by an order but in effect, to fix the rates all over the United States wherever natural gas is available.

Is the bill confined to natural gas?

Mr. WHEELER. It is confined to natural gas.

Mr. CONNALLY. Why should it not apply to every kind of gas?

Mr. WHEELER. Because manufactured gas is not transported.

Mr. CONNALLY. But it can be transported.

Mr. WHEELER. It cannot be profitably transported. In other words, the gas produced in the city of Chicago cannot be profitably shipped out. The only kind of gas that can be profitably shipped in interstate commerce is natural gas.

Mr. BORAH. Mr. President, if the Senator from Montana will yield, I desire to ask the Senator from Texas a question.

Mr. WHEELER. I yield.

Mr. BORAH. If the Commission does not have power to fix the price of gas, who will fix it?

Mr. CONNALLY. Nobody, of course.

Mr. BORAH. Then it will be fixed by these combinations.

Mr. WHEELER. Exactly; and that is exactly what is happening.

Mr. BORAH. If the Commission does not fix it, you may be sure that there will be a combination of those interested that will fix it.

Mr. CONNALLY. Mr. President, I have not had a letter for this bill, nor, so far as I recall, a letter against it. I have no particular interest in the matter, except that the bill does affect a large industry in my State. We want to sell our gas, of course, but we do not want to sell it at a price that is not just and fair.

Mr. WHEELER. Let me say to the Senator that Representative RAYBURN called me up only yesterday and stated to me that he was very anxious that this bill be taken up, and asked me to make a special effort to get the bill passed; and I told him I would do so. Representative RAYBURN was formerly chairman of the Interstate Commerce Commission of the House of Representatives. He has passed upon this bill, and has gone into the facts. I do not think he would have called me up and asked me to have the bill passed, if possible, if it was going to hurt the State of Texas, or anybody down there.

Mr. CONNALLY. Of course, Representative RAYBURN would not knowingly favor legislation that would hurt our State; but I have to act on my own views of the matter.

Mr. WHEELER. Certainly; but Representative RAYBURN, on account of his being until recently chairman of the Interstate Commerce Commitee, has for several years given a great deal of thought and study to this subject.

Mr. CONNALLY. I will say that personally I am not going to object to the consideration of the bill; but I do think an important measure like this, affecting a great industry and affecting a large portion of the people of the United States, ought to be considered more carefully, and the committee ought to know more than it seems to know about the bill.

Mr. WHEELER. Perhaps I do not know enough about it——

Mr. CONNALLY. I do not mean the Senator from Montana; I am not referring to him; but I mean the committee members. Apparently, they have not given a great deal of thought to the bill.

Mr. WHEELER. Let me say to the Senator that we have given a good deal of thought to the bill. We took it up last year. We had the bill before the Interstate Commerce Committee last year, and studied it, but we were not then able to have it passed. Last year the bill passed the House, and we reported it out favorably, and it came to the floor of the Senate, but was not passed. The bill passed the House unanimously, as I understand, and was unanimously reported by the Committee on Interstate Commerce.

Mr. CONNALLY. Unanimity is not any argument to the Senator from Texas. Whenever everybody is for something, usually it is not worth a "cuss", or there is something wrong with it.

Mr. WHEELER. I can assure the Senator that there is nothing wrong with this bill.

Mr. CONNALLY. Unanimity is no argument to me.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Nebraska.

Mr. BURKE. I represent a State which produces no natural gas or any other kind of fuel, so I am interested in the matter only from the standpoint of those who have to buy. Is the wholesale price of any other kind of fuel that enters the State of Nebraska subject to regulation by the Interstate Commerce Commission or any other body?

Mr. WHEELER. Yes; coal and power.

Mr. BURKE. Who fixes the wholesale price of coal?

Mr. WHEELER. The Coal Commission will fix the price of coal coming into the Senator's State.

Mr. BURKE. Under the Guffey Coal Act?

Mr. WHEELER. Yes.

Mr. BURKE. Well, I did not think much of that act.

Mr. WHEELER. Railroad rates are fixed in the same way.

Mr. BURKE. I am talking about the matter of power.

Mr. WHEELER. The Federal Power Commission regulates the wholesale price of power coming into the State of Nebraska or into any other State. This does exactly the same thing and does not affect the local rate existing, insofar as the wholesale rate is concerned.

Mr. BURKE. It seems to me there would necessarily be a very direct effect on the local rate.

Mr. WHEELER. If some body does not regulate it, then the combination is going to regulate itself, and that is what they are doing. In many instances they have discriminated against various communities. Charges have come before the committee that one community was being discriminated against in favor of some other community, and even some industries have complained that they have been discriminated against, and a lower rate given to another industry. I do not know as to those facts, except as letters have come in.

Mr. BURKE. In Nebraska we are just beginning to use natural gas extensively. I have not had a single letter from anyone making any complaint about this matter, and I certainly would not want to let the bill pass without having the opportunity of communicating with the various communities, with the State Railway Commission of Nebraska, and the other interested parties, to see whether this is going to be in the interest of consumers of natural gas.

Mr. WHEELER. The various commissions passed a joint resolution on the subject, which reads:

Resolved by the executive committee of the National Association of Railroad and Utilities Commissioners, That the position of said association declared by resolution at its forty-seventh annual convention in favor of the enactment of Federal legislation providing for the regulation of the interstate transmission and sale of gas at wholesale for resale is hereby reaffirmed.

In other words, they passed the resolution half a dozen times. Every time they have met they have passed the resolution. I read further:

Resolved further, That for the purpose of providing such regulations said association endorses H. R. 4008, an act to regulate the transportation and sale of natural gas in interstate commerce, introduced by Congressman LEA, of California, with the amendments proposed thereto at the hearing before the House Interstate and Foreign Commerce Committee on behalf of the association on March 24, 1937; and further

Resolved, That the necessity for such regulation is increasingly imperative, and that the enactment of H. R. 4008, amended as proposed, at the present session of Congress is earnestly urged on behalf of said association.

The bill provides for regulation along recognized and more or less standardized lines. There is nothing novel in its provisions, and it is believed that no constitutional question is presented.

Your committee believes that this legislation is highly desirable to fill the gap in regulation that now exists by reason of the lack of authority of the State commissions.

Mr. BROWN of Michigan. Mr. President, I may say to the Senator from Nebraska that, in addition to the endorsement of the Utilities Commissioners, the Cities Alliance and Council of Mayors have met and have urged the enactment of the bill. The Cities Alliance asked to introduce

it in the Senate. The interest of the consumer is the interest we are protecting principally.

The PRESIDING OFFICER. The Chair calls attention to the fact that the debate is proceeding under the 5-minute rule.

Mr. CONNALLY. Mr. President, will the Senator from Montana yield to me?

Mr. WHEELER. I yield.

Mr. CONNALLY. Is it not true that power and gas are competitive for heating purposes?

Mr. WHEELER. Yes.

Mr. CONNALLY. It is proposed to have the power rates controlled by the Power Commission and the other competitive rates controlled by the Interstate Commerce Commission.

Mr. WHEELER. Oh, no; they are both to be controlled by the same Commission.

Mr. CONNALLY. I thought the Senator said the Power Commission would fix the rates for power. The matter becomes somewhat more involved than I thought it was.

Mr. WHEELER. It is the Federal Power Commission that fixes the wholesale price of power, and it is the same commission that will regulate the price of gas.

Mr. CONNALLY. Who controls the matter of the price of coal?

Mr. WHEELER. The Coal Commission.

Mr. CONNALLY. They are competing articles, and one body fixing one price and another body another price.

Mr. WHEELER. That is true as to all of the regulatory bodies of every kind and character.

Mr. BURKE. Mr. President, I would not want to have this bill passed by unanimous consent in the state of mind in which I am at present. I would have to make further investigation.

Mr. CONNALLY. Let the bill go over.

Mr. WHEELER. I give notice that at the earliest possible time I shall move to take the bill up.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CONFIDENTIAL INFORMATION FURNISHED TO BUREAU OF FOREIGN AND DOMESTIC COMMERCE

The Senate proceeded to consider the bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes, which was read, as follows:

Be it enacted, etc., That any statistical information furnished in confidence to the Bureau of Foreign and Domestic Commerce by individuals, corporations, and firms shall be held to be confidential, and shall be used only for the statistical purposes for which it is supplied. The Director of the Bureau of Foreign and Domestic Commerce shall not permit anyone other than the sworn employees of the Bureau to examine such individual reports, nor shall he permit any statistics of domestic commerce to be published in such manner as to reveal the identity of the individual, corporation, or firm furnishing such data.

SEC. 2. Any employee of the Bureau of Foreign and Domestic Commerce violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000 or imprisoned not exceeding 1 year, or both.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. COPELAND. Mr. President, this bill was before us the other day. If the Senator will look at the first page of the bill, the third line, he will find this language:

That any statistical information furnished in confidence to the Bureau * * * shall be used only for the statistical purposes.

And so forth. The argument for the bill is that the Department of Commerce is striving to gather statistics relating to business, the amount of business done, the improvement in business, the percentage of profit, and so forth. It has no authority to ask or demand this information and the Department is convinced that if it could say that the information is to be confidential and not given to the opponents of those furnishing it, there would be no objection.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. CLARK subsequently said: Mr. President, I inquire, what happened to Calendar No. 1213, Senate bill 2940?

The PRESIDING OFFICER. The bill was passed.

Mr. CLARK. I ask that the votes by which the bill was ordered to a third reading and passed be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. CLARK. I ask that the bill go over.

Mr. COPELAND. Mr. President, the Senator was not in the Chamber when the bill was reached. A few days ago, when the bill was called on the calendar, I offered no resistance to having it go over, but I have since received more information. If the Senator will be good enough to look at the first page of the bill, he will find this language:

That any statistical information furnished in confidence shall be used only for statistical purposes.

I am told by the Department that they are anxious to obtain statistics as to the improvement of business, the amount of business done, and all that sort of thing, in order to make up their statistical records. They have no authority to demand the information, and they find it difficult to get the information because competitors, of course, naturally seize upon it.

I was impressed the other day by what the Senator said, but having gained more information about it, I can hardly see what advantage there would be in defeating the bill, because it would simply serve to defeat the Department's desire to gain information which would be helpful for comparisons.

Mr. CLARK. Mr. President, it seems to me the bill takes the pig by the wrong ear. In other words, it seems that if the Department wants more authority to obtain information, the way to proceed would be to give the Department the authority to obtain necessary information. My objection to the bill is that if information were developed such as was developed in the munitions inquiry, to which I referred the other day, upon matters of the most vital importance to the American people, the Commerce Department could refuse to communicate it to a Senate committee on the ground that it was confidential. The Munitions Committee knew, several months before it was actually disclosed, that Germany was rearming in violation of the Versailles Treaty, and that information was obtained largely from sources which made the information available to the Commerce Department. It might have been of very great importance to have disclosed the matter at that time to the public of the United States and of the world, but the Department of Commerce refused to permit the Munitions Committee to do so on the ground that the information was confidential. So it seems to me that instead of proceeding by way of authorizing the Department of Commerce to collect and withhold information, if there is simply a lack of authority to procure necessary information, the proper course would be to authorize the Department to go out and obtain it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. COPELAND. I think the Senator is entirely correct in connection with such matters as he suggests, but this is for no other purpose than to gain statistical information. For instance, General Motors may be asked how many cars they make, how much the materials cost, and how much the profit is, and naturally General Motors would not want Mr. Ford to know, nor would Mr. Ford be likely to give information which might be given out. Yet, for the purpose of developing our knowledge as to business conditions, and so forth, such information would be very interesting, and I think material.

Mr. CLARK. In the case to which I referred a few moments ago it would have been of very great interest to the people of the United States and of the world to know that certain types of airplane engines and certain types of airplanes, ostensibly to be used for commercial purposes, but which could obviously and very easily be changed into military purposes, were being exported in tremendous quantities to Germany. But the

Department of Commerce, regarding the information as confidential, refused to permit it to be published.

Mr. COPELAND. This refers merely to statistical information.

Mr. CLARK. How can the Senator say a certain type of airplane engine exported to a certain country is an element entering into a statistical table, but someone else might take that information and put an entirely different and much more important construction on it than would be involved in the collection of mere statistics?

The Department of Commerce said they could obtain this information only as a voluntary contribution, and therefore they could not violate the confidence of the persons who had given it to them.

The bill, as I read it, is simply an effort to legalize a practice that has already been in effect for a considerable number of years.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. BORAH. I understood the Senator from Missouri to object to the consideration of this bill.

Mr. CLARK. The bill was passed while I was in conversation with the Senator from Montana [Mr. WHEELER]. I asked that the vote by which the bill was passed be reconsidered, which was done, and then I objected to its consideration.

Mr. BORAH. That is what I thought.

Mr. COPELAND. Mr. President, I wish to answer the Senator from Missouri, and then I shall desist. He has in his great city of St. Louis a great many department stores. It would be valuable to the Department of Commerce, in making an estimate of the return of prosperity or the reverse, to know the volume of business done by each store. That is all this bill provides. It is merely for statistical purposes and for no other purpose. If that in any sense would be damaging or harmful, then, of course, we ought not to pass the bill.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LA FOLLETTE. I may say that when this bill was called previously on the calendar, I also was one of those who objected to its consideration, because I wanted to look into it; but so far as I am personally concerned I have no further objection to its consideration, because it is in conformity with all the statutes which govern the gathering of statistical information on a voluntary basis in every one of the departments. For example, all the statistical information which the Bureau of Labor Statistics gathers is gathered under a similar provision. As I understand the measure, it is not designed to prevent the publication of the information, but it is designed to have the publication done in such a way as to prevent revealing the identity of any particular concern or corporation so that the information might be of value to its competitors.

The PRESIDING OFFICER. Objection having been heard, the bill will be passed over and remain on the calendar.

RECOMMITTAL OF BILL

The bill (S. 2886) to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended by the act of June 4, 1920, was announced as next in order.

Mr. SHEPPARD. I ask that the bill be recommitted to the Committee on Military Affairs for further study.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill will be recommitted.

Mr. AUSTIN subsequently said: Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. What is the status of Senate bill 2886?

The PRESIDING OFFICER. The Senator from Texas [Mr. SHEPPARD] asked that the bill be recommitted, which was done.

REGULATION OF INTERSTATE COMMERCE IN PRODUCTS OF CHILD LABOR

Mr. WHEELER. Mr. President, I ask unanimous consent to revert to Calendar No. 743, being Senate bill 2226, which was reached on the calendar before I came into the Chamber. The bill is for the regulation of interstate commerce in the products of child labor, and for other purposes.

I may say that this bill passed the Senate by a very large majority as an amendment to the wage and hour bill. The wage and hour bill is now tied up in some committee in the House; and the bill in question, to regulate interstate commerce in the products of child labor, should, it seems to me, be passed. It ought to be taken up separately, and not get caught in the jam in which the wage and hour bill is caught.

I call the Senate's attention to an article appearing in the publication Labor. The editor of that publication, Mr. Keating, originally introduced the child-labor bill. He has the following to say with reference to the bill under discussion:

> It will be unfortunate if Progressives "muff" the opportunity to enact effective child-labor legislation at this session.
>
> Here's the situation: The Senate inserted in the Black-Connery hour and wage bill a carefully drafted child-labor bill. It bars children below 16 from ordinary industries, and below 18 from extra-hazardous occupations.
>
> • • • • • • •
>
> The Senate child-labor bill is just about the best law of its kind ever enacted in this country. Labor therefore urges that the Senate proposal be substituted for the House proposal.
>
> In advocating the passage of this legislation, labor wishes to emphasize that it will continue to urge the ratification of the child-labor amendment to the Federal Constitution. We can never solve the child-labor problem until that amendment is part of the organic law.

Mr. President, the bill, if it shall be passed by the Senate as a separate measure, has a chance of becoming law at this session of Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, I think those who objected to the consideration of the bill when it was called on the calendar are not now on the floor of the Senate. I suggest to the Senator from Montana that he wait until the conclusion of the call of the calendar.

Mr. BARKLEY. Mr. President, at the time the bill was called on the calendar I asked that it go over, because the bill as it is on the calendar was incorporated in the wage and hour bill. It was generally understood that, of course, if it should be incorporated in the wage and hour bill, it would not be necessary to pass it as a separate bill. However, under the circumstances which exist, I do not feel like objecting to the consideration of the bill. Of course, if the bill be now passed by the Senate, and then the wage and hour bill be passed by the Congress at the next session, as we all hope it will be, and if the wage and hour measure then have contained in it the provisions contained in the bill now before us, as we hope it will, the action it is now proposed to take on the bill would not have been necessary.

However, in view of the present situation, I have no desire to object to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2226) to regulate interstate commerce in the products of child labor, and for other purposes, which had been reported from the Committee on Interstate Commerce with amendments.

The first amendment of the Committee on Interstate Commerce was, in section 1, on page 1, line 3, after the word "merchandise", to strike out "manufactured"; in line 4, after the word "produced", to strike out the comma and "or mined"; on page 2, line 2, after the word "been", to strike out "manufactured"; and in the same line, after the

word "produced", to strike out the comma and "or mined", so as to make the section read:

Be it enacted, etc., That all goods, wares, and merchandise produced on or after January 1, 1938, wholly or in part through the use of child labor, transported into any State or Territory of the United States and remaining therein for use, consumption, sale, or storage, shall upon arrival and delivery in such State or Territory be subject to the operation and effect of the laws of such State or Territory to the same extent and in the same manner as though such goods, wares, and merchandise had been produced in such State or Territory, and shall not be exempt therefrom by reason of being introduced in the original package or otherwise.

The amendment was agreed to.

The next amendment was, in section 2, on page 2, line 10, after the word "merchandise", to strike out "manufactured", and in the same line, after the word "produced", to strike out the comma and "or mined", so as to make the section read:

SEC. 2. It shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, or merchandise produced on or after January 1, 1938, wholly or in part through the use of child labor, from one State or Territory into any State or Territory where said goods, wares, or merchandise are intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State or Territory.

The amendment was agreed to.

The next amendment was, in section 3, on page 2, line 22, after the word "merchandise" to strike out "manufactured,"; in the same line, after the word "produced" to strike out the comma and "or mined"; on page 3, line 9, after the word "work" to strike out "performed by children" and insert "in connection with which child labor was utilized"; in line 10, after the words "in the" to strike out "manufacture,"; and in the same line, after the word "production" to strike out the comma and "or mining"; so as to make the section read:

SEC. 3. It shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting in interstate commerce any goods, wares, or merchandise produced on or after January 1, 1938, wholly or in part through the use of child labor, unless the outside of such goods, wares, or merchandise, or the package containing the same if they be packaged, shall bear a conspicuous label conforming to the requirements of this section. Such label shall truthfully set forth—

(1) The name and address of the shipper;
(2) The name and address of the consignee;
(3) The nature of such goods, wares, or merchandise; and
(4) A summary statement of the kind or kinds of work in connection with which child labor was utilized in the production of such goods, wares, or merchandise and the type or types of places where such work was performed.

In case a label conforming to the requirements of this section has been removed from goods, wares, or merchandise, or from a package containing the same, or such goods, wares, or merchandise have been removed from a package bearing such a label, prior to the time such goods, wares, or merchandise shall be offered for shipment in interstate commerce, the information shall set forth in such label pursuant to the requirements of clause (4) of the preceding sentence or of this sentence shall be incorporated in a new label affixed to such goods, wares, or merchandise so offered for shipment, or to the package containing the same if they be packaged, together with a statement that such information was taken from another label. The incorporation of such information and statement in the new label shall constitute compliance with the requirements of said clause (4) unless child labor shall have been used in connection with processing or fabricating such goods, wares, or merchandise after removal of the label therefrom or from the package containing the same or after removal thereof from the package bearing such label, as aforesaid, in which event the incorporation of said information and said statement shall be a requirement as to said new label in addition to those defined by said clause (4).

The amendment was agreed to.

The next amendment was, on page 4, after line 10, to strike out:

SEC. 4. It shall be unlawful for any person who has manufactured, produced, or mined goods, wares, or merchandise in any State or Territory, wholly or in part through the use of child labor, on or after January 1, 1938, knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting such goods, wares, or merchandise in interstate or foreign commerce.

And in lieu thereof to insert:

SEC. 4. It shall be unlawful for any person who—

(a) has produced goods, wares, or merchandise in any State or Territory, wholly or in part through the use of child labor, on or after January 1, 1938; or

(b) has taken delivery of such goods, wares, or merchandise in any State or Territory with notice of their character whether by purchase or on consignment, as commission merchant, agent for forwarding or other purposes, or otherwise,

to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting such goods, wares, or merchandise in interstate or foreign commerce or to sell such goods, wares, or merchandise for shipment in interstate or foreign commerce or with knowledge that shipment thereof in interstate or foreign commerce is intended.

The amendment was agreed to.

The next amendment was, in section 5, on page 5, in line 11, after the word "defined", to insert "(a)"; in line 12, after the word "years", to insert "and (b) as employment of a human being under the age of 18 years at 'extra hazardous work' specified by regulations promulgated pursuant hereto which specification shall be based on facts found by the Secretary of Labor as to the relative possibility of injury or detriment to health involved in various types of employment after necessary information on the subject has been collected by him or derived by him from sources deemed to be reliable;"; in line 20, before the words "the term 'package' shall be" to strike out "the term 'children' shall be defined as human beings under the age of 16 years;", and on page 6, line 6, after the word "jurisdiction", to strike out "thereof. The phrase 'manufactured, produced, or mined'", and insert "thereof; the words 'produced' and 'production' shall be defined to include manufacturing, processing, fabricating, and mining operations but"; so as to make the section read:

SEC. 5. For the purposes of this act the term "child labor" shall be defined (a) as employment of a human being under the age of 16 years and (b) as employment of a human being under the age of 18 years at "extra hazardous work" specified by regulations promulgated pursuant hereto which specification shall be based on facts found by the Secretary of Labor as to the relative possibility of injury or detriment to health involved in various types of employment after necessary information on the subject has been collected by him or derived by him from sources deemed to be reliable; the term "package" shall be defined as a wrapping, container, or crate and as a unit of rolling stock in which goods, wares, or merchandise may be shipped or transported in bulk; the term "person" shall be defined as an individual, a corporation, a partnership, an association, a joint-stock company, or any unincorporated organization; and the phrase "State or Territory" shall be defined to include the organized States and Territories of the United States, any district or possession thereof, or place noncontiguous but subject to the jurisdiction thereof; the words "produced" and "production" shall be defined to include manufacturing, processing, fabricating, and mining operations but as used in this act shall not be construed to mean planting, cultivation, and harvesting of fruits, grains, vegetables, and other agricultural products or agricultural work in connection with dairying, livestock, husbandry, and poultry husbandry.

The amendment was agreed to.

The next amendment was, in section 6, on page 7, line 3, after the word "false", to insert a colon and "*And provided further*, That no common carrier shall be deemed to have violated this act if, at the time it accepts goods, wares, or merchandise for transportation in interstate commerce in the regular course of its business, it shall rely in good faith upon a signed statement of the consignor that the obtaining of transportation for or the transportation of such goods, wares, or merchandise will not constitute a violation of this act, but any consignor who shall knowingly sign any false statement made to a common carrier as aforesaid shall be deemed thereby to have violated this act. The failure of any consignor to furnish such a statement to a common carrier at the latter's request shall excuse the common carrier from its obligations to accept any goods for transportation in interstate commerce"; in line 20, after the word "were", to strike out "manufactured"; in the same line, after the word "produced", to strike out the comma and "or mined";

in line 21, after the word "labor", to strike out "at one or more stages or to perform one or more operations in the manufacture, production, or mining of goods, wares, or merchandise of similar character"; in line 25, after the word "violation", to insert "at the place of employment where said goods, wares, or merchandise were so produced in whole or in part"; on page 8, line 5, after the word "were", to strike out "manufactured"; in the same line, after the word "produced", to strike out the comma and "or mined"; in line 11, after the words "in the", to strike out "manufacture" and insert "production"; and on page 9, line 6, after the word "filed" and the period, to insert "Any public official authorized or qualified to enforce this act may ultilize in that connection, and shall be entitled to rely upon, any and all records, returns, applications, certificates, and other information collected by or filed with authorities charged with the administration and enforcement of the laws of any State relating to the education and employment of human beings that may be made available to such public officials by such authorities and are deemed by such public officials to be useful and reliable", so as to make sections 6 and 7 read:

SEC. 6. Any person violating any provision of this act shall for each offense, upon conviction thereof, be punished by a fine of not more than $1,000, and such goods, wares, or merchandise shall be forfeited to the United States and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law: *Provided, however,* That no person who in conformity to section 3 of this act and in good faith sets forth in a label information stated to have been taken from another label shall be deemed thereby to have violated this act so as to render himself subject to conviction, or goods, wares, or merchandise bearing or contained in a package bearing such label subject to forfeiture, in the event any of the information so stated to have been taken from another label proves to be false: *And provided further,* That no common carrier shall be deemed to have violated this act if, at the time it accepts goods, wares, or merchandise for transportation in interstate commerce in the regular course of its business, it shall rely in good faith upon a signed statement of the consignor that the obtaining of transportation for or the transportation of such goods, wares, or merchandise will not constitute a violation of this act, but any consignor who shall knowingly sign any false statement made to a common carrier as aforesaid shall be deemed thereby to have violated this act. The failure of any consignor to furnish such a statement to a common carrier at the latter's request shall excuse the common carrier from its obligations to accept any goods for transportation in interstate commerce. In any proceeding arising out of an alleged violation of this act a showing that the goods, wares, or merchandise with respect to which the violation is alleged to have occurred were produced, wholly or in part by a person who used child labor subsequent to January 1, 1938, and within 6 months of the date of the alleged violation at the place of employment where said goods, wares, or merchandise were so produced in whole or in part shall be prima-facie evidence that the goods, wares, or merchandise with respect to which said violation is alleged to have occurred were produced, wholly or in part, through the use of child labor. In any such proceeding a copy of, extract from, or statement summarizing a record kept by, or document filed with, a government, church, or school authority establishing, or purporting to establish, the age or date of birth of a human being whose labor is alleged to have been used in the production of goods, wares, or merchandise shall be admissible in evidence when certified by or on behalf of such authority without further identification or authentication as prima-facie evidence of the age of such human being. The adduction of such prima-facie evidence shall cast upon the defendant or the party objecting to the forfeiture of goods, wares, or merchandise, as the case may be, the burden of rebutting or repelling such prima-facie evidence by affirmative proof to the contrary. All records, returns, applications, and other information filed with or kept by any public office, officers, or authority pursuant to the act of August 14, 1935 (ch. 531, 49 Stat. 620), or any rule or regulation promulgated pursuant thereto, shall be available for inspection by any public official authorized or qualified to enforce this act or to prosecute a violation thereof, and such public official may require that copies of, extracts from, or statements summarizing any of such records, returns, applications, or other information be certified and delivered to him by or on behalf of any public office, officers, or authority by whom the same are kept or with whom they be filed. Any public official authorized or qualified to enforce this act may utilize in that connection, and shall be entitled to rely upon, any and all records, returns, applications, certificates, and other information collected by or filed with authorities charged with the administration and enforcement of the laws of any State relating to the education and employment of human beings that may be made available to such public officials by such authorities and are deemed by such public officials to be useful and reliable.

SEC. 7. Any violation of this act shall be prosecuted in any court having jurisdiction of crime within the district in which said violation was committed, or from or into which any such goods, wares, or merchandise may have been carried or transported, or in any State or Territory, contrary to the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 8, on page 9, line 22, before the word "The", to insert "(a)"; in the same line, after the word "Labor" and the comma, to insert "through the Children's Bureau or such other agency within the Department of Labor as he may designate,"; and on page 10, after line 2, to insert:

(b) The Chief of the Children's Bureau or any persons designated by him, pursuant to the regulations issued under the preceding subsection, shall have authority to enter and inspect at any time factories or other places in which articles are produced or held for interstate commerce and to inspect records relating to the employment of or to the shipment of articles therefrom, and to make periodic reports of such inspections: *Provided,* That nothing herein contained shall be construed to authorize any invasion of the privacy of any home by search or inspection or otherwise.

So as to make sections 8 and 9 read:

SEC. 8. (a) The Secretary of Labor, through the Children's Bureau or such other agency within the Department of Labor as he may designate, shall be charged with the enforcement of this act and shall be vested with full authority to administer its provisions and to prescribe such rules and regulations as may be necessary for its enforcement.

(b) The Chief of the Children's Bureau or any persons designated by him, pursuant to the regulations issued under the preceding subsection, shall have authority to enter and inspect at any time factories or other places in which articles are produced or held for interstate commerce and to inspect records relating to the employment of or to the shipment of articles therefrom, and to make periodic reports of such inspections: *Provided,* That nothing herein contained shall be construed to authorize any invasion of the privacy of any home by search or inspection or otherwise.

SEC. 9. Sections 1, 2, and 4 of this act are each intended to prescribe separate and distinct bases of regulation and the invalidity of any provision of any of said sections or the application of such provision to any person or circumstances is not intended to affect the remainder of the act and the application of such provision to other persons or circumstances.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes, was announced as next in order.

Mr. BORAH. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BENEFIT PAYMENTS TO CERTAIN PRODUCERS

The joint resolution (S. J. Res. 205) providing for benefit payments to cotton producers with respect to cotton produced in 1937 was announced as next in order.

Mr. KING. Mr. President, an explanation of the joint resolution is desired.

Mr. CONNALLY. Mr. President, the joint resolution, with regard to adjusting the price of cotton, was introduced by me. The original joint resolution provided for a bounty of 2½ cents. It went to the Committee on Agriculture and Forestry, and the committee approved the joint resolution but modified it so as in effect to adopt what was called the 1935 plan, which was to authorize a 10-cent loan, but, in case of the sale of cotton, that the seller was to be paid a benefit payment of the difference between the then market price and 12 cents.

I have not pressed for consideration of the joint resolution, because some days ago a committee from the Committee on Agriculture and Forestry had a conference with the President and the Secretary of Agriculture, and one of the spokesmen of the committee reported on the floor of the Senate that the President and the Secretary of Agriculture had agreed to adopt, by Executive order, the plan outlined in the joint resolution.

The funds out of which these payments are to be made are provided for under section 32 of the Agricultural Adjustment Act, which was an amendment which I offered on the floor of the Senate, providing for setting aside 30 percent of tariff revenues in a special fund in order to compensate agricultural producers because of the burdens they bear by reason of the tariff, but from which they get no benefits.

Mr. President, the Department of Agriculture is working on a plan under existing law and under an appropriation proposed to be provided by an amendment to be offered by the Senator from South Carolina [Mr. BYRNES]. The plan proposed, though, does not quite coincide with that contained in the joint resolution. The Department proposes a loan to be made in a different amount, and other things. In deference to the Committee on Agriculture and Forestry, and because of the statement made by one of its members when the joint resolution first came up that the President did not want the joint resolution pressed, in order that what is proposed by it might be accomplished by Executive order, I shall not press for its passage today; but I should like to ask the Senator from Kentucky [Mr. BARKLEY] whether the calendar will be called again tomorrow.

Mr. BARKLEY. I will say to the Senator from Texas that I doubt it.

Mr. CONNALLY. Will it be called again before we adjourn?

Mr. BARKLEY. I am not certain. If we clean up the calendar fairly well today, we shall have 2 days of pretty busy work before us.

Mr. CONNALLY. Then I shall press for the passage of the joint resolution.

Mr. LA FOLLETTE. I ask the Senator not to press it.

Mr. CONNALLY. If this is the only opportunity the Senator from Texas will have, I shall be obliged to press for its adoption.

Mr. BARKLEY. I do not wish to say that the Senator will be absolutely foreclosed, but whether another consideration of the calendar will be had depends upon a good many things.

Mr. CONNALLY. I shall not press for the passage of the joint resolution if there is any hope of the calendar being again called. I want to see the proposal contained in the joint resolution undertaken.

Everyone knows what it is; and, unless it is going to be done by Executive order, I shall press for the passage of the joint resolution. It has the approval of the Committee on Agriculture and Forestry. It is the same plan which we adopted in 1935 and which worked admirably. It had the effect of lifting the price of cotton above 12 cents in the market, so that the Government was not out any money whatever on much of this legislation. Its then advantage was that it operated so as not to pile up great cotton surpluses in the Government warehouses on which the Government had loaned money. It operated to move the crop into the foreign market, where we were able to compete with foreign producers, and to hold the foreign market, instead of turning over the foreign market to Brazil, Egypt, and all the other cotton-producing countries of the world.

So this plan has already proven itself. It cost the Government much less than the old loan plan. It did more than that: It reduced the surplus down to the point where the surplus is now comparatively small. For 75 years cotton has been a big item in the trade balances of the United States; and we must maintain our foreign markets in cotton, or else one of the great industries of America will shrivel and almost dry up.

Mr. President, this policy has been approved by the President, and at least partially by the Secretary of Agriculture. While I shall not press for it at the moment, I do expect to press for the passage of this joint resolution later, unless the Department of Agriculture speedily formulates its policy and has it adopted by Executive order.

Mr. LA FOLLETTE. Let the joint resolution be passed over.

The PRESIDING OFFICER. The joint resolution will be passed over.

BILL PASSED OVER

The bill (S. 2900) to establish a fund for the insurance of mortgages securing loans for construction or reconditioning of domestic floating property used for commercial purposes, was announced as next in order.

Mr. BURKE. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CITY COURT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2909) to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes", which was read, as follows:

Be it enacted, etc., That the court established by section 1 of the act of June 17, 1870 (16 Stat. 153), entitled "An act to establish a police court for the District of Columbia, and for other purposes", shall hereafter be known as the city court of the District of Columbia: *Provided*, That nothing in this act shall affect the jurisdiction or function of the court.

Mr. SCHWELLENBACH. Mr. President, I offer an amendment to the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, at the end of line 8, it is proposed to strike out the period and insert:

And provided further, That the custody, control, operation, maintenance, and supervision of the court building shall be under the judges of the court, and any provision of law to the contrary is hereby repealed.

Mr. KING. Mr. President, I shall object to the consideration of the bill if that amendment is pressed. Let the bill go over.

Mr. SCHWELLENBACH. Mr. President, if it is necessary to go into the facts with reference to this matter, I am willing to do so, but I do not think that it should be necessary to go into the facts. I dislike very much to do so.

Mr. KING. Let the bill go over.

Mr. SCHWELLENBACH. I do not think it should be necessary to do it; but, if the Senator from Utah insists upon maintaining his objection, I will present the situation that exists today in reference to the custody of this court building. I have before me the CONGRESSIONAL RECORD of June 8.

Mr. KING. Mr. President, I objected to the bill and asked that it go over.

Mr. SCHWELLENBACH. Mr. President, I think I have a right to speak.

The PRESIDING OFFICER. The Senator from Utah objected, but the Senator from Washington has 5 minutes in which to make explanation.

Mr. SCHWELLENBACH. I have before me the CONGRESSIONAL RECORD of June 8, page 5426. On that day the Senate was considering the appropriation bill for the District of Columbia. There was presented to the Senate an amendment which provided that the control of the police court building should rest in the hands of the District Commissioners. I raised the point of order, as is shown on page 5426 of the CONGRESSIONAL RECORD; and upon the same page I pointed out that a similar point of order had been raised in the House of Representatives. The result was that the bill neither as passed by the Senate nor as passed by the House of Representatives, contained any provision in reference to the custody of this building. The bill went to conference. I did not pay any attention to the conference report. I did not know anything about it until after the bill was signed by the President. Then I found on page 21 of the act this provision, which had been inserted after it had been rejected on a point of order in both Houses:

Provided, That all buildings belonging to the District of Columbia shall be under the jurisdiction and control of the Commissioners of said District.

I present the facts to the Senate. As I said in the beginning, I was hopeful that it would not be necessary, that the Senator from Utah would not make it necessary for me to present these facts. The amendment which I proposed to the pending bill simply is a repeal of the section referred to of Public, No. 172, Seventy-fifth Congress, in order that the situation may be put back to the point where

it was when the appropriation bill passed both Houses of Congress.

Mr. BURKE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. SCHWELLENBACH. I yield.

Mr. BURKE. Coming down to the merits of the question, should not the control of the police court building and all other buildings in the District of Columbia be in charge of the District Commissioners?

Mr. SCHWELLENBACH. I should have no objection, I will say to the Senator from Nebraska, to having that matter properly presented to the Congress of the United States. I make no effort to argue whether or not it should be on one side or the other. But I do say that it should be presented in a legislative act. In the first place, it should not have been attempted to put it on as a rider to the appropriation bill, and then, when it was removed from the appropriation bill by both Houses, to insert it in conference in violation of the rules of the Senate of the United States.

Mr. BURKE. The Senator from Washington is not, then, discussing the merits of the proposition?

Mr. SCHWELLENBACH. I am discussing the way in which the legislation was enacted. As I have said, I did not want to discuss that if it had not been made necessary by the Senator from Utah.

Mr. BURKE. I am interested in the merits of the proposition to have the buildings in the District placed in charge of the Commissioners. I know nothing about the procedure to which the Senator from Washington has objected.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. KING. I do not want to take the Senator from Washington off the floor.

Mr. SCHWELLENBACH. I yield.

Mr. KING. I know nothing about the matter to which the Senator refers; I know nothing about the law which now exists with respect to the control of public buildings. I do know, however, that the Commissioners—and this has been emphasized before the Committee on the District of Columbia, of which I am chairman—have said that they desire the control of the new police court building, as well as other public buildings so that they may make proper allocation of various activities of the District government. They are crowded, and they want opportunity to assign to this building or to that building one or the other departments or agencies of the District government. I know nothing about the controversy to which the Senator has referred, but I think it is desirable to adhere to the views of the District Commissioners until a measure is before the Senate which may more completely present their views.

Mr. O'MAHONEY. Mr. President, do I understand the bill is before the Senate?

Mr. KING. No; I objected to its consideration.

Mr. O'MAHONEY. I am sure the Senator will withdraw his objection if there is no amendment to be proposed to the bill.

Mr. KING. Oh, yes; if there is no amendment offered.

Mr. O'MAHONEY. No amendment has been offered, as I understand.

Mr. KING. An amendment has been offered by the Senator from Washington.

Mr. SCHWELLENBACH. Mr. President, if the Senator from Wyoming requests, as I do not want to interfere with the bill by putting an amendment on it which will cause it to be defeated, I will withdraw the amendment.

Mr. KING. Mr. President, may I make one suggestion?

Mr. O'MAHONEY. Yes.

Mr. KING. It seems to me that the words "city court" on line 6, should be capitalized.

Mr. O'MAHONEY. Mr. President, I move that the bill be amended by capitalizing the words "city court."

The PRESIDING OFFICER. Without objection the amendment is agreed to.

The bill was ordered to be engrossed for a third reading, read the third time and passed.

LANDS WITHIN BOUNDARIES OF CROW RESERVATION, MONT.

Mr. WHEELER. Mr. President, I wonder if, out of order, I may refer to Calendar No. 1290, being House bill 7649, and have it considered at this time, although it has not as yet been reached on the calendar? The reason I ask this courtesy is that I have to go to an executive meeting of the Interstate Commerce Committee in a moment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill referred to by the Senator from Montana?

There being no objection the Senate proceeded to consider the bill (H. R. 7649) relating to certain lands within the boundaries of the Crow Reservation, Mont., which was read, as follows:

Be it enacted, etc., That all of that area within the Crow Indian Reservation, Mont., described as: "Beginning at the northwest corner of lot 11, section 3; thence east along the north boundary line of the Crow Indian Reservation to the west meander line of the Big Horn River; thence southeasterly along the west meander line of the said Big Horn River to its intersection with the north and south center line of section 12; thence south along the said center line of sections 12 and 13 to the center of section 13; thence west to the northwest corner of the northeast quarter of the southwest quarter of said section 13; thence south to the southeast corner of the northwest quarter of the northwest quarter of section 25; thence west to the northwest corner of lot 2 section 27; thence north along the boundary line of the Crow Indian Reservation to the point of beginning, all in township 1 south, range 33 east, principal meridian, Montana, be, and the same is hereby, eliminated and excluded from the Crow Indian Reservation in the State of Montana.

SEC. 2. Nothing contained in this act shall be construed to discontinue or repeal the provisions of the Indian liquor laws which prohibit the sale, gift, barter, exchange, or other disposition of beer, wine, and other liquors to Indians of the classes set forth in the act of January 30, 1897 (29 Stat. L. 506; U. S. C., title 25, sec. 241).

SEC. 3. All acts or parts of acts in conflict herewith are hereby repealed.

Mr. KING. I inquire what the bill is about.

Mr. WHEELER. All the bill does is to provide that the town of Hardin, Mont., which is technically within the boundaries of the Crow Reservation, shall be eliminated and excluded therefrom. It will not affect any Indian land. The town wants that to be done; the United States attorney has recommended the passage of the bill, and everyone else interested has also recommended it.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. WHEELER. Mr. President, I ask that calendar no. 1289, Senate bill 2701, of similar title to the bill just passed, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 2701 is indefinitely postponed.

INCORPORATION OF AMERICAN CHEMICAL SOCIETY

The bill (S. 2633) to incorporate the American Chemical Society was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the persons following: Robert T. Baldwin, Edward Bartow, Erle M. Billings, E. K. Bolton, Willard H. Dow, Gustavus J. Esselen, Arthur J. Hill, Townes R. Leigh, Thomas Midgley, Jr., Charles L. Parsons, R. E. Swain, E. R. Weidlein, Frank C. Whitmore, H. H. Willard, and R. E. Wilson, being persons who are now directors of the American Chemical Society, a corporation existing under the laws of the State of New York, their associates and successors duly chosen, and such other persons as now are or may hereafter be associated with them as officers or members of said American Chemical Society, are hereby incorporated and constituted and declared to be a body corporate by the name of American Chemical Society.

SEC. 2. That the objects of the incorporation shall be to encourage in the broadest and most liberal manner the advancement of chemistry in all its branches; the promotion of research in chemical science and industry; the improvement of the qualifications and usefulness of chemists through high standards of professional ethics, education, and attainments; the increase and diffusion of

chemical knowledge; and by its meetings, professional contacts, reports, papers, discussions, and publications, to promote scientific interests and inquiry, thereby fostering public welfare and education, aiding the development of our country's industries, and adding to the material prosperity and happiness of our people.

SEC. 3. That the American Chemical Society shall have power to make its own organization, including its constitution, bylaws, rules, and regulations; to fill all vacancies created by death, resignation, or otherwise; to provide for the election of members, their division into classes, and all other matters needful and useful to promote the objects of the society. It shall hold an annual meeting at such place in the United States as may from time to time be designated.

SEC. 4. That the American Chemical Society shall, whenever called upon by the War or Navy Department, investigate, examine, experiment, and report upon any subject in pure or applied chemistry connected with the national defense, the actual expense of such investigations, examinations, experiments, and reports to be paid from appropriations which may have been made for that purpose by Congress, but the society shall receive no compensation whatever for any services to the Government of the United States.

SEC. 5. That the American Chemical Society be, and the same is hereby, authorized and empowered to receive, by devise, bequest, donation, or otherwise, either real or personal property and to hold the same absolutely or in trust, and to invest, reinvest, and manage the same and to apply said property and the income arising therefrom to the objects of its creation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the directors hereinbefore named shall be held at the city of Washington in the District of Columbia by notice served in person or by mail addressed to each director at his place of residence by the Secretary of the American Chemical Society, a New York corporation, and the said directors, or a majority thereof, being assembled, shall organize and proceed to adopt bylaws, to elect officers and appoint committees, and generally to organize the said corporation; and said directors herein named, on behalf of the corporation hereby incorporated, shall thereupon receive, take over, and enter into possession, custody, and management of all property, real or personal, of the corporation heretofore known as the American Chemical Society, incorporated as hereinbefore set out under the laws of the State of New York on November 9, 1877, and to all its rights, contracts, claims, and property of any kind or nature; and the several officers of such corporation, or any other person having charge of any of the securities, funds, real or personal, books or property thereof, shall, on demand, deliver the same to the said directors appointed by this act or to the persons appointed by them to receive the same; and the directors of the existing corporation and the directors herein named shall and may take such other steps as shall be necessary to carry out the purposes of this act.

SEC. 7. That the rights of the creditors of the said existing New York corporation, known as the American Chemical Society, shall not in any manner be impaired by the passage of this act, or the transfer of the property hereinbefore mentioned, nor shall any liability or obligation for the payment of any sums due or to become due, or any claim or demand, in any manner or for any cause existing against the said New York corporation, be released or impaired: but such corporation hereby incorporated is declared to succeed to the obligations and liabilities and to be held liable to pay and discharge all of the debts, liabilities, and contracts of the said New York corporation so existing to the same effect as if such new corporation had itself incurred the obligation or liability to pay such debt or damages, and no such action or proceeding before any court or tribunal shall be deemed to have abated or been discontinued by reason of the passage of this act.

SEC. 8. That the right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 9. That this act shall date from the 1st day of January 1938.

H. A. MONTGOMERY

The bill (H. R. 4257) for the relief of H. A. Montgomery was considered, ordered to a third reading, read the third time, and passed.

HENRY CLAY GIBSON

The bill (H. R. 4622) for the relief of Henry Clay Gibson was considered, ordered to a third reading, read the third time, and passed.

PAUL H. NORBOE

The bill (H. R. 4875) for the relief of Paul H. Norboe was considered, ordered to a third reading, read the third time, and passed.

CHARLOTTE SWEENEY AND OTHERS

The bill (H. R. 4936) for the relief of Charlotte Sweeney, a minor; Howard Sweeney, a minor; William Hintz; and Martha Hintz was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 5112) for the relief of Frank Lee Borney was announced as next in order.

Mr. AUSTIN. Mr. President, I should like to ascertain the significance of the statement in the report with reference to contributory negligence. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6574) for the relief of E. W. Ross was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

NORMAN E. SHERMAN AND BANKS W. SMITH

The bill (H. R. 4506) for the relief of Norman E. Sherman and Banks W. Smith was considered, ordered to a third reading, read the third time, and passed.

ARTHUR T. WORLEY

The bill (H. R. 4583) for the relief of Arthur T. Worley was considered, ordered to a third reading, read the third time, and passed.

PUGET SOUND BRIDGE & DREDGING CO.

The bill (H. R. 5161) for the relief of the Puget Sound Bridge & Dredging Co. was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 5431) for the relief of Cyrus M. Lasher was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MAJ. WILLIAM W. M'CAW

The bill (H. R. 5568) for the relief of Maj. William W. McCaw was considered, ordered to a third reading, read the third time, and passed.

CREDIT FOR OVERPAYMENT OF WAGES ON CIVIL WORKS ADMINISTRATION PROJECTS

The bill (H. R. 8081) authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2190) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics, and in garments or articles of apparel made therefrom, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, that is a very long bill, and, in view of the fact that there are not many Senators present, I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

LANDS IN CLACKAMAS COUNTY, OREG.

The bill (H. R. 195) to convey certain lands to Clackamas County, Oreg., for public-park purposes was considered, ordered to a third reading, read the third time, and passed.

REFERENCE TO CLAIMS OF DELAWARE INDIANS TO COURT OF CLAIMS

The Senate proceeded to consider the bill (S. 2326) to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925, which had been reported from the Committee on Indian Affairs with an amendment at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with right to appeal to the Supreme Court of the United States", approved February 7, 1925, as amended by the act approved March 3, 1927, and as further amended by the act approved June 4, 1936, is hereby reenacted; and jurisdiction is hereby conferred upon the Court of Claims, and it is hereby authorized and directed, irrespective of the statutes of limitation, to reinstate and

try cases nos. 43396 and 43399, *The Delaware Indians* v. *The United States*, heretofore dismissed on March 1, 1937, and to hear and determine the same on their merits, and either party shall have the right of appeal rather than by certiorari to the Supreme Court of the United States: *Provided*, That the words "de novo" and the clause and without regard to any decision, finding, or settlement heretofore had in respect of such claims in the act of February 7, 1925, as amended, shall not apply to suits on claims filed after the approval of this act.

Mr. KING. Mr. President, I inquire if the Senator from Oklahoma believes that at this late day this matter ought to be opened and sent to the Court of Claims?

Mr. THOMAS of Oklahoma. Mr. President, a number of years ago Congress passed a jurisdictional bill, but before the case could be tried the Comptroller General had to make search of the records in order to make report. By the time the preliminaries were gone through with the attorneys for the Indians found that they could not perfect their case. When they finally got into court, a demurrer was filed on the ground of jurisdiction, and the court sustained the demurrer. This bill seeks to reenact the legislation and enable each Indian to go into court and try his case de novo.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 162) to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof.

The message also announced that the House insisted upon its amendment to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. WOLCOTT, and Mr. FISH were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 29. An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes;

S. 1040. An act placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes;

S. 1516. An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.;

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937;

H. R. 7645. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; and

H. J. Res. 437. Joint resolution relative to determination and payment of certain claims against the Government of Mexico.

BILL PASSED OVER

The bill (H. R. 3162) conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Uncompahgre (Tabegauche), Uintah (Uinta), and White River (Yampa and Grand River) Bands of the Ute Indians may have against the United States, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

GENEVIEVE E. DALEY

The bill (H. R. 345) for the relief of Genevieve E. Daley was considered, ordered to a third reading, read the third time, and passed.

DERBY OIL CO.

The bill (H. R. 459) for the relief of the Derby Oil Co. was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. CAPPER. Mr. President, this is a bill to appropriate tne sum of $445.20 in full satisfaction of the claim of the Derby Oil Co. against the United States for having furnished gasoline to the quartermaster at Fort Riley, Kans., during the period from January 1 to March 31, 1936. It is to compensate for a loss sustained through a clerical error in calculating the freight rate on the gasoline shipped from the oil company's plant to the quartermaster at Fort Riley.

Mr. KING. I have hastily read the report and have no objection.

There being no objection, the bill (H. R. 459) for the relief of the Derby Oil Co. was considered, ordered to a third reading, read the third time, and passed.

ROSALINO ZAMITO AND MARIA ZAMITO

The bill (H. R. 518) for the relief of Rosolino Zamito and Maria Zamito was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1233) for the relief of employees of the Indian Service for destruction by fire of personally owned property in Government quarters at the Pierre Indian School, South Dakota, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN STEVENS

The bill (H. R. 2641) for the relief of John Stevens and the estate of Fred Hausauer, Jr., was considered, ordered to a third reading, read the third time, and passed.

R. E. RAINER, R. H. ALDERMAN, AND JOHN HARMON

The bill (H. R. 6135) for the relief of R. E. Rainer, R. H. Alderman, and John Harmon, was considered, order to a third reading, read the third time, and passed.

SADIE N. PIKE AND EDWARD W. PIKE

The bill (H. R. 6155) for the relief of Sadie N. Pike and Edward W. Pike, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 6271) conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming, was announced as next in order.

Mr. KING. Mr. President, I wonder if that would fall within the category of the cases involved in a measure which the President just vetoed? Apparently no one is present to explain the bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

HELEN NIEHAUS

The bill (H. R. 6316) for the relief of Helen Niehaus was considered, ordered to a third reading, read the third time, and passed.

ANTHONY CARAMAGNO

The bill (H. R. 6469) conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7458) for the relief of John E. T. Clark, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SALE OF LANDS TO AGRICULTURAL COLLEGE, NEW MEXICO

The Senate proceeded to consider the bill (S. 2759) authorizing the sale of certain lands to the Regents of the Agricultural College of New Mexico, which had been reported from the Committee on Public Lands and Surveys with an amendment on page 2, at the end of the bill, to add the following:

Any patent issued hereunder shall contain a reservation to the United States of all mineral deposits in the lands patented: *Provided*, That such minerals so reserved shall be prospected for, mined, and removed only in accordance with regulations which may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

Mr. HATCH. Mr. President, there is another amendment which the Secretary of the Interior requested to have included and through an oversight it was not reported by the committee. On page 1, line 4, I move to strike out the words "quitclaim deed" and insert "patent", and on page 2, line 2, to strike out the word "deed" and insert "patent."

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 1, line 4, to strike out the words "quitclaim deed" and insert "patent", and on page 2, line 2, to strike out the word "deed" and insert "patent", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by patent to the Regents of the Agricultural College of New Mexico, a corporation, upon payment by such corporation of a purchase price at the rate of $1.25 per acre, the following-described lands: Sections 19, 29, and 30, the northeast quarter of section 31, the east half of the southeast quarter of section 31, township 22 south, range 4 east, New Mexico principal meridian. Such lands shall be used for the establishment of a recreational site and for educational purposes. The patent for such lands shall contain an express condition that if the corporation fails to use such lands for such purposes, or attempts to alienate such lands, title thereto shall revert to the United States. Any patent issued hereunder shall contain a reservation to the United States of all mineral deposits in the lands patented: *Provided*, That such minerals so reserved shall be prospected for, mined, and removed only in accordance with regulations which may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REVESTED LANDS IN OREGON

The bill (H. R. 7618) relating to the revested Oregon & California Railroad and reconveyed Coos Bay wagon road grant lands situated in the State of Oregon, was announced as next in order.

Mr. KING. Mr. President, let us have an explanation of the bill.

Mr. HATCH. Mr. President, I am sure the Senator from Utah is familiar with the question of revested lands which is involved in the bill. If the Senator is not familiar with it, he will find the full details set forth in the report, which covers several pages.

Mr. KING. How many acres are involved and are any of them mineral lands or are they arid or semiarid lands?

Mr. HATCH. This is not a bill to convey title at all. It relates to the administration of lands the title to which has already been revested in the Federal Government. It involves lands which were conveyed years ago as railroad grants and were forfeited to the Federal Government for noncompliance with the conditions of the grant. At that time, as I recall, it was agreed that certain compensation should be made to the counties involved, out of the proceeds arising from the grants in the administration of the lands by the Interior Department, in lieu of taxes which the counties had lost.

Through the years which have passed in 1916 and again in 1926, the Congress enacted statutes relating to the lands and made appropriations to the counties of sums in lieu of taxes. The pending bill does away with those provisions of law and allows administration of the lands to be made by the Secretary of the Interior under different conditions, by which the counties will participate on a percentage basis in the revenue or profit arising from the lands. It will relieve the Federal Government from the obligation to pay the various sums at various times in lieu of taxes.

Both Senators from Oregon, together with representatives from the counties who came to Washington, and representatives of the Interior Department were agreed upon the terms of the bill. There was one obstacle or one objection raised. It was suggested that a conflict sometimes arises between two departments of the Government as to which one should administer the lands. At our committee meeting the Forestry Service, Department of Agriculture, so we were informed, withdrew any objection of that sort and will let the lands remain as they are.

Mr. KING. I had some complaints a number of years ago that in these transactions involving revestment of title in the Federal Government, the rights of private citizens had been interfered with; that during past years they had entered upon the land as squatters in some instances and had set up title or claim to title, and some had made improvements; that they were perhaps trespassers in a technical sense, but did not regard themselves as trespassers either morally or otherwise. I was wondering whether a situation might arise involving disadvantage to people who had gone on the land as I have suggested.

Mr. HATCH. The Senator from Nevada [Mr. PITTMAN] raised a similar question in one of the committee meetings when I was not present. However, he was present the day the committee ordered the bill reported and, as I understood, saw nothing in the bill that would change any status which might now exist as to private settlers. I think there is nothing in the bill which involves any existing rights that are not taken care of.

Mr. KING. Can the Senator, with his prophetic vision, anticipate what the cost to the Government may be?

Mr. HATCH. Denying of course any prophetic vision about anything, I may say that instead of added cost to the Federal Government, the bill will actually eliminate cost to the Federal Government.

Mr. KING. Can the Senator give any estimate of the possible or probable cost to the Federal Government?

Mr. HATCH. There will be no increased cost whatever. One of the purposes of the bill is to do away with the obligation which exists to reimburse counties in lieu of taxes and to place the matter strictly upon a percentage basis. The counties will come in and take their share of the proceeds.

There is no payment required on the part of the Federal Government, though in the past there has been a considerable expense to the Federal Government.

Mr. KING. Did the Senator regard the status heretofore existing as creating an obligation upon the part of the Federal Government to make reimbursement to counties?

Mr. HATCH. Yes; I think there was such an obligation, and it was recognized to the extent that the Federal Government has appropriated as much as $8,000,000 to carry out that obligation.

Mr. KING. I have heard the question raised—it has been raised a number of times in my presence—that there was no valid legal obligation upon the part of the Federal Government to make those contributions.

Mr. HATCH. I call the Senator's attention to the conclusion of the report prepared by the House committee, which, in a brief manner, sets forth the object of the bill:

> This bill is intended as a solution of the problems created by the Revestment Act of June 9, 1916, and the act of July 13, 1926. The timber assets of these lands, which were there directed to be destroyed—

That was practically the direction under those acts—

> by early liquidation, are here required to be conserved and perpetuated. The deficit in the Federal Treasury there created, is here reimbursed. The payments to the counties, which there took the whole of the proceeds and created a deficit in the fund, are here limited to a percentage of the proceeds. It establishes a vast, self-sustaining timber reservoir for the future, an asset to the Nation and the State of Oregon alike. All of which is financed by the lands themselves.

That is the point I desired to call to the attention of the Senator from Utah. All departments, States, and counties interested agree that this is a very worthwhile bill.

Mr. KING. I consent to the consideration of the bill with the understanding, if the Senator will pardon me, that I should like to read the report this evening and confer with the Interior Department; and if tomorrow I desire to have the bill restored to the calendar, I shall make that motion. Meantime, I will ask the clerks not to transmit the bill out of the possession of the Senate.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from New Mexico if any of the power which appears to be granted to the Secretary of the Interior extends outside the boundaries of the land included in the Revestment Act.

Mr. HATCH. I will say to the Senator from Vermont that it is the intention of the bill to confine the power and duties of the Secretary of the Interior to the area affected by the bill, and to have them extend no further. As evidence of that, I call the attention of the Senator to an amendment which has been offered regarding the words "regulation of stream flow." The question the Senator asks was raised in the committee, as to whether, by the use of the words "regulation of stream flow", the Secretary might be given some power or authority over the streams of the State. We did not report an amendment, but we did explain in our report—as the Senator will see if he will look at it—that we construe those words to mean the protection of the watershed and the waters of the area affected only, and not even to affect the waters coming into the streams.

Mr. AUSTIN. Is the area described or referred to in the bill the same area which is described or referred to in the Revestment Act?

Mr. HATCH. The same area; that is correct.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7618), which was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2953) to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SUBMERGED LANDS CONTAINING PETROLEUM DEPOSITS

The Senate proceeded to consider the joint resolution (S. J. Res. 208) relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits, which was read, as follows:

> Whereas the petroleum reserves in the United States are constantly decreasing; and
>
> Whereas the oil reserves now owned by the United States are in serious danger of depletion or loss from various causes; and
>
> Whereas large petroleum deposits underlie various submerged lands along the coast of the United States and below low-water mark and within a distance of 3 miles under the ocean below said low-water mark; and
>
> Whereas all such submerged lands below said low-water mark and within such 3-mile limit lying along the coast of the United States are asserted to be the property of the United States; and
>
> Whereas various persons have heretofore entered, or in the immediate future intend and propose to enter, upon such submerged lands and remove the petroleum deposits underlying the same, without the consent or permission of the United States, and to the irreparable damage and injury of the United States; and
>
> Whereas immediate action on the part of the United States is necessary to preserve such petroleum deposits for the future use of the United States: Now, therefore, be it
>
> *Resolved, etc.*, That the Attorney General of the United States be, and he is hereby, authorized and directed, by and through speedy and appropriate proceedings, to assert, maintain, and establish the title and possession of the United States to the submerged lands aforesaid, and all petroleum deposits underlying the same, and to cause and effectuate by proper proceedings the removal and ejectment of all persons now or hereafter trespassing upon or otherwise occupying the said submerged lands or removing the petroleum deposits therefrom, without the consent and permission of the United States, and through such proper proceedings to be by the said Attorney General instituted, to stop and prevent the taking or removing of petroleum products by others than the United States from the said submerged lands as aforesaid; and be it further
>
> *Resolved*, That the said Attorney General be, and he is hereby, authorized to bring such actions or suits in the name of the United States, and to incur such expenses and disbursements in connection therewith as he may deem properly necessary to effectuate and accomplish the directions and purposes of this joint resolution.

Mr. KING. Mr. President, I should like an explanation of this joint resolution.

Mr. WALSH. Mr. President, I am not familiar with all the details of the joint resolution as it was reported from the Committee on Public Lands and Surveys, but I do know that the bill proposes to establish the title of the United States to certain submerged lands containing petroleum deposits, and it is the intention of the Government that these submerged deposits shall ultimately become part of the naval oil reserve. There is in the report a long letter from the Navy Department strongly recommending that the joint resolution be enacted into law. I entertain the same view. In my opinion the joint resolution is desirable legislation and will tend to conserve the petroleum and other valuable deposits in submerged lands that are similar to the oil deposits which the Navy now has in its possession. The passage of the joint resolution is recommended by the Navy Department. It will add to our naval oil reserves.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

PAINTING OF "THE SIGNING OF THE CONSTITUTION"

The joint resolution (S. J. Res. 206) to authorize the painting of the painting The Signing of the Constitution for placement in the Capitol Building was announced as next in order.

Mr. CLARK. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. THOMAS of Oklahoma. Mr. President, I wish to call attention to the joint resolution which has just been passed over. If there should be any valid objection to the joint resolution, of course I should not urge its consideration.

During the past few years the Government has expended many millions of dollars for one purpose or another; but, so far as I know, the Capitol has had none of this money.

We have started to improve the Senate Office Building by a cooling system; and while some progress has been made on the cooling system, it is not as yet in operation. While we have some vacant spaces in the Capitol Building, and have the opportunity of filling one of those spaces, it seems to me to be entirely appropriate, and I can see no objection to having this vision of the reality of the signing of this immortal document painted upon canvas and placed here in the Capitol, where it shall remain forever.

The longer the matter goes, the more uncertain it will be that the scene will ever be reproduced. While we have a miniature of the picture on exhibition in the room adjoining the Senate Chamber, it occurs to me that since we now have an opportunity to have the painting executed, and the space is vacant, we should take advantage of the opportunity, and make provision for the painting.

Mr. CLARK. Mr. President, I objected to the consideration of the joint resolution authorizing this picture to be painted because I do not believe it is the business of the Congress to pick out one particular artist and authorize him, at a very large fee, to paint a picture depicting a historical scene of such great importance.

Personally, I have no objection whatever—in fact, I think it is astonishing that it never has been done—to having painted and placed in the Capitol of the United States a picture of the signing of the Constitution; but because one artist has happened to make a rough sketch of such a painting, and is down here in person devoting some attention to lobbying for the passage of such a joint resolution, to say that we shall thereupon employ him and pay him the sum of $35,000 for the purpose of painting such a picture seems to me to be very bad legislative practice.

Moreover, Mr. President, I am frank to say that part of my objection to the joint resolution comes from the fact that I have read in the public press that if the joint resolution shall be passed, it is the purpose of the Architect of the Capitol to remove from the walls of the Capitol a picture which I have always thought was one of the most splendid I ever saw—the picture of American troops storming the heights of Chapultepec during the Mexican War. I should not be willing to have that picture taken down from the walls of the Capitol for any purpose whatsoever.

If the proponents of this measure chose to provide for the painting of a picture of the signing of the Constitution, to be competed for by various artists, and to be selected and approved by the Joint Committee on the Library, or the two Library Committees, I should have no objection, because I think the signing of the Constitution was a great historic event which certainly should be perpetuated in the Capitol; but to pick out one particular artist and say that he shall be employed by congressional enactment at a very large sum of money, without any competition and without any selection, seems to me, as I said, to be very bad legislative practice.

The PRESIDING OFFICER. Objection has been made, and the joint resolution has been passed over.

REORGANIZATION OF GOVERNMENTAL AGENCIES

The bill (S. 2970) to provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes, was announced as next in order.

Mr. BYRD. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to recur to Senate bill 2970 for the purpose of making just one comment on it.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont? The Chair hears none.

Mr. AUSTIN. Mr. President, this is a bill to provide for reorganizing agencies of the Government, extending the classified civil service, establishing a General Auditing Office and a Department of Welfare, and for other purposes.

One section of the bill according to the report thereon, namely, section 301, subsection (a), abolishes the General Accounting Office, and transfers to the Bureau of the Budget all of the functions vested in the General Accounting Office except those which, by the provisions of the bill, are vested in the newly created General Auditing Office. This is a matter of fundamental importance, and I am calling attention to it now in the hope that the public generally, as well as the Congress of the United States, may study the bill during the recess.

I have had a conversation with the chairman of the Committee on Government Reorganization, the Senator from South Carolina [Mr. BYRNES], who said to me that the record of the hearings has not yet been printed, but that he believed it would be printed within a week, and that there is no expectation of taking up the bill at the pending session.

I speak of these matters in order that, if possible, we may attract attention to this very important bill, and have some public opinion upon it by the time we return in January.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

BRIDGE ACROSS SINEPUXENT BAY, MD.

The Senate proceeded to consider the bill (H. R. 7806) authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence, which had been reported from the Committee on Claims with amendments, on page 1, line 8, after "Worcester Street", to insert "or South Division Street or Wicomico Street", and on page 2, line 5, after the word "act", to insert "*Provided*, That notwithstanding the designation made in this act, if, within 3 months after the passage of this act, in response to a duly called and authorized election, the duly qualified and registered voters of Ocean City, Md., should, after participation in such special election, designate a preference for the erection of said bridge at some point other than at one of the three locations set forth in this act, then such designation of the location of said bridge shall be the point fixed for the building of said bridge, anything in this act to the contrary notwithstanding: *Provided further*, That in the event any site for said bridge be selected of which there is no record in the Office of the Chief of Engineers, said site shall be subject to the final approval of the Secretary of War", so as to make the bill read:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State Roads Commission of the State of Maryland be, and is hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across Sinepuxent Bay, at Worcester Street, or South Division Street or Wicomico Street, in Worcester County, Md., at Ocean City, Md., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act: *Provided*, That notwithstanding the designation made in this act, if, within 3 months after the passage of this act, in response to a duly called and authorized election, the duly qualified and registered voters of Ocean City, Md., should, after participation in such special election, designate a preference for the erection of said bridge at some point other than at one of the three locations set forth in this act, then such designation of the location of said bridge shall be the point fixed for the building of said bridge, anything in this act to the contrary notwithstanding: *Provided further*, That in the event any site for said bridge be selected of which there is no record in the Office of the Chief of Engineers, said site shall be subject to the final approval of the Secretary of War.

SEC. 2. There is hereby conferred upon the State Roads Commission of the State of Maryland all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid

according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

Mr. RADCLIFFE. Mr. President, I should like to have the bill go over without prejudice.

The PRESIDENT pro tempore. The bill will be passed over.

ERECTION OF A BUILDING AT THE NAVAL ACADEMY

Mr. WALSH. Mr. President, I have to leave the Chamber shortly to attend a conference on the slum-clearance bill, and I should like to have two very short and brief matters disposed of before I go.

From the Committee on Naval Affairs I report back favorably, without amendment, Senate bill 2963, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2963) authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Superintendent of the United States Naval Academy is hereby authorized to accept gifts and bequests of money from the United States Naval Institute, the Navy Athletic Association, and others, and to use such money to construct a building for use as a United States Naval Academy Museum on land now owned by the United States at the United States Naval Academy, which construction is hereby authorized, but shall involve no cost to the Government of the United States. The selection of the site and the design and general structure of the building shall be subject to the approval of the Secretary of the Navy.

SEC. 2. The Secretary of the Navy is hereby authorized to accept, on behalf of the United States, the building authorized to be constructed by this act and to use and maintain such building as a United States Naval Academy Museum and for the administrative offices of the United States Naval Institute and the Navy Athletic Association.

SEC. 3. The Secretary of the Navy is hereby authorized to accept, receive, hold, administer, and expend gifts and bequests of personal property, and loans of personal property other than money, from individuals or others for the benefit of the aforesaid United States Naval Academy Museum, its collection, or its services. Gifts or bequests of money shall be deposited in the Treasury of the United States as trust funds under the title "United States Naval Academy Museum Fund", which funds will be subject to disbursement by the Secretary of the Navy for the purposes herein specified.

SEC. 4. Gifts or bequests for the benefit of the United States Naval Academy Museum, Annapolis, Md., its collection, or its services, shall be exempt from all Federal taxes.

SEC. 5. The Secretary of the Treasury is authorized, upon request of the Secretary of the Navy, to invest, reinvest, or retain investments of the money or securities composing the United States Naval Academy Museum fund, or any part thereof, deposited in the Treasury pursuant to section 3 of this act, in securities of the United States Government or in securities guaranteed as to principal and interest by the United States Government. The interest and profits accruing from such securities may be deposited to the credit of the United States Naval Academy Museum, and will be available to disbursements as provided in section 3 of this act.

Mr. WALSH. Mr. President, the bill merely authorizes the Superintendent of the Naval Academy to accept gifts and bequests of money for the purpose of erecting a building to be used as a naval museum on land now owned by the United States Government at the Naval Academy, and for other purposes.

The bill involves no expense to the Government, but permits a very unusual thing, the acceptance of $150,000 from the Navy Athletic Association and $50,000 from the United States Naval Institute, the money to be used as stated in the bill, for the building on the Naval Academy grounds of a Naval Academy museum. I think it would be very appropriate to have prompt action taken in order to show in a special manner our appreciation of this generous gift, and also to try to get action in the House of Representatives before we adjourn, so that the project may be begun at once.

Mr. AUSTIN. Mr. President, the Senator from Massachusetts called this bill to my attention a short time ago, and on behalf of the minority, I am very glad to waive the rule with respect to bills lying over, and not to object to present consideration. I think any expression the Senate can make in appreciation of this philanthropy should be made, and made immediately.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATION OF PRODUCTION COSTS OF CEMENTED SHOES

Mr. WALSH. Mr. President, the second matter I should like to have taken up is a resolution of special importance to the shoe industry. It is the last number on the calendar. I ask unanimous consent for the present consideration of Calendar No. 1316.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 144) directing the Tariff Commission to investigate the production costs of cemented shoes, submitted by Mr. WALSH and Mr. LODGE on August 18, 1937, which had been reported from the Committee on Finance with an amendment, on page 1, line 6, after the word "articles" to strike out "Cemented shoes, made wholly or in part by the process of cementing the sole to the upper", and to insert, "Women's and misses' shoes made by the cement process and dutiable at 20 percent ad valorem under paragraph 1530 (e) of the Tariff Act of 1930", so as to make the resolution read:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Women's and misses' shoes made by the cement process and dutiable at 20 percent ad valorem under paragraph 1530 (e) of the Tariff Act of 1930.

Mr. KING. Mr. President, that is the measure about which we had some discussion in the Finance Committee.

Mr. WALSH. Yes.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

Mr. HARRISON. Mr. President, I ask in this connection that a letter from the State Department be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, July 23, 1937.

The Honorable PAT HARRISON,
Chairman, Committee on Finance, United States Senate.

MY DEAR SENATOR HARRISON: I refer to your communication of June 30, 1937, requesting on behalf of the Senate Finance Committee a report from my Department on Senate Resolution 144, which would direct the Tariff Commission to make an investigation, under section 336 of the Tariff Act of 1930, of the differences in costs of production of domestic and foreign cemented shoes, made wholly or in part by the process of cementing the sole to the upper.

Your request has been the subject of careful consideration in the Department, and I have had the benefit also of its consideration by two interdepartmental committees, the Executive Committee on Commercial Policy and the Trade Agreements Committee. As a result of this consideration, I am glad to offer the following comment upon the subject:

May I say first of all that in my opinion the fullest possible investigation into all pertinent facts and the most thorough consideration of these facts from the point of view of all American interests concerned is essential to any tariff action. The report of the Tariff Commission in this field, filed with your committee on June 26, does not, in my judgment, indicate the existence of an emergency requiring immediate action under section 336. It does indicate the desirability of watching the situation carefully, and in this connection I am informed that the Tariff Commission is continuing further inquiry into the facts. Moreover, it is important to recognize, with specific reference to the subject of your communication, that the type of investigation called for under section 336 of the Tariff Act of 1930 is one limited in basis and scope of action. On the other hand, the powers conferred by the Trade Agreements Act rest upon a far broader basis than that set

forth in section 336 of the tariff act, and thus permit a wider scope for reaching conclusions of benefit to the various interests concerned.

The institution at this time of the investigation envisaged in the proposed resolution would in my opinion have an unfavorable effect upon our foreign trade relations. On May 6, 1937, there was issued a public announcement to the effect that the negotiation of a trade agreement with Czechoslovakia is contemplated. That country is our leading foreign supplier of the product referred to in the proposed resolution, and the product is important in that country's trade with us. No decision relative to our tariff rates on shoes or on any other commodity has been taken in connection with these negotiations; it is evident, however, that an investigation under section 336 of a product important in the trade between the two countries might seriously impede the negotiations.

I realize fully that the announcement of contemplated trade negotiations with Czechoslovakia has disturbed certain sections of our domestic shoe industry which fear the possibility of a disruptive increase in competition from foreign sources. Attention should be called to the extreme care and deliberation exercised in the administration of the Trade Agreements Act. Prior to the making of any decision on any commodity, the whole field is carefully studied and full opportunity is given to all interested persons in this country to present their views, orally and in writing, and complete assurance is given that their presentations will be fully and carefully considered.

By the method of reciprocal negotiation which the authority to conclude trade agreements has made possible, there is larger opportunity to devise solutions which duly safeguard domestic producers against injury or disruptive increase in foreign competition but at the same time permit the other American interests concerned, including the interests of our agricultural and industrial export producers and of our consumers, to be taken adequately into account.

After most careful consideration I am convinced that concurrent action under section 336 would unnecessarily complicate the negotiation of a trade agreement with Czechoslovakia; and, therefore, I am in agreement with the view of the Executive Committee on Commercial Policy and of the Trade Agreements Committee that the passage at this time of Senate Resolution 144 is inadvisable.

Sincerely yours,

CORDELL HULL.

CLAIMS OF GEORGE PERDUE AND OTHERS

Mr. GEORGE. Mr. President, I ask unanimous consent to recur to Calendar 1277, House bill 6271, which was passed over, because no explanation was made. This is a bill conferring jurisdiction on the United States District Court for the Northern District of Georgia to hear and determine and render judgment upon the claims of certain parties, and I ask for consideration of the bill.

Mr. KING. I should like to have an explanation.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

There being no objection, the Senate proceeded to consider the bill (H. R. 6271) conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming, deceased, all of Atlanta, Ga., for damages resulting from personal injuries, death, and property damage received by them on March 6, 1933, by reason of an automobile collision involving a United States Army truck and trailer, on the Atlanta-Newnan Highway, near Palmetto, Ga.: *Provided*, That the judgment, if any, shall not exceed, in the case of George Perdue, $3,000; in the case of O. B. Ross, $3,000; in the case of Sadie Washington, $3,000; and in the case of the estate of Larry W. Fleming, $5,000.

SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgments thereon shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

Mr. GEORGE. Mr. President, the bill merely confers jurisdiction upon the District Court for the Northern District of Georgia as if the Government were suable in tort, for the reason that there is a sharp conflict as to the facts of the accident involved, resulting in one death and certain severe injuries of three other passengers in an automobile. The House committee, following the rule, as it stated in its report, thought it proper to refer the matter to the court rather than to undertake to decide it. I call attention to the fact that during this week the President vetoed a bill giving to certain claimants flat amounts, and he suggested in his veto message, as I recall, that it was a matter which might well have been referred to the court, and had the bill given jurisdiction to the court over the subject matter, the approval of the Chief Executive might have been given to the bill.

In this case an Army truck from Fort Benning, Ga., or traveling between Fort Benning and Fort McPherson, both being in Georgia, broke down on the road on a rainy night. The truck, with a long trailer, stopped on the pavement, and was standing on the pavement while the officer in charge or the driver of the truck endeavored to repair it. It stood there for some time, and a citizen who was traveling in his car back of the truck, going the same way, ran into the trailer and into the truck, resulting in the death of one of the passengers in the car, and very serious injury to the other occupants of the car. The amount of any recovery is limited in the bill as it passed the House.

Mr. KING. Mr. President, I may say to the Senator that I think we are establishing rather bad precedents in permitting these cases of tort to be brought in the neighborhoods where the parties plaintiff reside. Why should this not go to the Court of Claims? We have referred a number of such cases to the Court of Claims.

Mr. GEORGE. The House provided in the bill for reference to the District Court, and I hope that in this instance the Senator will withhold his objection, because the evidence is in sharp conflict, but the preponderance of it strongly indicates that the Army truck had stopped on the pavement, without lights, and on a night dangerous to anyone traveling, and that the automobile collided with the rear of the truck, with the result I have just stated.

Mr. KING. It is a dangerous precedent.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1424) to repeal that provision in the act of March 2, 1917 (39 Stat. L. 976), directing the making of allotments to Indians of the Mission Indian Reservations, Calif., was announced as next in order.

Mr. KING. Let this go over.

The PRESIDENT pro tempore. The bill will be passed over.

WALTER W. JOHNSTON

The bill (H. R. 2860) for the relief of Walter W. Johnston was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF PUBLIC-SCHOOL BUILDINGS IN UTAH

The bill (S. 2223) to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000 for the purpose of cooperating with the Uintah County School District, Utah, for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That plans and specifications for construction, enlargement, or improvement of structures shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further*, That any amount expended on any project hereunder shall be recouped by the United States within a period

of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States, and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

PENSIONS TO SOLDIERS OF INDIAN WARS

The Senate proceeded to consider the bill (H. R. 5787) granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes, which was read, as follows:

Be it enacted, etc., That from and after the first day of the next month after the enactment of this act, all surviving soldiers of the various Indian wars and campaigns who are now on the pension rolls or who may hereafter be placed thereon under the provisions of the acts of July 27, 1892, June 27, 1902, and May 30, 1908, as amended by the act of February 19, 1913, or under the act of March 4, 1917, or the act of March 3, 1927, shall be entitled to receive a pension not exceeding $55 per month and not less than $20 per month, proportioned to the degree of inability to earn a support as determined by the Administrator of Veterans' Affairs, and in determining such inability each and every infirmity shall be duly considered, and the aggregate of the disabilities shown be rated: *Provided*, That any such person who has reached the age of 62 years shall be entitled to receive a pension of $25 a month; in case such person has reached the age of 68 years, $35 a month; in case such person has reached the age of 72 years, $45 a month; and in case such person has reached the age of 75 years, $55 a month: *Provided further*, That any such person who is now or hereafter may become, on account of age or physical or mental disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be paid the rate of $72 a month: *And provided further*, That no one while an inmate of the United States Soldiers' Home or of any National or State Soldiers' Home shall be paid more than $50 per month under this act.

SEC. 2. That the increased rates of pension herein provided shall be effective from and after the first day of the month following the enactment of this act as to those then in receipt of Indian war service pension, and as to those with claims then pending who are shown to be entitled to pension under one of the acts enumerated herein, and as to all other cases where entitlement under this act is shown, such pension shall commence from the date of filing application therefor in the Veterans' Administration on and after the enactment of this act, and in such form as may be prescribed by the Administrator of Veterans' Affairs: *Provided*, That pension of $72 per month granted under this act on the basis of requiring the regular aid and attendance of another person shall commence from the date of receipt in the Veterans' Administration of the evidence showing the requisite condition or the date of filing application therefor on and after the enactment of this act, whichever is the later date, but such pension of $72 per month shall not be awarded to any person for any period during which he is maintained in an institution by the United States Government or a political subdivision thereof and is being furnished with nursing or attendant service: *Provided further*, That in no event shall the rates of pension provided in this act be effective prior to the first day of the month following the enactment thereof.

Mr. KING. Mr. President, I should like to have an explanation of the bill and a statement of the amount involved.

Mr. McGILL. Mr. President, the amount involved is something like $190,000 annually. The bill affects some 3,000 veterans of the Indian wars and campaigns occurring between 1817 and 1898. It would place those veterans in substantially the same category in which the Spanish-American War veterans now are. The bill is recommended by the Veterans' Administration and there is no objection to it from the Bureau of the Budget.

Mr. KING. Did the Senator make the amendments which were suggested by General Hines?

Mr. McGILL. I do not know of any amendments suggested by General Hines. The bill is recommended by General Hines.

Mr. KING. I read from the report:

> The Acting Director, Bureau of the Budget, has advised the Veterans' Administration that there would be no objection to this report, including the suggested changes incorporated in the revised bill and explained herein.

I was wondering whether the bill had been revised in conformity with the suggestion.

Mr. McGILL. That is my understanding. That is the way it passed the House.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PENSIONS TO PEACETIME VETERANS

The Senate proceeded to consider the bill (H. R. 7531) to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes, which was read, as follows:

Be it enacted, etc., That paragraph X of Executive Order No. 6098 dated March 31, 1933 (Veterans' Regulation No. 10 (38 U. S. C., ch. 12, appendix)), as amended by paragraph 1, Executive Order No. 6568, dated January 19, 1934 (Veterans' Regulation No. 10 (c)), is hereby canceled as of the date of enactment of this act.

Mr. KING. Mr. President, let us have an explanation of this bill.

Mr. McGILL. Mr. President, this bill affects a very few peacetime veterans who were affected by the economy act. The Veterans' Administration states that the savings made by the Government are less than the cost of administration.

Mr. KING. How many beneficiaries will there be?

Mr. McGILL. I should have to look that up. There are just a very few.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PAINTING OF "THE SIGNING OF THE CONSTITUTION"

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 206, being Calendar No. 1285.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 206) to authorize the painting of the painting The Signing of the Constitution for placement in the Capitol Building, which was read, as follows:

Resolved, etc., That the Architect of the Capitol be, and he is hereby, authorized and directed to employ the artist Howard Chandler Christy to paint upon canvas (approximately 20 feet by 30 feet in size), at a price not exceeding $35,000, his painting known as The Signing of the Constitution. The said painting shall be subject to the approval of the Joint Committee on the Library and, when so approved, shall be mounted in a space in the Capitol Building to be selected by the Architect of the Capitol.

Mr. THOMAS of Oklahoma. I offer an amendment in the nature of a substitute for the joint resolution, which I ask to have stated.

The PRESIDENT pro tempore. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and to insert the following:

> That the Architect of the Capitol be, and he is hereby, authorized to employ an artist, to paint upon canvas (approximately 20 feet by 30 feet in size), at a price not exceeding $35,000, a painting of the scene at the signing of the Constitution. The said painting shall be subject to the approval of the Joint Committee on the Library, and when so approved shall be mounted in a space in the Capitol Building to be selected by the Architect of the Capitol: *Provided*, That in placing such picture no existing painting shall be displaced.

Mr. CLARK. Mr. President, I have no objection to the joint resolution as it is proposed to be amended. I think the scene at the signing of the Constitution ought to be preserved in the Capitol. However, I should like to suggest to my friends who are on the Joint Committee on the Library that they exercise a little circumspection in approving the painting now to be authorized. I call their attention to the fact that there is one very important historical scene depicted in the rotunda of the Capitol, a painting of heroic size, in which appear two little girls having five hands between them; and another painting, that of Pocahontas, in which an Indian is shown to have six toes. In connection with the painting of the signing of the Constitution, I hope more care will be exercised by the Joint Committee on the Library than has heretofore been exercised in approving pictures to be placed in the Capitol.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to authorize the painting of the scene at the signing of the Constitution for placement in the Capitol Building."

CHARLES E. NAMES

The bill (H. R. 1858) for the relief of Charles E. Names was announced as next in order.

Mr. KING. Mr. President, may I have the attention of the Senator from Michigan [Mr. BROWN]? With respect to the claim of Charles E. Names, does the Senator recall whether or not the admonition of the Comptroller of the Currency was followed and the interest eliminated? If so, I have no objection to the bill.

Mr. BROWN of Michigan. Mr. President, the Post Office Department reported favorably upon the bill. Is that the question the Senator asked?

Mr. KING. My recollection of the report on the bill is that it was approved on condition that the interest should be eliminated.

Mr. BROWN of Michigan. And the bill was so drawn.

Mr. KING. That condition was complied with?

Mr. BROWN of Michigan. Yes.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PAUL AND A. B. JOHNSON

The bill (H. R. 2192) for the relief of Paul and A. B. Johnson was considered, ordered to a third reading, read the third time, and passed.

OLIVER Z. HOGE

The bill (H. R. 2195) for the relief of Oliver Z. Hoge was considered, ordered to a third reading, read the third time, and passed.

GALLUP'S, INC.

The bill (H. R. 2215) for the relief of Gallup's, Inc., was considered, ordered to a third reading, read the third time, and passed.

ORBA CARESS

The bill (H. R. 2339) for the relief of Orba Caress was considered, ordered to a third reading, read the third time, and passed.

FRANK LEE BORNEY

Mr. TOWNSEND. Mr. President, I ask unanimous consent that the Senate recur to Calendar No. 1258, being House bill 5112. When the bill was called on the calendar, objection was made, but I understand the objection has since been withdrawn.

Mr. AUSTIN. Mr. President, I interposed an objection in order to find out what was meant by the reference in the report to contributory negligence. The Senator from Delaware [Mr. TOWNSEND], who reported the bill, has since returned to the Chamber; and he informs me that the question arose as to whether the claimant had knowledge of the dangerous character of the dynamite by which he was injured; that the accident occurred, in part, through his own negligence, but chiefly through the negligence of an agent of the Government. That being so, I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H. R. 5112) for the relief of Frank Lee Borney was considered, ordered to a third reading, read the third time, and passed.

JEROME H. HOWARD

The bill (H. R. 2451) for the relief of Jerome H. Howard was considered, ordered to a third reading, read the third time, and passed.

BERTHA L. FRANK

The bill (H. R. 2455) for the relief of Bertha L. Frank was considered, ordered to a third reading, read the third time, and passed.

ELVA T. SHUEY

The bill (H. R. 2649) for the relief of Elva T. Shuey was considered, ordered to a third reading, read the third time, and passed.

LAMAR SNIPES AND LUTHER S. SNIPES

The bill (H. R. 2994) for the relief of Lamar Snipes and Luther S. Snipes was considered, ordered to a third reading, read the third time, and passed.

DELAWARE BAY SHIPBUILDING CO., INC.

The bill (H. R. 3276) conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc., was announced as next in order.

Mr. KING. Mr. President, I ask the Senator from Louisiana [Mr. ELLENDER], who reported the bill, whether from the investigation which he has made he believes there is any liability, or any probable or possible liability, on the part of the Government?

Mr. ELLENDER. There is a probable liability on the part of the Government.

Mr. KING. And is it a case which the Senator believes ought to go to the court?

Mr. ELLENDER. Yes; it is. The amount involved is about $4,500 or $4,600.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

NATURALIZATION OF ALIEN VETERANS OF WORLD WAR

The bill (H. R. 4291) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, ARKANSAS-MISSISSIPPI

The bill (H. R. 7849) authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss., was considered, ordered to a third reading, read the third time, and passed.

DELAWARE RIVER BRIDGE, NEW YORK-PENNSYLVANIA

The bill (H. R. 8167) to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa., was considered, ordered to a third reading, read the third time, and passed.

GRAND-JURY EXTENSIONS

The bill (H. R. 2702) to permit grand-jury extensions to be ordered by any district judge was considered, ordered to a third reading, read the third time, and passed.

INCLUSION OF BURGLARY AND LARCENY IN BANK-ROBBERY STATUTE

The bill (H. R. 5900) to amend the bank-robbery statute to include burglary and larceny was considered, ordered to a third reading, read the third time, and passed.

ISSUANCE OF BONDS BY KETCHIKAN, ALASKA

The bill (S. 2912) to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the city of Ketchikan, Alaska, is hereby authorized and empowered to construct, reconstruct, enlarge, extend, improve, and repair all or any portion of its streets and sidewalks, and also to make such changes, extensions, betterments, and replacements as may thereby be rendered necessary or advisable in its sewers, water systems, electric current lines, telephone lines, and other public utilities; and for such purposes to issue bonds in any amount not exceeding $250,000.

SEC. 2. Before said bonds shall be issued, a special election shall be ordered by the common council of the said city of Ketchikan, Alaska, at which election the question of whether such bonds shall be issued in the amount above specified for the purpose hereinbefore set forth shall be submitted to the qualified electors of said city of Ketchikan, Alaska, whose names appear on the last assessment roll of said city, for purposes of municipal taxation. The form of the ballot shall be such that the electors may vote for or against the issuance of bonds for the purposes herein specified up to the amount herein authorized. Not less than 20 days' notice of such election shall be given to the public by posting notices of same in three conspicuous places within the corporate limits of the city of Ketchikan, Alaska, one of which shall be at the front door of the United Etates post office at Ketchikan, Alaska. The election notice shall specifically state the amount of bonds proposed to be issued for the purposes herein specified. The registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality; and such bonds shall be issued for the purposes herein authorized only upon condition that not less than 65 percent of the votes cast at such election in said municipality shall be in favor of the issuance of said bonds for such purposes.

SEC. 3. The bonds herein authorized shall be coupon in form and shall mature in not to exceed 20 years from the date thereof. Such bonds may bear such date or dates, may be in such denomination or denominations, may mature in such amounts and at such time or times not exceeding 20 years from the date thereof, may be payable in such medium of payment and at such place or places, may be sold at either public or private sale, may be nonredeemable or redeemable (either with or without premium), and may carry such registration privileges, as to either principal and interest or principal only, as shall be prescribed by the common council of said city of Ketchikan. The bonds shall bear the signatures of the mayor and of the clerk of the city of Ketchikan and shall have impressed thereon the official seal of said municipality. The coupons to be annexed to such bonds shall bear the facsimile signatures of the mayor and of the clerk of said municipality. In case any of the officers whose signatures or countersignatures appear on the bonds shall cease to be such officers before delivery of such bonds, said signatures or countersignatures, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if said officers had remained in office until such delivery. Said bonds shall bear interest at a rate to be fixed by the common council of the city of Ketchikan, not to exceed, however, 6 percent per annum, payable semiannually, and said bonds shall be sold at not less than the principal amount plus accrued interest.

SEC. 4. The bonds herein authorized to be issued shall be general obligations of the city of Ketchikan, Alaska, payable as to both interest and principal from ad-valorem taxes which shall be levied upon all of the taxable property within the corporate limits of such municipality in an amount sufficient to pay the interest on and the principal of such bonds as and when the same become due and payable.

SEC. 5. No part of the funds arising from the sale of said bonds shall be used for any purpose or purposes other than those specified in this act. Said bonds shall be sold only when and in such amounts as the common council of the city of Ketchikan shall direct; and the proceeds thereof shall be distributed only for the purposes hereinbefore mentioned and under the orders and direction of said common council from time to time as such proceeds may be required for said purposes.

SEC. 6. The city of Ketchikan is hereby authorized to enter into contracts with the United States of America or any agency or instrumentality thereof for the sale of bonds issued in accordance with the provisions of this act, and for the acceptance of a grant of money to aid said municipality in financing any of the public works hereinbefore mentioned, or for either; or to enter into contracts with any persons or corporations, public or private, for the sale of such bonds; and such contracts may contain, subject to the provisions of this act, such terms and conditions as may be agreed upon by and between the common council of said city of Ketchikan and the United States of America or any agency or instrumentality thereof, or any other purchaser of the bonds.

SEC. 7. The provisions of the act approved May 28, 1936, entitled "An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes" (49 Stat. 1388), as amended, shall not affect the issuance or payment of the bonds authorized by this act or any proceedings taken hereunder.

INCREASE OF BORROWING MARGIN OF MAYAGUEZ, P. R.

The bill (H. R. 6747) to amend section 3 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez, was considered, ordered to a third reading, read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S. Res. 167) requesting the Secretary of Agriculture to investigate flaxseed prices and matters affecting same was announced as next in order.

Mr. CLARK. I ask that the resolution be passed over.

The PRESIDENT pro tempore. The resolution will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 201) for the relief of certain persons conducting farming operations whose crops were destroyed by hailstorms was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the joint resolution. Storms, floods, and heavy rains have destroyed crops in many places. It seems to me this is an attempt to discriminate in favor of certain geographical subdivisions.

Mr. AUSTIN. I object to the present consideration of the joint resolution on behalf of the Senator from Iowa [Mr. GILLETTE], who was called from the Senate Chamber. He asked me to object to the joint resolution.

Mr. KING. I also ask that it go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

SALE OF ALCOHOLIC BEVERAGES IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act, which had been reported from the Committee on the District of Columbia with an amendment, in section 1, page 2, line 17, after the word "act", to strike out "This subsection" and insert "The provisions of this subsection relating to notice by advertisement in some newspaper of general circulation", so as to make the bill read:

Be it enacted, etc., That subsection (b) of section 14 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 14. (b) Before granting a retailer's license, except a retailer's license class E or class F, the Board shall give notice by advertisement published once a week and for at least 2 weeks in some newspaper of general circulation published in the District of Columbia. The advertisement so published shall contain the name of the applicant and a description by street and number, or other plain designation, of the particular location for which the license is requested and the class of license desired. Such notice shall state that remonstrants are entitled to be heard before the granting of such licenses and shall name the time and place of such hearing. There shall also be posted by the Board a notice, in a conspicuous place, on the outside of the premises. This notice shall state that remonstrants are entitled to be heard before the granting of such license and shall name the same time and place for such hearing as set out in the public advertisement; and, if remonstrance against the granting of such license is filed, no final action shall be taken by the Board until the remonstrant shall have had an opportunity to be heard, under rules and regulations prescribed by said Board. Any person willfully removing, obliterating, marring, or defacing said notice shall be deemed guilty of a violation of this act. The provisions of this subsection relating to notice by advertisement in some newspaper of general circulation shall not apply to the issuance of a license to a retailer for any place of business if such retailer is the holder of a license of the same class for the same place and if said last-mentioned license is in effect on the date the application for the new license is filed."

SEC. 2. That subsection (d) of section 14 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"SEC. 14. (d) A separate application shall be filed with respect to each place of business. The required license fee shall be paid to the collector of taxes and his duplicate receipt shall accompany the application for license. In the event the license is denied the fee shall be returned. Every such application shall be verified by the affidavit of the applicant, if an individual, or by all of the members of a partnership, or by the president or vice president of a corporation. If any false statement is knowingly made in such application, or in any accompanying statement under oath which may be required by the Commissioners or the Board, the person making the same shall be deemed guilty of perjury. The making of a false statement in any such application, or in any such accompanying statement, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the Board, constitute sufficient cause for the revocation of the license."

SEC. 3. That the second paragraph of section 17 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended to read as follows:

"That in the event the Board at any time shall order the suspension of any license a notice may be posted by the Board, in a conspicuous place, on the outside of the licensed premises, at or near the main street entrance thereto; which notice shall state that the license theretofore issued to the licensee has been suspended and shall state the time for which said license is suspended, and state that the suspension is ordered because of a violation of

the District of Columbia Alcoholic Beverage Control Act, or of the Commissioners' regulations adopted under authority of said District of Columbia Alcoholic Beverage Control Act."

SEC. 4. That the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 39. (a) It shall be unlawful for anyone, except a public or common carrier or the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act, to transport, import, bring, or ship or cause to be transported, imported, brought, or shipped into the District of Columbia from without the District of Columbia any wines, spirits, or beer in a quantity in excess of 1 gallon at any one time.

"(b) No public or common carrier shall transport or bring into the District of Columbia wine, spirits, or beer in a quantity in excess of 1 gallon at any one time for delivery to any one person in the District of Columbia other than the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act.

"(c) The provisions of this section shall not apply to bona-fide possessors of old stocks who are moving into the District of Columbia nor to embassies or diplomatic representatives of foreign countries, nor to wines imported for religious or sacramental purposes, nor to wine, spirits, and beer to be delivered to the holder of a manufacturer's, wholesaler's, or retailer's license issued under this act.

"(d) The penalty for violation of this section shall consist of the forfeiture of the beverages transported, imported, or shipped or caused to be transported, imported, brought, or shipped in violation of this section, and a fine of not more than $500 or imprisonment for not more than 6 months."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. That concludes the calendar.

AUTHORITY FOR APPROPRIATIONS COMMITTEE TO SUBMIT REPORTS

Mr. BARKLEY. I ask unanimous consent that the Committee on Appropriations may be authorized to report any bill which it may have under consideration during the recess or adjournment of the Senate following today's session.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

PER-CAPITA PAYMENTS TO SEMINOLE INDIANS, OKLAHOMA

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2263) providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury, which was, on page 2, line 1, to strike out all after the word "prescribe" down to and including the word "Indians" in line 5.

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On August 12, 1937:

S. 191. An act for the relief of Orson Thomas;

S. 449. An act for the relief of the estate of Charles Pratt;

S. 1044. An act for the relief of Thomas W. Seay;

S. 1219. An act for the relief of Pauline M. Warden, nee Pauline McKinney;

S. 1266. An act to authorize the city of Chamberlain, S. Dak., to construct, equip, and maintain tourist cabins on American Island, S. Dak., to operate and maintain a tourist camp and certain amusement and recreational facilities on such island, to make charges in connection therewith, and for other purposes;

S. 1822. An act for the relief of Harry Burnett;

S. 1881. An act for the relief of the Consolidated Aircraft Corporation; and

S. 1935. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of disbursing officers or agents of the Government for payments made pursuant to certain adjustments and increases in compensation of Government officers and employees.

On August 14, 1937:

S. 176. An act for the relief of George Smith and Ketha Smith;

S. 792. An act for the relief of Margaret Larson, a minor;

S. 893. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Jack Wade, Perry Shilton, Louie Hess, Owen Busch, and William W. McGregor; and

S. 1129. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes.

On August 16, 1937:

S. 607. An act to authorize improvement of navigation facilities on the Columbia River, and for other purposes;

S. 1047. An act authorizing the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes;

S. 1160. An act for the relief of Troup Miller and Harvey D. Higley;

S. 1379. An act to authorize the Five Civilized Tribes, in suits heretofore filed under their original Jurisdictional Acts, to present claims to the United States Court of Claims by amended petitions to conform to the evidence; and to authorize said court to adjudicate said claims upon their merits as though filed within the time limitation fixed in said original Jurisdictional Acts;

S. 1401. An act for the relief of Willard Collins; and

S. 2520. An act declaring Bayou Savage, also styled Bayou Chantilly, in the city of New Orleans, La., a nonnavigable stream.

On August 17, 1937:

S. J. Res. 171. Joint resolution relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission.

MEASUREMENT OF VESSELS USING PANAMA CANAL

Mr. CLARK. Mr. President, I move that the Senate proceed to the consideration of House bill 5417, providing for the measurement of vessels using the Panama Canal, and for other purposes, being Calendar No. 1188.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Missouri. The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which had been reported from the Committee on Interoceanic Canals with an amendment, on page 2, line 1, after the word "tonnage", to insert:

Provided, Thtat the basic rules of measurement shall not be charged except after public hearing and 6 months' public notice of such change.

So as to make the bill read:

Be it enacted, etc., That section 412 of title 2 of the Canal Zone Code, approved June 19, 1934, is hereby amended to read as follows:

"Tolls on merchant vessels, Army and Navy transports, colliers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of 100 cubic feet each of actual earning capacity determined in accordance with the Rules for the Measurement of Vessels for the Panama Canal prescribed by the President and as may be modified by him from time to time by proclamation, and tolls on other floating craft shall be based on displacement tonnage: *Provided*, That the basic rules of measurement shall not be changed except after public hearing and 6 months' public notice of such change. The rate of tolls on laden vessels shall not exceed $1, nor be less than $0.75 per net vessel-ton as determined under the aforesaid rules, and on vessels in ballast without passengers or cargo the rate may be less than the rate of tolls for vessels with passengers or cargo. In addition to the tolls based on measurement or displacement tonnage, tolls may be levied on passengers at rates not to exceed $1.50 for each passenger. The levy of tolls is subject to the provisions of article XIX of the convention between the United States of America and the Republic of Panama, entered into November 18, 1903, and of

article I of the treaty between the United States of America and the Republic of Colombia proclaimed March 30, 1922."

SEC. 2. This act shall take effect and be enforced on and after March 1, 1938.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. COPELAND. I have had printed certain amendments to this bill, which lie on the table. I ask that the first amendment, which is an amendment to the committee amendment, be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 2, after the word "measurement", in the committee amendment, it is proposed to insert "or rate of tolls."

Mr. CLARK. Mr. President, the subject of the amendment of the Senator from New York is adequately and specifically provided for in section 411 of title II of the Canal Zone Code which is not being amended by this bill at all. Under that provision of the Canal Zone Code a change in toll rates requires 6 months' notice, and that I assume is the only purpose of the amendment proposed by the Senator from New York. It is absolutely unnecessary and might cause complications.

Mr. COPELAND. As I understand the matter, the Senate committee recognized the right of the shipowners to hearings and notice in connection with the matter of Canal tolls?

Mr. CLARK. That is as to amending the rules of measurement. The matter of changing the tolls is already provided for under the Canal Zone Code.

Mr. COPELAND. The Senator does not think, then, that hearings would be limited to changes in the rules of measurement?

Mr. CLARK. I do not, for the reason that the other provision now proposed by the Senator from New York is already provided for by law.

Mr. COPELAND. That is, the statute already provides for notice of a change in the rate of tolls? That is what the Senator means?

Mr. CLARK. That is correct.

Mr. COPELAND. My amendment would extend the right to a hearing and notice both to proposals to change the rules of measurement and to change the rate of tolls. Does the Senator believe that the bill as he has presented it anticipates the extending of notice and of hearing both to proposed changes in rules of measurement and changes in the rate of tolls?

Mr. CLARK. In the one case provision is already made by law, and the committee amendment was drawn in the form in which it appears simply because the question of a change of toll rates was already provided for.

Mr. COPELAND. I accept at par, as I always do, what the Senator from Missouri says, that this bill provides for the one case and the existing law provides for the other?

Mr. CLARK. That is correct.

Mr. COPELAND. And, therefore, there is no need of any change in the bill in this respect?

Mr. CLARK. I do not think there can be any question about that.

Mr. COPELAND. I think that is true, and I withdraw the amendment.

The PRESIDENT pro tempore. The amendment proposed by the Senator from New York is withdrawn.

Mr. COPELAND. Mr. President, I send forward another amendment and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 9, after the word "cargo" it is proposed to insert "Tolls upon vessels for transit in excess of ten in any one fiscal year shall be reduced 25 percent."

Mr. CLARK. Mr. President, that amendment is objectionable for several different reasons. In the first place, if the amendment were adopted it would materially reduce the toll collections to a select few who are already adequately taken care of and would necessitate a general increase of toll charges on all other vessels passing through the Panama Canal in order to make up the difference.

More than that, I may say that the preference contained in this amendment would set up a system which has been outlawed by law in this country for 40 years in the case of railroads, namely, a system of rebating by giving to the larger shippers or larger customers a preference over smaller shippers and smaller customers. It seems to me to be a very dangerous proposal, and one which the Congress would not be willing to enter into in the case of vessels passing through the Panama Canal when it has refused to allow similar preferences in the case of railroads or other carriers within the United States.

Mr. COPELAND. Mr. President, if the Senator will permit me——

Mr. CLARK. I yield to the Senator from New York.

Mr. COPELAND. The Senator and I were on the same side of this bill last year and the year before.

Mr. CLARK. I think the Senator is mistaken as to that. I was in favor of the committee's report last year, and that was postponed by the adoption of a motion to recommit with instructions to the committee to await the report of this impartial Commission before the measure was enacted. The impartial Commission has been appointed; it has conducted its hearings; it has made its report; and this proposed legislation is now designed to carry into effect the purposes of the Commission's report. Therefore, I think that the Senator is in error when he says that he and I were on the same side 2 years ago, for I was in favor of the committee's report at that time, while the Senator from New York, as I recall, was in favor of recommitting the bill, or postponing action on it, or making some other disposition of it.

Mr. COPELAND. I think probably the Senator is correct, although we are usually on the same side, and, naturally, I fell into that error.

Mr. CLARK. It is one time the Senator happened to be wrong.

Mr. COPELAND. Perhaps I am wrong about that, but I am going to try to see if I can develop reasons why the Senator should be convinced that now I am right. In the first place it is not contended by the Canal authorities that they need more money from tolls. They now collect much more than they ought to.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. COPELAND. Yes.

Mr. CLARK. Would the Senator be willing to consider the rates of toll charged vessels passing through the Panama Canal and the toll charged vessels passing through the Suez Canal, for instance, as a fair basis of comparison? Is it not a fact that vessels passing through the Panama Canal pay only some 46 percent of the toll paid by vessels passing through the Suez Canal?

Mr. COPELAND. I admit at once that we have had a much more liberal policy in regard to the Panama Canal. That goes back to the days of Theodore Roosevelt when it was desired by the American people to make the Panama Canal a gift to all the world and to make the collections sufficient only to pay the expenses, to pay the overhead. But, as a matter of fact, the tolls which have been fixed result in collections far in excess of the overhead of the canal. It has been a money-making enterprise. Since we last considered this matter we have entered on a new policy with regard to the American merchant marine. We are proposing to subsidize our ships.

Mr. CLARK. Mr. President, if the Senator will let me interrupt him at that point, does he not think that the subsidy that has been provided by law in the setting up of the Maritime Commission is a sufficient subsidy? Heaven knows that we have agreed to subsidize as to construction and as to operation and almost as to the payment of deficits. We

have agreed to every sort of subsidy almost that it is possible to conceive of, and I cannot see, for the life of me, why it is also necessary for shipping companies to have, by subterfuge, another and an additional indirect subsidy, of which foreign nations would receive 60 percent, by trying to gouge in the payment of tolls on vessels passing through the Panama Canal.

Mr. COPELAND. I do not think I have quite completed my argument.

Mr. CLARK. I did not mean to interrupt the Senator.

Mr. COPELAND. The fact is that those that use the Canal in a wholesale way are largely American ships, are they not? Those making regular transit are largely American ships. Some of them make one trip a year; others make a great many trips a year. The question is when we are trying to build up an American merchant marine if it is not wise to assist the cause by low tolls.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I will yield in a moment. The ships making a transit of the Canal are not given the benefit of a subsidy such as is given to those traveling to foreign ports.

Mr. CLARK. I understand that.

Mr. COPELAND. These are intercoastal ships going from one port of the United States to another port of the United States, and it seems to me that, in the promotion of American industry, we ought, so far as we can without bankruptcy, encourage these lines. That is the thought I had in mind.

Mr. CLARK. That is precisely the same argument that was advanced on behalf of railroad rebating; that a shipper who had more business to give to the railroads was entitled to preferential treatment over a smaller shipper. In other words, according to the theory of the Senator from New York, a company which is so located and so operated that it can pass a vessel through the Canal more frequently should have preferential treatment over another shipping line whose vessels could have an equal use of the Canal, but do not happen to be in a position to make as frequent trips.

I listened with very great interest to the testimony before the Committee on Interoceanic Canals; I read the pretenses that were made in this regard before the House Committee on Merchant Marine and Fisheries; and I must say that there was not a single argument made at either of those hearings that did not come to essentially the same very vital question which was considered by the Congress of the United States when they outlawed railroad rebating.

Mr. COPELAND. There may be much truth in what the Senator says; but yet it seems to me that since the railroads sell commutation tickets—I can buy a 30-day ticket for transportation between my place in the country and New York City for about $15——

Mr. CLARK. Yes; that is perfectly true; but the Senator cannot under the law ship 100,000 tons of any material for any less per ton than he can ship 1 ton. That regulation is for the protection of shippers. There has never been any actual toll laid on passenger traffic through the Panama Canal. Therefore the analogy of the Senator from New York as to passenger commutation tickets has no application whatever in this case.

Mr. COPELAND. Of course, if I cannot convince as reasonable a man as the Senator from Missouri, I could not hope to convince the Senate, and so I shall withdraw the amendment and ask the Senator about another proposal. But does he not think, with this amendment, it would be possible to fix a lower rate than the one established in the bill?

Mr. CLARK. No; I do not. The rates announced within the limitations set up by the bill would mean a reduction in revenue to the Panama Canal administration, based on 1936 figures, of $1,000,000 a year. They are willing to take the reduction because under the bill a definite rate base and a definite system of measurement are established on which tolls are to be based, under which they will be enabled to pay the expenses of the operation of the Panama Canal. It is possible to do that, even though there is a reduction of millions of dollars in the rate base heretofore used, because by the establishment of a definite system of measurements instead of a dual system of measurements the Canal administration will be able to foretell and estimate with some sense of accuracy what the revenues of the Canal administration will be.

Mr. COPELAND. Let me send forward another amendment and have it stated, because it answers the objection of the Senator to the suggestion I just made of an immediate reduction in toll rates. Let me see what the Senator has to say about the amendment. I send the amendment to the desk and ask that it may be stated.

Mr. CLARK. Mr. President, what happened to the other amendment of the Senator from New York?

Mr. COPELAND. I withdrew it. I said if I could not convince the reasonable Senator from Missouri, I could not convince so reasonable a Senator as the Senator from Tennessee [Mr. MCKELLAR].

The PRESIDENT pro tempore. The amendment of the Senator from New York will be stated.

The CHIEF CLERK. On page 2, line 11, after the word "passenger", it is proposed to insert the following:

> In prescribing the rates of tolls the President shall so fix such rates that when applied to the volume of vessel tonnage transiting the Canal the transit revenues together with an amount equivalent to the tolls lost by the free transit of United States public vessels and other net revenues will be sufficient to cover all expenses and to provide a return of 3 percent per annum upon the depreciated investment of the United States in the Panama Canal (exclusive of the Panama Railroad Co.), which as of June 30, 1936, shall not exceed $476,000,000.

Mr. COPELAND. There is an amendment which the Senator from Missouri can accept.

Mr. CLARK. Of course, I could not accept the amendment. The purpose of the committee in writing the bill, and of the House in passing it by unanimous vote, was to carry into effect the recommendations of the impartial committee provided for in the amendment of the law 2 years ago with the very active support of the Senator from New York. The tolls committee in its report very definitely recommended against the inclusion in the legislation of the details contained in the amendment just offered by the Senator from New York.

Moreover, as the traffic through the Canal is 60 percent foreign and only 40 percent American, the application of free tolls on American public vessels would benefit foreign vessels more than American vessels, and the proposal was definitely recommended against by the committee, as shown on page 79 of Senate Document 23.

Mr. COPELAND. That is to say, this very matter was given serious consideration by the committee?

Mr. CLARK. That is unquestionably true.

Mr. COPELAND. And after such consideration it was rejected?

Mr. CLARK. That is true. The depreciated investment, according to the report of the committee, which has been reviewed and sustained by the accounting officials of the Treasury Department, is $506,486,576.60, a sum more than $40,000,000 less than the sum estimated and figured by the Governor of the Canal Zone in his last annual report. This impartial committee was composed of Dr. Johnson, of the University of Pennsylvania, a very eminent authority on such matters; Admiral Rock, whom I think the Senator from New York will agree is one of the very ablest officers in the naval service of the United States——

Mr. COPELAND. I fully agree to that.

Mr. CLARK. And former Governor Weaver, of Nebraska——

Mr. COPELAND. Another good man.

Mr. CLARK. They carefully and prayerfully went into the subject of the capitalized value or capitalized investment of the United States in the Panama Canal on which the tolls should be charged at a rate sufficient to return a fair carrying charge on the investment.

As a matter of fact, they excluded from consideration some elements which I think should have been included in the rate base. For instance, they excluded the element of

reinvested capital which, under the law of any State in the Union, I believe, and under the practices of every public-service commission, or every utility commission in the United States, would be considered as part of the rate base on which tolls should be charged. After rejecting doubtful elements of value, they deliberately arrived at this figure as the figure to set for a rate base on which the Panama Canal authority would be enabled to support itself. I do not believe the basic figures can be reduced below that point without very seriously upsetting the whole equilibrium and making impossible the settled condition contemplated by the bill.

Mr. COPELAND. Then I withdraw the amendment on the strength of the statement made by the Senator from Missouri, and send forward another amendment. I can say that this amendment and perhaps all of the amendments which have been presented were submitted with a view of making certain for the record that there has been a thorough study of all of the problems which have presented themselves to ship operators.

Mr. CLARK. I may say to the Senator from New York that elaborate hearings were held before the House Committee on Merchant Marine and Fisheries, of which hearings the Senate committee had the benefit. I had anticipated and hoped that it would not be necessary to have further hearings before the Senate committee, but in view of the desire and suggestion of certain interested parties that there might be additional hearings in the Senate, the Senate committee held hearings for several days and gave opportunity to every interested person to come before the committee and present any suggestions for amendments that he might desire.

Mr. COPELAND. I withdraw the amendment which I had previously offered and now offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert at the proper place in the bill the following:

> Shelter deck cargo type vessels when carrying cargo not requiring protection from the sea, such as lumber, to the extent of deckload capacity of well-deck type of vessels and unoccupied cargo spaces in any laden vessel, or part thereof, shall be exempt from tolls not to exceed 15 percent of the Panama Canal net tonnage.

Mr. CLARK. Mr. President, that is another provision giving a special preference to a particular class of vessels. The whole purpose, the essential purpose of the bill is to get away from the dual system of measurements by which it has been possible, by experts studying the provisions of the two systems of measurements, by cutting a more or less temporary hatch, to convert a cargo deck into a passenger deck even though it might not afford accommodations for more than one passenger, or by other devices of that sort.

It seems to me to load this measure down with such a provision as now proposed in the amendment of the Senator from New York would be to defeat the whole purpose of the bill. In other words, it seems to me the matter should be subjected to uniform regulation.

There are provisions for the Panama Canal system of measurements. It is provided that before a change can be made in that system of measurement there shall be due notice and due hearing by a constituted authority. It would seem to me the proper thing to do is to present the case to that authority as to particular shelter deck or a particular deck classification, rather than to undertake, by an amendment to the pending bill, to nullify the whole purpose and effect of the bill to adopt a uniform system of measurements.

Mr. COPELAND. Let me ask the Senator whether under the law the Canal authorities would have power, in case they saw fit to do so, to make such a preferential rate as I have suggested?

Mr. CLARK. I have not any doubt that the President would have authority to do that. Of course the Canal Administration acts for the President. The President is given the authority to approve the rules of measurement of the Canal Administration. I assume that the hearings provided for in the bill will be conducted by such officer as the President may designate; and, subject to the President's approval, he would have, in my opinion, the right to make such a change as the Senator has suggested.

I may say to the Senator from New York that in the hearings before the committee there was a great dispute between the shipping people themselves, and also between various shipping elements and the Panama Canal authorities, as to the classification of shelter decks and particularly of deck loads. Some of the persons engaged in hauling lumber, particularly between the coasts, had one view as to the question of imposing tolls on deck loads. Other persons who had constructed different types of vessels in competition with them had a very different idea of the matter of imposing tolls on deck loads.

The matter being a highly technical one, as one member of the committee I am perfectly frank to say that I do not believe the committee, after listening to a good deal of evidence on the subject, was in any position to determine that question; and if the committee which listened to the hearings was not able to determine it, I do not believe the Senate is in any better position to determine it. It seems to me that the authorities with competent technical experience and information should have this highly technical point left to them for determination.

Mr. COPELAND. Mr. President, I served as a member of the Committee on Interoceanic Canals, I should think about 10 or 12 years ago, and, of course, at that time I came to know something about the subject and to have some opinions on it. I feel satisfied that from the rumpus we had last year there has resulted this bill, which, as I view it, is a great deal better than the one we had before.

Mr. CLARK. If the Senator will yield, I do not know whether or not the Senator has had an opportunity to examine in any detail the very voluminous report of the President's committee. I myself have had an opportunity to examine it only in a more or less cursory fashion; but I believe that the committee proceeded in its consideration with absolute impartiality and with great technical ability and experience, and that the report contains a mass of information laying down in general a policy which, if followed by the present President and future Presidents—as it doubtless will be—will tend to do justice to the shipping interests and to the American public.

I may say to the Senator from New York that so far as I am personally concerned, I have always been in favor of not charging anything to American ships passing through the Panama Canal, and making foreign vessels passing through the Canal pay for its upkeep. That is substantially what has been done by Great Britain in the case of the Suez Canal. That, however, is an entirely different proposition, and a bridge which it seems to me will have to be crossed when we come to it, and ought not to be injected as a complication on this bill, which is for the purpose of setting up, once and for all, a standard upon which the Panama Canal authorities may operate.

Mr. COPELAND. Mr. President, I desire to ask one question, as I must go to a meeting of a conference committee.

To my mind, one of the objections to the old proposal was the fact that the new rates seemed to favor the large concern, the great oil concerns, and so forth. Is the Senator from Missouri satisfied that the rates now are more equitable and better distributed than they were?

Mr. CLARK. I will say to the Senator from New York that it was explained in great detail, in a technical way which I cannot hope to emulate, that certain very important concessions had been made against the assumption which the Senator has just made. In other words, I do not think there can be any question whatever that the Canal tolls rules, which both the President and the Secretary of War have announced are to be put into effect, correct the situation to which the Senator has referred.

Mr. COPELAND. Of course, the test of the pudding is in the eating. We can try out this new system, and perhaps

in a year or 2 or 3 years we shall know better how it works; but in the meantime, while I should have been glad to have some of these amendments adopted, I desire to congratulate the Senator from Missouri upon his great skill and studious attention to the problems and details of a very technical question.

So, Mr. President, I withdraw the amendment.

LEASE OF POST-OFFICE BUILDING AT GROVER, N. C.

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back favorably without amendment House bill 4402, concerning a post-office lease in North Carolina, and call the attention of the Senator from North Carolina [Mr. REYNOLDS] to it.

Mr. REYNOLDS. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside for the consideration of this bill. It has the favorable report of the full Committee on Post Offices and Post Roads.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the pending business be temporarily laid aside for the consideration of a bill the title of which will be stated by the clerk.

The CHIEF CLERK. A bill (H. R. 4402) to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina?

Mr. AUSTIN. Mr. President, may the proposal be submitted, so that we may understand what it is?

The PRESIDENT pro tempore. The clerk will again state the title of the bill.

The Chief Clerk restated the title of the bill.

Mr. REYNOLDS. Mr. President, for the information of the Senator from Vermont, I will state that this bill has been passed by the House. It provides for payment of the rental of a post-office building for a period of 2 years, during which time the Government could not pay the rent for the reason that the office had dropped from a third-class to a fourth-class status, and under the law the Government could not pay rental except to the extent of 15 percent. The passage of the bill has been recommended by both Post Office Committees.

Mr. AUSTIN. I have no objection.

There being no objection, the bill (H. R. 4402) was considered, ordered to a third reading, read the third time, and passed.

FLOOD-CONTROL COMPACTS IN CONNECTICUT AND MERRIMACK RIVER VALLEYS

Mr. LODGE. Mr. President, I desire to address myself briefly for about 15 minutes to the subject of flood-control compacts in the Connecticut and Merrimack River valleys.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HARRISON. What is now before the Senate?

The PRESIDENT pro tempore. The pending measure is the Panama Canal measurement bill.

Mr. LODGE. Mr. President, I recognize that these compacts have not a very good chance of being acted upon at this session, inasmuch as they have been objected to by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Kentucky [Mr. BARKLEY]. In fact, the President of the United States himself is opposed to their ratification. I should like the RECORD to show, however, the urgency of action at this time, and the dreadful responsibility which anyone takes upon himself who attempts to prevent this constructive action.

In the winter of 1936 the States of Vermont, New Hampshire, Massachusetts, and Connecticut were ravaged by what was without doubt the worst flood they have ever known. We had a very severe winter, and then a sudden thaw. The rivers were swollen to tremendous proportions. Life was lost. Industries were ruined. Great cakes of ice came rolling down the rivers and destroyed the bridges. The flood did an untold amount of damage. Everyone in a position of public trust pledged himself to do all in his power to prevent the recurrence in the future of such a disaster.

It is perfectly obvious that as these rivers originate in one State and flow through others, the action had to be interstate action, taken under the terms of an interstate compact; and President Roosevelt himself, speaking at Hartford, Conn., in the autumn of last year, expressed the hope that the four New England States concerned would get together and agree upon a compact, so that the work of preventing the repetition of this disaster could go on.

In pursuance of that suggestion, the four States appointed representatives. They met this winter, and, with representatives of the Federal Government at their elbows, they worked out these compacts, stipulating where the dams and reservoirs were to be placed, how the cost was to be allocated, and going into all the details. In my own State I know that these compacts for both the Connecticut River and the Merrimack River were unanimously approved. They were signed by the Governors of all four States, two of whom are Democrats and two of whom are Republicans. So far as I know, the compacts have the approval of all the Senators from the States concerned; and if we do not consent to these compacts, it means that the whole work of flood control will be put off for at least another year, because several of the States have only biennial sessions of their legislatures.

Objection has been raised to the compacts by the administration on the ground that the Federal Government does not receive title to the power sites which theoretically would be developed; and I should like to address myself briefly to that objection.

Mr. AUSTIN. Mr. President, will the Senator yield for a question at that point?

Mr. LODGE. I yield.

Mr. AUSTIN. Is the Senator aware that substantially all the sites for dams in the State of Vermont are not power sites; that most of them are on the small tributaries of the Connecticut River, and are primarily for the purpose of storage of water.

Mr. LODGE. I am aware of that; and I should like to say in that connection that the attorney general of Massachusetts, who appeared before the Flood Control Committee of the House yesterday, said that the entire discussion of the power aspects of this question was academic—and I quote him in using that word—because out of the 25 dam sites only 2, 1 in Vermont and 1 in New Hampshire, have any power potentialities, and that it is very questionable indeed whether these would be economically practicable.

The point I should like to convey to Senators is that our section of the country is unlike certain sections in the South and the West in that it has been populated and thickly settled and highly developed for a very long period of years. We have all the power there that we need, and the power aspects of this matter, from a practical standpoint, is trifling, and in any case the compact is so worded that no use can be made of such power as is developed without the consent of the Federal Government.

To my mind, it shows a lack of sense of proportion for one to disagree with the power provisions of these compacts, and to put them on the same plane and make them of the same importance with the tremendously vital task of flood control.

Mr. MINTON. Mr. President, does the Senator think it is out of proportion for the Federal Government to insist that these power sites, whether they are potential or otherwise, shall remain in the Federal Government, since the Federal Government is to put up 75 percent of the cost?

Mr. LODGE. I think, of course, that the Senator is correct when he says that the Federal Government has an interest, but my belief is that, inasmuch as the compact provides that the States shall pay the cost of the land, the sites should belong to the States and the use be subject to agreement with the Federal Government. It seems to me that would be the proper way to go about it.

One of our great natural assets, compared with certain other sections of the country which have mineral wealth and agricultural wealth, is our water power. We are a very well watered section, and all the States, for which I am only the agent today, are intent on keeping those resources, so far as they can.

There is no question here, as I think the Senator from Indiana appreciates, of private development of power versus public development of power; it is a question of State development versus Federal development, and I think it is quite natural for the States to believe that they should decide those questions for themselves.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. MINTON. If it were decided to develop this water power, then the Federal Government would have to get the consent of the States in order to do so.

Mr. LODGE. It works the other way around, too, as I understand. I have the report before me. The States could not use the power without the consent of the Federal Government.

Mr. MINTON. The Federal Government could not use it without the consent of the States, so if it came about that the power interests of the country got control of one of the States, the Federal Government could do nothing about the power development on the streams without the consent of that State; and if the State was, as I am assuming, under the domination of some of the power interests, then the Federal Government's hands would be tied.

Mr. LODGE. Mr. President, I do not know about the other States, but I am very sure that my State is not under that domination. I do not think the legislature of my State or the Governor of my State—and he is a member of a different political party from that to which I belong—and the attorney general of my State, or any of them, are under the domination of the Power Trust. I believe they made the decision reached because they felt that this was a proper thing for the State to keep for itself.

Mr. MINTON. Does the Senator know whether or not some of the representatives of the power interests, for instance, of the Associated Gas & Electric Co., sat at the elbow of the drafting authorities which drafted these compacts? I think the Senator from New Hampshire will bear me out that one of the drafters of the compact was counsel, or former counsel, for the Associated Gas & Electric Co.

Mr. LODGE. I do not know that; it is the first time I have heard of it. I do know that officials of the Federal Government were consulted at every stage in the drafting of the compact.

Mr. MINTON. The Army engineers were consulted.

Mr. LODGE. Yes.

Mr. MINTON. But they were the only officials of the Federal Government who were consulted.

Mr. LODGE. They are experienced officials. As I have said, my contention is that the power aspect is secondary. The compact specifically reserves to the United States the right to determine and fix the terms and conditions under which any signatory State shall make available the right to water service, power storage, or power development. It seems to me there is a safeguard against the condition to which the Senator from Indiana has referred.

I merely wish to leave this thought, that next winter may be a very cold winter, such a winter as we experienced in 1936. There may be a very thick layer of ice on all those rivers. There may once again be a sudden thaw. There may once again be a flood which will destroy bridges, which will ruin factories and homes, and which will imperil human life. I do not want to have the responsibility for that condition resting on me. I think that Senators who object to the ratification of this compact should realize what they are doing. This is a very serious matter. It makes me shudder to think of the possibilities which delay in ratifying these compacts can cause, and I sincerely hope, although I am frank to say that I am not very sanguine about it, that before we leave Washington the compacts may be ratified.

Mr. President, as a part of my remarks, I ask to have printed in the RECORD an address delivered by President Roosevelt at Harvard, Conn., on October 22, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MR. ROOSEVELT'S "PARABLE" OF FLOOD CONTROL

I am here in a twofold capacity. I am here as President to talk with your Governor and your State officials, your Congressmen, and your Senators in regard to the problem of floods. And I am here also, I am told, as a candidate for high public office.

My old friend, Tom Spellacy, has told me that where I am standing today at this moment the water would have been up around my hips if I had been here at the time of the great flood. I think that we can get a little parable out of that flood, a parable relating to Government and the reason why your Government in Washington has to keep in close touch with the governments of the States and of the cities of the Nation and why, under certain circumstances, the Government at Washington must help.

AN INTERSTATE PROBLEM

This river of yours flows through four States—Vermont, New Hampshire, Massachusetts, and Connecticut. A large part of the flood, the flood waters that visited you recently, had their origin in some other State.

No matter what you do in the State of Connecticut, no matter how many dikes you build, no matter how many precautions you take, unless floods are controlled at the sources of the river, your work will be in vain. And that is why the problem of floods involves more than one State.

There are two approaches to that problem. The first is by the method of cooperation between States—the interstate compact method—and I am glad to say that the States of New England are working together, planning for the control of floods.

SPREADING THE COST

But, my friends, that method is insufficient in itself. You cannot ask the State of Vermont, for example, to pay the entire cost of controlling the flood waters that flow through Vermont. The chief benefit is going to be not to Vermont but to Massachusetts and Connecticut.

And then when you come to the final problem you have the duty of the Federal Government to control the waters of navigable rivers and your Federal Government stands ready to do its share toward flood prevention in the future.

SEES MORE JOBS FOR ALL

It's a happier Connecticut that I come back to than it was in 1932. I don't particularly like figures and neither do you, but just listen for 1 minute.

In this State employment in the city of Hartford alone is 45 percent greater this year than it was in 1932. Aggregate pay rolls are 82 percent greater than they were in the spring of 1933. Twenty-three thousand workers have been reemployed by private industry in Hartford industrial area and the pay rolls are running at the rate of $44,000,000 a year more than before recovery began.

Building construction is up four times what it was in those days, and the retail stores are selling 28 percent more merchandise than then, and because Connecticut, like the State of New York, is also an agricultural State, let me point out to you that the value of farm produce—I mean the money received by the farmers of the State—has come up somewhere between 30 and 40 percent.

CITES A NATIONAL LESSON

And so we are beginning to take stock. We are thinking not only of our own city, not only of our own State, not only of the region of States in which we live, but we are thinking about the Nation as a whole.

Realizing that the prosperity of the West is reflected in the prosperity of the East and that unless the cotton farmer of the South can get a fair price for his cotton he is unable to buy the products of New England.

That is a lesson that we have learned these last 3 years, and your administration in Washington has been thinking about the return of prosperity in terms of the whole Nation, and not just one part of it.

And so, my friends, I regard the State of Connecticut as very much a part of the Nation. I am glad that prosperity is back with us again, and, believe me, it is going to stay.

And I believe that on the 3d of November, sometime in the evening, I am going to get telegrams from Wilbur Cross and Tom Spellacy and lots of old friends here, telling me that the State of Connecticut is in the Democratic column.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal and for other purposes.

Mr. ADAMS. Mr. President, the bill about to be taken up is the Panama Canal tolls bill?

The PRESIDENT pro tempore. That is the bill now pending.

Mr. ADAMS. I should like to ask a question of the Senator from Missouri. I have always favored readjustment of

the method of measurement of vessels going through the Panama Canal, and I am equally opposed to the fixing of maximum toll rates. It seemed to me that all that should have been included in the bill was the provision for proper rules of measurement.

I understand the present rate per ton is $1.25, upon laden vessels. For some reason or other we are asked to give power to the President to fix the rates, and we are asked to say to him, "You may not fix a rate of more than $1 per ton."

Mr. CLARK. The President was given discretion in the act of 1930 to fix rates within certain limitations.

Mr. ADAMS. But the existing law——

Mr. CLARK. That is the existing law. Congress authorized the appointment of a committee by the President, which was to go into the entire history of the Canal, to fix the historical cost of the Canal, to determine, in collaboration with the accounting officers of the Government, the investment in the Canal, and then determine the limits within which the President might regulate the rates.

The limitation is a rather narrow one, and the President has already announced, on the recommendation of the Secretary of War and the Governor of the Panama Canal Zone, the rate which will be initially in effect, which is to be 90 cents a ton.

The committee provides that these matters shall not be changed except after hearing and after due notice. But it does seem that the President certainly should be given some slack in the matter of the adjustment of the rates necessary to earn a fair return on the investment. Every utility in the United States is supposed to earn a return on a definite rate base, which is fixed by a public body in each State, called the public service commission in some States, the utilities commission in other States.

Rates as to what might be called Federal utilities, that is, the railroads, may be fixed by the Interstate Commerce Commission within limits, as a delegation of power by the Congress.

It seems to me not to be an unreasonable provision that within certain limits, to be fixed by law, the President shall have authority to adjust the rates so as to earn a fair return on the investment set up in the committee's report.

Mr. ADAMS. Mr. President, I am entirely in accord with the Senator's argument, but not with his conclusion. I think the President should have more leeway. That is my complaint, that there is not slack enough. I think that if such a condition should develop that a rate should be more than $1 a ton, the President should have the right to fix the rate at more than that. I have not made any recent computation, but a year ago when the matter was pending I came to the conclusion that the dollar rate was not a fair rate per ton for the actual service that was being given to ships using the Canal; in other words, that there had not been taken into account adequate amounts for replacement, repairs, and deterioration in the Canal; that the rates hardly more than covered the operating charges of the Canal and interest. So, it seemed to me that we should at least give to the President the right to fix a reasonable rate. We should not say to him, "Regardless of what a reasonable rate may be, here is a maximum." We do not fix minimum rates in the bill.

Mr. CLARK. Oh, yes, we do; the Senator is mistaken. We do fix a minimum.

Mr. ADAMS. But then we fix a maximum, and provide that regardless of what the conditions may be, regardless of what may happen to the Canal, the President may not raise the rate above $1 a ton. That is the only objection I have. It seems to me an unjustified limitation. I am willing to leave it to the President with a wider scope and discretion.

Mr. CLARK. Mr. President, the Senator from Colorado wishes to give the President more authority than the President apparently wishes to have in the matter of discretion. The bill which is before the Senate, which was passed unanimously by the House, embodies the findings and the recommendations not only of the President's committee, authorized by the Congress, but of the Panama Canal authorities, of the Secretary of War, and of the President himself.

It is estimated, Mr. President—and, of course, that is to some extent a matter of speculation—that the increase in business naturally to be expected and contemplated over a period of years will enable the Panama Canal authorities over a period of years to make the proper allowances for depreciation according to the proper accounting rules, to make the proper replacements of various elements of cost, and, instead of increasing rates, possibly to decrease rates as time goes on.

According to the rate which the Secretary of War has announced he will recommend to the President to impose—namely, 90 cents per ton—considerable leeway has been left under the maximum set up in the bill. The maximum and minimum provision is set up as being the proper leeway determined on by the very best technical experts to whom the Government could refer the matter.

I do not profess to be a technical expert; I do not know what the operating expenses will be, or what the probable natural increase in business will be that will pass through the Canal, except insofar as I have listened to the testimony before the committee; but the best technical experts we have been able to obtain or the President has been able to find have suggested the proposal made in the bill as a reasonable and logical one, and certainly conditions will not change so suddenly or so violently that there should be any difficulty about the President recommending to Congress a change in the law if a higher maximum should prove desirable.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. DAVIS. The bill gives the President power to fix a rate of $1.50 for each passenger on passenger vessels. What is the toll charged now per passenger?

Mr. CLARK. There has never been a toll charge on passengers, although passenger tolls have been authorized by law since 1913. At the present time it is not the intention of the Canal authorities, if their estimates prove successful, to impose a charge for passengers; but it has always been authorized by law. No change is made in the law, and there is no reason why a passenger charge should not be made if it should be necessary for the successful operation of the Canal. The bill simply provides the right to make a charge for passengers, which is already provided for in the law, but which has never been exercised, and which it is not now contemplated will be necessary.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

SUGAR PRODUCTION AND CONTROL

Mr. HARRISON. Mr. President, I present the conference report on House bill 7667, and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, and 6, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the

matter proposed to be inserted by the Senate amendment insert "and in order that the regulation of commerce provided for under this Act shall not result in excessive prices to consumers, the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this Act shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole, and the amounts of such additional allowances shall be such that in no event will the amount of the total supply be less than the quantity of sugar required to give consumers of sugar in the continental United States a per capita consumption equal to that of the average of the two year period 1935–1936"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than four thousand nine hundred and thirty-six short tons, raw value, of the quota for Hawaii for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar.

"(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than twenty-one thousand and six short tons, raw value, of the quota for Puerto Rico for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar.

"(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

"(d) Not more than eighty thousand two hundred and fourteen short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

"(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

"(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico."

And the Senate agree to the same.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
PRENTISS M. BROWN,
ROBERT M. LA FOLLETTE,
ARTHUR CAPPER,
Managers on the part of the Senate.

MARVIN JONES,
WALL DOXEY,
J. R. MITCHELL,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. HARRISON. Mr. President, for the information of the Senate, I will state briefly just what was done by the conferees, and what is contained in the conference report.

There were only three questions in conference on the sugar bill. One was with respect to the so-called Brown-La Follette amendment, which dealt with the price of sugar to the consumer. A substitute was adopted, simpler in language, without change in purpose.

The second proposition in conference was the tax on blackstrap molasses. An amendment, known as the Lucas amendment, was adopted in the House, which the Senate rejected. The House conferees receded on that amendment; so that amendment is out of the bill.

The other amendment, and the most important one, was that which dealt with quotas on refined sugar from Puerto Rico and Hawaii. It will be recalled that in section 207 the House bill permitted about 29,000 tons of refined sugar to come in annually from Hawaii, and permitted about 126,000 tons to come in annually from Puerto Rico. The Senate committee, as Senators will recall, in order to remove the charge that we were discriminating in favor of the American refiner as against the Puerto Rican or the Hawaiian, struck out all of section 207 of the House bill with reference to the quota or limitation on refined sugar from Puerto Rico and Hawaii, and inserted a new section. We did not change the amount of refined sugar that might come in from Puerto Rico or Hawaii in the House bill, but we did say that we would freeze that limitation on the amount that might come in from those two islands, and that was at the height of production of refined sugar in Puerto Rico and in Hawaii. They had never produced more refined sugar in those islands than the amount carried in the House bill, and also carried in the Senate bill. We arrived at the figures of what the highest production of refined sugar had been in continental United States, and we placed that amount in the Senate amendment.

So in the conference there was quite a discussion as to limiting the amount of refined sugar coming in from Puerto Rico and Hawaii. Various suggestions were made—1 year, 1½ years, and so on. We finally agreed in the conference that the section permitting refined sugar to come in from Puerto Rico and Hawaii could continue until March 1, 1940.

Senators will understand that as to the limitation on the importation of raw sugar, the bill goes out of existence December 31, 1940; but as to refined sugar we permit in 1940 one-sixth of that year's quota—which would be, in the case of Puerto Rico, one-sixth of the 126,000 tons—to come in during the months of January and February, up to March 1, 1940. We thought that was a fair basis of compromise, and so that is what is carried in the report.

As to the quotas on raw sugar, there is no change at all in that respect. The major change carried in the report is on refined sugar from Puerto Rico and Hawaii.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. HARRISON. I yield.

Mr. AUSTIN. I should like to ask whether that one-sixth represents a reduction of quota or an increase of quotas.

Mr. HARRISON. No; the figure one-sixth represents 2 months of the 12 months. One-sixth of the amount may come in during those 2 months. That is one-sixth of the quota determined by the Secretary of Agriculture for the whole year. Practically speaking, it would be, in the case of Puerto Rico, one-sixth of approximately 126,000 tons.

Mr. ADAMS. Mr. President, will the Senator yield for a question?

Mr. HARRISON. I yield.

Mr. ADAMS. There was nothing within the jurisdiction of the conference committee which could have affected the quotas on raw sugar? There was no difference between the conferees on that?

Mr. HARRISON. No difference at all on that.

While I am on that point I may say that I have heard it intimated, Mr. President, that a point of order may be made to this report. I do not suppose any proposal has been made in Congress that has been more difficult to solve, and which involved more varied interests than the sugar bill. There are the refiners with their suggestions and requests. Then we have the sugar-beet area, which, of course, desires an increased quota. Then we have the sugarcane area, which suggests a little more. There sits my friend from Florida [Mr. PEPPER]. I have never in my life heard a more eloquent argument than the one he presented before the Finance Committee on behalf of the people of Florida and the sugar area down there. Sincerity was in his every utterance. I have a considerable amount of sympathy with his argument. I could not vote with him because it would have torn up the whole structure which we have been working here for months and months to build; but he made a great fight, which is to his credit, and his constituents should appreciate it.

Mr. President, I have heard it suggested that someone might raise a point of order to this conference report. I cannot see in what respect the conferees have exceeded their authority. We were very careful. It will be recalled that when this matter was debated in the Senate the Senator from Idaho [Mr. POPE] suggested that the provisions with respect to refined sugar be allowed to operate for only 1 year, thinking that that would help in solving this difficult situation. Then the question came up whether in conference it could be considered. We were so careful, for it was important that it should be considered, that we called in

the parliamentary experts. It was stated on the floor by several of us that it was our opinion, as it was the opinion of the experts, that it would be open to amendment in conference, and that that would be one of the questions that would be in conference. It is one of the questions that was in conference, because the House fixed a certain amount that might come in under section 207 of direct-consumption sugar. It was not fixed in percentages at all; it was not fixed any more than that so many tons might come in, and then it was left to the discretion of the Secretary of Agriculture, who was to take into consideration certain conditions laid down in the bill.

The Senate struck that whole section out and put in a new one, and drafted it upon an altogether different basis. It did not stipulate how many tons of direct-consumption sugar might come in, but provided a percentage method of determining the quantity of such sugar that might come in, and then "froze" the amount of refined sugar that could be brought into the United States at the peak of production in the United States. So the whole matter was in controversy; and it seems to us without question, acting upon the advice of the parliamentary sharps and experts, that the amendment which has been finally adopted is entirely proper and in accordance with the rule. So I hope that no point of order will be raised; but if a point of order should be raised, of course, I know that the good judgment of the Presiding Officer (the President pro tempore in the chair), who is an expert in technical parliamentary matters, will impel him immediately to overrule the point of order so that we may get this very important piece of legislation out of the way.

Now, one further matter. It is said that the President might veto this bill. Well, I do not know as to that, and I hardly think anyone else knows, but I cannot, for the life of me, understand how the President could veto sugar legislation of this character. It will be recalled that some 3 years ago the Jones-Costigan bill, of which the bill now before us is merely a continuation, was passed. In my opinion, it was one of the most constructive pieces of legislation which have been enacted during my experience in the Senate. It brought wholesome results to the sugar-beet area of the United States; it brought beneficial results to the sugar-cane area of the United States. It is one of the most popular measures in those areas that have ever been enacted by the Congress of the United States. When that legislation expired by limitation it was continued by another act of Congress. Both the Jones-Costigan Act and the continuing measure contained a limitation upon direct-consumption sugar imported from Puerto Rico and Hawaii.

When we write into this proposed legislation for the third time a similar provision, putting a limitation upon direct-consumption sugar from Puerto Rico and Hawaii, how can it be said that the measure will be vetoed?

Why should the previous bills have been signed when this bill in nowise changes the principle, but, on the other hand, makes no provision after March 1, 1940, for any limitation? To that extent in this bill we differentiate between the importations of raw sugar from our offshore possessions and from foreign countries and the importation of direct-consumption sugar into the United States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HARRISON. I will yield in a moment. I want in that connection to say, while I signed the conference report, as did others of the conferees, which makes a differential as to the time the bill shall operate on direct-consumption sugar imported into the United States as contrasted with raw sugars coming into the United States, that it is not because in the future I shall be for leaving the gates wide open and letting refined sugar come in from Puerto Rico or from Hawaii. We fixed the date March 1, 1940, in the hope that when the Congress meets in 1940 we will at least have 2 months during the session of Congress, which will begin in January, to pass legislation that will take care of this situation.

I want the RECORD to show now my attitude. If some American investors want to go into Puerto Rico and into Hawaii, build more refineries and give employment to labor there, that will disrupt the employment situation in the refineries in this country, when we come to consider legislation in 1940 touching that question, and they appear before my committee or any other committee and say "we were invited to go there and build up and invest our money in the view that after March 4, 1940, we could ship refined sugar without limitation into the United States", I do not want them to make any investments in the belief that I am going to vote a continuation of any policy without a restriction on refined sugars from those possessions or anywhere else coming into this country. They may make that argument, but they will not get anywhere with it.

Mr. President, I hope this conference report will be approved. It was not an easy matter to get all these conflicting interests together. I believe it is a splendid piece of legislation, and will work great benefits to many areas and many industries and many laboring people of this country.

Mr. PEPPER. Mr. President, if our conduct in this body were the result purely of our sentiments and affection, I dare say that in most instances it would be different from what it is. I am sure that if I were to follow the sentiments of my heart in any matter in which the Senator from Mississippi [Mr. HARRISON] were involved I should be in accord with his views. No one in this Chamber has any doubt but that recently when the Senator from Mississippi was involved, my action and my sentiments came to a common accord as to him because he was my friend. But, Mr. President, I feel that the conferees should have regarded the matter of terminating this whole proposed law at the same time they terminated the restrictions which are mentioned in the conference report, namely, on March 1, 1940.

May I point out the situation as I see it? Section 207 (a)——

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HARRISON. I may say to the Senator that that phase of the question was not in conference and the conferees would have been powerless to have put a limitation of a year on this proposed law.

Mr. PEPPER. That is the question to which I am going to address myself. May I begin by saying that section 207 (a) as it was embodied in the House bill provided the number of tons of refined sugar which could come into the United States for so-called direct-consumption purposes? This section provided that—

(a) Not more than 29,616 short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than 126,033 short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 80,214 short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

Mr. President, the Senate adopted a substitute for section 207. The Senate substitute provided:

For the Commonwealth of the Philippine Islands, not to exceed 80,214 short tons raw value.

I ask the chairman of the committee to ascertain whether or not that number of tons is any different from the number of tons provided in House section 207. He will find the number to be exactly the same in both sections.

In the second place, in Senate section 207 it was provided that Cuba's quota should not exceed 375,000 short tons raw value. Looking at House section 207 it will be found that not more than 375,000 short tons raw value shall be the quota for Cuba in any calendar year. So there is an identical number of tons for Cuba contained in House section 207 and in Senate section 207. On those two points there is no difference between the two Houses.

In addition to that, on page 16 of the bill as it passed the Senate, the quota for Hawaii and Puerto Rico, instead of being stated in tonnage as it was in House section 207, is

expressed in terms of percentage; but I assume that no Senator will assert that there was any difference in the number of tons allowed Hawaii and Puerto Rico in House section 207 and the number of tons allowed them in Senate section 207, except that in the Senate provision it was expressed in percentage instead of in tons.

Therefore with respect to Cuba, the Philippines, Hawaii, and Puerto Rico, there are the exact number of tons involved both in Senate section 207 and House section 207. There is no difference between the House and Senate provisions with respect to tonnage of sugar coming into this country for direct consumption.

What was the difference between House section 207 and Senate section 207? It was in the provision that there should be a limitation upon the amount of sugar for direct-consumption purposes in continental United States. That was the new provision in the Senate bill. As evidence that that same opinion is entertained by another authority, I read from page 8766 of the CONGRESSIONAL RECORD, where is set forth the message of the President of the United States to the chairman of the Finance Committee, which the chairman of the Finance Committee had incorporated in the RECORD. The President said:

> The amendment to H. R. 7667 adopted yesterday by the Senate Finance Committee has just been brought to my attention.
>
> I am delighted to note that the committee recognizes that our Territories and island possessions are integral parts of the United States and cannot be discriminated against, and that the restrictions on refining in those Territories contained in H. R. 7667 constitute such a discrimination.
>
> I regret that an examination of the committee amendment shows that it not only does not eliminate the discrimination, but introduces a new and highly objectionable feature. The discrimination contained in H. R. 7667 is that sugar producers in Hawaii, Puerto Rico, and the Virgin Islands are prohibited from refining there the sugar which they are permitted to produce under the quota, while there is no similar prohibition on the other areas in the United States. The amendment, which places a refining quota on continental United States at a figure far in excess of the largest quantity of sugar grown there, merely perpetuates this discrimination.
>
> The amendment proposes to limit by law the quantity of sugar that may be refined in various geographical parts of the United States. This introduces a principle of geographical limitations on manufacturing in our country which has no economic or social justification in this instance and would constitute a dangerous precedent.
>
> Agricultural legislation, so desired by our farmers, should not be further delayed by the insertion in an otherwise acceptable agricultural bill of manufacturing restrictions. Their elimination would serve the best interests of our agricultural producers, who desire legislation at this session. If interested parties think there should be manufacturing restrictions on sugar refining, that can be embodied in a separate bill and be considered separately.

Mr. President, what was the new matter? What was the difference between the two Houses? It was whether or not there should be a limitation upon the quantity of sugar that may be refined in continental United States, that, and that alone. If, therefore, the conferees desired to adjust the differences between the two bodies, they had ample opportunity to do so by adjusting that difference, because that is the only difference there was.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Wyoming?

Mr. PEPPER. I yield.

Mr. O'MAHONEY. Am I to understand the Senator from Florida to say that the only difference between the two provisions was that the Senate provision places the quota upon the basis of consumption in the United States?

Mr. PEPPER. The Senator understands me correctly except that in the House bill the tonnages were expressed in tons instead of in percentages as in the Senate bill.

Mr. O'MAHONEY. Does not the Senator understand that the percentages written into the Senate bill authorize an increase from year to year as the consumption increases?

Mr. PEPPER. I understand the percentages and the tonnages are substantially the same, though there may be a slight variation.

Mr. O'MAHONEY. The Senator is a great student of the sugar question and sugar legislation. Does he not realize that the consumption of sugar has been steadily increasing? Does he not understand that the provision in the Senate bill was a distinct concession to those who believe that the importation of refined sugar from the islands might increase?

Mr. PEPPER. I understand that under the terms of the House bill the same result in the way of an increase would have accrued.

Mr. O'MAHONEY. But the Senator is mistaken in that. The House bill fixed a definite and specific amount which could not be increased under any circumstances. The Senate provision authorized an increase upon a percentage basis, and it was upon that disagreement between the two Houses that the conferees came to an agreement.

Mr. PEPPER. If that be the situation, why was it the conference report did not relate primarily to that matter but to the effective date of the restrictions? What difference in date was there between the two Houses?

Mr. O'MAHONEY. That is a perfectly simple matter to explain to the Senator from Florida. It was because there was a strong movement for the elimination of all restrictions upon refined sugar from the islands. In order to compromise the disagreement there that provision was finally eliminated.

Mr. PEPPER. I hope the Senator will attend this statement which I am about to make. The House and the Senate both provided that the restrictions upon the direct-consumption quota, namely, the restrictions upon the refinement of raw sugar, should as to time be coextensive with the operation of all other restrictions carried in the bill. The Senate and the House both provided that this bill should expire on December 31, 1940, section 513, reading as follows:

> No tax shall be imposed on the manufacture, use, or importation of sugar after June 30, 1941; and the power vested in the Secretary under this act shall terminate on December 31, 1940—

With an exception that is immaterial.

Mr. President, the Senate did not say that there was to be any difference in time in the expiration of the restrictions on raw sugar and the expiration of the restrictions on refined sugar. There was no disagreement as to date between the Senate and the House with regard to section 207. I have stated that there was one difference. The Senator from Wyoming [Mr. O'MAHONEY] says there was another difference. Let us assume that the Senator from Wyoming is correct. Then did the conferees confine themselves to those two points of difference? On the contrary, they receded from the Senate amendment increasing the quota for the importation of refined sugar from Hawaii and Puerto Rico, if there was an increase in the Senate amendment, and they receded from the Senate provision that there should be a limitation on refined sugar in continental United States; but they did not stop there. They put in some new matter upon which neither House had acted, namely, that the date of expiration of section 207 should be March 1, 1940, and that the remainder of the bill should continue to operate until December 31, 1940—a difference of that fraction of a year between March 1 and December 31.

What was the difference between the two bodies in respect to a matter of date? Each one of the Houses said, "As a matter of policy, we do not desire to discriminate or to distinguish between the time when we will impose a restriction on the quotas of raw sugar and a restriction on the refining of sugar." The conferees have injected a new point of discrimination. They have said, "Not only will we impose these objectionable quotas on the importation of raw sugar, but we will segregate the refined-sugar provision and the raw-quota restrictions, allowing one to expire March 1, 1940, and the other December 31, 1940, respectively."

If the Senate had said "December 31, 1940", and the House said "January 1, 1939", and the conferees had fixed the date at December 31, 1939—a date between the two extremes—that would have been a matter in disagreement between the Houses with respect to which the conference committee could have functioned; but I say that these conferees have done the same thing as if they had said, in so many words, "We are not in favor of these restrictions

operating contemporaneously. We think they should be segregated, that the restrictions on refined sugar should be limited to a shorter time than the restrictions on the quotas of raw sugar."

I ask the Senator from Wyoming, what was the difference in date between the Senate and the House?

Mr. O'MAHONEY. I shall be very glad to answer the Senator from Florida. The difference is simply that in the House bill the provision definitely and specifically, year in and year out, limited the amount of refined sugar that could come in. The Senate passed a bill which allowed an increase of that amount year by year. It strikes me that since the Senate allowed an increase of the amount of refined sugar that could come in in 1938 over that coming in in 1937, and an increase in 1939 over that coming in in 1938, and an increase in 1940 over that coming in in 1939, it was a perfectly proper compromise, a perfectly proper action of the conferees, to agree that the increase should be complete by the first of January or the first of March, 1940, and embrace the whole field.

Mr. PEPPER. Will the Senator yield for a question?

Mr. O'MAHONEY. Am I to understand that the Senator from Wyoming has the floor?

Mr. PEPPER. No. I thought perhaps the Senator might be interested in making a response to a question; namely, whether both Houses did not desire that the same limitation imposed upon the quota importation as to time should be imposed upon the refining restriction, and whether that part of the year from March 1 to December 31, with respect to which both Houses had spoken, was entirely ignored by the conference report.

In conclusion, Mr. President, I have only this to say: Evidently, the conferees thought it would be a hardship on someone to continue these restrictions from March 1 to December 31. Therefore, the conferees desired to alleviate that hardship and burden upon the one so affected. I submit that somebody is burdened by the quotas of raw sugar which are fixed by the terms of this bill. Would it not, therefore, have been more consonant with their desire to alleviate all burdens imposed by this bill to say that when the restrictions upon the refinement of sugar expire, so shall the restrictions upon raw quotas of sugar expire?

I ask, therefore, with reference to my State, for example, Are we forever to be put in a strait jacket, and to have no hope of ever getting out of the class of those discriminated against; or are we to be able to hope that as soon as possible these ironclad restrictions will be removed, and we shall have the right to produce sugar according to our natural right? I say, why do not the conferees give us the same benefit of the nearness of the termination of this bill that they gave the interests that were the beneficiaries of the conference report? Are we less worthy than they? Whether it be Puerto Rico and Hawaii that were the beneficiaries of the date up to March 1, 1940, or whether it be the refiners of the United States, I contend that we are as good and as deserving as either one of them. That is indicative of the lack of concern which has been manifested for us who suffer under the sugar regulations which have been put in effect by the Congress of the United States.

I did, in all humility, want to submit that the only right and fair thing would be to let the whole bill expire on March 1, 1940. At least, it seems to me that that is the least the conferees could have given us. That would save us at least 10 months of the year. That would make the condition a little bit better for us. I ask, Mr. President, if they could move up the date of the effectiveness of the bill as to section 207 from December 31 to March 1, why could they not have moved up the effective expiration of the whole bill from December 31 to March 1, and let all of us get the benefit of the earlier expiration, and then have the new quotas fixed at that earlier time, when in the season of one year we might have been able to make plantings, perhaps, if somebody had been so good and charitable to us as to allow us a little enlargement in our quota for Florida?

So I had intended to make the point of order that the conferees had inserted new matter in the bill which was outside the scope of their authority, and I had intended respectfully to call that matter to the attention of the Chair. Instead of making the technical point of order, however, if I am in order, I move that the conferees be directed to consider this matter further, and so to report as to make the termination of all parts of the bill the same time.

I make that motion, if it is proper to make it at this time.

The PRESIDENT pro tempore. The Chair is of the opinion that the motion is too late. The report has been made by the committee, and is now under consideration by the Senate.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. PEPPER. The conference report is before the Senate at this time, and, of course, has not been acted upon. The Senate has it completely within its power to give to the conferees any direction it may choose to give, and it is perfectly proper for the Senate to reject or to suspend the consideration of this report for the time being, and to direct the conferees to return to the conference and see if it is not possible that the date of the expiration of the whole bill be March 1, 1940, or a date which is the same as the expiration date of section 207. I make that motion.

The PRESIDENT pro tempore. Let the Chair answer the parliamentary inquiry. The Chair has already stated that in his opinion it is too late to make such a motion. The rule on the subject of instructions to conferees is that it is in order to instruct conferees, and the resolution of instruction should be offered after the Senate has voted to insist on its amendments and ask a conference, and before the conferees have been appointed.

The only recourse the Chair knows of in a case of this kind would be to reject the conference report and ask for another conference, and instruct the conferees, when they were appointed, in any manner the Senate saw fit to instruct them. In this case the Senator did not ask that the conferees be instructed, and took no action in the matter until after the conference was agreed on, and a report made and offered for consideration.

Mr. PEPPER. Mr. President, a further parliamentary inquiry. Would a motion be in order in substantially this language, that the Senate reject the conference report until a time has elapsed within which it is possible for the conferees to have conferred with the managers on the part of the House to ascertain whether or not it is possible that the expiration date for the whole bill may be made March 1, 1940, or such date as is fixed for the expiration of section 207?

The PRESIDENT pro tempore. There is only one question before the Senate at the present time, there being a complete report, a report which has already been adopted by the House of Representatives. The question is whether the Senate will accept or reject the report. It would be in order, however, for the Senator to make a point of order, and if the point of order were sustained, it would have the effect of rejecting the conference report.

Mr. PEPPER. If I may make a further parliamentary inquiry, are the conferees discharged until the conference report is adopted?

The PRESIDENT pro tempore. The matter not having been acted on by the House, in a manner they are still functioning.

Mr. CONNALLY. Mr. President, until the Senate adopts the report and discharges the conferees, of course, they are still conferees, they have not completed their duties.

Mr. PEPPER. That is what I thought. If the managers on the part of the Senate are still in office, as it were, and still capable of discharging their functions, is it not in order, then, for the Senate temporarily to delay the reception of the report, and to instruct the conferees to return to the conference with the managers on the part of the House to seek to ascertain whether or not the expiration date of section 207 and all other parts of the bill may not be made the same?

The PRESIDENT pro tempore. If a motion to recommit, having the same effect as a motion to disagree, were adopted, then the Senate would have a right to instruct the

conferees. But while the matter is in the status in which it is now, of course, no instructions can be given.

Mr. CONNALLY. When the conferees make a report, it is a completed job, and it is up to the Senate to adopt or reject the report. If the Senate rejects it, that has the effect of what the Senator from Florida wants to do, the Senate reappoints the conferees, and they go back and reconsider. But the Senate cannot amend the report, nor do anything except vote it up or vote it down.

Mr. PEPPER. I am quite well aware of that. I am not trying to delay the legislation. I certainly am not disposed to filibuster, or anything like that. My suggestion would be to give until the meeting of the Senate tomorrow noon to see whether or not the conferees could not make the periods coextensive.

I wish to make one other inquiry. May instructions be added to a motion to recommit?

The PRESIDENT pro tempore. A motion to recommit may carry with it instructions to the conferees.

Mr. PEPPER. I move that the conference report be recommitted to the conferees, the present managers to continue to act on the part of the Senate, with instructions from the Senate to report back at the convening of the Senate tomorrow, whatever the time may be, and to advise the Senate whether or not it is possible for them to get an agreement with the House conferees that the same expiration date shall apply to all parts of the bill, whatever the expiration date may be.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Florida.

The motion was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the conference report.

The conference report was agreed to.

REGULATION OF PRODUCTION AND MARKETING OF SUGAR

Mr. THOMAS of Utah. Mr. President, as in executive session, on behalf of the Committee on Foreign Relations, I report for the calendar Executive T, Seventy-fifth Congress, first session, an international agreement regarding the regulation of production and marketing of sugar, and an annexed protocol concerning transitional measures, signed at London on May 6, 1937, with a reservation, and I submit a report (Ex. Rept. No. 20) thereon.

I make this report at this time merely that the agreement may be placed upon the calendar in anticipation of an early adjournment of Congress, with the understanding that the Senate will not be called upon to act upon the agreement unless and until the pending sugar bill shall be approved.

The PRESIDENT pro tempore. The report will be received and the treaty will be placed upon the Executive Calendar.

FLORIDA O. M'LAIN—CONFERENCE REPORT

Mr. HUGHES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2229) for the relief of Florida O. McLain, widow of Calvin E. McLain, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

JAMES H. HUGHES,
ARTHUR CAPPER,
Managers on the part of the Senate.
AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS CASE,
Managers on the part of the House.

The report was agreed to.

CONSTRUCTION OF SMALL RESERVOIRS—CONFERENCE REPORT

Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2512) to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

ALVA B. ADAMS,
JOSEPH C. O'MAHONEY,
GERALD P. NYE,
Managers on the part of the Senate.
COMPTON I. WHITE,
JOHN J. DEMPSEY,
PAUL R. GREEVER,
FRANCIS CASE,
Managers on the part of the House.

Mr. AUSTIN. Mr. President, I ask the Senator from Wyoming whether, under the terms of the conference report, any funds are called for?

Mr. O'MAHONEY. The House bill provided that the appropriation should be made from the reclamation fund. The Senate bill provided that the appropriation should be made from the relief fund. The conferees were of the opinion that in the circumstances it would be better to have the appropriation from the reclamation fund, and that is the sum and substance of the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

DAMAGES FOR TRESPASS ON LANDS OF THE UNITED STATES

Mr. KING. Mr. President, during the call of the calendar I interposed an objection to the consideration of Senate bill 2953, involving trespass on timber and other products upon lands of the United States.

The Senator from Montana [Mr. MURRAY] happened to be out of the Chamber at the time the bill was called, and I desired to confer with him in regard to the measure. Since that time I have conferred with the Senator, and I have no objection to the consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2953) to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 2, line 9, after the words "liable for", to strike out the word "double"; and on page 3, line 1, to strike out the word "comprise" and insert the word "compromise", so as to make the bill read:

Be it enacted, etc., That from and after the passage of this act, whenever any person, firm, or corporation shall willfully, fraudulently, negligently, or without lawful authority, damage, sever, or remove, or cause to be damaged, severed, or removed, any timber, tree, shrub, or other forest product upon any lands of the United States, including ceded Indian lands, and lands within the former Oregon & California Railroad grant or the Coos Bay Wagon Road grant, title to which is in the United States, or upon any lands embraced in unperfected claims held under any of the public-land laws, such person, firm, or corporation, or any person, firm, or corporation receiving or purchasing such timber or other forest product, shall be liable for damages to the United States for such timber or other forest product, as hereinafter provided.

1. In the case of an unintentional or mistaken trespass, the trespasser, or any purchaser of the timber or other forest product, shall be liable for the standing value of the timber or other products.

2. In the case of a willful trespass, the trespasser, or any willful purchaser of the timber or other forest product, shall be liable for triple such value, but an innocent purchaser shall be liable for only double such value.

SEC. 2. Nothing in this act shall prevent any miner or agriculturist from clearing his land in the ordinary working of his valid mining claim or in the preparation of his farm for tillage or from taking the timber necessary for his improvements or for other domestic use upon his claim. And nothing in this act shall interfere with or take away any right, authority, or privilege under any existing law of the United States to cut or remove timber from any public lands, nor shall this act apply to cases of turpentine trespass.

SEC. 3. The head of the department or agency having jurisdiction over the lands is hereby authorized, before suit, to compromise any claim arising under the foregoing provisions where, in his opinion, the acceptance of an amount less than the penalty prescribed herein is in the public interest.

SEC. 4. No action for damages accruing under this act shall be maintained unless it is commenced within 6 years from the time the cause of action arose.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSAL OF PUBLIC LANDS IN WYOMING

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 7867) to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat. ch. 664), relating to the admission into the Union of the State of Wyoming.

The bill provides that the State of Wyoming may dispose of public lands conveyed by the State of Wyoming at the rate of $5 an acre instead of $10 an acre. The bill has been passed by the House.

The PRESIDENT pro tempore. Is there objection?

There being no objection the bill was considered, ordered to a third reading, read the third time, and passed.

SPRINGFIELD-GREENVILLE MEMORIAL COMMISSION

Mr. BARKLEY. Mr. President, from the Committee on the Library I report back favorably without amendment Senate Joint Resolution 211.

Mr. BULKLEY. I ask for the immediate consideration of the resolution.

Mr. AUSTIN. Mr. President, does the joint resolution carry an appropriation?

Mr. BULKLEY. It authorizes a small appropriation of $2,500.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio?

There being no objection the joint resolution (S. J. Res. 211) establishing a Springfield-Greenville Memorial Commission to formulate plans for the construction on Memorial Common, Springfield, Ohio, of a monument to commemorate the Battle of Piqua, and for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established a Commission, to be known as the "Springfield-Greenville Memorial Commission", and to be composed of nine Commissioners, three to be appointed by the President of the United States, three Senators to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House. Such Commission shall consider and formulate plans for designing and constructing a permanent memorial to George Rogers Clark in Springfield, Ohio, and for designing and constructing a memorial building at Greenville, Ohio.

SEC. 2. Such Commission may, in its discretion, accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans for the construction of such memorial, or other expenses incurred, or to be incurred, in carrying out the provisions of this joint resolution.

SEC. 3. The Commission shall report its recommendations to Congress as soon as practicable.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, which shall be available to defray the necessary expenses of the Commission for the performance of their duties hereinafter prescribed. Disbursement of sums herein authorized to be appropriated shall be made upon vouchers approved by the Chairman of the Commission.

The preamble was agreed to.

JOHN E. T. CLARK

Mr. HUGHES. Mr. President, I ask unanimous consent for the immediate consideration of House Bill 7458, being Calendar No. 1280, for the relief of John E. T. Clark.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 7458) for the relief of John E. T. Clark was considered, ordered to a third reading, read the third time, and passed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THE JUDICIAL POWER

Mr. ASHURST. Mr. President, for discussing a subject not at this time before the Senate I make due apology.

Mr. President, a number of persons, respectable in character, have complained against the exercise of the power of the courts of the United States to declare acts passed by Congress unconstitutional. Some of the complainants take the view that since we derived our legal procedure from England and that inasmuch as the British courts did not exercise the power to declare an act of Parliament void, it was, therefore, unprecedented and unauthorized for courts of the United States to explore an act of Congress with a view of ascertaining if such act was within the power of the National Legislature.

It will be remembered that the colonial governments in America were grants from the King and were connected with Great Britain through the medium of the Crown and not through Parliament. The colonial charters were in fact constitutions, and the words "our constitution" in the Declaration of Independence have particular reference to the colonial charters or grants. These charters differed somewhat as to the powers granted or denied, but they all appear to have contained the provision that local legislation enacted by the Colonies should not be contrary to the laws of England; hence the colonial laws were frequently tested by the charter or by the law of England, and some acts of colonial assemblages were annulled because they did not stand the test as to whether they were in accord with the constitution; that is to say, with the colonial charter—the grant. Thus the American colonists became familiar with that system and practice.

In tyrannical governments the supreme magistracy, or the making, construing, and enforcing the law, is vested in one and the same man or one and the same body of men.

In a government where one and the same magistracy makes, construes, and enforces the laws, whether such magistracy be lodged in one man or in a body of men, there can be no public liberty.

It is true that in Great Britain the courts at the time of the formation of our Constitution, recognized the supremacy of acts of Parliament. Such recognition, however, did not flow from any legislative immunity from review but flowed from the fact that Parliament acted in a double capacity—that is to say, as legislature and as court. Parliament possessed legislative and judicial power. Parliament was a court, the old curia regis or aula regis—a court established in England by William the Conqueror in his own hall—long before Parliament possessed the legislative power. In other words, when our American Government was formed there were reposing in Parliament both legislative and judicial power; hence, an act of Parliament was both supremely legislative and supremely judicial.

In this connection it must be remembered that when our Constitution was formed much care was taken to see to it that the three powers of government—to wit, the judicial, the executive, and the legislative—should be lodged in different magistracies—different officials—and that these powers should not be permitted to repose in or be exercised by one and the same magistracy.

The Constitution of the United States (art. II, sec. 1) says:

The executive power shall be vested in a President of the United States of America—

And (art. III, sec. 1) that—

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts—

And so forth. Bear in mind that the executive power shall be vested in a President and the judicial power shall be vested in one Supreme Court, and so forth, but the Constitution did not vest in the Congress all legislative power, but only such powers as were granted and enumerated. The Constitution says that all legislative powers herein granted shall be vested in a Congress (art. I, sec. 1).

Mr. KING. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from Utah.

Mr. KING. The Senator is now making a very clear distinction, and is taking the ground of the Democratic platform, for which I congratulate him.

Mr. ASHURST. When my remarks have the approval of such a great lawyer as my worthy friend, the distinguished Senator from Utah, I feel as if I am entitled to stand up a little more nearly straight. [Laughter.]

Mr. President, I ask Senators to observe the scrupulous phrasing wherein executive power is granted to the President, judicial power to the Court, but that only such legislative power as is granted, is lodged with the Congress; and this was done because the makers of the Constitution desired it to be crystal clear that the Congress was to be of limited power and that certain rights and powers of the States were not granted to the National Government, but were reserved to the States. The States possess all the rights and powers not denied to them by the Federal Constitution, whereas Congress possesses only such power as was granted to it by the Federal Constitution.

The British Parliament was not a body of men with delegated, limited authority. It was a body of men supremely legislative and supremely judicial.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to my friend the Senator from Indiana.

Mr. MINTON. Our Federal Government is a Government of granted powers, is it not?

Mr. ASHURST. The Senator is correct.

Mr. MINTON. Then, certainly, the Executive could not have any more Executive power, or the judiciary could not have any more judicial power, than that which was granted.

Mr. ASHURST. The Senator is one of the closest students of the Constitution in this body, and I have drawn inspiration and comfort from his views.

The Congress of the United States is a body of men with delegated, limited authority, with no judicial power except as to impeachments and the qualifications of its own Members, and it is not even supremely legislative, as the States possess the powers that were not granted to the Congress. The belief that Congress possesses absolute and unlimited power is a devastating error into which many well-meaning persons have fallen.

The Constitution makers would have recoiled from the suggestion of granting to Congress the judicial power, and they would have recoiled with repugnance and alarm from the suggestion of granting to the judiciary the legislative power.

Some of the ablest lawyers, not only of our time but in bygone days, complained with not a little reason against judge-made law.

Legislative power is the power to make laws. Judicial power is the power to declare laws. Executive power is the power to enforce laws:

The power to declare the law, of course, comprises the duty to determine what is the law and what is not the law. Article VI of the Constitution, among other things, says:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land * * *.

An act not made in pursuance of the Constitution is, of course, not a law. The judicial power may not make laws, but must declare, when its jurisdiction is invoked, whether an act of Congress is in pursuance of the Constitution; and if not made in pursuance of the Constitution, it is not a law.

A judicial review of acts of Congress is not an offshoot of English law, but is an American development arising from colonial practice out of a wholesome effort to keep separate the legislative power and the judicial power. It would be baleful to public liberty in our country for the legislative and the judicial powers to be centered in one and the same magistracy. Our genius of government is built upon the separation of the legislative, the executive, and the judicial power; and I doubt if, upon serious second thought, any enlightened friend to civil liberty will argue that these three powers should be centered in one and the same magistracy.

The legislative powers granted to Congress are enumerated and limited, and such limitation was not by chance, was not fortuitous, was not accidental, but was deliberate. Instead of seeking to acquire the judicial power, we in Congress would more truly serve our country by confining our operations to our legislative power.

It is true that our powers as Members of Congress are limited; but, nevertheless, if properly exercised, they are of sufficient amplitude and grandeur to give scope and opportunity to the most zealous champions of true progress and needful reforms, the most redoubtable defenders of liberty, the most eloquent tribunes of popular government, and to soothe and assuage the most fevered ambition.

There have been insinuations, unjustly indulged in, of course, that whilst seeking judicial power we have at the same time been abdicating some of our legislative powers. We would better first prove that we are faithful guardians of the power we now possess before we begin to try to acquire the judicial power.

Mr. CONNALLY. Mr. President, I desire to express my gratitude to the able Senator from Arizona for his interesting judicial review.

Mr. ASHURST. Mr. President, will the Senator yield before he proceeds?

Mr. CONNALLY. Certainly.

Mr. ASHURST. Permit me to say that I have read with care and approval the address delivered before the Bar Association of the city of Charleston, W. Va., in January 1936, by the Honorable John H. Hatcher, President of the Supreme Court of Appeals, State of West Virginia; I also read with care and approval the able speech of the junior Senator from Texas [Mr. CONNALLY], delivered before the State Bar Association of Virginia, and also the article written about a year ago by the senior Senator from Idaho [Mr. BORAH].

Mr. CONNALLY. Mr. President, the Senator from Arizona, with that generosity which is only exceeded by the great distances and spaces of his own State, does me too much honor.

I desire to add just a word with reference to the nomination and confirmation the other day of Senator BLACK to be an Associate Justice of the Supreme Court. Some of the newspapers seem to have undertaken to put some of us in the attitude, because we voted for his confirmation, of abandoning the views we had entertained on the Supreme Court reorganization bill. I take this opportunity not only to approve the general principles announced so lucidly and so magnificently by the Senator from Arizona [Mr. ASHURST], but to say that about 6 weeks ago I had heard a rumor that Senator BLACK was being considered for the vacancy on the Supreme Court. Without indicating to him that fact or any knowledge that I had, I provoked a discussion with him as to his attitude on the Supreme Court measure and the debate which took place in this body.

I asked whether or not he believed in the doctrine of judicial review, whether or not the Supreme Court had the power, and, having the power, would exercise it and should exercise it when it was of the opinion that an act of Congress was beyond the constitutional power of the Congress.

Senator BLACK assured me that he does believe in the doctrine of judicial review, does believe the Supreme Court has the power, and that whenever it is apparent that an act is beyond the constitutional power of Congress, it is the duty of the Supreme Court so to declare and hold it null and void, or, rather, to refuse to enforce it. That is all the Court does. It does not declare an act of Congress null and void. It merely says, "No; the Court will not enforce the act", and the act remains on the statute books.

I wanted to make it clear as to the newly appointed and confirmed Associate Justice—I have no authority to speak for him, but I do have authority to speak for myself—that in

voting for his confirmation I knew I was voting for the confirmation of a man who believes in the splendid judicial traditions of America and in maintaining the doctrine of judicial review, which is essentially and distinctively an American doctrine, or, rather, an American development. Even in the Colonies, as was so well said by the Senator from Arizona, the privy council sitting in London declared null and void certain acts of the colonial legislature, declaring them in violation of the colonial charter.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ANDREWS. Is it not true that during the 10 years intervening between the Declaration of Independence and the writing of the Constitution more than 400 acts of Congress were declared void?

Mr. CONNALLY. I do not believe there were that many. There were several, but not such a large number. From 1776, the time of the Declaration of Independence, until the Constitutional Convention of 1787, acts of legislatures were held unconstitutional. I do not have the data with me, but I have it somewhere available, because I gathered it in anticipation of a speech I intended to make against the Supreme Court reorganization bill, but that speech was rendered unnecessary by the collapse of the bill. In a number of States, during the time of the Revolution and on up to 1787, State judges and State courts held unconstitutional many acts of their own State legislatures. George Wythe, the teacher at whose feet sat John Marshall and Thomas Jefferson, as a judge wrote one of the Virginia decisions holding that an act of the Legislature of Virginia had transgressed the constitution of Virginia, holding it null and void, and stating that it was his duty as a judge to stand with sword in hand and to strike down that act of the Legislature of Virginia. If I am not mistaken, Connecticut was one of the States whose judges, during the period of the Revolution and afterward up to 1787, declared unconstitutional acts of the State legislature.

Mr. ASHURST. Mr. President, the Senator referred to the Judiciary reorganization bill, which he said had collapsed.

Mr. CONNALLY. I hope permanently, but perhaps just temporarily.

Mr. ASHURST. It is not my purpose now to revive that controversy.

Mr. CONNALLY. I know it is not.

Mr. ASHURST. It seems to me that it is due to the President, and certainly it is due to myself, to say that during the course of the hearings on that bill—which occupied many weeks; we heard 85 witnesses, and 1,500,000 words of testimony were taken—the Senator from Arizona, who had the honor of presiding over the hearings, asked many of the witnesses if the bill, should it become a law, would take any judicial power from the court; and every witness who was thus interrogated replied that the bill, if it should become a law, would take no judicial power from the courts.

Mr. CONNALLY. Mr. President, I bear witness to the correctness and accuracy of what the Senator from Arizona has said. Of course, the bill as presented did not deprive the Supreme Court of any judicial power. The Supreme Court would have had just the same power to declare acts of Congress unconstitutional with 15 Judges as with 9 Judges. The Senator from Texas did not intend to advert to that measure, except that some of the press have seen fit to ascribe inconsistency to some of us in having voted for the confirmation of Mr. BLACK and having opposed the Supreme Court reorganization bill.

Mr. ASHURST. I hope the charge of inconsistency did not disturb my friend from Texas.

Mr. CONNALLY. If the Senator from Texas should be convicted of inconsistency, he would be very pleasantly associated with the distinguished and eminent Senator from Arizona. [Laughter.]

Mr. ASHURST. If the Senator will permit me, I desire to say that in the Nation at large there has been a vast deal of good-natured raillery over the inconsistency of Senators here or there, including myself.

As Raymond Clapper, in a recent article, said, if, upon a roll call, the face of every Senator who had been inconsistent should turn red, the Senate would resemble a convocation of boiled lobsters. [Laughter.]

Mr. CONNALLY. Mr. President, the Senator from Arizona is a wise man. He is a learned man. He is an erudite man. He speaks correctly. What is inconsistency? Is it inconsistency to change one's mind? Well, a man who never changes his mind has not much mind, or at least his mind does not function.

Mr. ASHURST. He does not study much.

Mr. CONNALLY. If we do not learn, if we do not progress, if we do not develop, if we do not grow intellectually, we do not amount to much. There is nothing to the charge of inconsistency.

So, Mr. President, in the matter of the court bill I am sure the Senator from Texas voiced the sentiments of others associated with him in opposing that measure. We were not against the President of the United States. We were not against the administration. Many of us have been rather faithful followers of the administration. But here was a great, fundamental issue as to which I was convinced that the attitude of the President was wrong. Being so convinced, I knew where my duty was. My duty was to stand by the views and convictions of myself, and try to represent the people of my State and the Nation. Those who ascribe unworthy and improper motives to men on this floor have not a really proper viewpoint or appraisal of the motives which actuate Senators who are trying to do their duty to their country and to their constituencies.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BULKLEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, six draft conventions, and two recommendations (and withdrawing two nominations of postmasters), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Hobart Newman, of Washington, D. C., to be judge of the District of Columbia police court, vice Isaac R. Hitt, term expired.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Communications Commission for the unexpired portion of the term of 7 years from July 1, 1935, vice Anning S. Prall, deceased.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion and sundry citizens for appointment in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the following nominations:

Moses G. Martin to be postmaster at Gilbertsville, Pa.; and

Anna C. Young to be postmaster at North Hills, Pa., in place of A. C. Young.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Owen J. C. Norem, of Montana, to be Envoy Extraordinary and Minister Plenipotentiary to Lithuania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Victor E. Anderson to be United States attorney for the district of Minnesota.

Mr. VAN NUYS. Mr. President, I ask that that nomination be recommitted to the Committee on the Judiciary on account of a volume of very material objections to the nominee.

The PRESIDING OFFICER. Without objection, the nomination will be recommitted to the Committee on the Judiciary.

SOCIAL SECURITY BOARD

The legislative clerk read the nomination of Meyer L. Casman, of Pennsylvania, to be regional attorney, region III, Philadelphia, Pa.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read the nomination of Howard K. Wells to be postmaster at Colfax, La., which had been reported adversely from the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

Mr. BARKLEY. I ask unanimous consent that the remaining nominations of postmasters on the Executive Calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I make the same request as to the Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the Executive Calendar.

ADJOURNMENT

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate adjourned until tomorrow, Friday, August 20, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 19 (legislative day of Aug. 16), 1937

UNITED STATES DISTRICT JUDGE

Mac Swinford, of Kentucky, to be United States district judge for the eastern and western districts of Kentucky, to fill an existing vacancy.

SOCIAL SECURITY BOARD

Clarence N. Grey, of Massachusetts, to be a principal administrative officer in the Social Security Board.

APPOINTMENT IN THE REGULAR ARMY

Chaplain William Richard Arnold (lieutenant colonel), United States Army, to be chief of chaplains, with the rank of colonel, for a period of 4 years from date of acceptance, with rank from December 23, 1937, vice Chaplain Alva J. Brasted (colonel), chief of chaplains, whose term of office expires December 22, 1937.

POSTMASTERS

COLORADO

Clarence Patterson to be postmaster at Steamboat Springs, Colo., in place of H. C. Monson, removed.

LOUISIANA

John E. Harris to be postmaster at Olla, La., in place of J. L. Love. Incumbent's commission expired February 6, 1935.

MASSACHUSETTS

Anna R. Ellis to be postmaster at Norwood, Mass., in place of T. B. Mulvehill, deceased.

MISSISSIPPI

Nettie Dorsett to be postmaster at Lucedale, Miss., in place of Nettie Dorsett. Incumbent's commission expired March 10, 1936.

Thomas E. Goodman to be postmaster at New Albany, Miss., in place of W. T. Smith. Incumbent's commission expired June 4, 1924.

NEW JERSEY

William H. Hitchcock to be postmaster at Keyport, N. J., in place of D. G. Young. Incumbent's commission expired January 9, 1936.

NEW YORK

Marshall A. Crawford to be postmaster at Keene Valley, N. Y., in place of Estella Otis. Incumbent's commission expired March 22, 1936.

NORTH CAROLINA

Henry Folger to be postmaster at Mount Airy, N. C., in place of H. H. Llewellyn. Appointee declined.

NORTH DAKOTA

George B. Vermilya to be postmaster at Towner, N. Dak., in place of A. E. Chilton, removed.

OHIO

Walter W. Farra to be postmaster at Lewisburg, Ohio, in place of Robert Mollett, deceased.

TEXAS

John K. Ford to be postmaster at Bogata, Tex., in place of J. K. Ford. Incumbent's commission expired January 8, 1936.

Frank J. Williams to be postmaster at Lipan, Tex. Office became Presidential July 1, 1936.

WASHINGTON

Gustaf Norman Dalstead to be postmaster at Anacortes, Wash., in place of C. P. Stapp. Incumbent's commission expired February 9, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 19 (legislative day of Aug. 16), 1937

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Owen J. C. Norem to be Envoy Extraordinary and Minister Plenipotentiary to Lithuania.

SOCIAL SECURITY BOARD

Meyer L. Casman to be regional attorney, region III, Philadelphia, Pa., in Social Security Board.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

John F. Stamm to be captain.
William B. Steiner to be captain.
David L. Henderson to be second lieutenant.
Harry N. Shea to be second lieutenant.
Walter J. Czapp to be chief quartermaster clerk.

POSTMASTERS

ARIZONA

Barbara H. Goodman, Ganado.
Lucye L. Horan, Inspiration.
James E. Harris, Mayer.
Anna M. Hall, San Simon.

ARKANSAS

Hal P. Johnson, Hatfield.
Mary N. Old, Huntington.
Ella K. Calhoun, Mineral Springs.
James L. Willson, Moro.
Rucker C. Carmical, Rison.
Stephan M. Heim, Scranton.
Robert H. Willis, Watson.

CALIFORNIA

Emilio C. Ortega, Ventura.

FLORIDA

Luther L. Callaway, Chiefland.
Harry F. Aicher, Jupiter.
Thomas J. West, Riviera.
Orrell W. Prevatt, Seville.

GEORGIA

Eli B. Cotton, Palmetto.

HAWAII

Kaku Sakai, Hawi.

IDAHO

John H. Clay, Riggins.

KANSAS

Lacel G. Moss, Atlanta.
Elbert V. Benton, Robinson.
Robert L. Harris, Udall.

KENTUCKY

Charles W. Burnley, Kuttawa.

LOUISIANA

Wesley K. Ferguson, Leesville.

MINNESOTA

Vernon H. Ploen, Carver.
Della C. Underdahl, Frost.
John C. Myers, Green Isle.
Edward T. Gibbons, Sherburn.

NEW YORK

Walter B. Jaynes, Greene.

NORTH DAKOTA

Albert James Gilman, Beach.

OHIO

Ruth M. McLaughlin, North Ridgeville.

OKLAHOMA

Benjamine F. Cooksey, Fairland.

OREGON

Odden L. Dickens, John Day.

TEXAS

Thomas L. Satterwhite, Coolidge.
George V. Norman, Hempstead.

VIRGINIA

Edgar L. Boone, Troutville.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 19 (legislative day of Aug. 16), 1937

POSTMASTER

LOUISIANA

Houston R. Reitzell to be postmaster at Olla, in the State of Louisiana.

REJECTION

Executive nomination rejected by the Senate August 19 (legislative day of Aug. 16), 1937

POSTMASTER

LOUISIANA

Howard K. Wells to be postmaster at Colfax, in the State of Louisiana.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 19, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord God Almighty, early in the morning our prayer shall rise to Thee. The whole creation is burdened with the exuberance of thy life and everywhere is hallowed ground. Heavenly Father, when brazen doubt comes, and when temptations assail, we need Thee so; we pray for mastery and joy in difficulty. With supreme faith may we cast our bread upon the waters. Lead us to the magical streams that are replenished from above, and with serenity may we face the future. Out of the depths of our being we pray Thee, blessed Lord, to deal availingly with the stupidity, the madness, and the infernal power of war where it is raging in its fiercest and its most monstrous form. Do Thou crown with the greatest wisdom our President and all others who are clothed with him in authority. May our beloved country remain the guardian of the world's peace and honor, and forbid that its spirit should ever again be fired with the frenzy of war. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION

The SPEAKER. The Chair lays before the House the following communication.

The Clerk read as follows:

AUGUST 19, 1937.

SIR: I beg leave to inform you that I have this day transmitted to the Governor of Ohio my resignation as a Representative in the Congress of the United States from the Fourth District of Ohio, effective this date.

With great respect, your obedient servant,

FRANK L. KLOEB.

Hon. WILLIAM B. BANKHEAD,
Speaker of the House of Representatives.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. Speaker, I submit a privileged report from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 288

Resolved, That the expenses of conducting the investigation authorized by House Resolution 287, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $10,000, including the expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof, conducting such investigation or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendment:

SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia.

Mr. COCHRAN. Mr. Speaker, this is a unanimous report from the Committee on Accounts. The House passed House Resolution 287 authorizing and directing the Committee on the Judiciary to investigate the organization and operation of and the administration of justice in the courts of the United States inferior to the Supreme Court. The House having ordered the committee to make this investigation, another arm of the House must now provide the committee with the necessary funds to do its work. The chairman of the Judiciary Committee [Mr. SUMNERS of Texas] introduced the resolution which I have presented, and yesterday he informed the committee he hoped to complete the duties you have placed upon his committee for less than $10,000, which as you know from past experience is a reasonable request.

Mr. Speaker, the Judiciary Committee has always been very careful with the funds that have been allocated to it from the contingent fund through resolutions reported by the Committee on Accounts. Below is a statement showing

the amount that was appropriated for the Committee on the Judiciary for investigations, and so forth, in the Seventy-second, Seventy-third, and Seventy-fourth Congresses.

Date		Amount authorized	Unexpended balance
June 9, 1932	H. Res. 239 (Louderback)	$5,000	$1,590.74
May 8, 1933	H. Res. 132 (Lowell)	5,000	4,800.28
June 9, 1933	H. Res. 172 (Ritter)	2,500	
Jan. 30, 1934	H. Res. 214 (Ritter)	2,500	
		5,000	1,642.37
Mar. 6, 1936	H. Res. 441 (Ritter) (managers)	2,500	1,774.01
June 13, 1933	H. Res. 189 (receiverships)	5,000	
Jan. 30, 1934	H. Res. 215 (receiverships)	7,500	
June 15, 1934	H. Res. 443 (receiverships)	5,000	
	Total	17,500	7,003.59

Total amount—	
Authorized	$35,000.00
Expended	18,189.01
Unexpended balance returned	16,810.9

You will see by this statement that the committee received in all $35,000. That it expended $18,189.01 and that it returned as unexpended balance $16,810.99.

The Committee on Accounts, having given consideration to the resolution, recommend that the same do pass with the following amendment:

SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. ALLEN], a minority member of the committee.

Mr. ALLEN of Illinois. Mr. Speaker, on the 5th day of last February the President of the United States sent a message to Congress recommending the reorganization of the judicial branch of the Federal Government. The message dealt with four present needs:

First. To eliminate congestion of calendars and to make the judiciary as a whole less static by the constant and systematic addition of new blood to its personnel.

Second. To make the judiciary more elastic by providing for temporary transfers of circuit and district judges to those places where Federal courts are most in arrears.

Third. To furnish the Supreme Court practical assistance in supervising the conduct of business in the lower courts.

Fourth. To eliminate inequality, uncertainty, and delay now existing in the determination of constitutional questions involving Federal statutes.

In that message the President of the United States stated that the judiciary found itself handicapped by insufficient personnel. He stated there was need for legislative action. That a growing body of our citizens complain of the complexities, the delays, and the expense of litigation in the United States courts. He emphasized that there were injustices and inequalities in our courts. He emphasized that modern complexities call for a constant infusion of new blood in the courts. He emphasized that a lowered mental or physical vigor leads men to avoid an examination of complicated and changed conditions. His message read:

Little by little new facts become blurred through old glasses fitted, as it were, for the needs of another generation; older men assuming that the scene is the same as it were in the past, cease to explore or inquire into the present or the future.

Mr. Roosevelt requested an increase in the number of judges of all courts without exception.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. In a minute.

Mr. COCHRAN. The gentleman knows that what he is stating has absolutely nothing to do with the resolution. We are not going to investigate the Supreme Court.

Mr. ALLEN of Illinois. Yes; I want it understood that this has nothing to do with the Supreme Court.

In my opinion the message of the President was well received by the minority party, by the country as a whole, with the exception of his proposal to pack the Supreme Court. For years the people of the United States have held the Supreme Court in great respect. They felt, and still feel, that the Supreme Court is their last resort in the safeguarding of their freedom. They know that as long as our Supreme Court remains free from political manipulation, the right of freedom of speech, the right of freedom of press, the right to worship God, will not be denied. They know that with proper appointments to the Supreme Court, Jews will have the same rights as gentiles; Catholics will have the same rights as Protestants; the Negro will have the same rights as any other race. Their hopes for equality in all respects depends upon who sits on the Supreme Court. They well know the importance of each appointment to that great tribunal. They know that it is no place for a bigot, they know that it is no place for one who is prejudiced, one who is blindly attached to some creed, some belief, that is un-American. They know that it is no place for one who is intolerant, narrow-minded, or illiberal to others opinions, especially as to one's right to free speech and one's right to worship God as he pleases.

With the retirement of Judge Van Devanter, it is unquestionably true, that the large majority of the Members of this body believed and were justified in believing, that there was one among our Membership who would fill his place admirably. This colleague, greatly respected in this body, greatly admired throughout the country for his ability, his statesmanlike qualities, for his true Americanism seemed to possess every requisite for the appointment. Had he received the appointment to the Supreme Court, we who know him are convinced that prejudice, bigotry, intolerance, would be free from all his decisions. We, his colleagues, who know him best, know that his conclusions would be reached with fairness to all.

Today, that respect colleague, who did so much to defeat the Supreme Court proposal to pack the Supreme Court has introduced a resolution requesting the authorization to investigate various practices in the inferior courts of the United States. He appeared before the Accounts Committee requesting $10,000 for that purpose. I trust this body will unanimously pass the resolution.

Mr. MICHENER. Will the gentleman yield?

Mr. COCHRAN. For a question only.

Mr. MICHENER. I hope the gentleman will yield for a short observation.

Mr. COCHRAN. Will the gentleman make it short, because we have business to transact in the House today and we want to get away and have a little caucus among ourselves.

Mr. MICHENER. Mr. Speaker, when the resolution upon which this resolution is based was before the House for consideration I opposed certain of its provisions, and my reasons are in the RECORD. I favored the general purposes of the resolution. I did not want to send out a "smelling committee" to spy upon the courts. I hope that nothing like that is going to happen, and I feel that our chairman will see to it that this money will be used in an investigation of the organization of the courts and the changes needed in the courts, and not for the purpose of intimidating the courts and making them fearful of the Congress. I have been assured that there is no intention of setting up a quasi grand jury, made up of members of the Judiciary Committee, to go about the country investigating complaints against Federal judges. A committee of the Congress supervising the conduct and checking up on the decisions of the judiciary is not compatible with the independence of the judiciary. The Executive appoints, the Senate confirms, and the House must not attempt to dictate. The Congress may pass the laws, but its powers cease there.

Mr. COCHRAN. Mr. Speaker, I move the previous question on the resolution and the amendments thereto.

The previous question was ordered.

The resolution was agreed to.

ESTABLISHMENT OF CIVIL SERVICE ADMINISTRATION

Mr. TABER. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a minority report on the bill (H. R. 8277) to extend the merit system, to extend the Classification Act of 1923, and for other purposes, reported by the Committee on Government Organization, and that it may be printed with the report of the majority.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. WARREN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech made by the President of the United States at Fort Raleigh, Roanoke Island, N. C., on August 18, 1937, at the exercises commemorating the three hundred and fiftieth anniversary of the birth of Virginia Dare, the first child of English parentage to be born on the American Continent.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a message from the Honorable Anthony Eden, Secretary of State for Foreign Affairs for the Government of Great Britain, and read by me yesterday at Fort Raleigh.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WILDLIFE RESTORATION PROJECT

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife restoration projects, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to have the gentleman explain this matter.

Mr. ROBERTSON. Mr. Speaker, this bill was prepared by the Conservation Committees of the Senate and House in collaboration with certain national wildlife conservation associations and agencies. The bill passed the Senate several weeks ago, but with some safeguarding and clarifying amendments. By unanimous vote, it was reported to the House by the Committee on Agriculture with amendments that changed the appropriation to an authorization.

As amended by the House committee the bill provides that there is authorized to be appropriated an amount equal to the excise tax of 10 percent on sporting guns and ammunition, to be allocated as grants-in-aid on the basis of one-half on area and one-half on the amount of hunting licenses that are sold in the several States of the Union. Twenty-five percent of the fund is to be met by the States and 75 percent of this fund, which since 1932 has been paid by the sportsmen of America under this excise tax into the Treasury, shall be used if this bill passes for their benefit in developing and conserving this great national resource, the one that the President told us several years ago was sadly depleted, the one that many of us know will be gone forever unless adequate steps are taken dealing with a scientific management of land and water areas in order that our birds and animals may have an opportunity to breed and multiply.

Mr. RICH. Will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. What is the amount of the excise tax that has been paid into the Treasury?

Mr. ROBERTSON. The amount is approximately $3,000,000 a year.

Mr. RICH. Is that money in the Treasury at the present time? Is the money that was paid in by the sportsmen intact in the Treasury Department at this time?

Mr. ROBERTSON. No. It goes into the general fund. This does not affect the Budget for the fiscal year 1938. The bill specifically provides that, if passed, the appropriation shall be for the fiscal year 1939 and thereafter.

Mr. RICH. Then the Appropriations Committee will have to make an appropriation of $3,000,000 annually toward this fund?

Mr. ROBERTSON. It will. That is the authorization. I do not know that we can compel the committee to do it, but we would expect the committee to do so.

Mr. HOPE. Will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Kansas.

Mr. HOPE. This measure authorizes the appropriation of the proceeds of a specific tax which was levied originally for the purpose of raising general revenue. As far as I know, we have no precedents for legislation of this kind. I am wondering if the gentleman can tell me whether or not there is any precedent of this kind?

Mr. ROBERTSON. One precedent on all fours is the reclamation fund, which is raised for a specific purpose from the people of a locality and paid into the Treasury. This money is earmarked and held for reclamation purposes, and becomes a revolving fund.

There have been numerous instances where proceeds from taxes have in effect been earmarked and reappropriated, although the money went into the general fund.

I may give the gentleman another reason why the sportsmen of the country feel this measure should pass, and that is, the Congress plans to write a new tax bill in 1938, at which time it is proposed to work out, if possible, a better basis of taxes in place of putting certain so-called nuisance taxes on special groups. It is my understanding that the manufacturers of guns and ammunition and the sportsmen who buy and use their products are willing that this particular tax be continued after this year, providing the proceeds from it are used for this great purpose.

I may say to the gentleman from Kansas that there are now 5,000,000 members in the American Wild Life Federation and the membership is rapidly growing. There is not a State in the whole Union which is not interested. No bill has been presented at this session which has created so much interest among so many people and held out to them so much hope that at last the Federal Government will recognize the importance of this subject and deal adequately with it.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentelman from New York.

Mr. ANDREWS. I may say to the gentleman that this measure has the complete support of the New York State Conservation Commission.

Mr. ROBERTSON. And of every State department, and of every conservation agency and private association in the United States of which I know.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Pennsylvania.

Mr. FADDIS. Speaking of a precedent for the appropriation of taxes of this kind, there is the fact that the gasoline taxes in various States are earmarked for road construction.

Mr. ROBERTSON. And, of course, the license taxes for hunting and fishing have always been earmarked in all the States.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Illinois.

Mr. LUCAS. In addition to the unanimous reports submitted by the House Committee on Agriculture and by the Senate committee, is it not a fact that the special committees

on wildlife in both the Senate and the House have voted for this bill?

Mr. ROBERTSON. Absolutely. We are all in harmony.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. I yield to my colleague the gentleman from New York.

Mr. TABER. This bill undertakes to establish the precedent of turning back to the special interests that have paid the tax the total tax collected by the Federal Government. If we adopt this practice, it means that those who pay a tax on perfumery have a right to ask us to use the taxes paid on such products for the development of the perfumery industry and that those who pay taxes on fur are entitled to have that tax used to develop the fur industry. I think this is such an important bill that it should be considered under a rule of the House in Committee of the Whole, and I object, Mr. Speaker.

Mr. ANDREWS. Will the gentleman withhold his objection?

Mr. ROBERTSON. Will the gentleman withhold his objection until we can explain this a little further?

Mr. TABER. If there is any way of meeting the objection I have raised I shall be pleased to have the explanation made.

Mr. ANDREWS. This is merely an authorization.

Mr. TABER. An authorization is just as bad as an appropriation. It is the custom when authorizations are brought in to say that it is merely an authorization, and it is the custom when an appropriation is not brought in to say that the Committee on Appropriations is thwarting the will of the House.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman stated that this was establishing a precedent. Does the gentleman recall that under the Tobacco Control Act when a tax was levied on tobacco the proceeds were returned to the tobacco producers? This was true of the Cotton Control Act and of the Agricultural Adjustment Act. There are numerous other cases in which we have levied a tax on a particular industry and then used the proceeds for the benefit of that industry.

Mr. TABER. This is not that kind of tax. This is a tax which was levied for the purpose of obtaining revenue for the general fund of the Treasury.

Mr. BOILEAU. By this bill we state that we consider this tax as being in the interest of conservation.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. I may say to the gentleman from New York that he is absolutely in error when he states this fund goes back to the people who paid the taxes.

Mr. TABER. It is for their benefit.

Mr. ROBERTSON. It is for the benefit of the Nation.

Mr. ANDRESEN of Minnesota. It is for the benefit of all the people in this country. I think the gentleman is making a mistake.

Mr. TABER. I object, Mr. Speaker.

CLAIMS AGAINST THE GOVERNMENT OF MEXICO

Mr. McREYNOLDS. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 437) relative to the determination and payment of certain claims against the Government of Mexico, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statements are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 5. Section 6 of the Act approved April 10, 1935, creating the Special Mexican Claims Commission, and for other purposes, is amended to read as follows:

" 'SEC. 6. The Commission shall complete its work within three years from the date on which it undertakes the performance of its duties, at which time all powers, rights, and duties conferred by this Act upon the Commission shall terminate. If the President finds the Commission has completed its work prior to such expiration date, he may terminate all such powers, rights, and duties of the Commission by Executive order.' "

And the Senate agree to the same.

S. D. McREYNOLDS,
SOL BLOOM,
JOE W. MARTIN,
Managers on the part of the House.
KEY PITTMAN,
TOM CONNALLY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 437) relative to determination and payment of certain claims against the Government of Mexico, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: The House joint resolution provided for the establishment of a new Commission to complete the work of the Special Mexican Claims Commission. The Senate amendment provides that such Special Commission shall continue such work during its existence and thereafter a new Commission shall be established to complete such work. The House recedes.

On amendment no. 2: The House joint resolution contemplated that the powers of the Special Mexican Claims Commission would expire on the expiration date originally fixed in the act of April 10, 1935. The Senate amendment extends such expiration date for 1 year. The House recedes with an amendment extending such expiration date for 1 year but providing that the President may terminate the powers of such Special Commission within such year if he finds it has completed its work.

S. D. McREYNOLDS,
SOL BLOOM,
JOE W. MARTIN,
Managers on the part of the House.

Mr. McREYNOLDS. Mr. Speaker, in 1934 an agreement was entered into between the United States and Mexico for the payment of certain claims arising from 1910 to 1920, involving the payment of $500,000 a year until something like $5,500,000 had been paid. Up to the present time three of the payments have been made.

In 1935 we passed an act providing for a Special Claims Commission to go through all these claims and determine those which were really due. We put a limitation of 2 years on the life of this Commission, and this limitation expires on September 1. The Commission has finished its work, with the exception of some claims which are in with the general claims, and the General Claims Commission is to determine how many of the special claims shall go back to the Special Claims Commission. The bill as it passed the House provided for payment of the pro-rata part of these claims which have been allowed, and provided further that when these other special claims arise, which is to be determined soon, the Secretary of State should set up a commission for the purpose of passing on such claims. The Senate amended that bill by extending the power of the present Commission for 1 year. The House has agreed to this amendment with the understanding that the President may terminate the Commission at any time, whenever it completes its work.

The main purpose of the bill, of course, is to let the Government begin paying on these special claims that have been allowed, a pro-rata part, and when other special claims are allowed, with the payments being made in the future by the Mexican Government, the pro rata will be made.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. FISH. As I understand this situation, the United States Government does not pay out any money at all. This is money received from the Mexican Government to pay certain claims that United States citizens have had against the Mexican Government.

Mr. McREYNOLDS. The gentleman is correct.

Mr. FISH. And the gentleman simply wants to extend the time, and it will not cost us any money ourselves, and I take this occasion to state that I am very pleased to find one country in the world that pays its claims to American citizens and I believe they ought to be encouraged, and I hope the conference report will be agreed to.

Mr. THOMASON of Texas. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. THOMASON of Texas. As I understand, this Special Commission had to approve or reject all claims filed within a certain time.

Mr. McREYNOLDS. They had to go through them and determine that question.

Mr. FISH. And they have either approved or rejected these claims.

Mr. McREYNOLDS. Yes; except certain claims in the hands of the general Mixed Claims Commission.

Mr. THOMASON of Texas. I understand that, but the Mexican Government has made two or three of these $500,000 payments, and it is true, is it not, that although the Special American Commission has approved the claims that are valid in their judgment, yet not 1 cent has been paid to the claimants.

Mr. McREYNOLDS. And that is exactly the reason for the passage of this bill which provides that immediately upon the passage of the bill they will begin paying their pro-rata part on these special claims out of the money already received from the Mexican Government.

Mr. THOMASON of Texas. I happen to have some personal knowledge of some of these claims that I know are meritorious; some of them are, perhaps, 20 years old and although the Commission has approved the claims they have not yet paid the pro-rata part that these claimants are entitled to.

Mr. McREYNOLDS. And the reason they have not is because they have not authority, and this bill will give them such authority.

Mr. THOMASON of Texas. May I ask the gentleman another question in this same connection. After the Commission has approved the meritorious claims, as I understand it, they will then total the approved claims and pro rate the money that the Mexican Government has paid. Can the gentleman tell us the total of the approved claims and how much will be paid on each. I mean what percentage on an approved claim can a claimant expect?

Mr. McREYNOLDS. I am very sorry, but I do not have that information.

Mr. THOMASON of Texas. It will be very small, will it not?

Mr. McREYNOLDS. I do not know.

Mr. THOMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. THOMPSON of Illinois. Do I understand that American claimants will have this extra time, as proposed in the Senate amendment regarding an extension of time, within which to submit additional proof with respect to the claims that have not been approved?

Mr. McREYNOLDS. Only those claims in the general Mexican Claims Commission to determine whether there are any special claims in that list over which this Commission has jurisdiction.

Mr. THOMASON of Texas. Are we to understand the Mexican Government has actually paid into the Treasury of the United States at least $1,000,000, or two payments of $500,000 each?

Mr. McREYNOLDS. Yes; and I think more than that.

Mr. THOMASON of Texas. But there is money now available?

Mr. McREYNOLDS. Yes.

Mr. THOMASON of Texas. If all claims have been passed on and either approved or rejected, it is high time that something was being paid to these deserving claimants. I cannot see where there is any excuse for further delay. To my knowledge some of these claims are more than 20 years old.

Mr. McREYNOLDS. I may say to the gentleman that as soon as we get this bill passed the Government will then have the right to begin making these pro-rata payments.

Mr. THOMASON of Texas. They have already had 2 years.

Mr. McREYNOLDS. They did not have the authority.

Mr. THOMASON of Texas. They were exercising authority and they have had some money on hand for a long time. Why not at least start payments even on the installment plan?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. RICH. How much more money does the gentleman expect to get on these claims?

Mr. McREYNOLDS. About $5,500,000 in all.

Mr. RICH. From Mexico?

Mr. McREYNOLDS. Yes.

Mr. RICH. And the gentleman feels sure that Mexico is going to pay that money?

Mr. McREYNOLDS. Yes; they have been meeting their obligations right along, paying $500,000 the 1st of January of every year.

Mr. RICH. Then we ought to take off our hats to Mexico, and we ought to have some strings on it.

Mr. McREYNOLDS. We have their promise and they have always met their obligations.

Mr. RICH. As the gentleman knows, we certainly need the money.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

DISTRICT COURT AT GLASGOW, MONT.

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 537) to provide suitable accommodations for the district court of the United States at Glasgow, Mont.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object.

Mr. SNELL. Mr. Speaker, I reserve the right to object. I think the gentleman from Montana [Mr. O'CONNOR] should make a little explanation and, under reservation of objection, I desire to ask him a question or two about the bill.

Mr. O'CONNOR of Montana. Mr. Speaker, this bill is for the purpose of providing suitable accommodations for the holding of Federal court at Glasgow. You will all recall the Fort Peck Dam Reservation. The Government has already purchased several millions of acres of ground there, and there are 7,000 people now at Fort Peck and 2,000 at Wheeler on this dam reservation, of which only the Federal courts have jurisdiction over civil and criminal cases arising within that territory. It is also located very close to an Indian reservation where causes which can only be tried in a Federal court arise. Glasgow is about 60 miles from the Canadian border, where smuggling cases are constantly before the Federal court. It is located 153 miles east of Havre, the nearest point at which Federal court is held. It is located about 150 miles from the Dakota line.

In other words, anyone who has business before the Federal court on the east end of Montana has to travel a distance of about 300 miles from the east end of the State to the city of Havre, taking the officers, taking the jurors, and the witnesses a distance of about 300 miles. The Attorney General in his report on this bill points this out:

> Glasgow is situated in Valley County in the northeastern portion of the State. It is 153 miles east of Havre, the nearest place to it which court is now held. The territory which would be served by terms of court at Glasgow comprises, in addition to a number of counties, the Fort Peck Indian Reservation and the Fort Peck Dam Site Reservation, and is adjacent to a portion of the Canadian border near which a considerable number of smuggling cases originate.
>
> I am informed by the Acting Director of the Bureau of the Budget that the proposed legislation would not be in accord at this time with the program of the President.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. Yes; I yield to the distinguished gentleman.

Mr. SNELL. Does legislation already provide for holding court at this place?

Mr. O'CONNOR of Montana. Yes. It was authorized in 1928. Further, the Government has already or will shortly call for bids for the construction of a post-office building at this point, which has been authorized, and which will cost $140,000. If this court building is provided for now it will simply mean another story on this building, and be constructed, according to general information, at a cost of about 40 percent less than it would cost if the post-office building were completed and later Federal court facilities provided for.

Mr. SNELL. In asking for a special term of the Federal court up in my own district, they insisted that quarters be furnished without expense to the Federal Government. I have never known of any bill like this, where we come in and pass a special bill to build a building in which to hold a special term of a Federal court.

Mr. O'CONNOR of Montana. This is Senator WHEELER's bill. He introduced it in the Senate, and as I understand it the same question occurred to him, and it was decided an authorization was necessary before the appropriation could be made. Senator WHEELER secured the passage of the bill in the Senate. This serves a territory in which there are in the neighborhood of 125,000 people who would have to travel a distance of all the way from 50 to 300 miles to get to the Federal court at Havre.

Mr. SNELL. I admit all that, and I think the gentleman is right in that, but it is the method of procedure. As far as I know, we have never followed this method. If the department wants to make an arrangement when they build this Federal building, they can make an arrangement for holding the Federal court, but I have never known a case where the Congress has definitely authorized the making of arrangements in a specific case like this, and I can see no reason for a specific bill of this kind at this time.

Mr. GREEVER. Mr. Speaker, will the gentleman yield to me?

Mr. O'CONNOR of Montana. I yield to the distinguished gentleman.

Mr. GREEVER. As a matter of fact, is not the main necessity for this bill to take care of the great number of smuggling cases that they are now unable to take care of on account of the distance to the Federal court from the place where these witnesses live?

Mr. O'CONNOR of Montana. Yes; the gentleman is correct in that, but in addition to that, there is another serious phase. We have all those people living on the Fort Peck Dam Reservation and the State courts have no jurisdiction of their affairs.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. Yes; I yield to the distinguished gentleman.

Mr. MILLS. Is it not a fact that if the House passes this bill it will save the Government money in the transporting of prisoners about 175 miles?

Mr. O'CONNOR of Montana. Yes; the gentleman is correct.

Mr. SNELL. But why cannot this be done without the passage of this bill?

Mr. O'CONNOR of Montana. It cannot be done.

Mr. SNELL. I know they have done it.

Mr. O'CONNOR of Montana. But two wrongs do not make a right.

Mr. SNELL. It is done all over the country. We do not make special authorizations for things of this kind.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. As I understand the bill, the gentleman is asking only for an authorization?

Mr. O'CONNOR of Montana. That is all.

Mr. JENKINS of Ohio. If the gentleman is asking only for an authorization, he cannot hope to benefit from it in this session of Congress.

Mr. O'CONNOR of Montana. Senator WHEELER is going to try to secure an amendment to the deficiency appropriation bill to provide for the appropriation, because it is absolutely necessary that this building be constructed if we are going to have any facilities for Federal court proceedings.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the distinguished gentleman.

Mr. LANHAM. Is it not true that after this bill is passed and this authorization given, inasmuch as the Federal post office is being constructed in this city of Glasgow, the Procurement Division would then have authority, with this legislation, under our general public-building appropriation, to construct this district court?

Mr. JENKINS of Ohio. I do not know. I thought if he was expecting to provide for this legislation in this session of Congress he would have to do something with reference to the deficiency bill. We will not have any more deficiency bills on this side.

Mr. O'CONNOR of Montana. The deficiency bill is now in the Senate.

Mr. LANHAM. As a matter of fact, I do not believe that necessity arises. There would not be necessity for a specific appropriation because under the general appropriation of funds for public buildings the Procurement Division would have authority to go ahead.

Mr. JENKINS of Ohio. I think the gentleman is right.

Mr. SNELL. Have they not been doing this without specific authority by a bill similar to this?

Mr. LANHAM. I am not definitely advised. Perhaps they have. I am not sure about that.

Mr. JENKINS of Ohio. In order to join the United States district court facilities with the Post Office there has to be some special legislation.

Mr. LANHAM. I understand they cannot do it without this legislation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the distinguished gentleman.

Mr. RICH. If the Post Office Department has authorized the money for the construction of a post-office building, then are we to believe that this appropriation will be added to the post-office appropriation so that they can construct a court in conjunction with the post-office building?

Mr. O'CONNOR of Montana. Exactly. The gentleman is correct. In addition to that, it has been estimated that if these court facilities are provided for now while the construction of this building is in progress it will save the United States Government about 40 percent of the entire cost in doing it.

Mr. THOMAS of New Jersey. Mr. Speaker, reserving the right to object, the gentleman says that Senator WHEELER is going to add a special appropriation to the deficiency bill?

Mr. O'CONNOR of Montana. He is going to attempt to do so if we secure the passage of this bill.

Mr. THOMAS of New Jersey. What is the amount of that?

Mr. O'CONNOR of Montana. It is a little less than $100,000.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to provide suitable rooms and accommodations for holding terms of the district court of the United States in the Federal building proposed to be constructed in Glasgow, Mont. The limit of cost for such building is hereby increased by such amount not in excess of $100,000 as may be necessary for that purpose; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary not in excess of $100,000 in addition to the sums heretofore appropriated and allocated, for the construction of such building.

SEC. 2. So much of section 92 of the Judicial Code, as amended, as heads *"Provided*, That suitable rooms and accommodations for holding court at Glasgow, Lewiston, and Havre are furnished free of all expense to the United States" is amended to read as follows: *"Provided*, That suitable rooms and accommodations for holding court at Lewiston and Havre are furnished free of all expense to the United States."

With the following Senate amendment:

Page 2, line 5, strike out the word "heads" and insert the word "reads."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

POLLUTION OF THE WATERS OF THE POTOMAC RIVER

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 162 to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof.

The SPEAKER. Is the gentleman of the opinion that the consideration of the matter will take any substantial time?

Mr. MANSFIELD. I do not think it will.

The SPEAKER. The Chair is behind in its schedule very largely on this other matter.

Is there objection to the request of the gentleman from Texas?

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, just to ask one question. I notice, in reading the list, some States were omitted. For instance, the State of Connecticut.

Mr. MANSFIELD. This is just on the Potomac River.

Mr. JENKINS of Ohio. Just the Potomac River?

Mr. MANSFIELD. Yes.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 162

Resolved, etc., That the consent of Congress is hereby given to the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to negotiate and enter into a compact or agreement providing for the creation of a conservancy district to consist of the drainage area of the Potomac River and the main and tributary streams therein, said district to be organized and maintained for the purpose of regulating, controlling, preventing, or otherwise rendering unobjectionable and harmless the pollution of the waters of said Potomac drainage area by sewage and industrial and other wastes, upon conditions that a suitable person shall be appointed by the President of the United States from the Department of the Treasury who shall participate in said negotiation as representative of the United States, and shall make a report to Congress of the proceedings of any compact or agreement entered thereto: *Provided*, That any such compact or agreement shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been approved by the legislatures of each of said States and by the Congress of the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. The Chair desires to announce that the Chair has promised to recognize the Delegate from Alaska and cannot recognize any other Members until the contested-election case is taken up.

RESOURCES AND COMMERCE OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution No. 24.

The Clerk read as follows:

House Concurrent Resolution 24

Resolved by the House of Representatives (the Senate concurring), That the President is requested to prepare or cause to be prepared by the present departments and agencies of the Government, and within the regular appropriations of such departments and agencies heretofore made for the fiscal year 1938, and to report to the Congress within 30 days after commencement of the second session of the Seventy-fifth Congress, a comprehensive plan for the development of the resources of the Territory of Alaska, and the expansion and development of the facilities of commerce between the United States and Alaska, and within the Territory. The plan so prepared and reported to Congress, may, in the discretion of the President, embrace a statement of such works and facilities to be established in Alaska as may be desirable for national defense. Said report to contain such information as will aid the Congress in conducting investigations to determine what is to be done with the resources of Alaska.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think we should have a little explanation of this resolution that we may know whether it is going to cost additional money and just how far they expect to go.

Mr. DIMOND. Mr. Speaker, this will cost the Government no additional money, and it is expressly so provided in the concurrent resolution. The various departments of the Government now have in their files a mass of information about Alaska, but it has never been coordinated nor brought together. What we seek to do by this resolution is to ask the President to put this information together in a compact form and to submit it to Congress, with his recommendations, at the next session for the consideration of the Congress.

Mr. SNELL. Why is it necessary to have this done by resolution? If the departments have all of this information at the present time, why cannot the President tell the heads of these bureaus to present it?

Mr. DIMOND. It is likely that the President can tell them to do it, but it has never been done through all these years, and I believe it will not be done unless Congress asks for it.

Mr. SNELL. If we pass this resolution, is the gentleman sure there will not be another bureau set up or additional expense involved to get this information?

Mr. DIMOND. So far as I know anything about it, it will not cost the Government a cent. It merely calls for a report to Congress of information and data that is now in the possession of the Government and the President's recommendations with respect thereto.

Mr. SNELL. And it is definitely understood that there is no appropriation connected with it?

Mr. DIMOND. It calls for no appropriation.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. NICHOLS. I may say to the gentleman from New York that the resolution specifically provides that it must be done within present appropriations and within the present departments. Not even additional personnel can be appointed under it.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

ELECTION CONTEST—ROY *v.* JENKS

Mr. KERR. Mr. Speaker, I call up House Resolution 309.

Mr. SNELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum.

The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That Arthur B. Jenks is not entitled to a seat in the House of Representatives in the Seventy-fifth Congress from the First Congressional District of the State of New Hampshire.

Resolved, That Alphonse Roy is entitled to a seat in the House of Representatives in the Seventy-fifth Congress from the First Congressional District of the State of New Hampshire.

Mr. KERR. Mr. Speaker, pending the consideration of this resolution I ask unanimous consent that general debate may be extended for 2 hours, to be confined to the resolution, to be equally divided and controlled by the gentleman from Massachusetts [Mr. GIFFORD] and myself.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that general debate upon the pending resolution be limited to 2 hours, one-half to be controlled by himself and one-half by the gentleman from Massachusetts [Mr. GIFFORD]. Is there objection?

Mr. GIFFORD. Mr. Speaker, reserving the right to object, on this side of the House it is earnestly desired that we have an hour and a half on a side. I appeal to the chairman of the committee to give us an hour and a quarter on a side and we will try to get along with that, unless other matters make it so extremely important to cut the time shorter.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. RAYBURN. The gentleman from North Carolina, of course, has the right to move the previous question at the end of an hour and probably has the votes to order the previous question, and he could yield such time out of that hour as he desired. The gentleman from North Carolina, it appears to me, has been very generous, especially on Thursday of the last week of Congress. It is my personal view that it would be better for all concerned and for the humor of the House if we confined this to the reasonable time of 2 hours.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. SNELL. I appreciate the fact that some people might consider 2 hours fairly reasonable; and we appreciate the fact, as the gentleman says, that you have the votes; but as a matter of fact these election contests for the last 20 years, regardless of which side has been in power, have not always been decided just because the side in power had the votes. I think, as a general rule, they have been fairly decided.

Mr. RAYBURN. If the gentleman will permit an interruption, I said that the gentleman from North Carolina had the votes to carry the previous question at the end of an hour.

Mr. SNELL. I understood what the gentleman said and what the gentleman had in mind; but does not the gentleman think he could be generous enough to give us an hour and a quarter whether the other side wants that much time or not?

Mr. RAYBURN. If the gentleman from North Carolina does not object, I have no objection. I simply want to say that I think the gentleman from North Carolina was very generous in his suggestion to begin with.

Mr. SNELL. If all we are going to have is an opportunity to talk, you better give us another 15 minutes.

Mr. KERR. Mr. Speaker, I modify my request and ask unanimous consent that general debate shall be confined to the resolution, shall not exceed 2½ hours, to be equally divided and controlled by the gentleman from Massachusetts and myself; that at the end of that time the previous question shall be considered as ordered.

The SPEAKER. The gentleman from North Carolina modifies his request and now asks unanimous consent that debate on the pending resolution shall be confined to the resolution, shall continue for 2 hours and 30 minutes, one-half to be controlled by himself and one-half by the gentleman from Massachusetts; that at the conclusion of this time the previous question shall be considered as ordered.

Is there objection?

Mr. GIFFORD. Mr. Speaker, reserving the right to object, may I be allowed to file a substitute motion during that period?

Mr. KERR. I do not agree to that.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. KERR] is recognized for 1¼ hours, and the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 1¼ hours.

Mr. KERR. Mr. Speaker, I realize that most of the Members of the House have had very little time to consider this important matter; so I shall endeavor to state as well as I can the facts concerning this contest and the law which the majority of the committee thinks should determine the matter.

In the consideration of the case a majority of the committee recognized the fact that this House possesses all the functions of a court of law and a court of equity, and that it may use any method it wishes in order to safeguard the integrity of an election and make secure the intention of the voters in any congressional district. No rule of the House or Federal or State statute can be interpreted as mandatory or obligatory when it defeats the right of this House to be the judge of an election, the judge of the returns, and the qualifications of its membership.

Mr. Speaker, the majority of the committee does not take the position that returns of duly appointed election officials are not prima-facie evidence of their correctness and that ordinarily the burden is not upon the contestant to impeach this return. But in this case it does take the position that a recount of the votes cast for Congressman in the First New Hampshire District at the general election held on November 3, 1936, rebuts the presumption of correctness of the official returns and shifts the burden upon the contestee to show that the said returns were not correct.

I call attention to the case of Gooding against Wilson, in the Forty-second Congress, in which this rule and principle was laid down. It was stated in that case—

That the official count is prima-facie evidence of the correctness thereof, but it may be overthrown by evidence, especially when there are circumstances indicating the probability of a mistake. A recount properly conducted is such evidence, and there is no presumption of fraud in such a recount, or in the keeping of the ballots previous to it. To establish the presumption of such fraud the party denying the correctness of the recount must show circumstances indicating not merely the fraud could have been committed, but that there was at least a probability that it was committed.

Mr. Speaker, in the case at issue the statutes of New Hampshire provide for a mandatory recount of the ballots upon the request of any candidate for Congress or any other office in that State, and the recount, differing from the official returns, rebuts the presumption of the prima-facie correctness of the return. And the burden then shifts as a matter of law to the contestee to show that the recount is incorrect, if he still relies upon the official returns.

Chapter 43, sections 94, 96, and 101, of the act covering the New Hampshire election laws provides that if any person for whom a vote was cast and recorded for any office at a biennial election shall, before the expiration of 60 days, apply in writing to the secretary of state for a recount of the ballots given for all persons voted for such office, and shall state in the application the names of the opposing candidate, the secretary of state shall appoint a time for the recount—not earlier than 15 days.

Section 96 of said chapter 43 further states that at the time and place indicated or appointed, the secretary of state shall count the ballots. The various candidates and the counsel shall have the right to inspect the ballots and participate in such a recount under such suitable rules as the secretary of state may adopt.

It provides further that the secretary of state may employ such assistants as he may deem necessary to carry out the provisions of this act.

Within a few days after the election held on the 3d of November, A. D. 1936, the contestant in this case, Mr. Roy, filed an application with the secretary of state to have the votes cast in this congressional election recounted; and the secretary of state, assisted by his assistant secretary, after receiving the ballots from all the precincts in the district, made a thorough recount of said ballots, and in that recount it was disclosed that the contestee, Mr. Jenks, had not received a majority of the votes cast.

On the first official returns Mr. Jenks received 51,920 votes and Mr. Roy 51,370 votes. On the first official returns, it gave Mr. Jenks a majority of 550 votes. After this recount provided by law the secretary of state found that Mr. Jenks had lost 241 votes in the recount of the ballots and that Mr. Roy had gained 309 votes, which totaled 550 votes. The secretary of state then made the declaration that each of them had received 51,579 votes and that it was a tie.

Immediately after the vote was computed by the secretary of state, both of the parties, Mr. Roy first and then Mr. Jenks, served notice on the ballot law commission of the State, which was another body of election officials, created under the New Hampshire election laws, chapter 25, section 91, for a further and final hearing, as provided in section 101 of chapter 43 of said laws.

The ballot law commission undertook, pursuant to law, which provides in the case of a recount for any office before the secretary of state that there may be an appeal from the said finding to the ballot law commission and the said commission shall consider all objections and the findings of the secretary of state and may, if it finds good cause, change the declaration of the secretary of state.

When the case came before the ballot law commission, which had the final disposition of it, the commission decided that there were only 108 protested votes in the count of the secretary of state, and that this number would be all that was necessary for them to observe in order to determine who had received a majority of the votes cast. After full discussion by both bodies, as appears in the record, they accepted the count of the secretary of state and considered only 108 votes, which were protested by one party or the other, out of the 103,000 votes which were cast, in order that they might determine who really had received a majority of the votes cast in this election. The ballot-law commission made the following order, which I call to the attention of the House:

It appearing that both the contestants were represented by competent counsel at the recount of the ballots by the secretary of state and that the count by the secretary was not questioned by either contestant except as to relatively few ballots, and that upon protest of his count of a ballot the secretary of state thereupon attached to the protested ballot a memorandum showing how it was counted by him and by whom his count was protested, it appears unreasonable to the commission at this time to undertake to reinspect and recount all of the ballots cast.

The commission therefore rules that at the hearing upon the merits of the petition of Mr. Roy and Mr. Jenks now pending, it will accept the count of the ballots made by the secretary of state at the recount except only as to such ballots as were protested at the recount by one or the other contestant, and the hearing will be limited to consideration of the ballots so protested.

Therefore, it is evident that the commission itself was so satisfied that the count of the secretary of state was correct that it limited its observation in the determination of this matter to only the 108 protested ballots out of the 103,000 votes cast. After counting these ballots in the presence of these gentlemen and their representatives, the ballot law commission, which consisted of a Democrat and a Republican, appointed by the Governor, and the attorney general of the State—two Republicans and one Democrat—adjudged that the contestant had received a majority of 17 votes.

The SPEAKER. Will the gentleman from North Carolina suspend a moment to receive a message from the Senate?

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1685) entitled "An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon; and appoints Mr. WALSH, Mr. COPELAND, Mr. THOMAS of Utah, Mr. BORAH, and Mr. LA FOLLETTE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1835. An act establishing a small claims and conciliation branch in the municipal court of the District of Columbia for improving the administration of justice in small cases, and providing assistance to needy litigants, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2263. An act providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937; and

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho.

THE HOUSING BILL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, with a House amendment, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, REILLY, WOLCOTT, and FISH.

ELECTION CONTEST—ROY *v.* JENKS

Mr. KERR. Mr. Speaker, before the argument on this case is closed you will find that the decision in this election contest will be determined on a matter of 34 votes which the contestee alleges he received in Newton Precinct, the town of Newton, N. H., and which he contends were not counted for him or were not in the ballot box when the recount of the vote was made.

I call your attention to the fact that at the recount before the secretary of state and the recount and adjudication by the ballot law commission the question of a mistake of 34 votes was not raised by the contestee or his attorney. I am not surprised that they did not raise the question for the reason that when the secretary of state recounted these ballots he found there were discrepancies in 114 precincts of the 129 in the district.

As further evidence of unusual discrepancies between the original return made by the election officers and the recount by the secretary of state, the election officers found that Anna Rudd, a Farmer-Labor candidate for Congress against Mr. Roy and Mr. Jenks, received 197 votes in the district, and the recount by the secretary disclosed that Anna Rudd received 252 votes. To show you that the discrepancies as between the returns of the officials and the recount of the secretary of state were most pronounced in this election, the recount further disclosed that Alice Flynn, independent candidate for Congress against Mr. Roy and Mr. Jenks, received 720 votes, whereas she was given only 332 votes by the election officers. The recount showed she had received more than double the number of votes shown by the returns of the election officials of the several precincts in the district. Therefore, I am not surprised, and I do not believe the House should be surprised, in view of the fact these discrepancies are so apparent that neither the contestee nor his diligent attorneys raised the question, at either the recount before the secretary or the recount before the ballot law commission, that he had received 34 votes more than were accounted for in the town of Newton. It was quite evident at both recounts that the contestee was short these 34 ballots; it was thoroughly discussed before the secretary of state.

I read now a further statement of the ballot law commission:

That of the ballots cast for Representative in Congress for the First Congressional District on the 3d day of November 1936, Mr. Roy received 51,695, Mr. Jenks received 51,678, and Mr. Roy having the highest number of ballots cast was duly elected, and the commission therefore finds and rules that Alphonse Roy having received the largest number of votes at the biennial election November 3, 1936, for Representative in Congress from the First Congressional District of the State of New Hampshire, he is hereby declared to have been duly elected to that office and entitled to a certificate of election.

Ten days after the declaration of the ballot law commission the contestee, Mr. Jenks, notified the Governor and State council to hold up the election certificate and petitioned for a rehearing before the ballot law commission.

Evidently, the Governor notified the ballot law commission again that Mr. Jenks wanted a rehearing, and they gave him a rehearing, and the record of this case discloses that at that rehearing, for 3 days, they discussed the question of whether or not the election returns from Newton or the count of the ballots cast at Newton, was determinative of how many people voted for these two candidates. For 3 days they discussed this and would not decide it. Then the contestee, Jenks, came in after two counts and asked for a third count and said he had received 34 more votes at Newton than had been counted for him and, mind you, 34 more votes than were actually put into the ballot box for him. Then it was that the commission decided they would have another recount of all the ballots, when the determination of this question as to the 34 ballots claimed by Jenks in Newton precinct would have settled it right then, and they knew it. However, they decided they would give the contestee, evidently, another chance, and they would count all the ballots that had been cast. So they went ahead and for 4 days they indulged in recounting, for the second time, all the ballots that were cast, and upon this recount——

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. KERR. No; I cannot yield.

Upon the recount made by this commission they returned that Mr. Roy, the contestant in this case, had a clear majority of all the votes of 24. They increased his majority by 7 and although they found that he had 24 more votes, they decided that 34 votes were cast in the Newton election precinct which were not counted, and which were not in the ballot box on either of the recounts for Mr. Jenks.

This brings us to the real question in the case, as the majority of the committee see it, and that is what is the best evidence of how many ballots were cast in the Newton ballot box and for whom were they cast. The return of the election officers who made a mistake, in 114 out of 129 precincts, and who had failed to give the ladies who were running for Congress, one of them 33 percent of her vote, and the other 60 percent of her vote or the ballots themselves, which have been preserved inviolate and no evidence whatever of their ever having been molested or tampered with? We maintain the best evidence is to open the ballot box, whose integrity is not impeached and which has been kept inviolate, and see how many votes were put in there and for whom they were cast?

The rule of law in respect of this is elementary, and I will hasten to give you an authority or two about it.

It was held in Butler against Leham, in the Thirty-seventh Congress, "where the ballot boxes were produced by the official custodian, sealed, and in the same apparent condition as when deposited with them, then under these circumstances the burden of proving that they had been tampered with is upon the contestee"—or upon Mr. Jenks—

And this burden could not be sustained merely by showing that they had been left in a situation where it was possible for some unauthorized person to have tampered with them. There was no proof in this case to render it probable. The contestee called the election officers to swear that their returns were correct; but in the opinion of the committee, this testimony neither impairs the case of the contestant nor strengthens that of the respondent. Officers who had declared upon their official oaths that the returns made by them were true would not be likely to come into court afterward and swear that they were false. It was not necessary to determine whether the incorrectness of the returns was due to fraud or mistake, the committee was convinced that the recount represented a true state of the vote.

I quote again in reference to the law in respect of this point the principles laid down by Paine on elections at section 786:

When the statute expressly provides for the preservation of the ballots by a particular officer for the specific purpose of determining the right to a public office, the ballots are the highest and best evidence for that purpose, and if preserved as the law requires, are the only conclusive evidence of the result of the election; the certified statement and declaration of the officers of the election are prima-facie evidence only.

The probative force of the ballot as evidence is, of course, determined by how it is preserved after it is cast. I have not time to take the brief here and call your attention to the oath of all the officials who held this election on the third day of November. Certainly, the contestee cannot claim he was not in the hands of his friends. Seven out of nine officers belonged to his party, the secretary of state was a member of his party, and the ballot law commission was composed of two Republicans and one Democrat and, certainly, the contestee, Mr. Jenks, in this case, cannot complain about what these gentlemen found about these things, and I want you to remember this.

The controversy is on the question as to how many votes Mr. Jenks received in Newton precinct, and whether the poll list and tally sheets of the election officials or the ballots kept and sealed inviolate are the best evidence as to how many votes were cast and who they were cast for. If the House does not find that Mr. Jenks, the contestee in this case, received 34 votes that were not counted for him, because they were not in the ballot box at any recount, then he is defeated for Congress by 20 majority. These officers who have the election made statements, and a succinct statement of each and all nine of them is set forth in the majority report. They said there were 458 votes cast there, that they checked the ballot list, and that 458 passed by, and the tally sheet showed 458 votes were tallied, but when they were put on the witness stand and testified to these facts they also testified concisely and conclusively that in Newton precinct every ballot that was voted was taken out of the ballot box it was voted in and put in a container and sealed up and sent to the secretary of state, and they further testified that it was impossible for anybody to remove 34 votes from that ballot box, and they further testified that they sent it sealed to the secretary of state, who testified it came to him in that condition. There is no impeachment whatever as to the preservation of these ballots and the preservation of their integrity—none whatever. It is said something must have become of them. It is a pure speculation founded on no fact; something evidently came of a great many of the ballots which were cast or counted wrong in this congressional election; there was a mistake by the officials in 114 out of 129 of the precincts. There was a discrepancy on the recount, especially upon the recount of the secretary of state.

I think I have taken enough of your time and in conclusion I call attention to the rule of law that obtains and that is accepted, I think, by everybody, as the law relative to which is the best evidence, the return of election officers, or the ballots themselves, when they have been preserved inviolate.

In Haley against Reidelberger, it was held that where the clerk had possession between the time of the original count and the recount, he being the proper custodian thereof, and who kept them in a closet in his home, and where there was no evidence of tampering with the ballots, that the recount of the ballots should prevail over the election judges' return and that "any discrepancy would be attributed to the error of the judges."

That is still the accepted principle of law that applies in a controversy of this kind. It was further held in *Roberts* v. *Drake* (205 Ind. 452) that the ballots were the controlling factors and not the tally sheet.

Those who advocate that Mr. Jenks be kept seated will tell you that the tally sheets and the poll list is better evidence than the ballots themselves. That is not the holding of the courts of this country. It has been universally held that the ballots are the controlling factors when controversies of this kind arise and that tally sheets cannot take precedence over ballots.

In *Srum* v. *Slankard* (134 Ark. 42), it was held that where the ballots were in sealed envelopes and the seals were intact, the court accordingly accepted the ballots as the best evidence.

The contention on the part of the majority of this committee is that there have been four counts of the ballot cast in this election, that the second count determined there was a tie, that in the third count it was determined that the contestant had received a majority of 17 votes, that the fourth count determined that he had received a majority of 24 votes, and that the recount of these ballots is better evidence than the tally sheets and the poll list, which the gentlemen say Members ought to accept here and declare that there were 34 votes cast in the Newton precinct ballot box for the contestee that were never found there, and they were guessing for whom they were cast. This House ought to accept these recounts and hold that the ballots as counted and as preserved inviolate are the best evidence and are determinative of this controversy.

Mr. O'CONNOR of Montana. Mr. Speaker, will the gentleman yield?

Mr. KERR. Yes.

Mr. O'CONNOR of Montana. How does the number of ballots in this precinct correspond with the tally sheet?

Mr. KERR. The tally sheets say there were 458 votes cast in that ballot box, but the vote for the Congressman discloses on the first recount, before the secretary of state, that he received only 390 votes, and the contestant received 100 votes, and when they were recounted by all the recounts, it disclosed that the contestee had lost 34 votes.

Mr. O'CONNOR of Montana. But all the ballots were there?

Mr. KERR. Every ballot was there and counted there and recounted.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. KERR. Yes.

Mr. PHILLIPS. The number of votes cast in that precinct were how many?

Mr. KERR. The tally sheet and the poll list say there were 458 votes cast.

Mr. PHILLIPS. I mean the actual votes that they say were 34 less always from beginning to end in the tally sheet.

Mr. KERR. Yes; more than that, because there were 62 people there who did not vote for anybody.

Mr. PHILLIPS. Admitting those 34 votes we will say were cast by somebody, how can gentlemen on the other side prove they were cast for him?

Mr. LAMNECK. I would like to ask how the gentleman explains the fact that the election officers in tallying those ballots showed there were 34 more votes than ballots after they were counted, because my vote is going to be determined on whether you can show that is the fact.

Mr. KERR. Our contention is that it was not a fact, because those same officers who made the poll list and tally sheet put every vote that was cast back into the ballot box into a retainer ballot box and sent it to the secretary of state.

Mr. LUCAS. Will the gentleman yield for a question?

Mr. KERR. No. I do not yield any further, Mr. Speaker.

Mr. GIFFORD. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, just a very brief outline of the case from me. There might be need of plain speaking in this case, but we are appealing to the fairness of the House. The Speaker has well stated the seriousness of the vote we are about to cast. A faithful, industrious, splendid man has served with us now for an entire session of Congress. I shall not bore for water, but he has proved himself all of that, and for your satisfaction it ought to be stated he has an abiding faith today in the fairness of this House and has asked for time that he may speak for himself. Politics do not seem to enter into his nature. I have been on this committee for many years. Usually the committee has been extremely fair.

The chairman and I are friends of long standing. I have great sympathy for him today in trying to bolster up a bad case. He has tried to set aside the election authorities of the State of New Hampshire. He made this remarkable statement to you, "That it was the duty of the contestee to prove that he was elected." Think of it. Why should Mr. Jenks have gone any further? He was declared elected from the State of New Hampshire. It is entirely up to the contestant to prove that the decisions rendered were not in fact rendered upon the evidence or otherwise erroneously made. Our chairman comes to this Congress with only 39,000 votes, and only 40,000 votes cast for congressional candidates in his congressional district. This man has had to reckon with 103,000 votes, yet the gentleman from North

Carolina [Mr. KERR] pleads with you to accept the determination of the ballot law commission on that part of their duty in which they insisted that the intent of the voter should be persuasive. The directory laws of the State of New Hampshire were set aside by them in counting the votes. When, if ever, 103,000 voters are recorded in Mr. KERR's district in North Carolina, I think we will hear a different argument. I think they would insist that the directory features of the law should be observed; he would urge that the votes of those people who do not know how to vote properly should not be counted. Yet he applauds the work of the ballot commission of New Hampshire in that respect, but when it comes to the missing ballots he does not applaud the ballot commission in their determination, although it was a unanimous decision. No. It makes a difference whose ox is gored, does it not?

Other speakers will talk about the law in the case. I am not a lawyer. I have had long experience with lawyers. Precedents can be glibly recited to bolster up both sides of a case. However, these 34 ballots were missing. If Mr. Roy's 100 ballots that he received in the town of Newton should have been found missing when the secretary of state finally opened the container, we would then hear a different story, would we not? That should be sufficient to abolish the argument about the ballots being kept inviolate. Of course, there was an opportunity to purloin 34 ballots. How would you enjoy having your ballots recounted under such conditions? One hundred and three thousand ballots scattered over a huge table and counted by people who had been working all the day and night before on other recounts, and where spectators were milling around?

We have had cases presented to us before where ballots have been recounted after that same manner. Certainly an opportunity to filch 34 ballots and hand them to a spectator is very possible. Do not say there was not opportunity. A thief is always cunning and it is difficult to actually see him in the act. Newton was the only place where there were missing ballots. There were many discrepancies, of course, but not missing ballots. If all the ballots were there, they might be the best evidence of the intent of the voter, but when they are not there it surely is not the best evidence, and other evidence must be relied upon.

If you are interested in precedents read the minority report and you will see where precedents have been cited to offset any presented by the other side.

I regret to mention this fact, but the House must have noted that after 3 or 4 days of evidence being taken and certain tie votes had been taken in the committee, then and then only the existing vacancy was filled. I can only say I am sorry for any Congressman who would be selected at such a moment and for such a purpose. I have very great appreciation for the gentleman from Oklahoma. He is brilliant. When he finally came on the committee I thought a whirlwind had struck us, and you will not be surprised at this because of the ability which he has shown in the last 3 years that he has been a Member of this body.

The first question I asked when the committee met on the case was: "Is this vacancy to be filled?" An evasive answer was given which made me feel that it was not to be filled. I do not question the motive, the honesty, or the fairness of the gentleman from Oklahoma. Open-minded? Of course he was! But I say it was an unfortunate position. I would hesitate to be selected under conditions like that. I would seem to be taken for granted.

Mr. LUCAS. Mr. Speaker, will the gentleman yield for a question?

Mr. GIFFORD. I have but 10 minutes. I have yielded a great deal of time to others. I would like to yield to the gentleman. This is a serious contest and I am withholding myself from my usual method of procedure in argument. My client, if I may call him such, has an abiding faith in the fairness of this House. I want to say nothing to prejudice his case in any manner. I simply plead for impartial judgment in his case. We must not arouse prejudice. Mr. Chairman, I reserve the balance of my time to be given to other speakers who have earnestly requested to be heard.

The SPEAKER. The gentleman from Massachusetts has consumed 9 minutes.

Mr. GIFFORD. Mr. Speaker, I yield 20 minutes to the gentleman from New York [Mr. WADSWORTH], who has a special message in this case in which the Members will be greatly interested.

Mr. WADSWORTH. Mr. Speaker, Members will realize by this time, I am sure, that the solution of this controversy must be found in the little town of Newton, N. H. May I sketch very briefly the events which led up to the Newton situation? As the gentleman from North Carolina has stated, a recount was held by the secretary of state upon the application of Mr. Roy. Upon that recount the vote was declared a tie. A certain number of ballots were protested and application was made to the Ballot Law Commission of New Hampshire, which is the highest body in that State to pass upon elections, to settle the matter. Upon that count, Mr. Roy was declared elected by 17 votes. The gentleman from North Carolina has told you that shortly thereafter, it being then about the middle of December, Mr. Jenks, or his representatives, appealed for another hearing before the ballot law commission.

The gentleman from North Carolina has criticized the gentleman from New Hampshire [Mr. Jenks], or his attorneys, for bringing up in that application for a second hearing, the alleged shortage of 34 votes from the Newton district. He criticized him for not having mentioned that fact before. I may say that the evidence shows that he could not have mentioned it before, because he did not know about it. The shortage was noted first, as I recollect, by a man named Esterbrook who noted in the newspapers that in the recount by the secretary of state 424 voters were accounted for but he remembered that 458 voters had voted in Newton. He called the attention of the Governor, or perhaps Mr. Jenks and his attorneys did so, and the Governor asked the ballot law commission to look into that. They did and reached a unanimous decision. This decision was joined in by Mr. Harry Lake, a Democrat, a well-known citizen of New Hampshire. They reached the unanimous decision that by some means or other it was actually the fact that 34 votes had been cast in Newton and yet not counted by the secretary of state when he opened that ballot box. The ballot law commission did not pretend to say what had become of those 34 votes, but it did say that 34 more ballots were put in that box on election day in Newton than were counted in the secretary of state's office at Concord, the State capital.

Mr. GAVAGAN. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. GAVAGAN. And is not that unanimous decision of the ballot law commission in conformity with the returns made by the tally clerks, one a Republican and one a Democrat, and with the tally sheet?

Mr. WADSWORTH. Yes.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield for a brief question?

Mr. WADSWORTH. Yes; but please be brief.

Mr. MURDOCK of Utah. What I am interested in and what I think others on this side are interested in is how can we tell for whom the 34 missing ballots were cast?

Mr. FORD of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I must proceed, but I yield for a brief question.

Mr. FORD of Mississippi. Can the gentleman inform the House whether or not the secretary of state of New Hampshire is a Republican or a Democrat?

Mr. WADSWORTH. He is a Republican.

Mr. HEALEY. Mr. Speaker, will the gentleman yield for one more question just to get this settled before he starts on the main part of his argument?

Mr. WADSWORTH. I yield.

Mr. HEALEY. No one, so far as I know, has ever seen those 34 ballots or ever counted them.

Mr. WADSWORTH. Yes; they have been seen. They were seen by the election officials of Newton.

Mr. HEALEY. How about the State ballot law commission and the secretary of state?

Mr. WADSWORTH. They were not seen by them; that is true. Now, I must proceed.

Mr. LUCAS. Mr. Speaker, will the gentleman proceed from that point and tell in his opinion what happened to the ballots from the time they were sealed at Newton until they got to the secretary of state's office?

Mr. WADSWORTH. I shall endeavor to trace them. And now, Mr. Speaker, I ask not to be interrupted.

The election board, as we call it in New York State—they may call it by another name in New Hampshire—which conducted the election at Newton was headed by an officer called the moderator.

The moderator at Newton was a Democrat, a man of high standing in the community. He is an elective officer. He is elected in the town. He had been moderator for several years. He was reelected and reelected, the people having complete confidence in him, although the town is strongly Republican.

Other members of the election board are the three selectmen elected in the town of Newton, as in all New Hampshire towns. Each party had two watchers present all the time.

Mr. PHILLIPS. Will the gentleman yield? Who appointed the watchers?

Mr. WADSWORTH. They were appointed by the respective political parties.

That accounts for 3 selectmen, 4 watchers, which makes a total of 9, the moderator, 10, and the town clerk, a lady by the name of Mrs. Hayford.

The total population of the town of Newton, as I recollect it, is 823 men, women, and children. It is a typical little New England town where everybody knows everyone else. Under the State law of New Hampshire it is the duty of the secretary of state to send, a certain number of days before election, the required number of ballots to every town and precinct in the State. The number is calculated by the secretary of state on the basis of the number of registered voters in each town.

On that basis the secretary of state sent in a sealed package 720 ballots to the town of Newton. The town clerk, Mrs. Hayford, testified she received that number of ballots, namely, 720, the legal number. Under the law of New Hampshire, when the voting is over, it is the duty of the town clerk and the election board to return to the secretary of state, after holding the box for a period, all the ballots that had been sent to the town—the voted ballots, the spoiled ballots, the unused ballots, all of them. Seven hundred and twenty were received at Newton, but when the secretary of state got them back there were only 686. There is one point. There is that difference in the first instance of 34 ballots—34 were missing.

Where were they? I cannot say. Neither can anybody in this case. That there were 34 missing there is not the slightest doubt.

Let us go into that election board room a moment. The voter presents himself at the polls. A man named Kelly, one of the election officials, greets him. To Mr. Kelly the voter gives his name. Kelly has the list of registered voters before him. Mr. Kelly calls off the name, for instance, "Arthur Abbott." The moderator hands Mr. Abbott the ballot. Kelly puts a check mark opposite Abbott's name. Abbott proceeds to the polling booth and votes his ticket, comes out of the booth, and there sits Mrs. Hayford, the town clerk, with another check list. His name is called again as he comes out, and it is announced, "Arthur Abbott has voted", and she puts a check mark opposite his name.

The testimony shows that Kelly at the entrance of the polls and Mrs. Hayford at the other end of the line, as it were, compared notes throughout the day to see if their lists checked with one another.

I have the two check lists here. Here is one of them. I have never seen a more carefully done job than this. The check marks are put opposite each name firmly, with uniform pressure of the pencil and with uniformity in the size of the check mark. There are 458 check marks on this check list, kept by Kelly, opposite the names of the people who voted. You will notice on this check list there are 19 checks in red ink or red pencil.

Those votes are not in this case at all, being those of absent voters, to whom a ballot had been mailed and who sent in their ballots. But under the law of New Hampshire absentee voters may vote only for Presidential electors and not for Congress or for any other local officer. So those 19 are out of this.

Subtracting the red-checked absentee voters, you will find 458 names checked on that check list. Just look that over and see if you ever saw a better job.

Let us take Mrs. Hayford's check list at the other end of the line. She checked at the left of the name. She also checked the absent voters. There were 458 names checked. Look this over. It is a most amazingly, carefully done thing. Look at the names of the people registered in that town, a typical old-fashioned New England community where everybody knows everybody else.

Can anyone say with any chance of being taken seriously that the 11 people on that election board made 34 identical mistakes? Can anybody contend that Kelly at one end of the line and Mrs. Hayford at the other end of the line made 34 identical mistakes and put on that list 34 people who did not vote? Why, it is impossible. The chances of such a thing happening are beyond all computation.

When the polls were closed the evidence shows that the first thing the board did was to compare those two check lists and that it reached the conclusion by the check lists that 458 people voted. The next thing they did was to take the ballots out of the box. They piled them in piles of 25 without unfolding the ballots, just to see how many ballots were in the box. They counted them, all 11 people being present.

On their first count they made it 460. They looked at the check lists and said, "There is something wrong. It is 2 out of the way." So one of the persons present, in the presence of all the others, started to count them all over again and he found an error of 2. The number of ballots was 458, conforming exactly with the two check lists.

Then they proceeded in accordance with law to open the ballots and count them for the several candidates. I have here the tally sheet kept just as neatly and carefully as an old New England conscience would see to it. I hold it up before you. Up here are the straight Republican ballots which were counted. They counted the straight ballots first, both Republican and Democrat. That is the custom I think in many election boards where we use paper ballots. Two hundred and thirty-five straight Republican ballots were taken out of that box. Over here, straight Democratic ballots—72. Of course, Jenks got 235 there and Roy got 72 over here, because they were all straight ballots.

Now we get down to the splits. Jenks received 61 votes on split ballots. His total, therefore, is 235 plus 61, which is 296. Roy had 72 straight ballots and received 28 split ballots, a total of 100.

Mr. THOM. Three hundred and ninety-six? Where are the rest of them? The gentleman has stated there were 458.

Mr. WADSWORTH. Yes. The others did not vote for these candidates, but voted for other candidates. The gentleman has asked me where the rest of the votes are. Of course, there were other candidates for Congress. The remainder voted for them or for no candidate.

Mr. THOM. Does the tally sheet show the votes for the independent candidates?

Mr. WADSWORTH. It does. It shows the whole thing. The gentleman can look at the tally sheet. The tally sheet gives the marking of the votes for Congress.

Mr. THOM. Yes, I know; but does not the tally sheet show the votes cast for those two independent candidates?

Mr. WADSWORTH. It does; if I can find it.

Mr. THOM. Perhaps I can find it, and the gentleman can go along with his statement.

Mr. WADSWORTH. Yes; here is the tally sheet.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Ohio.

Mr. LAMNECK. Was any evidence presented to show that any of the ladies and gentlemen checked on this check list did not vote although they were shown as voting?

Mr. WADSWORTH. No. Here is the part of this case which I do not approach with a great deal of pleasure. You will admit that this whole thing rests on how many people voted in Newton. Was it 458, as these check lists, the testimony of the inspectors, and the tally sheet all confirm, or was it 424, which is the number counted out of that Newton ballot box by the Secretary of State? That is the whole thing.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. In just a moment. I want to answer the question which has just been asked.

The gentleman from New Jersey [Mr. WOLVERTON], the gentleman from Massachusetts [Mr. GIFFORD], and I, wanted to find out the absolute truth about this thing, regardless of the unanimous decision of the Ballot Law Commission in New Hampshire, and moved and urged that the committee either with its own members or by accredited representatives, proceed to the town of Newton. All we would have to do would be to call on 458 people, whose names we have. We could call on them and ask the simple question, "Did you vote?" Not "How did you vote?" but "Did you vote?" Then we would know, would we not?

Mr. KERR. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the chairman of the committee.

Mr. KERR. Did not the contestee in this case, Mr. Jenks, have an opportunity when the evidence was taken, to call all of these people and ask them why they did not vote?

Mr. WADSWORTH. The chairman of the committee persists in contending that the burden is on Jenks. It is not. The burden is on Roy. If Roy doubted that 458 people voted in Newton, as found by the commission, why did he not go up there and disprove it?

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. O'CONNOR of Montana. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Montana.

Mr. O'CONNOR of Montana. As I understand the argument of the gentleman, and I have a lot of faith in it, we are short 34 ballots?

Mr. WADSWORTH. Yes.

Mr. O'CONNOR of Montana. In order to unseat this man are we not called upon to assume that these 34 ballots were cast for the other man?

Mr. WADSWORTH. No.

Mr. O'CONNOR of Montana. Is not that the case?

Mr. WADSWORTH. Without these 34 ballots, Jenks is not elected.

Mr. O'CONNOR of Montana. That is what I say, in order to unseat him we must assume that the 34 missing ballots were cast for the other man.

Mr. WADSWORTH. No. Let me put it this way. The ballot law commission decided that 458 people voted in Newton. This having been decided, the only evidence as to who got those 34 votes is the tally sheet, and there you are. We have the names of every voter and we have the tally sheet, conforming exactly with the total number of names of voters.

As contributory evidence, let me remind you of this. Thirty-four ballots were missing from that box somehow or other. Roy did not lose a vote. He had 100 on the recount, as he had in the Newton election returns. Jenks lost 34, and every other Republican candidate on the ticket lost 34, 33, or 32.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. NICHOLS. Can the gentleman from memory remind me of the place in the hearings where the evidence appeared that votes were missing for candidates other than candidates for Congress? The evidence is probably in there, but can the gentleman call it to my attention?

Mr. WADSWORTH. I cannot call the page, but such evidence was given.

Mr. NICHOLS. I just do not recall the evidence.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Massachusetts.

Mr. HEALEY. With how many votes was Jenks credited by the ballot law commission? Two hundred and ninety-six votes for him are shown on the tally sheet.

Mr. WADSWORTH. Yes.

Mr. HEALEY. How many votes did the ballot law commission credit him with having received?

Mr. WADSWORTH. In its final decision?

Mr. HEALEY. Yes.

Mr. WADSWORTH. Two hundred and ninety-six.

Mr. HEALEY. But previous to that time?

Mr. WADSWORTH. In the previous decision, 34 less than that; that is, before the discrepancy in Newton was discovered.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The gentleman has stated there were 11 persons who were conducting and supervising the election. Has their testimony appeared in the record?

Mr. WADSWORTH. Their testimony was taken by the ballot law commission in its final examination of the Newton situation and every one of them testified just as I have told the story.

Mr. ROBSION of Kentucky. Democrats and Republicans.

Mr. WADSWORTH. Democrats and Republicans, unanimously, and the presiding officer, the moderator, was a Democrat. They all insist that 458 people voted and they knew every one of them and checked their names.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUCAS. Will the gentleman trace now at this point what happened to the ballots from the time they were sealed and left the town clerk's office until they went from the town clerk's office to the office of the secretary of state, because that is an important link.

Mr. WILCOX. Mr. Speaker, will the gentleman yield before he begins tracing that?

Mr. WADSWORTH. I cannot answer two questions at once.

Mr. WILCOX. This is in that same connection. Did I understand the gentleman to say that those conducting the election piled the ballots up in piles and found that the exact number was in the ballot box that was reported on the tally sheet?

Mr. WADSWORTH. That is true.

Mr. WILCOX. And the 34 ballots disappeared after that?

Mr. WADSWORTH. After that.

Now, after the votes were all counted, checked, and double checked, and the tally sheets kept and the returns telephoned or telegraphed to Concord, as is the custom—"Newton votes so and so"—the ballots were put back into the box and the box was sealed, and the seal was signed by five of the election officers. Then under the law it was put in the custody of the town clerk, Mrs. Hayford. She took it to her

house. It must be held there under the New Hampshire law for a given period of time, in order to give candidates an opportunity to get a recount. A recount was demanded, the secretary of state sent to Newton and to all the other towns and precincts for all the boxes and the Newton box arrived with the rest.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. Not just now.

The box was opened along with many other boxes. What degree of confusion existed there, it is very, very difficult to decide. There was great excitement about this case, tremendous excitement. The room was filled with people, the testimony indicates that the counters employed by the secretary of state sat around a horseshoe table and inside the horseshoe, as it were, spectators were present. I am not sure there was actual disorder. One man was requested to leave for some reason or other; perhaps, he threatened to make a row. The ballots were all piled on that table and the whole 103,000 were counted. It was not noticed in that recount, which was the first one, that 34 ballots were missing from Newton. No one knows where they are today, but that they were actually cast no sensible man can deny when you look at these two check sheets and the tally sheet; and in view, also, of the fact that while the secretary of state sent 720 ballots to Newton, only 686 were returned; 34 missing. The ballot law commission in its final decision, unanimously reached, said 34 ballots were missing, and that they belonged to Jenks in accordance with the tally sheet record. That is the whole thing.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUCAS. I would call the gentleman's attention to the fact that the evidence from the record discloses that when the ballots in question left the polling place and went to the town clerk's home the ballots remained in her home for a period of 12 days; that the town clerk was a widow who had one boarder living at her home; that there was plenty of opportunity for individuals to come and go in that house; and the testimony shows that she did leave the place alone at various times, and these ballots were in a pasteboard box in a small cupboard or room there that was accessible to anyone that may have come into that particular place. It would have been a simple matter for unscrupulous individuals to have tampered with the ballots while in her possession. In the election cases I have had as a lawyer the trouble usually has centered around the town clerk's office, because of the lack of proper facilities to adequately protect them. Under the proof in this record, I submit the tally sheets are better evidence than the ballots.

I further submit that the case of *Haley* v. *Reidelberger*, which was decided by the Supreme Court of Illinois, and cited by the gentleman from North Carolina [Mr. KERR], should be read in full by every Member, and you will find that our courts have laid down the rule that to entitle the ballots to overcome the returns he must show that they have been so kept that there was no reasonable opportunity to tamper with them, otherwise their effect as evidence is destroyed (*Struberger* v. *Ownly*, 290 Ill. 380; *Haley* v. *Reidelberger*, 340–158).

I hope that if the resolution is recommitted that the committee will carefully examine this point from the standpoint of evidence surrounding the ballots in the town clerk's home during the 12 days they were in her home.

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Speaker, my friend the gentleman from New York [Mr. WADSWORTH] has made a very ingenious argument. I have the highest regard for the Senator's ability and for his integrity and for his ability to make an appealing statement.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Texas. Not at this time, please.

The gentleman states that it is almost physically impossible or humanly impossible for anyone to doubt that these 34 votes were cast. He bases his argument upon the tally sheets. The evidence shows beyond any shawod of a doubt that over three-fourths of the returns from each voting precinct in that congressional district were in error to some degree. I want to know, if these votes were cast, where in the world are they now, and name some one or call any one of those election judges by name who said that he or she ever saw a single one of them.

Now, here is what the evidence shows and I challenge anyone on this side or anyone on that side to disprove it. Those election judges said that every vote that was cast in that election was placed in that box and, furthermore, they said that they placed a seal about 4 by 10 inches on that box. Where? Over the cord that tied the box. What else did they say? "Each one of us signed our name on that seal", and what further evidence do we have? Each one of them further testified that when the votes were counted at the secretary's office, the seal had not been disturbed, and "our signatures were identically as we placed them on there and so was the seal in its identical spot." They further testified that it would be an almost physical impossibility to remove that seal because they put some extra type of glue on it. That is conclusive.

Let me show you the defect in my friend's argument. He says why did not the contestant go out to voters in that community of Newton and ask these 458 alleged voters how they voted.

Mr. WADSWORTH. Oh, no. I said to ask them if they voted.

Mr. THOMAS of Texas. Then the gentleman invites every one of them to impeach his ballot and, of course, they would not do that. I will show you why he did not do it. It was the contestees' duty to do it. The ballot commission on two different occasions declared the contestant the winner, on two separate and distinct counts, and some 10 days after the ballot law commission had declared Mr. Roy the winner, somebody did some second guessing, did they not? Ten days after that it was the gentleman's side that then for the first time recollected that there was a discrepancy in the Newton box. Ten days later somebody did some second guessing, and if it was thought there was any irregularity at that time it appears to me that the reasonable and logical thing to have done would be for the contestee to have gone into Newton and made some investigation, and yet he did not do it.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Texas. Yes.

Mr. WADSWORTH. Would the gentleman be willing that the committee do that now?

Mr. THOMAS of Texas. Why, I have no objection to that, if it is in any way practical, but the gentleman knows that that would not work.

Mr. WADSWORTH. It would be practical. We have the names of every one of those people.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Texas. Yes.

Mr. KITCHENS. Does the record show the names of the voters who cast their votes in that election in Newton?

Mr. THOMAS of Texas. No.

Mr. KITCHENS. Then there is no way to tell how one voted at all?

Mr. THOMAS of Texas. None whatever. It would be just inviting every man to impeach his own ballot when you went in there.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Texas. Yes.

Mr. McCORMACK. With reference to the 34 missing ballots——

Mr. THOMAS of Texas. I do not like to say that they were missing. I do not think they were cast.

Mr. McCORMACK. The ballot law commission must imply the infallibility of those ballots in order to seat Mr. Jenks.

Mr. THOMAS of Texas. They just said, "Here are 34 votes that no one has ever seen"; and, Mr. Speaker, let me say that the election machinery, from top to bottom, from the humblest precinct election machinery up to the highest, the majority of the personnel of that organization was predominantly Republican, and now they come in and say that 34 votes were cast, and no living human has testified to that directly, no living human has seen one of those votes, much less 34 of them; and now at this late date they come in and say, even though no one has ever seen them, all 34 of them were Republican votes. Mr. Speaker, that taxes my credulity.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Texas. Yes.

Mr. BULWINKLE. Will the gentleman please tell me this: Is it so, as the gentleman from New York [Mr. WADSWORTH] says, that the election officials checked those ballots first and found there were 460, and then rechecked them and found 458 when they put them in the box?

Mr. THOMAS of Texas. Oh, I do not mean that there was anything dishonest about the matter and nobody has ever alleged dishonesty. Human beings make errors, and that is what happened in this case because the ballot box itself shows somebody made an error.

Mr. BULWINKLE. Is that the fact?

Mr. NICHOLS. That is in the evidence.

Mr. THOMAS of Texas. I may have misunderstood the gentleman's question.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. GIFFORD. Mr. Speaker, I yield 18 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

ROY V. JENKS ELECTION CONTEST CASE FOR MEMBER OF CONGRESS FROM FIRST DISTRICT OF NEW HAMPSHIRE

Mr. WOLVERTON. Mr. Speaker, the election contest case now before the House for its decision is the result of a petition filed by Alphonse Roy, Democrat, to set aside a duly authenticated certificate of election awarded, in conformity with law by the Governor of the State of New Hampshire, to Arthur B. Jenks, Republican, as Representative of the First Congressional District of New Hampshire.

Prior to the issuance of such election certificate the result of the election, which had been held on November 3 last in the first congressional district had been questioned. In accordance with the procedure provided by the laws of the State of New Hampshire the result of the election was finally determined by the State ballot commission after recounting the ballots and giving full consideration to the respective claims of the contestants through their legal representatives.

STATE BALLOT COMMITTEE DECIDES IN FAVOR OF JENKS

The decision of the State ballot commission, the highest tribunal in the State of New Hampshire for this purpose, and therefore the court of last resort in said State, awarded the election to Arthur B. Jenks, he having received a majority of the votes cast at said election, and declared him entitled to represent the First Congressional District of New Hampshire in the House of Representatives.

In accordance with this finding by the State ballot commission, and in compliance with the law of the State, the Governor of New Hampshire issued in due form to Arthur B. Jenks a certificate of election. Upon the basis of this duly authorized and authenticated certificate the House of Representatives accepted Mr. Jenks as a Member of this body and he has served with honor and distinction throughout the present session until this time.

HOUSE ELECTION COMMITTEE SETS ASIDE DECISION OF STATE BALLOT COMMISSION

The question of his continued membership is now before this House for decision. The Committee on Elections No. 3, has rendered a report that sets aside the orderly procedure that was followed in the State of New Hampshire to determine the person entitled to represent the first congressional district in this House and recommends that the seat now held in this House by Arthur B. Jenks be taken from him and given to Alphonse Roy.

QUESTION INVOLVES RIGHT OF PEOPLE TO HAVE REPRESENTATIVES OF THEIR OWN CHOOSING

The question that is raised by the committee action extends beyond the mere personal rights or privileges of the two individuals concerned in this contest and becomes important and far reaching because it directly involves the right of all the people of the First Congressional District of New Hampshire to have the person of their own choosing to represent them in the House of Representatives. This is a fundamental right of the people of every congressional district. In this case the choice of the people has been ascertained and determined, after full and fair hearing in the manner provided by the laws of New Hampshire, by the duly authorized body for that purpose in the State of New Hampshire.

A full and fair consideration of the evidence produced before the State ballot commission and the Elections Committee of this House, does not reveal any reason, either in fact or law, that justifies the setting aside of the findings of the highest election tribunal in the State of New Hampshire awarding the seat in Congress, now under contest, to Mr. Jenks. There is every reason, however, to justify the findings and entitle them to be given full faith and credit by this House, and thereby establish the right of Mr. Jenks to continue to occupy the seat now held by him.

NO PARTISAN CONSIDERATION SHOULD BE PERMITTED TO DICTATE THE DECISION

In presenting my views and conclusions as a member of the committee that has had this contest under consideration, I realize that I am addressing a House that is overwhelmingly Democratic. There are only 88 Republicans in the House out of a total membership of 435. And, after making further allowance for the Progressives and Farmer-Laborites who hold membership in the House, the Democratic Party has at the present time 330 Members. Therefore, it can be readily seen that if this question is decided upon a partisan basis, Mr. Roy, the Democratic candidate, will be seated, and it is folly for me to take the time of the House in presenting my thoughts and the judgment I have reached that is contrary to the views of the Democratic majority of the committee, and whose views, if adopted, will deny to Mr. Jenks the right to sit as a Member of this House.

It is my intention, notwithstanding the hopelessness of the case if it is to be decided upon a partisan basis, to present my thoughts to you in the hope that the spirit of fair play and impartiality that has characterized both Democratic and Republican Houses of Congress in the past when considering election contests will prevail today. If such is the case, then all thought of partisanship will be displaced and a judicial attitude commensurate with the dignity of this House will prevail. Not only the dignity of the House, but also the overwhelming strength of a vast Democratic majority might properly and reasonably dictate such a course as the proper attitude of a political party numerically strong to an opponent numerically weak.

IN PAST JUDICIAL ATTITUDE HAS PREVAILED

An examination of the records of contested-election cases in this House shows that for more than a quarter of a century, with a few exceptions, very few in fact, the action of this House in deciding these cases has been upon a judicial rather than a partisan basis.

The following table of cases from the Sixtieth to the Seventy-fourth Congresses, inclusive—1907–37—illustrates graphically their nonpartisan disposition. Those upon which action was taken unanimously are indicated thus: (U).

Congress	Report	House control	Case	Committee report favored	House action favored
Sixtieth	No. 1778	Republican	Michalek (R.) v. Sabath	Sabath	Democrat.
Do	No. 1817, 1818, 1819	do	3 South Carolina Cases [1]	Sitting Members	Democrat (U.).
Do	No. 2246	do	Larrenzola (D.) v. Andrews (R.)	Andrews	Republican (U.).
Sixty-first	No. 1565	do	Galvin (R.) v. O'Connell (D.)	O'Connell	Democrat (U.).
Do	No. 1566	do	Warmoth (R.) v. Estopinal (D.)	Estopinal	Do.
Do	No. 1638, 1639, 1640	do	3 South Carolina Cases [2]	Sitting Members [1]	Democrat.
Sixty-second	No. 1148	Democratic	Priolean (R.) v. Legare (D.)	Legare	Democrat (U.).
Do	No. 1168	do	Maurer (D.) v. Bartholdt (R.)	Bartholdt	Republican (U.).
Do	No. 1195	do	Crowley (D.) v. Wilson (R.)	Wilson	Do.
Do	No. 1203	do	Murphy (D.) v. Haugen (R.)	Haugen	Do.
Do	No. 1229	do	Wiley (D.) v. Hughes (R.)	Hughes	Do.
Do	No. 1523	do	Bonniwell (D.) v. Butler (R.)	Butler	Do.
Sixty-third	No. 629	do	Gill (D.) v. Dyer (R.)	Gill	Democrat. [3]
Sixty-fourth	No report	do	Donovan (D.) v. Hill (R.)	Hill	Republican (U.).
Do	do	do	Horgan (D.) v. Tinkham (R.)	Tinkham	Do.
Do	No. 1034	do	Priolean (R.) v. Whaley (D.)	Whaley	Democrat (U.).
Do	No. 1326	do	Brown (D.) v. Hicks (R.)	Hicks	Republican (U.).
Sixty-fifth	No. 194	do	Beakes (D.) v. Bacon (R.)	Beakes [4]	Democrat (U.).
Do	No. 595	do	Steele (D.) v. Scott (R.)	Scott	Republican (U.).
Do	No. 837	do	Wickersham (R.) v. Sulzer (D.)	Wickersham	Republican. [5]
Do	No report	do	Davenport (D.) v. Chandler (R.)	Chandler	Republican (U.).
Sixty-sixth	No. 3202	Republican	Farr (R.) v. McLane (D.)	Farr	Republican. [6]
Sixty-seventh	No. 498	do	Rainey (D.) v. Shaw (R.)	Shaw	Republican (U.).
Sixty-third	No. 158	Democratic	Whaley (D.) (charges.)	Whaley [3]	Democrat (U.).
Sixty-second	No. 1142	do	Gill (D.) v. Catlin (R.)	Gill [3]	Democrat. [3]
Sixty-fourth	No. 619	Republican	Gaylord (D.) v. Cary (R.)	Cary	Republican (U.).
Sixty-second	No. 1136	Democratic	Jodoin (D.) v. Higgins (R.)	Higgins	Do.
Sixty-third	No. 202	do	Carney (D.) v. Smith (R.)	Smith	Do.
Do	No. 2640	do	MacDonald (Pr.) v. Young (2) [7]	MacDonald	Progressive (U.).
Sixty-fifth	No. 1115	do	Britt (D.) v. Weaver (R.)	Weaver	Republican. [3]
Sixty-sixth	No. 376	Republican	Tague (D.) v. Fitzgerald (D.)	Tague [3]	Democrat. [3]
Sixty-first	No. 1702	do	Smith (R.) v. Webb (D.)	Webb	Democrat (U.).
Sixty-second	No. 1182	Democratic	McLean (D.) v. Bowman (R.)	Neither [8]	
Sixty-fourth	No. 1325	Republican	Cantow (D.) v. Siegel (R.)	Siegel	Republican (U.).
Sixty-seventh	No. 1500	do	Golumbiewske (R.) v. Rainey (D.)	Rainey	Democrat (U.).
Sixty-second	No. 1525	Democratic	Hawkins (R.) v. McCreary (D.)	McCreary	Do.
Sixty-fourth	No. 1003	Republican	Davis (R.) v. Williams (D.)	Williams	Do.
Sixty-sixth	No. 1319	do	Wickersham (R.) v. Grigsby (D.)	Wickersham [3]	Republican. [6]
Sixty-seventh	No. 1308	do	Gartenstein (R.) v. Sabath (D.)	Sabath	Democrat (U.).
Do	No. 1415	do	Parillo (R.) v. Kunz (D.)	Kunz	Do.
Do	No. 281	do	Bogy (R.) v. Hawes (D.)	Hawes	Do.
Sixty-fifth	No. 1074	Democratic	Gerling (D.) v. Dunn (R.)	Dunn	Republican (U.).
Sixty-sixth	No. 961	Republican	Salts (R.) v. Major (D.)	Major	Democrat (U.).
Sixty-seventh	No. 453	do	Kennemer (R.) v. Rainey (D.)	Rainey	Do.
Do	No. 882	do	Campbell (R.) v. Doughton (D)	Doughton	Undecided. [10]
Do	No. 1101	do	Paul (R.) v. Harrison (D.)	Paul	Republican. [11]
Sixty-eighth	No. 224	do	Chandler (R.) v. Bloom (D.)	Chandler	Democrat. [12]
Do	No. 367	do	Clark (R.) v. Moore (D.)	Moore	Democrat (U.).
Do	No. 722	do	Gorman (R.) v. Buckley (D.)	Buckley	Do.
Do	No. 756	do	Ansorge (R.) v. Weller (D.)	Weller	Do.
Do	No. 1082	do	Frank (D.) v. LaGuardia (R.)	LaGuardia	Undecided. [10]
Sixty-ninth	No. 1450	do	Bailey (D.) v. Walters (R.)	Walters	Republican (U.).
Do	No. 858	do	Sirovich (D.) v. Perlman	Perlman	Do.
Seventieth	No. 717	do	Clark (D.) v. White (R.)	White	Do.
Do	No. 787	do	Hubbard (D.) v. LaGuardia (R.)	([13])	([13]).
Do	No. 1181	do	Taylor (D.) v. England (R.)	England	Republican (U.).
Do	No. 664	do	Wefeld (F. L.) v. Selvig (R.)	([13])	([13]).
Seventy-first	No. 648	do	Wurzbach (R.) v. Palmisano (D.)	Wurzbach	(?).
Do	No. 1901	do	Hill (R.) v. Palmisano (D.)	Hill	Undecided. [10]
Do	No. 1814	do	Lawrence (R.) v. Milligan	Milligan	Democrat (U.).
Seventy-second	No. 778	Democratic	Kunz (D.) v. Granata (R.)	Kunz	Democrat. [9]
Do	No. 1264	do	Kent (D.) v. Coyle (R.)	Coyle	Republican (U.).
Do	No. 1288	do	O'Connor (R.) v. Disney (D.)	Disney	Democrat (U.).
Seventy-third	No. 695	do	Bowles (R.) v. Dingell (D.)	Dingell	Do.
Do	No. 1725	do	Brewster (R.) v. Utterbach (D.)	Utterbach	Democrat.
Do	No. 930	do	Casey (D.) v. Turpin (R.)	Turpin	Republican (U.).
Do	No. 1278	do	Chandler (D.) v. Burnham (R.)	Burnham	Do.
Do	No. 1305	do	Ellis (D.) v. Thurston (R.)	Thurston	Do.
Do	No. 894	do	Fox (D.) v. Higgins (R.)	Higgins	Do.
Do	No. 893	do	Gormley (D.) v. Goss (R.)	Goss	Do.
Do	No. 1306	do	Lovette (I. R.) v. Reece (R.)	Reece	Do.
Do	No. 1298	do	McAndrews (D.) v. Britten (R.)	Britten	Do.
Do	No. 696	do	Reece (D.) v. Ellzey	Ellzey	Democrat. [3]
Do	No. 694	do	Shanahan (D.) v. Beck (R.)	Beck	Republican (U.).
Do	No. 1494	do	Weber (D.) v. Simpson (R.)	Simpson	Do.
Seventy-fourth	No. 2796	do	McCandless (D.) v. King (R.)	King	Do.
Do	No. 2131	do	Miller (D.) v. Cooper (R.)	Cooper	Do.

[1] 3 cases considered together.
[2] Minority views.
[3] Gill seated on 2 record votes.
[4] Contestee unseated.
[5] Republican seated in Democratic House.
[6] Party vote.
[7] Contestee admitted defeat.
[8] Both parties Democrats.
[9] Republican unseated; Democrat seated.
[10] Sitting members retained seats.
[11] Party vote.
[12] Democrat seated in Republican House.
[13] Withdrawn.

It will be seen that during a period of 30 years covering 15 Congresses, 77 contested-election cases were brought, 2 were withdrawn, 58 were decided by the House unanimously, 3 were undecided.

Only eight cases could be said to have been decided on partisan grounds.

Of the 58 cases decided unanimously, 17 Democrats and 1 Progressive were sustained in a Republican House, 23 Republicans were sustained in a Democratic House, 8 Republicans in a Republican House, and 7 Democrats in a Democratic House.

These facts show pretty conclusively that in the consideration of contested-election cases in more recent years they have been decided judicially. There is less ground, if any, in the present House with its overwhelming Democratic majority, for partisan action.

During my examination into the precedents established in election-contest cases I have observed the attitude that has characterized the gentleman from New York [Mr. GAVAGAN], chairman of one of the election committees of this House, in his conduct of these election-contest cases when referred to his committee. At all times he has assumed a judicial, rather than a partisan, attitude. I have such confidence in him and the honesty of his judgment I would be willing if I were a contestant or contestee, to abide by his personal judgment. I, as a Republican, pay that tribute to a

Democrat. I am certain if this case had been referred to his committee Mr. Jenks would be seated.

It is because of this record of the past that shows such few instances of partisan action that I assume to present the views that seem to me would justify this Democratic House in seating Mr. Jenks.

I am confident that if you consider all the facts as well as the law applicable to this case and no feeling of partisanship is permitted to influence or control your judgment, that you will find abundant reasons to justify you in refusing to follow the report of the committee that would deny to Mr. Jenks the seat in this Congress to which he was elected and entitled to under all the rules of the game.

COMMITTEE ACTION

I am fully aware of the difficulty that is presented to anyone who attempts to have the membership of the majority party take any action contrary to the recommendation of a committee. This custom in the House is based upon the theory that the committee has had a greater opportunity to study the question that constitutes the subject matter of the report. This, however, applies more particularly to subjects of legislation than to contested-election cases, as will be seen by a reference to the many instances in which the House has disregarded election-case recommendations by a committee and decided the particular case upon a basis that seemed fair and honorable to the House. It is with this thought in mind that I desire to lay before the House membership facts and circumstances that justify the rejection of the committee report in order that justice may be done to the gentleman who is now the sitting Member from the First Congressional District of New Hampshire.

PRINCIPAL ISSUE

There are two issues to be decided in this case. One relates to the improper marking of certain ballots, sufficient in number to change the result of this election, and the other relating to the status to be accorded to 34 missing ballots, likewise sufficient to change the result of the election. The latter is probably the principal issue in this case, because it has received more attention than the first which I have just mentioned. For the reason that it has received more attention than the first, I will direct my immediate attention to it.

The State Ballot Commission of New Hampshire confonted with this issue, namely, whether 34 ballots were missing from the total cast in the town of Newton, and, if so, then for whom should they be counted, after consideration of all the facts unanimously determined that the 34 ballots had been cast and were then missing from the total number of ballots cast in the town of Newton. The ballot commission further unanimously determined from the tally sheet containing the result of the election in Newton that the 34 ballots had been cast for Mr. Jenks. Upon this finding the State ballot commission determined unanimously that Mr. Jenks had received a majority of all the votes cast in the election and was the duly elected Representative of the First Congressional District of New Hampshire. Thereupon the Governor and his council issued a certificate of election to the House of Representatives. Mr. Jenks was permitted to take his seat as a Member of the Seventy-fifth Congress and has served as such since the convening of Congress on January 5 last.

It is interesting to note that the State ballot commission, the final tribunal in the State of New Hampshire and which determined the contest in favor of Mr. Jenks, is a nonpartisan commission. It is composed of one Democrat, one Republican, and the attorney general of the State.

The contestant, Mr. Roy, took exception to the ruling of the State ballot commission and filed a notice of contest in this House. The majority of Elections Committee No. 3 of the House has upheld his protest and decided in his favor. The recommendation of the committee being that Mr. Jenks be unseated and that Mr. Roy be granted the same. The decision consequently sets aside the determination heretofore made by the State Ballot Commission of New Hampshire.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. COLE of Maryland. The gentleman from New Jersey is an eminent lawyer, one of the best in this House. Assuming that a recount by personal contact with the Newton voters is made, which the gentleman contends for, would support the theory that 34 additional votes were actually cast, I would like the gentleman to discuss, if he has time, this question from a legal standpoint, because as I understand the cases from Illinois and Arkansas which were cited in the majority report, even though those facts would be present, they would still contend that the controlling factor would be the ballot box itself; while, on the other hand, the gentleman takes a different legal view.

Mr. WOLVERTON. I have the gentleman's question. The cases to which the gentleman has referred and to which the majority report refers do not hold what the gentleman thinks they hold. In other words, those cases were predicated upon the finding that there had been no tampering with the ballots. Now, as there is proof in this case that the ballots had been tampered with, of course the principle of law referred to in those cases does not apply to this case. If there has been tampering with the container and 34 of the votes have been taken out of the container, then it is not a true picture of the actual votes cast. The cases are abundant that sustain the principle with the qualification I have mentioned. Under the circumstances the official tally sheets and the check list kept by the local election officers constitute proper evidence to be considered in determining the number of persons who voted.

BASIS OF COMMITTEE DECISION

The majority of the Election Committee has based its decision on the fact that as 34 ballots were not in existence at the time of the recount the State ballot commission had no right to determine that they had ever been in existence. They held their absence at the recount was evidence they had never existed, and therefore could not be counted for Jenks, even though the local tally sheet at Newton, kept in accordance with the requirement of law, showed that the 34 ballots had been voted in favor of Mr. Jenks.

MINORITY VIEWPOINT

The Republican minority members of the Election Committee claim, that as the undisputed proof before the committee shows that these 34 ballots were actually voted and actually counted by the local board of elections in Newton, that the State ballot commission and this House, as judge of the election of its own Members, is justified in counting these 34 ballots for Mr. Jenks, and, in fact, is in duty bound to do so. To do otherwise is to disfranchise the 34 voters whose ballots, through no fault of their own, have been lost, strayed, or stolen, and to deny to the citizens of the First Congressional District of New Hampshire the right to have the Representative of their own choosing.

FACTS SUSTAIN MINORITY VIEWPOINT

It will be readily seen that the essential fact to be established that justice may prevail for either of these contending parties, is first and foremost, whether the 34 votes were actually cast.

The evidence in this respect produced before the committee does not admit of contradiction. It has not been disputed by contestant, Mr. Roy, nor has it been in any sense denied, weakened, or any doubt cast upon it. It can be taken as an established fact in this case that the 34 ballots were actually cast in the election.

The fact that these 34 ballots were cast in the election is established by the uncontradicted testimony of all the nine election officials who participated in conducting the election at Newton. Some of them were Democrats and some were Republicans. No one was produced by contestant, Mr. Roy, to dispute, contradict, or in any manner whatsoever change the facts established by their testimony. In all my practice at the bar for over 30 years I have never seen any fact more completely and satisfactorily established than the essential

fact in this case, namely, that the 34 ballots afterward missing had been cast in the election for Mr. Jenks.

These nine election officials, some Democrats and some Republicans, unanimously under oath swore that the ballots had been cast and were counted by them for Mr. Jenks as appeared by two separate tally sheets, one of which had been filed with the State librarian, as required by law, immediately after the election and before any question of missing ballots had been raised or any contest contemplated. This evidence, as I have previously stated, was never contradicted or even disputed.

Furthermore, the election officials in this little town of Newton were of a type that commanded the respect and confidence of the citizens of Newton. One of these election officials had served as such for 40 years. Another for 17 years. The moderator, or judge of election, who had charge of its proper conduct was a Democrat. His reputation for decency, honesty, and integrity was such that he had been elected to this office for many years although it was a Republican community. Something of his standing can be understood when it is realized that at the very election, the result of which is now in dispute, he was a Democratic candidate for member of the general court. Certainly self-interest if no higher motive was present to see that the election was conducted fairly and honestly. Three of the other election officers were selectmen in the town of Newton, having been elected to that office by the citizens of Newton, and because of such became election officials as well for Newton. The town clerk, a kindly widow, who as such town clerk kept the tally or tabulation of votes as designated to do by the law of New Hampshire. She likewise was an elected official and had served for something like 14 years. She has the confidence and respect of her fellow citizens like no other in the whole town. No act of hers has ever been questioned nor her integrity in the performing of her public duties a subject of suspicion. The remaining election officials consisted of four inspectors or clerks, two Democrats and two Republicans, each of whom were selected by the voters of their respective parties in the manner provided by the law of New Hampshire.

Thus, it can be seen that this board of nine election officials charged with the proper conduct of the election were far and above the average and of a kind that would naturally instill confidence and belief in their honesty, integrity, and ability. Nothing can more surely establish the uprightness and honesty of the election results tabulated by this board of election and publicly announced on election night immediately after the completion of their duties, and filed with the State officials as required by law by the first mail leaving Newton following the close of the election.

Is it any wonder that the State ballot commission was willing to accept the tabulation of results made and filed by this board in accordance with the provisions of the law of New Hampshire? What I cannot understand is the unwillingness of the majority members of the House Election Committee to deny the request of Mr. Jenks that these election officials be brought to Washington for examination to again, if necessary, establish the essential facts in this case first hand. Nor would the majority members do so upon motion of the minority members. Failing in this, the minority sought to have the moderator, a Democrat, and the town clerk, a Republican, subpenaed to come to Washington and again swear to the facts. This likewise was voted down by the majority members. It was also proposed that the committee or designated members of the committee go to Newton and take testimony. This was denied, as was also the motion of the minority that the testimony be taken in Newton of the citizens whose names appeared on the voting list as having voted in order that it might be ascertained beyond any doubt, with first-hand testimony, as to whether the 34 who were alleged to vote had, in fact, voted. The testimony could have been taken in 2 or 3 hours of time once the committee or its designated agent went to Newton. This one act would have settled beyond any quibbling the right and justice in this case. Mr. Jenks sought through his legal representative to have the committee take such action, and the minority members likewise sought to have the committee do so, but, in each instance, the majority members of the committee voted against it. This action of the committee cannot, in my opinion, be justified upon any fair or impartial basis. It indicated clearly an intention to decide this case without regard to the evidence that was procurable and that would establish beyond any possibility the truth of the testimony given by the election officers and thereby the right and justice of Mr. Jenks' claim to the seat in Congress he is now occupying.

BRIEF STATEMENT OF ESSENTIAL FACTS—(1) 720 BALLOTS SENT TO NEWTON

Under the law of New Hampshire the secretary of state was required to send 720 ballots for the election in the town of Newton. He testified that he had caused the same to be done. The printer testified that such number had been printed, sealed, endorsed, and sent to the town clerk. The latter and other election officials testified to having received the package of 720 ballots.

(2) MANNER OF CONDUCTING ELECTION

Prior to election day a registry of persons entitled to vote in Newton had been prepared by the proper officials and given the publicity required by law. It showed 579 persons entitled to vote.

On election morning when the polls opened this official list of registered voters was in the pelling booth in the custody of the town clerk as required by law. A duplicate copy was in the possession of another election official of opposite political faith to the town clerk.

After ascertaining that the correct number of ballots were on hand together with the registry of persons entitled to vote the polls were declared open by the moderator, or judge of election, a Democrat who had been elected to that important office for a considerable number of years immediately prior to this election. There were nine different election officials having charge of conducting the election in Newton. Some were Republicans and some Democrats. Five of them were duly elected town officials and the remaining four were selected by the Republican and Democratic Parties in the manner provided by law. One of these officials, as I have already said, had acted as an election official for 40 years, another 17 years, another 14 years, and practically all of them a substantial number of years.

When a prospective voter appeared his or her name was publicly announced, whereupon the clerk would place a check mark opposite the name on the registry list indicating that the voter had appeared in person to vote. A ballot was then given to the voter by another of the election officials. The voter would then enter the booth to mark the ballot. After having done so the name of the voter was again announced, as the ballot was delivered to the moderator to be placed in the election box, and this time the name would be checked on the registry held in the custody of the election officer of the opposite political party to the one who held the duplicate. Thus a double record was kept of every voter who appeared to vote. The first check was made when the voter was handed a ballot and a second check when the ballot was placed in the election box. One check kept by a Republican and the other by a Democrat.

(3) 458 VOTERS CAST THEIR BALLOTS IN PERSON IN NEWTON ON ELECTION DAY

After the close of the polls on election night, and before the ballot box was opened, examination of the check lists was made to ascertain the number of persons who had voted. Both check lists were examined and it was found that they both agreed as to the number and the identity of the persons who had voted. Both lists showed that 458 persons have voted in person—a public announcement of this fact was then made. It was further testified by the officers who did the checking of the lists that, with only a few exceptions, all the persons who voted were actually and personally known to them.

After the number of persons voting had been ascertained the moderator then opened the ballot box in the presence of the election officials and the citizens who were present. The ballots were taken out and placed on the table in front of the election officials. Before the ballots were opened a count of them was made in which all the election officials participated. The count showed 458 voters who had appeared and cast their ballots.

(4) MANNER IN WHICH BALLOTS WERE EXAMINED AND TABULATED

When the number of voters and the number of ballots were found to agree, the moderator then proceeded to call off each ballot in order that the tally clerks might record the number of votes received by each candidate. As a check upon this important feature of the election count, an election official of the opposite political party to the moderator observed each ballot as it was announced by the moderator. As a further check it was passed to the other election officials in order that they might observe that it had been correctly announced.

The tabulation of the announcements made by the moderator was made by two tally clerks, one Republican and one Democrat. And, to insure accuracy and avoid discrepancies or disputes, both of these tally clerks were watched in their respective markings by another election official of the opposite political party.

It is important to note that in these essential features of this case and in all others there has never been any difference in the testimony of these nine election officials who conducted the election in Newton. They have all agreed, Democrats and Republicans, and so testified under oath, that 458 persons voted in person on election day and that the tabulation of the tally clerks correctly set forth the number of ballots cast for each candidate. In fact, the Democratic moderator was the first one who called attention to the fact that the vote as tallied by the State ballot commission was wrong because it was 34 votes short in the total number that had been cast in Newton.

DISPOSITION OF BALLOTS AND TALLY SHEET BY ELECTION OFFICIALS

In accordance with the requirements of the election law, upon completion of the tabulation all the votes that had been cast in the election, 458 in number, were deposited in a container. There was also placed in the same container all of the unused ballots, as required by law, making 720, the number originally received from the State printer through the secretary of state. This box was then wrapped, sealed, and signed by the election officers and delivered into the custody of the town clerk, as required by law.

The tally sheet showing the result of the election and the number of votes cast for each candidate was then properly sealed in an envelope and mailed immediately by the town clerk to the State librarian, as required by law. In a similar manner the election returns from the 129 towns and wards in the First Congressional District were filed. A tabulation of these returns showed that Roy received 51,370 votes and Jenks 51,920 votes.

RECOUNT OF VOTES BY SECRETARY OF STATE

Upon announcement of this result, Roy applied for a recount of the ballots under the direction of the secretary of state, as provided for in the election laws of the State of New Hampshire.

This recount by the secretary of state was conducted on November 24, 1936. In the presence of the attorneys for the respective parties the secretary of state passed judgment upon the ballots. The tabulation of votes showed that Roy had received 51,679 votes and Jenks a similar number, 51,679 votes. The secretary of state thereupon declared that there was a tie vote.

APPEAL TO STATE BALLOT COMMISSION

Both Roy and Jenks appealed to the State ballot commission. This commission consists of one Republican and one Democrat and the attorney general of the State. It is the final tribunal under the laws of New Hampshire for the settlement of election contests.

In the conduct of this appeal both of the contesting parties assumed the count of ballots by the secretary of state was correct with the exception of 108 ballots protested by the parties at the recount conducted by the secretary of state. The action of the State ballot commission therefore was confined to deciding to whom the 108 protested ballots should be credited. After making decision as to these ballots, a tabulation of the votes was made that showed Roy to have received 51,695 votes and Jenks 51,678.

DISCOVERY THAT 34 BALLOTS WERE MISSING FROM THE COUNT

Shortly after the result of the recount had been announced and published in the newspapers of the State, the moderator of the election at Newton, and who, as before stated, was a Democrat, noticed a discrepancy in the total number of votes announced by the State ballot commission as having been cast in Newton when compared with the number shown on the official check list and tally sheet to have been voted at the election. The State ballot commission tabulation showed 34 less votes than had been actually cast in the election at Newton.

This information was immediately brought to the attention of Mr. Jenks. He thereupon appealed to the State ballot commission to reopen the case and permit proof to be submitted that the 34 missing ballots had in fact been cast for him and that as a result he was entitled to be declared the duly elected Representative from the First Congressional District.

STATE BALLOT COMMISSION ORDERED CASE REOPENED—PROOF SUBMITTED SHOWING 34 BALLOTS MISSING

The State ballot commission immediately ordered the case reopened and directed that a recount be made of all the ballots then in existence. Proof was then submitted to the State ballot commission to establish the fact that 458 votes had been cast in the election of the town of Newton. That only 424 were in existence at the time of the recount, and, that the 34 missing ballots had been cast and voted for Mr. Jenks.

The State ballot commission after hearing the testimony of the secretary of state, deputy secretary of state, State printer, State librarian, the nine election officials of the town of Newton, including the moderator, selectmen, town clerk, and four inspectors or clerks, together with many other witnesses, and after examining the official check lists and tally sheets determined upon this uncontradicted testimony that 34 ballots were wrongfully removed by someone unknown to the commission, from the ballots cast in the town of Newton, between the time they had been cast and the time the ballots were recounted by the secretary of state and that the 34 had been cast for Mr. Jenks and should be counted for him.

The tabulation of the result of this recount by the State ballot commission showed that 51,649 votes were cast for Jenks and 51,639 votes were cast for Roy. The ballot law commissioners therefore declared:

That Arthur B. Jenks, having received the largest number of votes for Representative in Congress from the First New Hampshire District, be, and hereby is declared to be duly elected to that office and entitled to a certificate of election.

CONTESTANT HAS NOT PRESENTED ANY FACTS TO CONTRADICT THE FINDING THAT THE 34 MISSING BALLOTS WERE FOR JENKS

The issue presented in this case therefore resolves itself into a question of how many persons voted in Newton on the election day and for whom did they vote.

The official check list and tally sheet show conclusively that 458 persons voted in person. This fact has never been contradicted by Roy, the contestant. No evidence was introduced by him to change or deny it in any manner whatsoever. Nor has contestant made or suggested, direct or indirect, any charge of fraud against any of the Newton officials. In other words it can be taken as an established fact that 458 persons voted and 458 ballots were in the box sent by the town clerk to the secretary of state.

When the ballots were counted by the secretary of state he found only 424. It is apparent therefore that 34 ballots

became missing sometime between their shipment from Newton and the counting taken in the secretary of state's office.

Nine election officials at Newton testified that all of the ballots, 458 in number, were put in the box and sent to the secretary of state. The box containing the ballots was kept in a room by the secretary of state to which he had the key and also the custodian of the State capitol had a key. Whether this box was tampered with in this room no one knows. If the wrapper and seal had been preserved by the secretary of state as required by law it would have been a great help in determining the question whether the ballot box had been tampered with while in the custody of the secretary of state or before. The deputy secretary of state testified that he did not take any special notice or give any particular attention to the condition of the wrapper or seal before the package was opened. It further appeared that the wrapper and seal had not been preserved as required by law. It is most unfortunate that the secretary of state did not preserve these important pieces of evidence as he was required to do by law and particularly in view of the fact that he had been an opponent of Jenks in the Republican primary and had failed to get the nomination.

There was also another opportunity presented to tamper with these ballots which arose as the result of the careless manner in which the secretary of state's office force conducted the recount of the ballots. To facilitate the count a long table, horse shoe in shape, was provided. Around this table numerous employees and representatives of the respective parties were gathered. Hundreds of ballots were spread out over the long circular table as the recount of several towns would be underway at the same time. The room was crowded with spectators who were permitted to stand in close proximity to the ballots. It has been admitted that the taking of ballots from the table was possible. How, by whom, or in what manner the 34 ballots were taken is not known, but the fact remains they disappeared. The taking of these particular ballots was made all the more easy because the Newton ballots when laid on the table were divided into separate piles—the Republican ballots in one pile and the Democratic in another pile—thus facilitating and making easy the taking of Republican ballots. The fact remains that it was 34 straight Republican ballots that were taken. The loss of 34 votes is not only shown in the number of votes tabulated for Jenks by the local board at Newton but in the same manner all the other Republican candidates on the ticket suffered a loss.

It is regrettable that in conducting the recount of ballots in this close election that the secretary of state or his employees did not take greater care to preserve the ballots from tampering, loss, or other fraud. The careless manner in which this important duty was fulfilled—or, speaking more accurately, was not fulfilled—is astounding. The situation is all the more embarrassing for the secretary of state because he has been a candidate against Mr. Jenks. While I realize that Mr. Jenks nor anyone else has charged the secretary of state with personal responsibility, yet the fact remains that it was his duty under the law to preserve the ballots from tampering or loss, and in this he failed. Likewise it was his duty to preserve the wrapper and seal, and his duty in this important matter was not fulfilled.

MAJORITY REPORT ADOPTS A THEORY NOT BASED ON FACT OR LAW TO UNSEAT JENKS

The majority report, without regard to the sworn testimony of the 9 election officials, all of them being persons of high and unimpeachable reputation in the town of Newton, has discarded the fact that 458 duly qualified citizens of Newton cast their ballots and holds that only 424 voted. The action of the committee, therefore, has disfranchised 34 voters and enabled the committee thereby to declare Roy elected instead of Jenks.

The Democratic majority of the committee, to accomplish its purpose, has declared that as there were only 424 votes in existence at the time of the recount, therefore there never was more than 424. To hold this they have by inference charged every one of the nine election officials at Newton, including their own Democratic representatives on the election board, with false, untrue, and perjured testimony. Every one of them under oath had testified that 458 ballots had been cast and that all of these ballots had been placed in the box as sent from the election booth to the secretary of state's office. The character and standing of these nine election officials is, as I have already said, above reproach in their community. I am convinced that when it becomes known in the First Congressional District of New Hampshire that a Democratic elections committee in a Democratic Congress have by their act branded these estimable citizens of Newton as perjurers and conspirators, the resentment will be so strong that in the next election the voters of that district will rise as one to show their resentment and return Mr. Jenks to this House by a majority that will be outstanding and measured in thousands, and thereby vindicate not only Mr. Jenks but also the election officers who have been so unjustly accused. There is no justification for this overwhelming Democratic House to go to such a length to seat one more Democrat. One more on the Democratic side or one less will make no difference in the result of legislation. Nor will one more or less make any difference on the Republican side from this standpoint.

If the Democratic House today by its vote sustains the committee in the outrageous action that it is taking, disregarding the sworn facts in this case, casting aside all established precedents of this House, and the acknowledged law of the land, it will be stabbing the citizens of this congressional district in the back and rendering one of the most serious blows to Democratic strength and prestige in the State of New Hampshire that has ever been given. Remember that the First Congressional District of New Hampshire went overwhelmingly for President Roosevelt. The fact that Mr. Jenks, a Republican, was elected in that district, running far ahead of the Republican ticket, is an indication of the high regard in which he is held by Democrats and Republicans alike. Therefore, if this stabbing in the back is carried through today, you are striking Democrats as well as Republicans. The answer will be given in no uncertain manner. The people of America like fair play. To utilize the great Democratic strength of this House in such an unworthy cause is neither American in spirit nor worthy of the great principles for which the Democratic Party stands. This will, indeed, be a fateful day for the Democratic Party in New Hampshire if the recommendation of the Democratic majority is carried out and the seat taken from Mr. Jenks which he now occupies. And the result will not be confined to the next congressional election alone but will also find expression in just as pronounced a form in the senatorial election to be held at the same time. The resentment will be so great against the Democratic Party for having done this wrong that every candidate of that party will feel the effect and suffer as a result.

DEMOCRATIC MEMBERSHIP OF COMMITTEE INCREASED AFTER HEARINGS HAD BEEN CONDUCTED A WEEK AND ALMOST FINISHED

Notwithstanding the fact that the Elections Committee that conducted the hearings in this case for the House was overwhelmingly Democratic, the membership being five Democrats and three Republicans, there was added another Democrat, making the total of six Democrats. This action of "adding" to the committee is sought to be justified by the fact that there was a vacancy on the committee that had not been filled since Congress convened. No objection could or would have been made if the additional member had been appointed before the hearings started, but it was not done until after the hearings had progressed for a week and almost finished. Never in my experience as a lawyer have I heard of the membership of a court being increased after the hearings were almost over. The injustice of such a course is plain enough, but absolutely unexplainable, upon any fair basis, is the right of such an individual to sit in judgment of the case. But that is just what happened in this very case, and the appointment was made without the intention to do so ever being brought to the attention of the

Republican minority members of the committee, so that an objection could be made on the floor of the House. Certainly, no fair-minded person would justify such a course of action.

DEMOCRATIC MAJORITY OF COMMITTEE PREVENTED TAKING FURTHER EVIDENCE OF NEWTON OFFICIALS AND VOTERS TO ESTABLISH TRUTH THAT 458 VOTED

In conclusion, permit me to again remind you that the real fundamental fact to be determined in this case relates to how many persons voted in Newton on election day. The 9 election officials swore that 458 persons had voted. The check lists showed the names of the 458 people who had voted. There were 458 ballots in the box. The 458 votes appeared on the tally sheets credited to the different candidates. Notwithstanding all the direct, clear, and positive testimony of the 9 election officials, the Democratic majority of the committee has ignored this fact entirely and said that as only 424 ballots afterward appeared on the recount, that this was conclusive evidence that only 424 had originally been in existence.

The folly of such a contention is striking. It is hard to realize that six Members of Congress, the Democratic members of the Election Committee, would be so naive as to believe that there could not have been nor was there any tampering with the ballots after they left Newton.

It would be just as ridiculous if a man left home with $50 in his pocket and a pickpocket stole it unknown to him for any of us to conclude that he never had the $50 when he left home; and if in addition to the testimony of the man, you have the corroboration of nine reputable people who saw him put the $50 in his pocket and leave home, you can then begin to realize how outstandingly ridiculous it is for the Democratic majority to take the position that because only 424 votes showed up at the recount therefore there never were 458 in existence.

It is fortunate the thief did not take all the ballots because in such a case the Democratic majority opinion if carried to the logical conclusion would have resulted in a finding that no one had voted at Newton on election day.

If the majority opinion was the law of the land there would be many strange situations to arise to make the law appear ridiculous. For instance, if the cashier of a bank or any other trusted employee was given the custody of $458 and at the end of the day was only able to return $424, I wonder if the majority would be willing to conclude that he only had $424 given to him in the beginning and that it would be therefore unfair and unjust to charge him for the whole amount of $458 originally given in his custody. The average person would readily understand there was a loss of $34. However, even though nine persons saw the transaction and swore to the fact it would evidently make no difference to the six Democratic members of the committee who have denied Mr. Jenks the benefit of the 34 votes originally given to him by the voters of the First Congressional District.

VOTERS OF FIRST CONGRESSIONAL DISTRICT SHOULD NOT BE DISFRANCHISED

There is no right more highly cherished than the right to express our will at the polls. Nor is there any right in the exercise of which greater care should be observed to see that the individual has full and free opportunity to exercise it. The right of the 34 persons who have been disfranchised by the act of the Democratic majority of the Election Committee is just as precious to each of them as our own right. Furthermore, the importance and far-reaching effect our individual votes have in the affairs of our Nation and State is well illustrated by the fact that the counting of these 34 ballots, or the failure to do so, determines a congressional contest in which over 100,000 votes were cast. Any 34 votes or less anywhere in the district have the same effect. But it is more than 34 votes that will be affected. By not counting these ballots the effect of the nearly 52,000 ballots cast by voters for Mr. Jenks are set at naught. These 34 are therefore entitled to be counted not only because of the individual right of the 34 voters directly affected but also because of the effect it has in disfranchising and setting at naught the votes of the 51,649 who voted for Mr. Jenks.

OPPORTUNITY SHOULD HAVE BEEN GIVEN TO THE 458 VOTERS AT NEWTON TO PROTECT THEIR VOTES

Every member of the committee recognized that the real fundamental issue in this case is whether 458 persons voted, as sworn to by the nine election officials, or 424 as claimed by the Democratic majority of the committee. While the evidence of the nine election officers was neither contradicted nor denied, and the check lists and tally sheets corroborated the fact, yet the minority members were willing and urged that the committee or its representatives go to Newton and ascertain again by direct evidence whether in fact they had done so. No one could contend against the fairness and justice of this suggestion. It would have given every man and woman who voted at Newton an opportunity to protect their ballot. It would not have been necessary to ask any other question than "Did you vote?" Not "How did you vote?", for this was unnecessary in view of the fact that all the 458 were tabulated on the tally sheets. Thus there would have been no violation of the secrecy, to which every voter is entitled, as to how they voted. It would have been merely "Did you vote?" If there were 458 answers, "I did", then the question was settled by the corroboration of 458 witnesses in addition to that of the nine election officers. But, strange as it may seem, this motion made by the attorney for Mr. Jenks and also by the minority members of the committee was voted down by the Democratic members.

The motion will in all probability be made again in the House. It is so eminently fair that I feel it should be made again, in the hope that the membership of the House may take different action than that taken by the committee. In this connection it is also proper to note that the Republican minority members of the committee also sought to invite the election officials at Newton to come to Washington to give their testimony direct to the committee. This was also refused and voted down by the Democratic majority. It was then suggested that the moderator and town clerk, one a Democrat and the other a Republican, be requested to come to Washington to testify. This effort of the minority was likewise voted down by the Democratic majority.

CONCLUSION

It will be noticed that I have made no considerable reference as yet to the ballots improperly marked that were counted for Roy. My distinguished colleague from Massachusetts [Mr. GIFFORD] has already made reference to the matter. Because of the insufficient time remaining I will make no further reference to them than to say that in no sense of the word do these ballots give any evidence of the intention of the voters to cast these ballots for Roy. They have failed to carry out either the word or spirit of the law that the intent of the voter shall be made plain in the manner required by the election law. These ballots are sufficient in number to change the result of this election. It is unfair and unjust that they should be so used. These improperly marked ballots should not be counted for either candidate.

In closing my remarks I do so with an appeal that partisanship be cast aside and that no other consideration shall enter into the decision of this case than a desire that truth and justice shall prevail. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield 3 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Speaker, as a Member of this House of Representatives bearing the name Jenckes, I desire to be heard. I am a Democrat. I shall always be a Democrat. I believe in the principles of the Democratic Party. I believe in the utterance of Thomas Jefferson, that great Democrat, who said:

No government has a legitimate right to do that which is not good for the governed.

We today are discussing the case of Alphonse Roy versus Arthur B. Jenks, from the First Congressional District of

New Hampshire. This is a contest between a Republican and a Democrat. Naturally, my sympathies would be with the Democrat. But, after carefully studying the majority and minority reports on this case, I find this House of Representatives is faced with a great responsibility—the responsibility of taking just and proper action, fitting and in keeping with the dignity of the House of Representatives of the United States. The evidence brought out in both the majority and minority reports is conflicting, and I, therefore, appeal to this House of Representatives to consider this election contest with great care and from the viewpoint of maintaining the honor and the dignity of this House of Representatives.

While Arthur B. Jenks is a Republican from the great State of New Hampshire, and VIRGINIA E. JENCKES is a Democrat from the great State of Indiana, we are both interested in defending the integrity of the name "Jenks." I am sure that Arthur B. Jenks does not want to be seated if he is not lawfully entitled to be seated, and I am just as sure that Mr. Alphonse Roy does not want to be seated unless he is lawfully entitled to be seated. Therefore, the responsibility rests upon this House of Representatives to get first-hand, authentic information, in order that we might proceed in a manner which will accord equal justice.

I therefore appeal to the Members of this House of Representatives to have a special committee appointed, empowered, and authorized to proceed to the First Congressional District of New Hampshire to take affidavits of witnesses and gather proper evidence, and then present these affidavits and evidence to this House of Representatives for final action.

I appeal to this House of Representatives to withhold action until this is done. My interest in this matter is actuated wholly by my desire as a woman and as a Member of this House of Representatives to see that justice is accorded Mr. Arthur B. Jenks, Republican, as well as Mr. Alphonse Roy, Democrat.

In this manner we of the majority party in this House of Representatives of the United States will prove to the people of the Nation that we are using our majority vote in a fair and just manner in accordance with the requirements of genuine statesmanship.

I thank you. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I was not a member of the committee considering this question and I knew nothing of the case until coming on the floor today. Immediately on coming here I made it my business to read both the majority and minority reports in this matter. After reading the majority report I was inclined to feel that Mr. Roy should be seated; however, after reading the minority report I became absolutely convinced that the gentleman from New Hampshire, Mr. Jenks, should be seated. I am satisfied that the debate, as presented this afternoon, should convince each and every Member of this House that Mr. Jenks is entitled to a seat in this body.

In the first place, it seems to me without question that 458 votes were cast in that little town of Newton. You will remember that the tally sheets, the registration sheets, the check-off sheets—two separate check-off sheets—showed 458 names of people who had voted on that day. When the ballots were counted they thought there were 460. So they recounted and found there were actually 458 who voted, showing conclusively, in my opinion, that there were 458 ballots on the table immediately after the polls were closed on that day when the ballots were counted.

Of that 458, the tally sheets and all the testimony agree, and the testimony is undisputed, there were 235 straight Republican votes. There being 235 straight Republican votes, Mr. Jenks received that many votes on the straight Republican ballots. Later on, when they had the recount, 34 of those straight Republican votes were found missing. That is borne out by the fact that all of the Republican candidates on the recount lost approximately 34 votes. Some of them lost 32, some 33, and some 34, and some 35, due to other mistakes, but all the Republicans lost 34, which says conclusively that the 34 votes that were missing were straight Republican votes.

I want to ask the chairman of the Committee on Elections a question if I may have his attention. There are on the lists presented by the gentleman from New York [Mr. WADSWORTH] 288 names that were checked off. Now, I have lived in a small community and I can imagine in that small community if there is an election contest the people sitting around the town of Newton, everybody being interested in it, and engaging in a lot of discussion. There were several of those people who were supposed to have voted. Four hundred and fifty-eight were supposed to have voted. I presume there was not an intelligent, interested citizen of that community who did not have a chance to check over the 458 names. It seems to me if 34 names were on that list as having voted who did not vote, some of those 34 would have made it known that were credited with having voted when, as a matter of fact, they had not voted. [Applause.]

I want to ask the chairman of the Committee on Elections if a single man or woman on that list of 458 names has let him know or let anyone else know that they did not vote on that occasion.

Mr. CARTER. There was not one on the list who said they voted for Mr. Jenks either.

Mr. BOILEAU. The list showed there were 34 people who did not vote although they were credited with having voted on that list, and coming from a small community myself, I say some of those people would have made the fact known that they had not voted. This is preposterous and ridiculous.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield the balance of my time to the gentleman from New Hampshire [Mr. Jenks]. [Applause.]

Mr. JENKS of New Hampshire. Mr. Speaker, I take the floor very reluctantly this afternoon and against the advice of a number of my friends. But I would not feel that I was exercising my duty in this Congress to 103,000 voters in the First Congressional District of New Hampshire if I did not have a word to say in reference to this matter.

Another reason I am taking the floor this afternoon is because, under the majority decision of the committee, 34 legally registered Republican voters in the town of Newton went to the polls and voted, according to the testimony of the 9 duly accredited election officials, and if you accept this report and adopt the resolution you will be disenfranchising 34 honest people of my State.

Mr. Speaker, there is another reason why I am taking the floor today, and that is because the conclusions of the majority of this committee state to nine election officers in New Hampshire that "We do not believe your testimony under oath."

I would not be doing my duty as a representative of those people if I did not rise and say something in their behalf and in their defense. I do not have a silver tongue; I am not an orator; I cannot lift you up to the heights with eloquent oratory; but I can talk to you in good, plain New Hampshire language that I learned years ago.

The gentleman from Texas, a member of the committee, would have you believe that after the ballot-law commission had decided my opponent was elected there was some conniving to bring about this question in reference to the 34 ballots about which there has been so much discussion. Let me tell you the story.

When the ballot-law commission rendered the decision, I said, "I am satisfied with the decision of the Ballot Law Commission of New Hampshire. They are a regular body. They are the highest election tribunal in the State of New Hampshire." I got ready to go to Florida to spend the winter. Ten days after that decision was rendered I was called on the telephone one Sunday morning by a man whom I had never seen and did not know. He said to me, "Mr. Jenks, we have been reading in the newspapers down here about the difference in the votes that were counted by the secretary of

state and the vote that was cast in this town." He said, "I wish you would look into it." So many reports and rumors had come to me that I was just tired of the whole thing, and I said, "I am not interested any further." He stated, "We feel very badly down here to have people think we cannot count votes any better than to miss 34 in this little town where we have such a small vote." He pleaded with me to take up the matter with the Governor.

That was Sunday. Monday morning I telephoned to the Governor of the State and said, "Governor, have you issued the certificate to my opponent?" I supposed he had done so. He said, "No. We are having a meeting this morning of the Governor and council." (In the interim the Governor had been absent from the State, attending a Governors' conference at St. Louis, Mo.) I told him some information had come to me which I would like to look into. He said, "If you will send me a telegram about it, I shall be very glad to read it to the council, and I think they would be willing to wait and give you an opportunity to come before them." Until 4 o'clock that afternoon they held up this matter. I got into my car and went right down to this little town of Newton. You have been told that the moderator there is such a respected Democrat that he was elected moderator of the town. I went to Newton, and he showed me all the figures of their election there and told me the story. I took those nine election officials right to Concord before the Governor and council, and they testified under oath what has been told you here this afternoon about the number of ballots which were cast there, how they were recorded, how they were checked off, how they were counted and recounted, and the whole story. I do not have time to review all that. There are many things I wish I could go over, but I want to say to the gentleman from Texas that there was no conniving in getting votes and getting another count. I have told you the incident as it happened.

The Governor and council decided the evidence was sufficient for me to go the next day before the ballot-law commission, which I did, and the commission said the evidence was sufficient for them to recall their order to the Governor and council to issue the certificate to my opponent.

One fact has not been brought out here about the security of these ballots. I do not believe the fact has been mentioned that these ballots were sent to Concord for the recount in the statehouse. They were put in a storeroom there and kept in the storeroom for 10 days. There were two keys to the storeroom—one held by the secretary of state and the other held by the superintendent of the building. So there was an opportunity in some way for access to have been obtained to those ballots.

A resolution is going to be offered this afternoon providing that the members of this committee themselves go to Newton, or delegate someone to go in their place, to take the affidavits of the people who voted in Newton. All those people, Republicans and Democrats, are so worked up over this thing that the committee will not have to subpena them—they will come right to the town hall of their own accord. The testimony can be taken in 3 days' time at a very small cost to the Government. I have witnessed millions of dollars being voted in this Chamber during the past 7 months, but if the Government cannot afford to spend a few hundred dollars in having this done in order to verify the facts and determine to whom this seat rightfully belongs, then I shall be very glad to pay the expenses of the committee myself.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Did the gentleman state that he took nine individuals to Concord?

Mr. JENKS of New Hampshire. I stated that I took the nine election officials.

Mr. RANDOLPH. How many were there altogether?

Mr. JENKS of New Hampshire. There were nine.

Mr. RANDOLPH. The gentleman took the entire number?

Mr. JENKS of New Hampshire. I took the entire number; every one of the election officials. There are nine of them.

Mr. RANDOLPH. Regardless of party?

Mr. JENKS of New Hampshire. It was stated here that there were 11, but there were 9.

Mr. TOBEY. Democrats and Republicans.

Mr. JENKS of New Hampshire. Democrats and Republicans; all who had anything to do with that election.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I cannot yield; I am sorry.

Mr. Speaker, I realize what an honor it is to be in this, the greatest legislative body in the world. I am not a politician. I do not know anything about politics, but I do know that I feel it is a wonderful honor to be a Member of this splendid body of men and women. [Applause.] I cannot conceive of any man or woman here being so unfair as not to be willing to have this investigation made, when it could be made so easily, and then there would be no question whatever about this matter. I wish I could draw a picture of those honest, substantial, God-fearing people who live in this little town of Newton, snuggled away in the hills of New Hampshire. They were born there and have lived there all their lives. I cannot conceive of those people, some of whom have served the town for 40 years, testifying under oath to something that is not true.

In conclusion, may I say that I have been a businessman for 30 years, and I have enjoyed my business life, but I have never enjoyed 8 months of my life as much as I have enjoyed the 8 months I have spent here in this Hall. I have taken but little time to talk on the floor; I have observed, and I have listened. I want you to know that it seems to me there has been the greatest fairness shown here. True, there has been some bitterness evidenced at times; some things have been said here which I do not think it is policy for any side to say, but nevertheless they have been said. But I want to tell you that one thing which I shall treasure and cherish as long as I live is the memory of the 8 months I have spent here with you men and women. I have especially enjoyed working with the members of the Committee on Labor, which has had under consideration this most important wage-and-hour bill. The gentleman from Texas has tried to intimate that there was connivance about those 34 votes. I have sat with the gentleman from Texas on the Labor Committee all through this session, and I wonder if the gentleman thinks I am the type of man who would connive. Here is another Congressman [Mr. RANDOLPH] with whom I have sat on the Labor Committee, and also for a short time with the chairman of that committee, the gentlewoman from New Jersey [Mrs. NORTON]. I do not know what their impression of me is but I want to tell you that I would not connive for all the seats there are in Congress. [Applause.]

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. The gentleman has asked what the chairman of the Labor Committee thinks of him. May I say I have never worked on any committee with a more fair-minded or better member than the gentleman. [Applause.]

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I rise at this time only because the gentleman from New Hampshire referred to me as one of his colleagues on the Committee on Labor. Regardless of the controversy now raging, I may say that I have found the gentleman to be a man of splendid attainments and of personal integrity. I have enjoyed working with the gentleman on the committee to which he has alluded. [Applause.]

Mr. JENKS of New Hampshire. I thank the gentleman.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. JENKS of New Hampshire. I yield to the gentleman from Kentucky.

Mr. MAY. What is the political complexion of the board of officials which had to do with the counting of the ballots?

Mr. JENKS of New Hampshire. On the State ballot law commission there are two Republicans and one Democrat, but their opinion was unanimous. [Applause.]

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. O'CONNOR].

The SPEAKER. The gentleman from New York is recognized for 4 minutes.

Mr. O'CONNOR of New York. Mr. Speaker, since last November immediately following this election, I have been familiar with this case. I was consulted about it in New York in November and in Washington many, many times thereafter, and the matter has been the subject of discussion among the Speaker, the majority leader, the Democratic national committeeman from New Hampshire, the contestant and others. At no time did I ever think the issue was difficult or possible of dispute. As a matter of fact, I was consulted about mandamusing the Republican Governor of New Hampshire to issue this certificate, and for the first time I heard today he was out of town at that time. I did not understand at that time that he was out of town. There were no suggestions made but what he arbitrarily refused to issue the certificate, having just been elected as a Republican Senator from New Hampshire. His Republican election board certified to him that the Democrat had been elected, but he refused to certify.

Nobody in this House ever wants to deprive a sitting Member of his seat, arbitrarily. I can say that I have never seen an election contest in this House decided on arbitrary, partisan lines. I have seen the Republicans seat Democrats; and I have seen the Democrats, just in the last Congress, seat a Republican; but by the same token, if the man outside is entitled to his seat, he should be seated, no matter how genial and kindly and honorable the sitting Member is or how valuable a member of any committee he may be, much of which I have heard today, of a sentimental nature.

The issue in the pending case is simple and clear. The Republicans want to count 34 ballots for the Republican, with no suggestion that anything ever happened to these ballots whereby they might have been destroyed or caused to disappear; but remember always that the Republicans want to seat their colleague on the results as appear on the tally sheets that he got 34 ballots somewhere, which ballots cannot be produced and never were in existence as any of the proof shows.

When Mr. Roy, the Democrat, started out to contest the first announced results of the election, the tally sheets showed he was defeated by nearly 600 votes; so he had to prove, and the count of the ballots proved, that the tally sheets were incorrect in many, many districts. There is no dispute about that. The Republicans cannot and do not contend against that. Of course you cannot determine an election on a tally sheet as against the absolute proof evidenced by counting the actual ballots cast.

The suggestion of a committee going and asking the voters how they voted or if they voted will not work. It is absolutely ridiculous. Nobody here would want any such inquiry in his district of the voters as to how they voted, because some of his own relatives who voted against him would say, "Sure, I voted for him." [Laughter.] Are you going to ask the voters "if they voted"? That is just as ridiculous and has never been seriously suggested before in any election contest in America. Are you going into a small Republican town in New Hampshire, which has been Republican controlled for years, with a Republican mayor, council, tax appraisers, licensors, and so forth, and ask a businessman "if he voted", without getting the one and only answer, "Yes"? They talk about "Democratic" inspectors in Republican New Hampshire! Why, of course, we know the kind of "Democrats" those heroes are, usually like the Democrats in up-State New York—for years they register "Democratic" solely so that they can get that job of election inspector on election day and aid the Republicans in controlling the election machinery. Are you going to ask the businessmen in this town, who do not want to offend any of the political powers that be—all Republican, the Republican Governor, the Republican Senator—are you going to "Mr. Jones" and ask: "Mr. Jones, did you vote?" What is he going to say?

Of course there is only one answer he will make, "Sure, I voted." He will say that whether he did or not vote. He is going to be looking for a license, a favor, and to earn this he stayed away from the polls, he will not admit it.

You cannot get the facts by such an investigation. Everybody on that list that the inspectors put down as voting is going to say he voted. Everybody knows what happens in small election districts. The election officials vote many persons who never go to the polls, but few will admit they did not go.

I have never seen an election contest that presented such a clear-cut issue. The suggestion by the Republicans here is that you take oral proof, that you take secondary proof, not only as to the existence of the phantom 34 ballots but as to how those 34 alleged voters voted. For 25 years I have participated as counsel in election contests and I have never yet heard a full-grown man make such a suggestion.

It has never been suggested before in an election contest in my memory before any election board or any court, probably for the single reason it would be laughed out as moronic.

There is only one solution to this contest, to seat the Democrat contestant, who is clearly entitled to his seat. That should be done no matter how regretful we may feel about unseating the distinguished, genial gentleman from New Hampshire, the Republican, who has so ingratiated himself with his Labor Committee and the Progressives of this House by voting with them on certain measures. While I regret the consequences to him, I am more concerned in the working out of justice to the Democratic contestant, Alphonse Roy, of Manchester, N. H., a distinguished citizen of that State and a stalwart Democrat, who has fought the battles of his party for many years. He won his seat.

He was elected in spite of the manipulations of the Republican machine. To deny him the fruits of his victory would be by far a greater injustice than the painful duty of unseating the distinguished and genial gentleman, Mr. Jenks, who all of a sudden became such a friend of labor and progressive legislation.

Justice cannot lie on both sides. Right, and the decent, fair thing to do, is never on the fence. In my humble opinion, having lived with this case, my conscience directs me in only one direction, without equivocation or demagoging as to being fair and square.

I have been a Member of this House for 14 years, and in all that time, in any election contest, I have never seen one Republican vote to seat a Democrat no matter how strong the merits have been in favor of the Democrat. I appreciate that some of my Democratic colleagues are perplexed by the issue raised in this case, and want to do the fair and square thing. Let me say to them, however, that no matter how close the issue, no matter how conscientious they may feel about further investigation of the facts, no single solitary Republican will vote his conscience.

It would be strange if scores of you Democrats were concerned with an issue in this case, if no single one of the 89 Republicans were not so concerned; yet I am willing to wager that the conscience of no single Republican will stand in the way of seating his colleague. Such is the partisanship solely on that side of the House in these election contests.

It is rumored here that some Democrat may move to recommit this resolution. In view of what I have just said, I cannot believe that. Surely no one on this side of the aisle who is a real Democrat could lend himself as a tool to the partisan, conscienceless Republican minority. I do not believe that can happen.

If right is right, if we are going to be fair, just, and equitable, and be able to look at ourselves in mirrors, there is only one conclusion to arrive at in this embarrassing situation—to seat the man really elected last November to the House of Representatives from the First District of New Hampshire, the Honorable Alphonse Roy, of Manchester.

Mr. WILCOX. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Florida rise?

Mr. WILCOX. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. WILCOX moves that this resolution be recommitted to the committee; that the committee be and hereby is authorized, empowered, and directed to take or cause to be taken the testimony of the 458 Newton residents shown by the town election records to have voted there in person on November 3, 1936, and such further testimony as the committee may consider relevant to better enable it to determine the issue raised by this case; and that the committee be authorized to expend such sums in its investigation as it may deem necessary, and report its findings and recommendations to this House at the next session of Congress.

Mr. KERR. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes, 196, noes 91.

Mr. KERR. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231, nays 129, answered "present" 3, not voting 66, as follows:

[Roll No. 149]

YEAS—231

Allen, Ill.	Elliott	Lea	Reed, Ill.
Allen, Pa.	Engel	Leavy	Rees, Kans.
Amlie	Englebright	Lemke	Reilly
Anderson, Mo.	Farley	Lewis, Colo.	Rich
Andresen, Minn.	Fitzgerald	Long	Robertson
Andrews	Fleger	Lord	Robinson, Utah
Arends	Fletcher	Lucas	Robsion, Ky.
Atkinson	Frey, Pa.	Luce	Rogers, Mass.
Barden	Garrett	Luckey, Nebr.	Rogers, Okla.
Bates	Gavagan	Ludlow	Rutherford
Bernard	Gearhart	McGehee	Sacks
Biermann	Gehrmann	McKeough	Sauthoff
Bigelow	Gifford	McLaughlin	Schaefer, Ill.
Boehne	Gildea	McLean	Schneider, Wis.
Boileau	Gingery	McMillan	Secrest
Brewster	Greever	McReynolds	Seger
Brown	Gregory	McSweeney	Shafer, Mich.
Bulwinkle	Griffith	Magnuson	Simpson
Burdick	Griswold	Mahon, S. C.	Smith, Conn.
Cannon, Mo.	Guyer	Mahon, Tex.	Smith, Wash.
Carlson	Gwynne	Maloney	Snell
Carter	Haines	Mapes	Snyder, Pa.
Cartwright	Halleck	Martin, Colo.	South
Case, S. Dak.	Hamilton	Martin, Mass.	Sparkman
Champion	Hancock, N. Y.	Mason	Starnes
Chandler	Hancock, N. C.	Massingale	Stefan
Church	Hart	Maverick	Sutphin
Clason	Hartley	May	Sweeney
Cochran	Hendricks	Mead	Taber
Coffee, Nebr.	Hennings	Merritt	Tarver
Coffee, Wash.	Higgins	Michener	Taylor, S. C.
Cole, Md.	Hill, Wash.	Millard	Taylor, Tenn.
Cole, N. Y.	Hoffman	Miller	Teigan
Collins	Holmes	Mills	Thomas, N. J.
Colmer	Hope	Mitchell, Tenn.	Thomason, Tex.
Cooley	Hull	Mosier, Ohio	Thurston
Costello	Hunter	Mott	Tinkham
Cox	Imhoff	Murdock, Utah	Tobey
Crawford	Jarrett	Norton	Treadway
Crosser	Jenckes, Ind.	O'Connell, Mont.	Turner
Crowe	Jenkins, Ohio	O'Connor, Mont.	Vinson, Fred M.
Crowther	Johnson, Luther A.	O'Day	Voorhis
Cummings	Johnson, Lyndon	Oliver	Wadsworth
Dempsey	Johnson, Minn.	O'Neill, N. J.	Wallgren
DeRouen	Johnson, W. Va.	Palmisano	Walter
Dickstein	Keller	Patton	Warren
Dies	Kelly, Ill.	Pearson	Welch
Dingell	Kennedy, N. Y.	Peterson, Ga.	White, Idaho
Dirksen	Kenney	Pettengill	White, Ohio
Ditter	Kinzer	Phillips	Whittington
Dondero	Kitchens	Plumley	Wigglesworth
Douglas	Kniffin	Poage	Wilcox
Dowell	Knutson	Polk	Withrow
Doxey	Kvale	Powers	Wolcott
Dunn	Lambertson	Rabaut	Wolfenden
Eckert	Lamneck	Ramspeck	Wolverton
Eicher	Lanham	Randolph	Woodruff
Ellenbogen	Lanzetta	Reece, Tenn.	

NAYS—129

Aleshire	Disney	Izac	Quinn
Allen, Del.	Dixon	Jarman	Ramsay
Arnold	Dockweiler	Johnson, Okla.	Rankin
Ashbrook	Dorsey	Jones	Rayburn
Barry	Doughton	Kelly, N. Y.	Richards
Beam	Drewry, Va.	Kennedy, Md.	Rigney
Beiter	Driver	Keogh	Romjue
Bland	Duncan	Kerr	Ryan
Bloom	Eberharter	Kocialkowski	Sanders
Boland, Pa.	Edmiston	Kopplemann	Schuetz
Boren	Evans	Lesinski	Scott
Boykin	Faddis	Luecke, Mich.	Shanley
Boylan, N. Y.	Ferguson	McClellan	Shannon
Bradley	Flannagan	McCormack	Sheppard
Buck	Flannery	McFarlane	Spence
Burch	Forand	McGranery	Steagall
Byrne	Ford, Calif.	McGrath	Terry
Caldwell	Ford, Miss.	Mansfield	Thom
Casey, Mass.	Fries, Ill.	Mitchell, Ill.	Thomas, Tex.
Chapman	Fuller	Moser, Pa.	Thompson, Ill.
Citron	Gambrill	Nichols	Transue
Clark, N. C.	Goldsborough	O'Connell, R. I.	Umstead
Claypool	Gray, Pa.	O'Connor, N. Y.	Vincent, B. M.
Colden	Green	O'Leary	Wearin
Cooper	Greenwood	O'Malley	Weaver
Cravens	Harlan	O'Toole	West
Creal	Harrington	Owen	Whelchel
Cullen	Harter	Pace	Williams
Curley	Healey	Parsons	Wood
Daly	Hildebrandt	Patrick	Zimmerman
Deen	Hill, Okla.	Patterson	
Delaney	Hook	Peterson, Fla.	
DeMuth	Houston	Pierce	

ANSWERED "PRESENT"—3

Jenks, N. H.	Sumners, Tex.	Towey

NOT VOTING—66

Allen, La.	Fish	Lewis, Md.	Scrugham
Bacon	Fitzpatrick	McAndrews	Short
Bell	Fulmer	McGroarty	Sirovich
Binderup	Gasque	Maas	Smith, Maine
Boyer	Gilchrist	Meeks	Smith, Va.
Brooks	Gray, Ind.	Mouton	Smith, W. Va.
Buckler, Minn.	Havenner	Murdock, Ariz.	Somers, N. Y.
Buckley, N. Y.	Hill, Ala.	Nelson	Stack
Cannon, Wis.	Hobbs	O'Brien, Ill.	Sullivan
Celler	Honeyman	O'Brien, Mich.	Swope
Clark, Idaho	Jacobsen	O'Neal, Ky.	Taylor, Colo.
Cluett	Kee	Patman	Tolan
Crosby	Kirwan	Pfeifer	Vinson, Ga.
Culkin	Kleberg	Reed, N. Y.	Wene
Drew, Pa.	Kramer	Sabath	Woodrum
Eaton	Lambeth	Sadowski	
Fernandez	Larrabee	Schulte	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Fish (for) with Mr. Meeks (against).
Mr. Short (for) with Mr. O'Brien of Illinois (against).

General pairs:

Mr. Vinson of Georgia with Mr. Culkin.
Mr. Woodrum with Mr. Bacon.
Mr. Sullivan with Mr. Eaton.
Mr. Patman with Mr. Cluett.
Mr. Nelson with Mr. Maas.
Mr. Kleberg with Mr. Reed of New York.
Mr. Hill of Alabama with Mr. Smith of Maine.
Mr. Gasque with Mr. Larrabee.
Mr. Fernandez with Mr. Gilchrist.
Mr. McAndrews with Mr. Havenner.
Mr. Taylor of Colorado with Mr. Buckler of Minnesota.
Mr. Stack with Mr. Schulte.
Mr. Fulmer with Mr. Binderup.
Mr. Smith of Virginia with Mr. Celler.
Mr. Clark of Idaho with Mr. Buckley of New York.
Mr. Pfeifer with Mr. Brooks.
Mr. Sabath with Mr. Crosby
Mrs. Honeyman with Mr. Kee.
Mr. Mouton with Mr. O'Neal of Kentucky.
Mr. Wene with Mr. Scrugham.
Mr. Tolan with Mr. Gray of Indiana.
Mr. Hobbs with Mr. Swope.
Mr. Smith of West Virginia with Mr. Sadowski.
Mr. Boyer with Mr. Sirovich.
Mr. Kramer with Mr. Allen of Louisiana.
Mr. Kirwan with Mr. Murdock of Arizona.
Mr. Bell with Mr. Jacobsen.
Mr. Lewis of Maryland with Mr. Drew.
Mr. Fitzpatrick with Mr. O'Brien of Michigan.

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NICHOLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NICHOLS. Mr. Speaker, we of the committee are in a quandary in reference to the motion to recommit just

adopted by the House and would ask that the Speaker examine the motion, if that is possible, and advise us what we are directed to do under the motion to recommit.

The SPEAKER. It is not within the province of the Chair to undertake to direct the committee. The Chair feels the House itself, under the terms of the motion, has directed the committee as to the procedure.

Mr. NICHOLS. Mr. Speaker, a further parliamentary inquiry as to whether provision is made in the motion to recommit to defray the expenses of the committee that will go to New Hampshire in order to carry out the order in the motion?

Mr. SPEAKER. The Chair may say that the motion in part provides that the committee be authorized to spend such sums in this investigation as it may deem necessary to report its findings and recommendation to the House at the next session of Congress.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 195. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 345. An act for the relief of Genevieve E. Daley;

H. R. 459. An act for the relief of the Derby Oil Co;

H. R. 518. An act for the relief of Rosolino Zamito and Maria Zamito;

H. R. 1858. An act for the relief of Charles E. Names;

H. R. 2192. An act for the relief of Paul and A. B. Johnson;

H. R. 2195. An act for the relief of Oliver Z. Hoge;

H. R. 2215. An act for the relief of Gallup's, Inc.;

H. R. 2339. An act for the relief of Orba Caress;

H. R. 2451. An act for the relief of Jerome H. Howard;

H. R. 2455. An act for the relief of Bertha L. Frank;

H. R. 2641. An act for the relief of John Stevens and the estate of Fred Hausauer, Jr.;

H. R. 2649. An act for the relief of Elva T. Shuey;

H. R. 2657. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired;

H. R. 2702. An act to permit grand jury extensions to be ordered by any district judge;

H. R. 2860. An act for the relief of Walter W. Johnston;

H. R. 2994. An act for the relief of Lamar Snipes and Luther S. Snipes;

H. R. 3058. An act for the relief of former employees of the Federal Subsistence Homesteads Corporations;

H. R. 3276. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc.;

H. R. 3372. An act for the relief of Luke Francis Brennan;

H. R. 4257. An act for the relief of H. A. Montgomery;

H. R. 4291. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4506. An act for the relief of Norman E. Sherman and Banks W. Smith;

H. R. 4583. An act for the relief of Arthur T. Worley;

H. R. 4622. An act for the relief of Henry Clay Gibson;

H. R. 4875. An act for the relief of Paul H. Norboe;

H. R. 4936. An act for the relief of Charlotte Sweeney, a minor, Howard Sweeney, a minor, William Hintz, and Martha Hintz;

H. R. 5112. An act for the relief of Frank Lee Borney;

H. R. 5161. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 5568. An act for the relief of Maj. William W. McCaw;

H. R. 5787. An act granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes;

H. R. 5900. An act to amend the bank-robbery statute to include burglary and larceny;

H. R. 6135. An act for the relief of R. E. Rainer, R. H. Alderman, and John Harmon;

H. R. 6155. An act for the relief of Sadie N. Pike and Edward W. Pike;

H. R. 6271. An act conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment, upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming;

H. R. 6316. An act for the relief of Helen Niehaus;

H. R. 6469. An act conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno;

H. R. 6747. An act to amend section 3 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez;

H. R. 7458. An act for the relief of John E. T. Clark;

H. R. 7531. An act to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes;

H. R. 7561. An act to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934;

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 8081. An act authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments; and

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws; and

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

TRADING WITH THE ENEMY ACT

Mr. FULLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2901) to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. FULLER].

Mr. TREADWAY. Mr. Speaker, reserving the right to object, may I say that the request of the gentleman from Arkansas [Mr. FULLER] is agreeable to the minority members of the Ways and Means Committee.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, may we have an explanation of what the bill provides?

Mr. FULLER. Mr. Speaker, this is simply an amendment to the Trading with the Enemy Act.

By amendment to section 9 of that act passed in 1920 the United States was prohibited from making agreements with nationals who were our friends in the war because of the fact that we took none of their property and they took none of our property. However, it develops that Alsace-Lorraine, that was at that time German territory, is now French territory. We have considerable property that belongs to people of that district who are now really Frenchmen. We can enter into no reciprocal agreement with France without this amendment.

This bill gives the authority to the Secretary of State and the State Department to enter into reciprocal trade agreements on particular occasions and by reason thereof we will return to citizens of Alsace-Lorraine, who are now citizens of France, about $270,000 worth of property that we hold, belonging to them, and for which we have no title, and in return, by reciprocal agreement, we will get $400,000 for American citizens who were naturalized before 1920 by reason of this bill.

Mr. Speaker, this bill passed the Senate and has been unanimously reported by the Ways and Means Committee of the House. I am sure no one will have any objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (e) of section 9 of the Trading with the Enemy Act, as amended, is amended by inserting after the words "unless such nation in like case extends reciprocal rights to citizens of the United States" a colon and the following: "*Provided,* That any arrangement made by a foreign nation for the release of money and other property of American citizens and certified by the Secretary of State to the Attorney General as fair and the most advantageous arrangement obtainable shall be regarded as meeting this requirement."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICE OF AUDITOR GENERAL OF THE UNITED STATES

Mr. FRED M. VINSON, from the Select Committee on Government Reorganization, reported the bill (H. R. 8276) to establish the office of Auditor General of the United States, and for other purposes (Rept. No. 1606), which was read the first and second time, and, with the accompanying papers, referred to the Union Calendar and ordered printed.

Mr. TABER. Mr. Speaker, I ask unanimous consent that I may have until midnight tomorrow night to file a minority report on the bill just reported by the gentleman from Kentucky [Mr. FRED M. VINSON].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEVEES, FLOOD WALLS, AND DRAINAGE STRUCTURES IN THE OHIO RIVER BASIN

Mr. WHITTINGTON. Mr. Speaker, I call up the conference report on the bill H. R. 7646, an act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, and ask unanimous consent that the statement may be read in lieu of the conference report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. TABER. Mr. Speaker, I object to reading the statement in lieu of the report.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report and statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7646) an act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: "*Provided further,* That if after investigation the President finds that States, political subdivisions thereof, or other responsible local agencies are unable by reason of their financial condition to comply with the requirements as to local cooperation with respect to providing lands, easements, and rights-of-way for any projects authorized by the Flood Control Act of June 15, 1936 (Public Act No. 678, 74th Congress), the Flood Control Act of June 22, 1936 (Public Act No. 738, 74th Congress), and by this amending act, he is authorized to waive such requirement on any individual project not to exceed 50 percent of the estimated costs of the lands, easements, and rights-of-way;" and with a further amendment as follows:

Insert: Quotation marks at the end of section 1; and the Senate agree to the same.

Amendments numbered 2, 3, 4, and 5: That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, and 5, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

"SECTION 9. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding a third paragraph reading as follows, under the heading 'Mississippi River':

" 'Memphis, Tennessee.—The construction of flood-walls, levees and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tennessee, in accordance with the report on record in the office of the Chief of Engineers. Estimated construction cost, $9,000,000. Estimated cost of lands and damages, $4,324,000.' "

And the Senate agree to the same.

WILLIAM M. WHITTINGTON,
GLENN GRISWOLD,
HARRY L. ENGLEBRIGHT,
Managers on the part of the House.

ROYAL S. COPELAND,
MORRIS SHEPPARD,
HATTIE W. CARAWAY,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7646) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report as to each of the said amendments:

Amendments

On amendment no. 1: This amendment to section 1 proposed by the Senate was eliminated and in lieu thereof the following amendment was agreed to, to wit: Disagree to amendment no. 1 and in lieu thereof agree to the following:

"*Provided further,* That if after investigation the President finds that States, political subdivisions thereof, or other responsible local agencies are unable by reason of their financial condition to comply with the requirements as to local cooperation with respect to providing lands, easements, and rights-of-way for any projects authorized by the Flood Control Act of June 15, 1936 (Public Act No. 678, 74th Cong.), the Flood Control Act of June 22, 1936 (Public Act No. 738, 74th Cong.), and by this amending act, he is authorized to waive such requirement on any individual project not to exceed 50 percent of the estimated costs of the lands, easements, and rights-of-way."

By agreement, section 1 was further amended by inserting quotation marks at the end of the section.

On amendment no. 2: Amendment no. 2 by the Senate included all of the preliminary examinations and surveys provided for in the bill as section 5 as it passed the House. In addition, the Senate included preliminary examinations and surveys for other streams. The amendment of the Senate rearranged the grouping of the streams by regions, and hence the order in which the streams

included in section 5 when it passed the House has been rearranged. As stated, however, all streams providing for preliminary examinations and surveys included in the bill as it passed the House are included in the bill as agreed to.

On amendment no. 3: This amendment authorizes the Chief of Engineers, in his discretion, to modify the project for the control of floods on the Yazoo River, as authorized by section 4 of the Flood Control Act of June 15, 1936, so as to substitute therefor a combined reservoir floodway and levee plan, provided the total costs do not exceed the present authorization. This amendment is comparable to a similar provision with respect to the St. Francis River in section 4 of the act of June 15, 1936, and the conditions of local cooperation are identical and in accord with said section 4 of the Mississippi River Flood Control Act of June 15, 1936. As stated, the total cost to the Government does not exceed the present authorization, as stated in said amendment no. 3. No additional authorization is required.

On amendment no. 4: This amendment merely amends the Flood Control Act of June 22, 1936, by adding in the proper place after the words "Willamette River", the words "and tributaries." No additional authorization is required.

On amendment no. 5: This amendment amends the project for the protection of the Pittsburgh area and particularly for the protection of the city of Johnstown, Pa., embraced in the Flood Control Act of June 22, 1936, as amended by the act that Congress approved April 27, 1937, by providing that if it is found that geological and engineering conditions make it impracticable to construct a reservoir to provide protection for the city of Johnstown, Pa., flood protection will be provided by channel enlargement or other works, provided the total construction costs shall not be increased. No additional authorization is required.

On amendment no. 6: The amendment as adopted by the Senate was eliminated and in lieu thereof the following amendment was agreed to:

"SEC. 9. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding a third paragraph reading as follows, under the heading 'Mississippi River':

" 'Memphis, Tenn.: The construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tenn., in accordance with the report on record in the office of the Chief of Engineers. Estimated construction cost $9,000,000. Estimated cost of lands and damages, $4,324,000.' "

Under the amendment as proposed, and under the amendment as agreed to, no additional authorization is provided, and it is understood that no appropriation for the project during the current fiscal year will be made. It is understood that the project will be provided for out of appropriations under the act of June 22, 1936, for the next fiscal year. The amendment as agreed to amends the act of June 22, 1936, by providing a project for the protection of Memphis, Tenn., in accordance with the terms of the act of June 22, 1936.

Memphis was subjected to the highest flood heights in its history during the flood of 1937. While it was expected that this project would be included in the flood-control bill that the House Flood Control Committee plans to report during the next session, it has been included in the pending bill inasmuch as no additional authorization is required and no additional appropriation is expected. Its adoption will enable the local interests to prepare to make the local contribution required by law, which in this case is substantially 50 percent of the costs of construction.

The conferees agreed to Senate amendments 2, 3, 4, and 5. They further agreed to amendments as shown herein and as shown in the conference report in lieu of the amendments no. 1 and no. 6 proposed by the Senate.

The amendments adopted by the Senate and agreed to in conference do not require any additional authorizations or appropriations.

WILLIAM M. WHITTINGTON,
GLENN GRISWOLD,
HARRY L. ENGLEBRIGHT,
Managers on the part of the House.

Mr. TABER. Mr. Speaker, I reserve a point of order against the report for the time being.

Mr. RANKIN. Mr. Speaker, I demand the regular order.

Mr. TABER. Mr. Speaker, I make a point of order against the report on the ground it exceeds the range of the conference. The first amendment attempts to deal with an act of June 15, 1936, while the matters in difference between the two Houses were entirely confined to the act of June 22, 1936.

The SPEAKER. Does the gentleman from Mississippi [Mr. WHITTINGTON] care to argue the point of order?

Mr. WHITTINGTON. Mr. Speaker, the point of order is directed to what is known as the amendment agreed to by the conferees in lieu of the Barkley amendment.

The Barkley amendment, as shown by the bill, is as follows:

Provided further, That if after investigation the President finds that any city or town is by reason of its financial condition unable to comply with the requirements of section 3 as to local cooperation he is hereby authorized to waive such requirements in whole or in part.

Mr. Speaker, it is the view of the conferees that the so-called Barkley amendment, which I have just read, has to do with the waiver of the requirements of section 3 not only with respect to the Ohio River but with respect to the entire country. In this connection, with the permission of the Speaker, I call attention to the following colloquy in the Senate at the time of the adoption of the Barkley amendment.

The SPEAKER. In order to expedite decision on this matter, the Chair may ask the gentleman from Mississippi this question: Does the gentleman contend there was anything in the House bill which justified the conferees in extending the language of Senate amendment no. 1 to include States, political subdivisions, and other responsible agencies?

Mr. WHITTINGTON. I do say language is to be interpreted as intended by the author and the Senate, Mr. Speaker, and for that reason I was just about to offer the observation which I now bring to the attention of the Chair.

The SPEAKER. Will the gentleman kindly point out anything in the House bill which justifies that position?

Mr. WHITTINGTON. I am trying to give the Speaker the interpretation of the author of the amendment in which he stated that it was applicable to section 3.

The SPEAKER. The Chair may state to the gentleman from Mississippi that the Chair must base his decision on the language of the House bill and the language of the Senate amendment, and not on the interpretation put upon it by a Member of the Senate.

Mr. WHITTINGTON. I agree with the statement of the Speaker, but I thought his interpretation might be of benefit in the interpretation of the provision.

The SPEAKER. It might be interesting, but the Chair does not think it would be at all conclusive on the Chair.

Mr. WHITTINGTON. Will the Chair permit me to make this statement, and then I shall conclude, for I have no desire to detain the House. When the amendment was offered, the Senator from Missouri, Mr. CLARK, asked the author if it was applicable only to cities and towns in the Ohio Valley. The author of the amendment replied that it was not, that it was applicable to the entire country. The language here does broaden and does extend the language of the amendment of the Senator from Kentucky in order to do what the Senator from Kentucky, the author of the amendment, stated it would do.

May I also state, Mr. Speaker, that if the point of order lies, we are in the anomalous situation of permitting the President of the United States to waive local cooperation with respect to cities and towns in the Ohio Valley without giving him the authority to waive it with regard to other cities and towns and all other localities in other flood-control acts. In the circumstances, while the point of order may be sound, and I can appreciate that it does enlarge the language of the bill, I appeal to the gentleman from New York, in view of the fact that we constantly have to waive points of order or we would never restrict the language often adopted by the other body, in fairness and justice to the entire country and to all flood-control acts the gentleman would be justified in withdrawing the point of order.

The SPEAKER. Does the gentleman from New York insist on the point of order?

Mr. TABER. Mr. Speaker, the situation seems to be this: Amendment no. 1 gives to certain States and certain cities and towns referred to and provided for in the act of June 22, 1936, the privilege of applying to the President and gives to the President the right to waive local contributions. This amendment applies not only to the act of June 22, 1936, but also to the act of June 15, but limits it, however, to a 50-percent contribution. The way I see the situation is that if

the Federal Government contributes toward the rights-of-way and that sort of thing which the local communities are required to put up, the cost will be four or five times as much as if the localities procured them themselves. I think the proper procedure would be to reject this conference report and move that the House further insist upon its disagreement to the Senate amendments.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. May I remind the gentleman that if his point of order is good the amendment, in the opinion of the conferees, and certainly in my opinion, does not apply to all cities and towns included in the act of 1936, but applies only to the cities and towns in the Ohio Valley under the terms of the pending bill as set forth in the first part of section 1.

Mr. TABER. Perhaps that is so.

Mr. WHITTINGTON. May I say further that the gentleman's apprehension that this will greatly increase the cost to the country is not justified, according to my investigations? The fact is that in the Ohio Basin there are some cities, as probably there are in other parts of the country, which are utterly unable to comply with the provision requiring local contributions.

This would give to the President of the United States the power to remit one-half the cost required by law. I personally would like to see a definite yardstick adopted. We hope to have a comprehensive flood-control act at the next session of Congress, and I trust the matter can be adjusted. However, it strikes me that in all fairness every part of the country in the meantime should have the consideration which the author of the amendment intended to give. I urge that the gentleman withdraw his point of order.

The SPEAKER. Does the gentleman from New York insist on his point of order?

Mr. TABER. Mr. Speaker, I feel that I must insist on the point of order.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman withhold his point of order for a question?

Mr. TABER. I withhold the point of order for a moment, Mr. Speaker.

Mr. MARTIN of Colorado. May I ask the gentleman from Mississippi what, if any, consideration was given to the question of damage, aside from lands, easements, and rights-of-way?

Mr. WHITTINGTON. I may say that the language there as construed by the War Department embraces lands, easements, damages, and rights-of-way. We have followed the language in the National Flood Control Act.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I should like, if I could, to disabuse the mind of the gentleman from New York [Mr. TABER] of any fear with reference to unlimited expenditure.

As I understand it, the only amounts of money that can be expended for all kinds of flood control for all of the country, regardless of what amendments we put on here, are $24,000,000 and $30,000,000, and that is all, without regard to what we may think the potential expenditures might be. All of these things must come under the scrutiny of the President, the Army engineers, the Appropriations Committee of the House, and the Appropriations Committee of the Senate. There will be many checks on this expenditure, and if this is turned down, we Congressmen of the Ohio Valley must go back to our people and say that although we suffered from the greatest flood any civilized people in the world ever knew and although we have been before the Congress for 8 months seeking relief, we have come back empty handed; we have asked for bread and they have given them a stone, and I really beg the gentleman from New York to withdraw his point of order so that we may show these people that the Government of the United States, regardless of politics and regardless of the locality of the individual, has some sympathy for the people who have suffered more than any other people in the country.

Mr. TABER. The burden, of course, will be upon those in the Senate who are insisting upon the Government waiving local contributions and not upon me or upon the Members of the House.

Mr. JENKINS of Ohio. That may be true, but that does not bring relief to our people.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. WHITTINGTON. I respect the gentleman from New York as a watchdog of the Treasury. When this amendment was submitted, it gave the President the right to waive the entire contribution. We have an agreement here authorizing the President to waive only 50 percent, and if there is one man in the House who would be justified in yielding, in view of our high regard for him as a watchdog of the Treasury, after your conferees have tried to the limit to protect the Treasury, I believe it is the gentleman from New York. With deference, the burden of preventing discrimination will be upon the gentleman from New York, and not upon the Senate, for I am trying to effectuate the intention of the Senate to the extent of 50 percent.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. SNELL. Do I understand that the effect of this amendment would be to give the President the right to change the law affecting the purchase of all the levees and rights-of-way along the entire length of the Mississippi River?

Mr. TABER. It would affect everything that is authorized by the acts of June 15, 1936, and June 22, 1936, and also this bill.

Mr. SNELL. And that is contrary to what the Congress has stood for heretofore.

Mr. TABER. Yes.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WHITTINGTON. I do not think and I do not believe this would affect the main Mississippi River. This is intended to protect the people along the Ohio and other rivers. The levees on the Mississippi River are practically completed. The conferees have insisted that if we do this with respect to one flood-control act we should do it with respect to all of them.

Mr. SNELL. Why should not the House stand, as it has always stood, against this proposition, and let it go back to conference?

Mr. WHITTINGTON. I believe there must be a liberalization by the Government of the principle of local contribution, and if we cannot apply it to all projects, we can well begin with the emergency Ohio River projects.

The SPEAKER. Does the gentleman from New York [Mr. TABER] insist upon his point of order?

Mr. TABER. I think I shall have to, Mr. Speaker.

The regular order was demanded.

The SPEAKER. The regular order has been demanded. The Chair will ask the gentleman from New York if he insists on his point of order.

Mr. TABER. I do, Mr. Speaker.

The SPEAKER. The Chair is prepared to rule.

The gentleman from New York [Mr. TABER] makes the point of order that the conferees have exceeded their authority in agreeing to Senate amendment no. 1, which is in the following language:

Provided further, That if after investigation the President finds that any city or town is by reason of its financial condition unable to comply with the requirements of section 3 as to local cooperation he is hereby authorized to waive such requirements in whole or in part.

This was the original Senate amendment placed in the House bill. In lieu of the Senate amendment, the conferees have agreed to the following provision:

Provided further, That if after investigation the President finds that States, political subdivisions thereof, or other responsible local agencies are unable by reason of their financial condition to comply with the requirements as to local cooperation with respect to providing lands, easements, and rights-of-way for any projects authorized by the Flood Control Act of June 15, 1936 (Public Act No. 678, 74th Cong.), the Flood Control Act of June 22, 1936 (Public Act No. 738, 74th Cong.), and by this amending act, he is authorized to waive such requirement on any individual project not to exceed 50 percent of the estimated costs of the lands, easements, and rights-of-way.

In other words, the conferees by agreeing to the language last read by the Chair, have very largely increased the power that was not covered by the House provision and was not covered by the original Senate amendment to the House bill.

There is a long and consistent line of decisions and precedents holding that such powers are clearly beyond the authority of conferees and the Chair regretfully feels compelled to sustain the point of order.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. When a conference report has been thrown out on a point of order is it not the same as if it had been rejected by the House?

The SPEAKER. The gentleman from New York makes a parliamentary inquiry as to whether, when a point of order to a conference report is sustained ipso facto, the Senate amendments come before the House for further consideration. Is that the parliamentary inquiry?

Mr. SNELL. Yes.

The SPEAKER. In reply to the gentleman the Chair calls the gentleman's attention to section 3257, volume 8, Cannon's Precedents:

When a conference report is ruled out of order, the bill and amendments are again before the House as when first presented, and motions relating to amendments and conference are again in order.

Mr. SNELL. When this first came back from the Senate there was an important matter that should have gone before the committee for consideration because it entailed expenditure of large amounts of money, and is it a privileged motion to move to consider that in the House at the present time?

The SPEAKER. It is in the opinion of the Chair, because by sending the bill and Senate amendments to conference, the provisions of the rules requiring consideration in Committee of the Whole were waived.

The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 2, line 10, after the word "with" insert "*Provided further*, That if after investigation the President finds that any city or town is, by reason of its financial condition, unable to comply with the requirements of section 3 as to local cooperation he is hereby authorized to waive such requirements in whole or in part."

Mr. WHITTINGTON. Mr. Speaker, I move to concur in the Senate amendment, which it is proposed we adopt in lieu of the amendment just read, which I send to the desk.

The Clerk read as follows:

Mr. WHITTINGTON moves to recede and concur in amendment no. 1 with an amendment, as follows: In lieu of the matter inserted by the Senate amendment insert the following:

"*Provided further*, That if after investigation the President finds that any city or town is, by reason of its financial condition, unable to comply with the requirements of section 3 as to local cooperation, he is hereby authorized to waive such requirements on any individual project not to exceed 50 percent of the estimated cost of the lands, easements, and rights-of-way."

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, under the ruling of the Chair, which I think is unquestionably correct, the proposed amendment confines the authority of the President to waive as to local contribution to the cities and towns of the Ohio Valley and to the authorization of projects that will cost approximately $24,000,000, as provided in the bill. In other words, we have met the other body halfway, and under the ruling and interpretation of the Chair on the point of order by the gentleman from New York [Mr. TABER] this provision applies only to cities and towns in the Ohio Valley, and will relieve and waive, in the discretion of the President, in any particular case any city or town in the pending bill not to exceed 50 percent of the estimated costs of lands, easements, and rights-of-way.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. SNELL. Is not this the first time we have passed any such legislation as this, waiving the responsibility of local communities to provide the rights-of-way, and so forth, in connection with this flood control?

Mr. WHITTINGTON. I answer the gentleman by saying that generally there has been heretofore a yardstick and local contribution in all flood-control acts; and also answer further by saying that in emergencies and unusual circumstances, or where there is contribution already made for flood-control work, similar provisions are contained in some of the flood-control acts; but in this case it is understood that the approximate $24,000,000 authorized in the bill will not necessitate an additional appropriation this year, and that the President of the United States is to provide for the work out of the relief and emergency funds of 1937. In this case I do say and answer the gentleman's question by saying that I favor a uniform rule, a uniform yardstick of local contribution, and for that reason I urged that the point of order be withdrawn by the gentleman from New York, but the gentleman insisted upon his point of order; and, knowing that a city like the city of the gentleman from Ohio [Mr. JENKINS] and other cities, if this amendment is not adopted, will not be able to comply with the local contribution, I do urge that we meet the other body halfway and agree to the amendment I propose.

In southern New York under the National Flood Control Act of 1936 there are projects authorized aggregating about $27,000,000. And the local contribution is about $6,000,000 under the terms of that act. In the case of the city of Paducah, Ky., the cost of construction is approximately $5,000,000, and the local people there are required to put up 50 percent. It was in the way of an emergency to relieve them from the oppressive provisions of the general act that until the next session of Congress we insisted it be made applicable to all acts and local interests; but the gentleman from New York [Mr. TABER], by insisting on the point of order, has limited us to these emergency cases and only to those provided in this act along the Ohio River.

Mr. FRED M. VINSON. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. FRED M. VINSON. In regard to Kentucky let me say that because of constitutional language, the ceiling of debt in cities and counties and districts is limited from 3 percent to 10 percent on the assessed valuation in those towns, according to the size thereof.

Mr. MARTIN of Colorado. What does the word "community" embrace, what type of political subdivision?

Mr. WHITTINGTON. It is city or town. The word "community" is not used in the amendment, but broader language that would have included communities was included in the amendment agreed to by the conferees.

Mr. MARTIN of Colorado. It would not embrace a State or a political subdivision thereof?

Mr. WHITTINGTON. It is confined to cities and towns.

Mr. CITRON. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CITRON. Would the amendment include the Connecticut River valley?

Mr. WHITTINGTON. It does not. It is applicable to emergency projects, not to exceed in cost about $24,000,000,

in the Ohio Valley. If the amendment ruled out on the point had been approved, it would have applied to the Connecticut Valley.

Mr. SECREST. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. SECREST. Under the Overton bill of last year, did it not provide that the Federal Government should buy the land in the lower Mississippi project?

Mr. WHITTINGTON. No. It provided, in the floodways where the Government acquired a strip of land, in many cases 8 or 10 miles wide, for flowage rights, that the Federal Government should provide flowage rights to exceed the amount estimated by the Chief of Engineers, and stipulated in the bill; but under the Overton Act of June 15, 1936, for levees, the same yardstick applied that applies on any other river in the United States under the Copeland Act of June 22, 1936.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JENKINS of Ohio. I should like to answer the gentleman from New York [Mr. SNELL] by saying that if the Barkley amendment, which is amendment no. 1 and which is germane and is not subject to a point of order—if the gentleman from Mississippi would insist upon that amendment, this would be the result: Every city in the Ohio Valley would have the right to go to the President and ask that the Government come forward with the total contribution, but he is not taking the Barkley amendment. He is placing an amendment on the Barkley amendment, which provides that every city, regardless of its financial condition, must pay 50 percent of all damages and all expenses. That itself will shut out most of the cities on the Ohio River. I do not know of but two or three—Cincinnati, Huntington, W. Va., and some of the larger cities—that can meet the requirements. There is no use for this Congress to go through the motions of saying they are trying to give these flooded people relief when you put a yoke around their neck so heavy that they cannot move. There is absolutely no sense in it. Let us be reasonable about it.

Mr. SNELL. Will the gentleman yield to me for a minute?

Mr. WHITTINGTON. I yield to the gentleman from New York for a question.

Mr. SNELL. I just want to make this statement: This proposition has been argued in the House for the last 18 or 20 years, of the local communities furnishing rights-of-way, and so forth, and this House has continually, during all that time, taken that position. Every little while there has been an effort made to relieve local communities of that obligation. Nevertheless, I have always taken the position that the local communities certainly should be required to do that much. The gentleman from Mississippi [Mr. WHITTINGTON] well knows that at the time we started this flood control it never would have been started unless they agreed to do that.

Mr. WHITTINGTON. That is right, and we have complied with the principle along the Mississippi River and are now complying with the requirements.

Mr. SNELL. That is all right, but when you start relieving them, I know how easy it is to relieve the rest of them; and if you start that here today, I maintain that it would not be but a short time until you will relieve all local communities from any responsibility whatever; and as far as I am concerned, I am not going to stand for it.

Mr. WHITTINGTON. I respond to the gentleman from New York [Mr. SNELL] by saying it is a question of whether we are going to waive the matter so as to permit the President to waive all contribution or going as far as the conferees can go to secure the passage of a bill that will be approved to limit it to waiving it one-half.

Mr. SNELL. You have done well so far, but you have only gone half as far as you ought to.

Mr. CITRON. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CITRON. Is there any reason why we should adopt this amendment which provides for Federal contributions to the land costs in the Ohio Valley, since the same benefits do not apply to other sections of the country that come under the omnibus flood-control bill of last year? I favor the Federal Government paying for all the land costs in these flood-control projects.

Mr. WHITTINGTON. The waiver should apply to all flood-control acts, but that question was brought up on a point of order and the point of order was sustained, and we cannot put it in this bill, to make the waiver applicable to all projects, but only to the emergency Ohio River project.

Mr. RICH. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RICH. Is not this amendment similar to that which was in the Overton bill last year, that was defeated by the House and which was afterward tried to be put in in conference, and on account of Senator COPELAND it was refused?

Mr. WHITTINGTON. It is not. There was no similar provision in the Overton bill last year.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. SPENCE. Is it not a fact that unless there is some liberalization in this law it will be absolutely impossible to furnish any help to the people in the cities of the Ohio Valley, who are limited as to their tax rate and as to their constitutional indebtedness? They cannot take advantage of this law unless there is some liberalization of it.

Mr. WHITTINGTON. Mr. Speaker, unquestionably that is true. I answer finally, not desiring to take the time of the House, that the amendment I propose is only applicable to the emergency projects in the Ohio Valley, and it is the purpose of the flood-control committee, as was stated repeatedly during this session, to undertake to report a bill covering the entire country, and get a definite yardstick, early in the next session of the Congress.

Mr. SPENCE. Now is the time the Ohio Valley needs help.

Mr. WHITTINGTON. For that reason I favor the principle of the Barkley amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 173, noes 22.

So the amendment was agreed to.

Mr. WHITTINGTON. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: At the end of section 1, add quotation marks.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Speaker, there is no dispute or controversy with reference to amendments of the Senate nos. 2, 3, 4, and 5. I ask unanimous consent that they may be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The Clerk will report Senate amendments nos. 2, 3, 4, and 5.

The Clerk read as follows:

(2) Page 4, strike out all after line 17 down to and including line 22, on page 7, and insert:

"Connecticut and Chicopee Rivers.

"Pawtuxet River, R. I.

"Conewango Creek and Davis Brook in Chautauqua County and Cattaraugus County, N. Y.

"Battenkill, N. Y.

"Mettawee River, N. Y.

"Ilion, Steel Creek, N. Y.

"Delaware River.

"Youghiogheny River watershed above Dawson, Pa.

"North Branch of Potomac River and its tributaries in the vicinity of Keyser, W. Va.

"Kissimmee River Valley and its tributaries, Florida.

"Estero River, Imperial River, Corkscrew River (Horse Creek), Gordon River, Rock Creek, Hendry Creek, Mulock Creek, and Six Mile Cypress Slough, all in Florida.

"Quiver River, Miss.

"Sunflower River, Miss.

"Clarksville, Memphis, and Nashville, Tenn., with a view to submitting comprehensive plans for flood protection to Congress.

"Dugdemonia Bayou, La.

"Boeuf River, Catahoula, Franklin, Caldwell, Richland, West Carroll, and Morehouse Parishes, La.
"Bayou Macon, Franklin, Madison, Richland, East Carroll, and West Carroll Parishes, La.
"Ouachita River and tributaries, Louisiana.
"San Jacinto River, and its tributaries, in Montgomery, Walker, San Jacinto, Grimes, Waller, Liberty, and Harris Counties, Tex.
"Brazos River and its tributaries, Texas.
"Saline River, Ark.
" 'The Narrows' on Fourche La Fave River in Scott County, Ark.
"Walnut in Little River County, Ark.
"Illinois Bayou, Pope County, Ark.
"Big Piney Creek in Pope and Johnson Counties, Ark.
"Fourche La Fave River, in Perry, Yell, and Scott Counties, Ark.
"Palarm Creek, a tributary of the Arkansas River, in Faulkner and Pulaski Counties, Ark.
"Bayou Meto Basin, a tributary of the Arkansas River in the State of Arkansas.
"Sulphur River, Ark.
"Poteau River, Ark.
"Grand (Neosho) River and its tributaries, Oklahoma, Kansas, Missouri, and Arkansas.
"Platte River in the vicinity of Schuyler, Nebr.
"Little Osage River, Kans.
"Yellowstone River, Mont.
"Arkansas River in Sequoyah and Haskell Counties, Okla.
"Sans Bois Creek in Haskell and Latimer Counties, Okla.
"North Canadian River, Okla. and Tex.
"South Canadian River, Okla.
"Cimarron River, Okla. and Kans.
"Beaver River, Okla.
"Washita River, Okla.
"Fountaine Que Bouille (Fountain) River and its tributaries, Colorado.
"Cherry Creek and its tributaries, Colorado.
"Mississippi River and tributaries in Memphis and Shelby County, Tenn.
"Wyaconda River in Clark and Lewis Counties, Mo.
"South Fabius River in northeast Missouri.
"Chariton River in Schuyler County, Mo.
"Galena River (Fever River) in Illinois and Wisconsin.
"Floyd River, Iowa.
"Little Sioux River, Iowa.
"Cedar River, Iowa.
"Chariton River, Iowa.
"Iowa River, Iowa.
"Boyer River, Iowa.
"Turkey River, Iowa.
"Nishnabotna River, Iowa.
"Bureau Creek and tributaries, Illinois.
"Illinois River and the Fox River at Ottawa, Ill.
"Mackinaw River, Ill.
"Kickapoo River, Wis.
"Gilmore Creek, Winona County, Minn.
"Root River, Fillmore, Mower, Olmsted, Winona, and Houston Counties, Minn.
"Zumbro River and the Whitewater River in southeastern Minnesota.
"White River, S. Dak.
"Keyapaha River, S. Dak.
"Bad River from Philip to Fort Pierre, S. Dak.
"Flathead River and tributaries in Flathead County, Mont.
"Kiskiminetas River, Pa.
"Kiskiminetas and Conemaugh Rivers and their tributaries, Pennsylvania.
"Tygart River and tributaries in the vicinity of Elkins, W. Va.
"Buckhannon River and Middle Fork River and their tributaries in the vicinity of Buckhannon, W. Va.
"Cumberland River and its tributaries in the vicinity of Nashville, Tenn.
"Cumberland River and its tributaries in the vicinity of Clarksville, Tenn.
"Girtys Run, in Allegheny County, Pa.
"Clinton River, Mich.
"Scioto and Sandusky Rivers and their tributaries, Ohio.
"Mill Creek Valley in Cincinnati, Ohio.
"Bill Williams River, Ariz.
"Big Sandy River, in Arizona, from the junction of Trout Creek and Knight Creek on the north to the Bill Williams River on the south.
"Gila River, in Arizona, from Gillespie Dam downstream to a point near Wellton.
"Little Colorado River and its tributaries upstream from the boundary of the Navajo Indian Reservation in Arizona.
"Santa Ana River and tributaries, California.
"Santa Ana River and Banning Canyon in counties of San Bernardino and Riverside, Calif.
"Mojave River, in the county of San Bernardino, Calif.
"Lytle Creek, Waterman Canyon, in the county of San Bernardino, Calif.
"San Jacinto River and Bautiste Creek in the county of Riverside, Calif.
"Santa Clara River, Calif.
"Salinas River, Calif.
"Cucamonga Creek, Deer Creek, San Antonio Creek, and Chino Creek, Calif.
"Arroyo Grande Creek, in the county of San Luis Obispo, Calif.
"Whitewater River, Calif.
"Alameda and San Lorenzo Creeks and their tributaries, California.
"Pajaro River, Calif.
"Russian River, Calif.
"Santa Maria River, Calif.
"Ventura River, Ventura County, Calif.
"Willow Creek, Oreg.
"Nestucca River and its tributaries, Oregon.
"Chetco River and tributaries, Oregon.
"Smith River and tributaries, Oregon.
"Alsea River and tributaries, Oregon.
"Clatskanie River and tributaries, Oregon.
"Sandy River and tributaries, Oregon.
"Deschutes River and tributaries, Oregon.
"Klamath River and tributaries, Oregon.
"Malheur River and tributaries, Oregon.
"Owyhee River and tributaries, Oregon.
"Burnt River and tributaries, Oregon.
"Powder River and tributaries, Oregon.
"Grande Ronde River and tributaries, Oregon.
"Whatcom Creek at Bellingham, Wash.
"North and South Forks of the Skagit River from Mount Vernon to Skagit Bay, Wash.
"Lowell Creek, Alaska.
"Skagway River in the vicinity of Skagway, Alaska."

(3) Page 7, after line 22, insert:

"SEC. 6. That the Chief of Engineers may, in his discretion, modify the project for the control of floods on the Yazoo River, as authorized by Public Act No. 678, approved June 15, 1936, to substitute therefor a combined reservoir floodway and levee plan: *Provided*, That the total cost thereof does not exceed the present authorization as estimated in House Committee on Flood Control Document No. 1, Seventy-fourth Congress, first session: *Provided further*, That the modified project shall be subject to the following conditions of local cooperation:

"No work shall be undertaken until the States or other qualified agencies have furnished satisfactory assurances that they will—

"(a) undertake, without cost to the United States, all alterations of highways made necessary because of the construction of reservoirs and meet all damages because of such highway alterations; and

"(b) furnish, without cost to the United States, all lands and easements necessary to the construction of levees and drainage ditches."

(4) Page 7, after line 22, insert:

"SEC. 7. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding the words 'and tributaries,' after the words 'Willamette River,' in the paragraph entitled 'Willamette River'."

(5) Page 7, after line 22, insert:

"SEC. 8. That the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, as amended by act of Congress approved April 27, 1937, is hereby further amended to provide that, if, in the execution of the project for a reservoir system for the protection of Pittsburgh, it is found that geological and engineering conditions make it impracticable to construct a reservoir to provide protection for the city of Johnstown, Pa., flood protection shall be provided for said city by channel enlargement or other works: *Provided*, That the total estimated construction cost of the entire project shall not be increased."

Mr. WHITTINGTON. Mr. Speaker, I move that the House recede from its disagreement to amendments of the Senate nos. 2, 3, 4, and 5 and agree to the same.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment no. 6: Page 7, after line 22, insert:

"SEC. 9. That the project for the protection of the city of Memphis, Tenn., from the floodwaters by the construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek in accordance with plans to be approved by the Chief of Engineers, is hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the provisions and conditions of the Flood Control Act of June 22, 1936."

Mr. WHITTINGTON. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate no. 6 and agree to the same with an amendment.

The Clerk read as follows:

Mr. WHITTINGTON moves that the House recede from its disagreement to the amendment of the Senate no. 6 and agree to the same with an amendment as follows:

"SEC. 9. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors

for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding a third paragraph reading as follows, under the heading 'Mississippi River': 'Memphis, Tenn.—The construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tenn., in accordance with the report on record in the Office of the Chief of Engineers. Estimated construction cost, $9,000,000. Estimated cost of lands and damages, $4,324,000'; and the Senate agree to the same."

Mr. WHITTINGTON. Mr. Speaker, the amendment I propose is substantially the amendment adopted by the other body, but it is clarified and made definite and follows the language in all similar projects in the Flood Control Act of June 22, 1926. It is the amendment agreed to by the conferees.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JENKINS of Ohio. If the amendment is adopted will not the bill have to go back to conference?

Mr. WHITTINGTON. It will not. The Senate can approve the conference report, and agree to the amendment in lieu of amendment 1, adopted by the House.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I shall be pleased to yield, but before yielding, my colleague on the committee understands, I trust, that due to the situation that has arisen through the point of order made against the report we did not have time for the usual explanation and discussion of the report and I could not yield to the gentleman before.

I am now glad to yield to the gentleman from Kansas.

Mr. CARLSON. Mr. Speaker, I want to make a statement on behalf of the Flood Control Committee. We worked on legislation that dealt with the Ohio River Valley and it was the understanding in our committee that year we would consider only projects on that river. I believe we had a message from the President to that effect. We brought in the report with that understanding. We have here a bill that carries in it projects on the Mississippi River and tributaries of the Mississippi River.

I want to say to the House, it was the understanding in the committee we would consider those streams separately next year. At that time we hoped to come in with a comprehensive program and be able to bring in legislation dealing with those tributaries, while this bill was to deal with the Ohio River.

Mr. WHITTINGTON. I am in accord with the gentleman's statement. We were restricted and we only reported emergency projects in the Ohio River Basin, but it is fair to say that under the terms of the amendment as we now have it rewritten and as I now propose, no additional authorization is made and no appropriation will be made or requested this fiscal year. Personally, I had hoped that projects along the Mississippi be continued as requested by the President, but it is fair to say that the city of Memphis, one of the two largest cities in the lower Mississippi River Valley was subjected to the greatest flood in its history in 1937 and it is entitled to this protection and to this project as much as other parts of the country. We merely anticipated by approving the Memphis project, which undoubtedly the committee would have recommended next session.

Mr. FERGUSON. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Did I understand the gentleman to say this does not increase the authorization?

Mr. WHITTINGTON. It does not increase the authorization specifically of the act of June 22, 1936, nor is it believed any such increase is necessary, as many of the projects authorized will not be constructed, and the existing authorization is ample to provide for the Memphis project. No provision is made for increasing the authorization, because it amends the Flood Control Act of June 22, 1936. That is the purpose of the amendment.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I notice the total cost of construction is $9,000,000 and the land damage is $4,000,000. Does the city of Memphis assume this property damage?

Mr. WHITTINGTON. Yes; the city of Memphis has to put almost 50 percent in round figures.

Mr. CITRON. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Connecticut.

Mr. CITRON. Does the Federal Government contribute toward the costs of the taking of land by Memphis?

Mr. WHITTINGTON. The fact is that the Government makes no contribution to Memphis and makes no contribution anywhere else except for cities and towns in the lower Ohio Valley, under amendment number as agreed to by the House, because of the point of order of the gentleman from New York.

Under leave to revise and extend my remarks, I call attention to the statement of the managers on the part of the House in the conference report.

The conferees agreed to amendments nos. 2, 3, 4, and 5, as set forth in the statement on the part of the managers. These amendments necessitate no additional authorizations.

The only two amendments, except the clarifying amendment inserting quotation marks at the end of section 1, are amendment no. 1, the so-called Barkley amendment, and amendment no. 6, the so-called McKellar amendment, both proposed by the Senate.

The bill under consideration is an amendment to the Flood Control Act of June 22, 1936, and is to provide for levees, flood-walls, and drainage structures for the protection of cities and towns in the Ohio River Basin, not to exceed an authorization of $24,877,000. The estimated costs of construction to the Government and the estimated costs of rights-of-way to the local interests are set forth in House Committee on Flood Control Document No. 1, Seventy-fifth Congress, and the projects are in accordance with the report of the Chief of Engineers, as set forth in said document, and as stipulated in section 1 of the pending bill.

It is specifically provided in section 1 that the local cooperation required by section 3 of the Flood Control Act of June 22, 1936, must be complied with. Section 3 of that act, in describing the local interests, uses the words "States, political subdivisions thereof, or other responsible local agencies." The Barkley amendment as proposed by the Senate used "cities and towns" in describing the local interests, evidently referring to the cities and towns to be protected as emergency projects under the authorization of section 1 of the act.

As disclosed by the debate in the Senate at the time of the adoption of the said Barkley amendment, it was the purpose of the said amendment to apply to the whole country. There was a colloquy between the author of the amendment, Senator BARKLEY, and the Senior Senator, Mr. CLARK, of Missouri. I quote from this colloquy, CONGRESSIONAL RECORD, August 13, 1937, page 8832:

Mr. CLARK. Mr. President, let me ask the Senator from Kentucky whether this is a provision to exempt only cities in the Ohio Valley from local contributions toward flood-control projects.

Mr. BARKLEY. This is an amendment to the Flood Control Act of 1936 and the amendment to which I have referred, if adopted, would apply to the whole country.

Mr. CLARK. I have the most intense sympathy with the project and I wanted to know the purposes of the amendment.

Mr. BARKLEY. It is not limited to the Ohio Valley.

Practically all flood-control projects are embraced either in the Flood Control Act of June 15, 1936, or the National Flood Control Act of June 22, 1936. Many projects protect other legal subdivisions than cities or towns. They protect communities; they protect drainage districts; they protect levee districts. I repeat that the language "cities and towns" is not used in section 3 of the act of 1936.

Again, it was the view of the conferees that the same yardstick granting the President discretion to waive local contribution should apply to the whole country. Such was the evident intention of the author of the amendment. The conferees, therefore, to give effect to the intention of the author of the amendment and the intention of the Senate, agreed upon the amendment proposed by the conferees in lieu of the amendment proposed by the Senator from Kentucky.

The amendment proposed by the conferees would be applicable not only to the cities and towns, but to the local interests described in section 3 of the act of 1936, and the very language of the act is used in the amendment proposed by the conferees. Moreover, the amendment proposed by the conferees would limit the discretion of the President to waive so that he would be authorized to waive the local contribution for lands, easements, and rights-of-way for any project not to exceed 50 percent of the estimated costs thereof. Personally, I believe in national flood control at national expense. I believe that the Federal Government should provide for flood-control projects, where the benefits exceed the costs, at national expense.

At the same time, the Federal Treasury must be protected. There was a defect in the amendment proposed by the Senator from Kentucky. It authorized the President to waive the local cooperation. The conferees proposed to limit his waiver to not exceeding 50 percent of the estimated costs. The Chief of Engineers makes the estimated costs. If the President is authorized to waive half of the costs, it might be that the costs estimated by the local interests would be adopted. If the costs of the project demanded by the local people exceeded the estimated costs of the Chief of Engineers, the President would only be authorized to waive one-half of the estimated costs by the Chief of Engineers.

The conferees made the provision applicable to the Flood Control Act of June 15, 1936. I am frank to say, however, that I know of no projects along the main Mississippi River that would be benefited. The local people have paid for the lands, damages, and rights-of-way. The levees along the main Mississippi River are practically complete. The local people have furnished the local cooperation and have paid for the rights-of-way, lands, and damages required by the act of June 15, 1936.

The yardstick for local contribution for levees along the main Mississippi River is identical with the yardstick of local contribution for levees along all of the rivers, in the act of June 15, 1936. If the language in the amendment proposed by the conferees, in lieu of the so-called Barkley amendment, is adopted, it makes the waiver applicable not only to cities and towns, but to communities and countrysides. It makes it applicable not only to the cities and towns of the Ohio River Basin, but to the cities and towns of all of the rivers and of all the streams in the two flood-control acts of June 15, and June 22, 1936, and all of the tributaries of the Mississippi River would be included with the Ohio River. The amendment would be applicable to the Ohio River and to the other tributaries of the Mississippi River, but I believe that practically all projects for levees along the main Mississippi River have been completed and that therefore the amendment would not aid levees along the main Mississippi River.

Amendment no. 2 included all of the preliminary examinations and surveys provided for in the bill as section 5 as it passed the House. In addition, the Senate included preliminary examinations and surveys for other streams. The amendment of the Senate rearranged the grouping of the streams by regions and hence the order in which the streams included in section 5 when it passed the House has been rearranged. As stated, however, all streams providing for preliminary examinations and surveys included in the bill as it passed the House are included in the bill as agreed to.

Amendment no. 3 agreed to by the conferees authorized the Chief of Engineers, in his discretion, to modify the project for the control of floods on the Yazoo River, as authorized by section 4 of the Flood Control Act of June 15, 1936, so as to substitute therefor a combined reservoir, floodway, and levee plan, provided the total costs do not exceed the present authorization as stated in the amendment. This amendment is comparable to a similar provision with respect to the St. Francis River in section 4 of the act of June 15, 1936, and the conditions of local cooperation are identical and are in accord with section 4 of the Mississippi River Flood Control Act of June 15, 1936. No additional authorization is required. The total estimated cost is not to exceed the present authorization, as stated in said amendment no. 3.

Amendment no. 4 merely adds to the Flood Control Act of June 22, 1936, after the words "Willamette River", the words "and tributaries." No additional authorization is required.

Amendment no. 5 amends the Flood Control Act of June 22, 1936, as amended, by providing that if it is found that geological and engineering conditions make it impracticable to construct a reservoir to provide protection for the city of Johnstown, Pa., flood protection will be provided by channel enlargement or other works, provided the total construction cost to the Government is not increased thereby. No additional authorization is required.

Amendment no. 6. The bill as reported by the House, as stated over and over again, was confined to an authorization of $24,877,000. It was only partial relief for the Ohio River Basin and confined to emergency projects. The President of the United States requested the Flood Control Committee to continue consideration of other flood-control works along both the Ohio and Mississippi Rivers until the next session of the Congress. No hearings were conducted with respect to projects on the Mississippi River. Provision for all of the cities and towns along the Ohio River would require an authorization of around $140,000,000 or $150,000,000. I repeat to emphasize that as requested by the President the Committee on Flood Control in the House confined the bill to emergency projects and to the exact amount recommended by the President.

Amendment no. 6 provides for flood-walls, levees, and revetments for the protection of Memphis, Tenn. The project is approved by the Chief of Engineers. Undoubtedly it would have been included in the comprehensive flood control bill that the Flood Control Committee of the House plans to report at the next session of the Congress. The conferees recognized that there was merit in the amendment and they were advised it had been approved by the Chief of Engineers. The estimated costs of construction are set forth in the amendment. The estimated costs of the lands and damages are set forth in the amendment. Memphis will be required to contribute from 40 to 50 percent of the costs of construction. While the House conferees urged that consideration of all projects on the Mississippi River be continued until the next session, yet it was recognized that Memphis is one of the two largest cities in the lower Mississippi Valley. The flood of 1937 was the highest in its history. Much of the city is on high land but the commercial and industrial districts of the city were subjected to the highest flood in the history of the city. Much damage was done. The project is meritorious and while the conferees of the House, in maintaining the position of the Committee on Flood Control as requested by the President, stated that undoubtedly the Memphis project would be included in the next flood-control bill, in all of the circumstances, inasmuch as no additional authorization is provided under the bill proposed by the conferees in lieu of the amendment adopted by the Senate, and inasmuch as no additional appropriation will be made during the current fiscal year, the House conferees agreed to the amendment.

The city of Memphis will be required to contribute large amounts. By authorizing the project now the city can make preparations for the local contribution that it will have to provide to secure the construction of the project.

The amendments adopted in the Senate and the Barkley amendment, as modified in the House, and the bill as now

agreed to by the House, do not require any additional authorizations or appropriations. It is but a partial provision to protect the Ohio Valley and to authorize protection for the city of Memphis from the highest flood in the history of the Ohio River and from the highest flood from Cairo to the mouth of the Arkansas River along the Mississippi River, including the Memphis area, ever known.

The country demands national flood control, substantially at national expense. I recommended the approval of the modified Barkley amendment in the hope that at the next session of the Congress a flood-control bill may be reported and adopted that will provide for a definite yardstick of local contribution without discretion that will be applicable to all flood-control projects, in all parts of the country, but in the circumstances, inasmuch as the House has now, by approving the Barkley amendment to the extent of 50 percent, come to the rescue of the stricken cities or towns in the Ohio River basin, I believe that we are in better position for planning and agreeing upon a definite and certain yardstick applicable to all projects on all rivers, at the next session of the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The motion was agreed to.

A motion to reconsider the various votes by which the motions were agreed to was laid on the table.

EXTENSION OF REMARKS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

TARIFF ACT OF 1930

Mr. CULLEN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 8099) to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Customs Administrative Act of 1937."

SEC. 2. Sections 1, 201, 401 (k), and 557 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, secs. 1001, 1201, 1401 (k), and 1557) and section 401 (a) of the Anti-Smuggling Act (U. S. C., 1934 edition, Supp. II, title 19, sec. 1709 (a)) are hereby amended by inserting "Wake Island, Midway Islands, Kingman Reef", before the words "and the island of Guam" wherever such words appear in each such section.

SEC. 3. Section 304 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1304) is hereby amended to read as follows:

"SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.

"(a) Marking of articles: Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article. The Secretary of the Treasury may by regulations—

"(1) Determine the character of words and phrases or abbreviations thereof which shall be acceptable as indicating the country of origin and prescribe the method of marking, whether by printing, stenciling, stamping, branding, labeling, or by any other method whatsoever, and the place on the article (or container) where the mark shall appear;

"(2) Require the addition of any other words or symbols which may be appropriate to prevent deception or mistake as to the origin of the article or as to the origin of any other article with which such imported article is usually combined subsequent to importation but before delivery to an ultimate purchaser; and

"(3) Authorize the exception of any article from the requirements of marking if—

"(A) Such article is incapable of being marked;

"(B) Such article cannot be marked prior to shipment to the United States without injury;

"(C) Such article cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of its importation;

"(D) The marking of a container of such article will reasonably indicate the origin of such article;

"(E) Such article is a crude substance;

"(F) Such article is imported for use by the importer and not intended for sale in its imported or any other form;

"(G) Such article is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of such article and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;

"(H) An ultimate purchaser, by reason of the character of such article or by reason of the circumstances of its importation, must necessarily know the country of origin of such article even though it is not marked to indicate its origin;

"(I) Such article was produced more than 20 years prior to its importation into the United States; or

"(J) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within 2 years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the 5-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin.

"(b) Marking of containers: Whenever an article is excepted under subdivision (3) of subsection (a) of this section from the requirements of marking, the immediate container, if any, of such article, or such other container or containers of such article as may be prescribed by the Secretary of the Treasury, shall be marked in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of such article, subject to all provisions of this section, including the same exceptions as are applicable to articles under subdivision (3) of subsection (a). If articles are excepted from marking requirements under clause (E), (F), (G), or (H) of subdivision (3) of subsection (a) of this section, their usual containers shall not be subject to the marking requirements of this section.

"(c) Additional duties for failure to mark: If at the time of importation any article (or its container, as provided in subsec. (b) hereof) is not marked in accordance with the requirements of this section, and if such article is not exported or destroyed or the article (or its container, as provided in subsec. (b) hereof) marked after importation in accordance with the requirements of this section (such exportation, destruction, or marking to be accomplished under customs supervision prior to the liquidation of the entry covering the article, and to be allowed whether or not the article has remained in continuous customs custody), there shall be levied, collected, and paid upon such article a duty of 10 percent ad valorem, which shall be deemed to have accrued at the time of importation, shall not be construed to be penal, and shall not be remitted wholly or in part, nor shall payment thereof be avoidable for any cause. Such duty shall be levied, collected, and paid in addition to any other duty imposed by law and whether or not the article is exempt from the payment of ordinary customs duties. The compensation and expenses of customs officers and employees assigned to supervise the exportation, destruction, or marking to exempt articles from the application of the duty provided for in this subsection shall be reimbursed to the Government by the importer.

"(d) Delivery withheld until marked: No imported article held in customs custody for inspection, examination, or appraisement shall be delivered until such article and every other article of the importation (or their containers), whether or not released from customs custody, shall have been marked in accordance with the requirements of this section. Nothing in this section shall be construed as excepting any article (or its container) from the particular requirements of marking provided for in any other provision of law.

"(e) Penalties: If any person shall, with intent to conceal the information given thereby or contained therein, deface, destroy, remove, alter, cover, obscure, or obliterate any mark required under the provisions of this act, he shall, upon conviction, be fined not more than $5,000 or imprisoned not more than 1 year, or both."

SEC. 4. Subdivisions (1), (5), and (6) of section 308 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1308) are hereby amended to read as follows:

"(1) Articles to be repaired, altered, or otherwise changed in condition by processes which do not result in articles manufactured or produced in the United States;

"(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, teams and saddle horses, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests, or for the transportation of such nonresidents, their families and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey, but not to be used for the transportation of persons or articles for hire nor in any case primarily for the carriage of articles (but nothing in this act shall be construed as altering the customary exceptions of vehicles and other instruments of international traffic from the application of the customs laws); and in the case of vehicles and craft entered under this subdivision collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a

bond for not to exceed 90 days (or 6 months in the case of such vehicles and craft from a country which accords a similar privilege to vehicles and craft from the United States) after the date of importation, but unless such vehicle or craft is exported or the bond is given within the period of such deferment, such vehicle or craft shall be subject to forfeiture;

"(6) Locomotives and other railroad equipment brought temporarily into the United States for use in clearing obstructions, fighting fires, or making emergency repairs on railroads within the United States, or for use in transportation otherwise than in international traffic when the Secretary of the Treasury finds that the temporary use of foreign railroad equipment is necessary to meet an emergency;".

and the period at the end of subdivision (8) is changed to a semicolon and a new subdivision is added at the end of such section 308 to read as follows:

"(9) Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States, and articles of special design for temporary use exclusively in connection with the manufacture or production of articles for export."

SEC. 5. Section 315 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1315) is hereby amended by deleting the proviso thereof, changing the colon preceding such proviso to a period, and adding at the end of such section the following: "Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of 30 days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties."

SEC. 6. The Tariff Act of 1930 is hereby amended by adding at the end of part I of title III thereof the following new section:

"SEC. 321. ADMINISTRATIVE EXEMPTIONS.

"Collectors of customs are hereby authorized, under such regulations as the Secretary of the Treasury may prescribe, to disregard a difference of less than $1 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon, and to admit articles free of duty when the expense and inconvenience of collecting the duty accruing thereon would be disproportionate to the amount of such duty, but the aggregate value of articles imported by one person on 1 day and exempted from the payment of duty under the authority of this section shall not exceed $5 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States, or $1 in any other case."

SEC. 7. Section 402 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1402) is hereby amended by inserting the words "for home consumption" after the words "freely offered for sale" in subsection (c), and by inserting the words "for domestic consumption" after the words "freely offered for sale" in subsections (e) and (g) and after the word "sold" in subsection (g).

SEC. 8. So much of the last sentence of section 451 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1451) as precedes the words "gives a bond in a penal sum to be fixed by the collector" is hereby amended to read as follows: "Upon a request made by the owner, master, or person in charge of a vessel or vehicle, or by or on behalf of a common carrier or by or on behalf of the owner or consignee of any merchandise or baggage, for overtime services of customs officers or employees at night or on a Sunday or holiday, the collector shall assign sufficient customs officers or employees if available to perform any such services which may lawfully be performed by them during regular hours of business, but only if the person requesting such services"; and the said section 451 is further amended by adding at the end thereof the following: "Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at nights or on Sundays or holidays when such assignments are in the public interest."

SEC. 9. (a) Section 459 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1459) is hereby amended by striking out the last two sentences of such section and inserting in lieu thereof the following: "Any person importing or bringing merchandise into the United States from a contiguous country otherwise than in a vessel or vehicle shall immediately report his arrival to the customs officer at the port of entry or customhouse which shall be nearest to the place at which he shall cross the boundary line and shall present such merchandise to such customs officer for inspection."

(b) Section 460 of the Tariff Act of 1930 (U. S. C., 1934 edition title 19, sec. 1460) is hereby amended to read as follows:

"SEC. 460. SAME—PENALTIES FOR FAILURE TO REPORT OR FILE MANIFEST.

"The master of any vessel or the person in charge of any vehicle who fails to report arrival in the United States as required by the preceding section, or if so reporting proceeds farther inland without a permit from the proper customs officer, shall be subject to a penalty of $100 for each offense. If any merchandise is imported or brought into the United States in any vessel or vehicle, or by any person otherwise than in a vessel or vehicle, from a contiguous country, which vessel, vehicle, or merchandise is not so reported to the proper customs officers; or if the master of such vessel or the person in charge of such vehicle fails to file a manifest for the merchandise carried therein, or discharges or lands such merchandise without a permit; such merchandise and the vessel or vehicle, if any, in which it was imported or brought into the United States shall be subject to forfeiture; and the master of such vessel or the person in charge of such vehicle, or the person importing or bringing in merchandise otherwise than in a vessel or vehicle, shall, in addition to any other penalty, be liable to a penalty equal to the value of the merchandise which was not reported, or not included in the manifest, or which was discharged or landed without a permit. If any vessel or vehicle not so reported carries any passenger; or if any passenger is discharged or landed from any such vessel or vehicle before it is so reported, or after such report but without a permit; the master of the vessel or the person in charge of the vehicle shall, in addition to any other penalty, be liable to a penalty of $500 for each passenger so carried, discharged, or landed."

SEC. 10. The Tariff Act of 1930 is hereby amended by adding at the end of part II of title IV thereof a new section to read as follows:

"SEC. 467. SPECIAL INSPECTION, EXAMINATION, AND SEARCH.

"Whenever a vessel from a foreign port or place or from a port or place in any Territory or possession of the United States arrives at a port or place in the United States or the Virgin Islands, whether directly or via another port or place in the United States or the Virgin Islands, the collector of customs for such port or place of arrival may, under such regulations as the Secretary of the Treasury may prescribe and for the purpose of assuring compliance with any law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce, cause inspection, examination, and search to be made of the persons, baggage, and merchandise discharged or unladen from such vessel, whether or not any or all such persons, baggage, or merchandise has previously been inspected, examined, or searched by officers of the customs."

SEC. 11. The last sentence of subsection (f) of section 484 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1484) is hereby amended to read as follows: "All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry, unless the Secretary of the Treasury shall authorize the inclusion of portions of such merchandise in separate entries under such rules and regulations as he may prescribe."

SEC. 12. (a) So much of section 491 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1491) as precedes the words "shall be considered unclaimed and abandoned" is hereby amended to read as follows: "Any entered or unentered merchandise (except merchandise entered under sec. 557 of this act, but including merchandise entered for transportation in bond or for exportation) which shall remain in customs custody for 1 year from the date of importation thereof, without all estimated duties and storage or other charges thereon having been paid,".

(b) Such section 491 is further amended by adding the following new sentences at the end thereof: "Merchandise subject to sale hereunder or under section 559 of this act may be entered or withdrawn for consumption at any time prior to such sale upon payment of all duties, storage, and other charges, and expenses that may have accrued thereon, but such merchandise, after becoming subject to sale, may not be exported prior to sale without the payment of such duties, charges, and expenses, nor may it be entered for warehouse. The computation of duties for the purposes of this section and sections 493 and 559 of this act shall be at the rate or rates applicable at the time the merchandise becomes subject to sale."

SEC. 13. Section 499 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1499) is hereby amended by striking out from the first sentence thereof the words "except as otherwise provided in this act" and inserting in lieu thereof the words "except under such bond or other security as may be prescribed by the Secretary of the Treasury to assure compliance with all applicable laws, regulations, and instructions which the Secretary of the Treasury or the Customs Service is authorized to enforce."

SEC. 14. (a) Section 499 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1499) is hereby further amended by inserting after the word "regulation" in the third sentence thereof the following: "or instruction, the application of which may be restricted to one or more individual ports or to one or more importations or one or more classes of merchandise,"; and by adding at the end of such section the following new paragraph:

"No appraisement shall be held invalid on the ground that the required number of packages or the required quantity of the merchandise was not designated for examination or, if designated,

was not actually examined, unless the party claiming such invalidity shall establish that merchandise in the packages or quantities not designated for examination, or not actually examined, was different from that actually examined and that the difference was such as to establish the incorrectness of the appraiser's return of value; and then only as to the merchandise for which the value returned by the appraiser is shown to be incorrect."

(b) Section 501 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1501) is hereby amended by striking out the fourth sentence of the first paragraph thereof and inserting in lieu thereof the following: "Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court and shall be assigned to one of the judges, who shall in every case, after affording the parties an opportunity to be heard on the merits, determine the value of the merchandise from the evidence in the entry record and that adduced at the hearing. Appraising and examining officers shall be competent to testify at the hearing as to facts within their knowledge or obtained from records and memoranda made in the office of the appraiser with respect to the merchandise under consideration, or like or similar merchandise, and as to conclusions reached by them in the course of their official duties concerning the merchandise notwithstanding that the original appraisement may for any reason be held invalid or void and that the merchandise or samples thereof be not available for reexamination."; and such section 501 is further amended by designating the present two paragraphs thereof as subsections (a) and (b), respectively, and by adding after such subsections a new subsection (c) to read as follows:

"(c) If in the final determination of a protest, the appraisement of merchandise is found to have been invalid, the proper dutiable value of such merchandise shall be determined by the United States Customs Court in the manner provided for by this section."

SEC. 15. (a) Subsection (b) of section 516 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1516 (b)) is hereby amended to read as follows:

"(b) Classification: The Secretary of the Treasury shall, upon written request by an American manufacturer, producer, or wholesaler, furnish the classification of, and the rate of duty, if any, imposed upon, designated imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him. If such manufacturer, producer, or wholesaler believes that the proper rate of duty is not being assessed, he may file a complaint with the Secretary, setting forth a description of the merchandise, the classification, and the rate or rates of duty he believes proper, and the reasons for his belief. If the Secretary decides that the classification of, or rate of duty assessed upon, the merchandise is not correct, he shall notify the collectors as to the proper classification and rate of duty and shall so inform the complainant, and such rate of duty shall be assessed upon all such merchandise entered for consumption or withdrawn from warehouse for consumption after 30 days after the date such notice to the collectors is published in the weekly Treasury Decisions. If the Secretary decides that the classification and rate of duty are correct, he shall so inform the complainant. If dissatisfied with the decision of the Secretary, the complainant may file with the Secretary, not later than 30 days after the date of such decision, notice that he desires to protest the classification of, or rate of duty assessed upon, the merchandise. Upon receipt of such notice from the complainant, the Secretary shall cause publication to be made of his decision as to the proper classification and rate of duty and of the complainant's desire to protest, and shall thereafter furnish the complainant with such information as to the entries and consignees of such merchandise, entered after the publication of the decision of the Secretary at the port of entry designated by the complainant in his notice of desire to protest, as will enable the complainant to protest the classification of, or rate of duty imposed upon, such merchandise in the liquidation of such an entry at such port. The Secretary shall direct the collector at such port to notify such complainant immediately when the first of such entries is liquidated. Within 30 days after the date of mailing to the complainant of notice of such liquidation, the complainant may file with the collector at such port a protest in writing setting forth a description of the merchandise and the classification and rate of duty he believes proper. Notwithstanding such protest is filed, merchandise of the character covered by the published decision of the Secretary, when entered for consumption or withdrawn from warehouse for consumption on or before the date of publication of a decision of the United States Customs Court or of the United States Court of Customs and Patent Appeals, rendered under the provisions of subsection (c) of this section, not in harmony with the published decision of the Secretary, shall be classified and the entries liquidated in accordance with such decision of the Secretary, and, except as otherwise provided in this act, the liquidations of such entries shall be final and conclusive upon all parties. If the protest of the complainant is sustained in whole or in part by a decision of the United States Customs Court or of the United States Court of Customs and Patent Appeals, merchandise of the character covered by the published decision of the Secretary, which is entered for consumption or withdrawn from warehouse for consumption after the date of publication of such court decision, shall be subject to classification and assessment of duty in accordance with the final judicial decision on the complainant's protest, and the liquidation of entries covering such merchandise so entered or withdrawn shall be suspended until final disposition is made of such protest, whereupon such entries shall be liquidated, or if necessary, reliquidated in accordance with such final decision."

(b) The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended by this act, shall apply only in the case of complaints filed after the effective date of this act. The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as in force prior to the effective date of this act, shall continue in force with respect to any proceedings commenced thereunder, except that upon the expiration of 30 days after the effective date of this act, or upon the expiration of 30 days after the date of a decision of the Secretary adverse to the complainant, whichever is the later, any such proceedings in which a protest has not been duly filed shall be deemed to have been terminated unless the complainant shall have filed with the Secretary after the effective date of this act a notice that he desires to protest the classification of, or rate of duty assessed upon, the merchandise.

(c) The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended by this act, shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign trade agreement entered into under section 350 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1351).

SEC. 16. Section 520 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1520), as amended by section 2 of the Permanent Appropriation Repeal Act, 1934 (U. S. C., 134 edition, title 31, sec. 725a), is hereby further amended to read as follows:

"SEC. 520. REFUNDS AND ERRORS.

"(a) The Secretary of the Treasury is hereby authorized to refund duties or other receipts in the following cases:

"(1) Excess deposits: Whenever it is ascertained on liquidation or reliquidation of an entry that more money has been deposited or paid as duties than was required by law to be so deposited or paid;

"(2) Fees, charges, and exactions: Whenever it is determined in the manner required by law that any fees, charges, or exactions, other than duties and taxes, have been erroneously or excessively collected; and

"(3) Fines, penalties, and forfeitures: Whenever money has been deposited in the Treasury on account of a fine, penalty, or forfeiture which did not accrue, or which is finally determined to have accrued in an amount less than that so deposited, or which is mitigated to an amount less than that so deposited or is remitted.

"(b) The necessary moneys to make such refunds are hereby authorized to be appropriated annually from the general fund of the Treasury.

"(c) Notwithstanding a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct—

"(1) A clerical error in any entry or liquidation discovered within 1 year after the date of entry, or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry; or

"(2) Any assessment of duty on household or personal effects which by law were not subject to duty and in respect of which an application for refund has been filed with the collector within 1 year after the date of entry."

SEC. 17. (a) Section 1 of the act of June 19, 1886, as amended (U. S. C., 1934 edition, title 46, sec. 331), is hereby further amended by adding a comma and the following words after the words "Measurement of tonnage and certifying the same" and before the semicolon in the first sentence thereof: "except that the compensation and necessary travel and subsistence expenses of the officers so measuring or certifying such vessels at the request of the owners thereof at a place other than a port of entry or a customs station shall be paid by such owners."

(b) Section 524 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1524) is hereby amended to read as follows:

"Receipts for any reimbursable charges or expenses which have been paid for out of any appropriation for collecting the revenue from customs shall be deposited as a refund to such appropriation instead of being covered into the Treasury as miscellaneous receipts, as provided by the act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1908, and for other purposes', approved March 4, 1907."

SEC. 18. The Tariff Act of 1930 is hereby amended by adding at the end of part III of title IV thereof a new section, to read as follows:

"SEC. 528. TAXES NOT TO BE CONSTRUED AS DUTIES.

"No tax or other charge imposed by or pursuant to any law of the United States shall be construed to be a customs duty for the purpose of any statute relating to the customs revenue, unless the law imposing such tax or charge designates it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws."

SEC. 19. Section 553 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1553) is hereby amended by adding the following at the end thereof: "In places where no bonded common-carrier

facilities are reasonably available, such merchandise may be so transported otherwise than by a bonded common carrier under such regulations as the Secretary of the Treasury shall prescribe. If such merchandise consists of a motor vehicle or chassis therefor, it may, under such regulations as the Secretary of the Treasury shall prescribe, be entered for transit through the United States to a foreign country, under its own power or otherwise, without appraisement or the payment of duties. No vehicle or chassis entered under the authority of this section shall be used while in transit for the carriage of merchandise or passengers for hire."

SEC. 20. (a) Section 557 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1557) is hereby further amended by inserting before the colon preceding the proviso in the first paragraph thereof the words "or for transfer to another bonded warehouse at the same port"; by eliminating the phrase "99 percent of" from the last sentence of the said paragraph; by designating the present paragraphs thereof as subsections (a) and (c), respectively; and by inserting between such subsections a new subsection (b) to read as follows:

"(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secertary of the Treasury. So long as any such transfer remains unrevoked the transferee shall have, with respect to the merchandise the subject of the transfer, all rights to file protests, and to the privileges provided for in this section and in sections 562 and 563 of this act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond the transferor shall be relieved from liability for the payment of duties, charges, and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond."

(b) On and after the effective date of this act, this section shall be effective with respect to merchandise entered for warehouse prior to, as well as after, such date.

SEC. 21. (a) Section 557 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1557) is hereby further amended and sections 559 and 563 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, secs. 1559 and 1563) are hereby amended by deleting "(or 10 months in the case of grain)" wherever appearing in such sections.

(b) The amendments made by subsection (a) of this section shall apply in the case of grain imported prior to the effective date of this act which, on such date, has not become abandoned to the Government under section 491 or 559 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1491 or 1559), and which has remained in the custody of customs officers.

SEC. 22. Section 558 of the Tariff Act of 1930 (U. S. C., 1934 ed., title 19, sec. 1558) is hereby amended to read as follows:

"SEC. 558. NO REMISSION OR REFUND AFTER RELEASE OF MERCHANDISE.

"(a) No remission, abatement, refund, or drawback of estimated or liquidated duty shall be allowed because of the exportation or destruction of any merchandise after its release from the custody of the Government, except in the following cases:

"(1) When articles are exported with respect to which a drawback of duties is expressly provided for by law;

"(2) When prohibited articles have been regularly entered in good faith and are subsequently exported or destroyed pursuant to a law of the United States and under such regulations as the Secretary of the Treasury may prescribe; and

"(3) When articles entered under bond, under any provision of law, are destroyed within the bonded period as provided for in section 557 of this act, or are destroyed within the bonded period by death, accidental fire, or other casualty, and proof of such destruction is furnished which shall be satisfactory to the Secretary of the Treasury, in which case any accrued duties shall be remitted or refunded and any condition in the bond that the articles shall be exported shall be deemed to have been satisfied.

"(b) When articles are exported or destroyed under customs supervision after once having been released from customs custody, as provided for in subsection (c) of section 304 of this act, such exportation or destruction shall not exempt such articles from the payment of duties other than the marking duty provided for in such subsection (c)."

SEC. 23. So much of section 598 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1598) as precedes the first semicolon therein is hereby amended to read as follows: "If any unauthorized person affixes, attaches, or in any way willfully assists or encourages the affixing or attaching of a customs seal, fastening, or mark, or any seal, fastening, or mark purporting to be a customs seal, fastening, or mark to any vessel, vehicle, warehouse, or package."

SEC. 24. Section 603 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1603) is hereby amended to read as follows:

"SEC. 603. SAME—COLLECTOR'S REPORTS.

"Whenever a seizure of merchandise for violation of the customs laws is made, or a violation of the customs laws is discovered, and legal proceedings by the United States attorney in connection with such seizure or discovery are required, it shall be the duty of the collector or the principal local officer of the Customs Agency Service to report such seizure or violation to the United States attorney for the district in which such violation has occurred, or in which such seizure was made, and to include in such report a statement of all the facts and circumstances of the case within his knowledge, with the names of the witnesses and a citation to the statute or statutes believed to have been violated, and on which reliance may be had for forfeiture or conviction."

SEC. 25. (a) Section 607 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1607) is hereby amended by striking out the words "forfeit and sell the same" and inserting in lieu thereof the words "forfeit and sell or otherwise dispose of the same according to law."

(b) Section 609 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1609) is hereby amended by adding the words "or otherwise dispose of the same according to law" after the words "in the same manner as merchandise abandoned to the United States is sold."

SEC. 26. Section 613 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1613) is hereby amended by inserting the word "and" after the semicolon at the end of subdivision (2) thereof, by deleting subdivision (3) thereof, and by redesignating subdivision (4) thereof as subdivision (3).

SEC. 27. Section 623 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1623) is hereby amended to read as follows:

"SEC. 623. BONDS AND OTHER SECURITY.

"(a) In any case in which bond or other security is not specifically required by law, the Secretary of the Treasury may by regulation or specific instruction require, or authorize collectors of customs to require, such bonds or other security as he, or they, may deem necessary for the protection of the revenue or to assure compliance with any provision of law, regulation, or instruction which the Secretary of the Treasury or the Customs Service may be authorized to enforce.

"(b) Whenever a bond is required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce, the Secretary of the Treasury may—

"(1) Except as otherwise specifically provided by law, prescribe the conditions and form of such bond, and fix the amount of penalty thereof, whether for the payment of liquidated damages or of a penal sum: *Provided*, That when a consolidated bond authorized by paragraph 4 of this subsection is taken, the Secretary of the Treasury may fix the penalty of such bond without regard to any other provision of law, regulation, or instruction.

"(2) Provide for the approval of the sureties on such bond, without regard to any general provision of law.

"(3) Authorize the execution of a term bond the conditions of which shall extend to and cover similar cases of importations over such period of time, not to exceed 1 year, or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period.

"(4) Authorize, to the extent that he may deem necessary, the taking of a consolidated bond (single entry or term), in lieu of separate bonds to assure compliance with two or more provisions of law, regulations, or instructions which the Secretary of the Treasury or the Customs Service is authorized to enforce. A consolidated bond taken pursuant to the authority contained in this subsection shall have the same force and effect in respect of every provision of law, regulation, or instruction for the purposes for which it is required as though separate bonds had been taken to assure compliance with each such provision.

"(c) The Secretary of the Treasury may authorize the cancellation of any bond provided for in this section, or of any charge that may have been made against such bond, in the event of a breach of any condition of the bond, upon the payment of such lesser amount or penalty or upon such other terms and conditions as he may deem sufficient.

"(d) No condition in any bond taken to assure compliance with any law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce shall be held invalid on the ground that such condition is not specified in the law, regulation, or instruction authorizing or requiring the taking of such bond.

"(e) The Secretary of the Treasury is authorized to permit the deposit of money or obligations of the United States, in such amount and upon such conditions as he may by regulation prescribe, in lieu of any bond required or authorized by a law, regulation, or instruction which the Secretary of the Treasury or the Customs Service is authorized to enforce."

SEC. 28. (a) Paragraph 1101 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1101) is hereby amended by redesignating subparagraph (b) thereof as subparagraph (c), by changing the colon at the end of the first proviso in subparagraph (a) thereof to a period and deleting all the matter in such subparagraph (a) following such colon, and by inserting in such paragraph a new subparagraph (b), to read as follows:

"(b) Any of the foregoing may be entered or withdrawn from warehouse without the payment of duty by a manufacturer, processor, or dealer upon the filing of a bond to insure that any wool or hair entered or withdrawn thereunder shall be used only in the manufacture of press cloth, camel's hair belting, knit or

felt boots, heavy fulled lumbermen's socks, rugs, carpets, or any other floor coverings. A manufacturer, processor, or dealer may be relieved of liability under his bond with respect to any wool or hair so entered or withdrawn which is transferred in its imported or any other form to another manufacturer, processor, or dealer who has filed a bond to insure that the merchandise so transferred shall be used only in the manufacture of the above-enumerated articles. If any wool or hair so entered, withdrawn, or transferred under bond is used or transferred for use in its imported or any other form in any manner otherwise than in the manufacture of the articles enumerated above, there shall be levied, collected, and paid on the merchandise so used or transferred in violation of the bond the regular duties which would apply to such merchandise if imported in its condition at the time of such use or transfer. Such duties shall be paid by the manufacturer, processor, or dealer whose bond is charged with the wool or hair at the time of such use or transfer; but such duties shall not be levied or collected on any merchandise resulting in the usual course of manufacture of such enumerated manufactured articles which cannot be used (with or without further preparation) in the usual course of the manufacture of such enumerated articles, nor on noils resulting in the usual course of manufacture of such enumerated articles, which noils shall be subject to duty at the rate which was being applied on July 1, 1937, when used or transferred for use in any manner otherwise than in the manufacture of such enumerated articles. When any wool or hair which has been entered or withdrawn under bond as provided for in this subparagraph is used or transferred for use, in its imported or any other form, otherwise than in the manufacture of the above-enumerated articles and prior to such use or transfer there shall have been combined or mixed with such wool or hair any other merchandise, the whole or the combination or mixture shall be presumed to be composed of wool or hair entered or withdrawn under bond, as provided for in this subparagraph, unless the manufacturer, processor, or dealer liable for the payment of the duties shall establish the quantity of bonded wool or hair in such combination or mixture. Every manufacturer, processor, or dealer who has given a bond pursuant to the provisions of this subparagraph shall report any use or transfer of merchandise in violation of the terms of his bond, within 30 days after such use or transfer, to the collector of customs in whose district the bond is filed; and for failure to so report, such manufacturer, processor, or dealer shall be liable to a penalty equal to the value of the merchadise so used or transferred at the time and place of such use or transfer. Such penalty shall be in addition to the duties above provided for. The Secretary of the Treasury is authorized to prescribe such regulations and the form, conditions, and amounts of such bonds as may be necessary to carry into effect the provisions of this subparagraph."

(b) The provisions of paragraph 1101 of the Tariff Act of 1930, as amended by this act, with respect to wool or hair entered under bond for use in the manufacture of articles enumerated in such paragraph, shall apply with respect to wool or hair under bond on the effective date of this act, as well as with respect to wool or hair thereafter imported.

SEC. 29. Paragraph 1111 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1001, par. 1111) is hereby amended by deleting therefrom the phrase "of blanketing."

SEC. 30. Section 314 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1314) is hereby repealed, and paragraph 1615 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1201, par. 1615) is hereby amended to read as follows:

"PAR. 1615. (a) Articles, the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means.

"(b) Steel boxes, casks, barrels, carboys, bags, quicksilver flasks or bottles, metal drums, and other substantial outer containers of domestic or foreign manufacture, exported empty and returned as usual containers or coverings of merchandise, or exported filled with products of the United States and returned empty or as the usual containers or coverings of merchandise, including shooks and staves when returned as boxes or barrels in use as the usual containers of merchandise.

"(c) Photographic dry plates and films of the manufacture of the United States (except moving-picture films to be used for commercial purposes), exposed abroad, whether developed or not.

"(d) Photographic films light struck or otherwise damaged, or worn out, so as to be unsuitable for any other purposes than the recovery of the constituent materials, provided the basic films are of the manufacture of the United States.

"(e) The foregoing provisions of this paragraph shall not apply to—

"(1) Any article upon which an allowance of draw-back has been made under section 313 of this act or a corresponding provision of a prior tariff act, unless such article is in use at the time of importation as the usual container or covering of merchandise not subject to an ad-valorem rate of duty;

"(2) Any article of a kind with respect to the importation of which an internal-revenue tax is imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption, unless such article was subject to an internal-revenue tax imposed upon production or importation at the time of its exportation from the United States and it shall be proved that such tax was paid before exportation and not refunded;

"(3) Any article manufactured or produced in a customs bonded warehouse in the United States and exported under any provision of law; or

"(4) Any article made dutiable under the provisions of paragraph 1606 (c) of this act.

"(f) Upon the entry for consumption or withdrawal from warehouse for consumption of any article previously exported, which is excepted from free entry under this paragraph by the foregoing subparagraph (e) and is not otherwise exempted from the payment of duty, there shall be levied, collected, and paid thereon, in lieu of any other duty or tax, a duty equal to the total duty and internal-revenue tax, if any, then imposed with respect to the importation of like articles not previously exported from the United States, but in no case in excess of the sum of customs draw-back, if any, proved to have been allowed upon the exportation of such article from the United States plus the amount of the internal-revenue tax, if any, imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption upon the importation of like articles not previously exported from the United States. Manufactured tobacco subject to duty hereunder shall be retained in customs custody until internal-revenue stamps in payment of any part of the legal duties measured by a rate or amount of internal-revenue tax shall have been placed thereon.

"(g) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph.

"(h) The allowance of total or partial exemption from duty under any provision of this paragraph shall be subject to such regulations as to proof of identity and compliance with the conditions of this paragraph as the Secretary of the Treasury may prescribe."

SEC. 31. Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1934 ed., Supp. II, title 19, sec. 1201, par. 1798), is hereby further amended by striking out the third and fourth provisos thereof and inserting in lieu thereof the following: "*Provided further*, That up to but not exceeding $100 in value of articles (including distilled spirits, wines, and malt liquors aggregating not more than 1 wine gallon) acquired abroad by such residents of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be free of duty: *Provided further*, That the exemption authorized by the preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than 48 hours and who has not taken advantage of the said exemption within the 30-day period immediately preceding his return to the United States: *And provided further*, That all articles exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal-revenue taxes."

SEC. 32. Except as otherwise specially provided herein, this act shall take effect on the thirtieth day following the date of its enactment.

Mr. TREADWAY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CULLEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill H. R. 8099 is a bill to amend certain administrative provisions of the Tariff Act of 1930 and for other purposes. Before proceeding further with regard to the bill, may I say there is no tariff contained in this bill. We were very particular not to impose any tariff legislation in this bill. It is merely an effort to simplify the rules and regulations in the administration of the act.

Mr. DOUGHTON. Will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. In other words, it does not increase or decrease any rates or duties; neither does it take any item off the free list and put it on the dutiable list or take any item off the dutiable list and put it on the free list?

Mr. CULLEN. The gentleman is correct. We were very particular about that.

We have a very comprehensive report on this bill, to which I would like to direct the attention of the membership. There are 16 or 17 amendments to the rules and regulations of the Treasury Department, and an explanation is given in detail with reference to how we change them. When we bring before you this bill, and the title speaks about tariff, as a matter of fact, there is no tariff contained in it. We were very particular in regard to that.

Mr. BEITER. Will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from New York.

Mr. BEITER. I have had inquiry as to whether this will affect, for instance, in my own district a bridge between the United States and Canada.

Mr. CULLEN. It does, and I promised the gentleman from New York that we would offer a clarifying amendment.

Mr. BEITER. I am glad to hear that.

Mr. CULLEN. There was another amendment suggested by the gentleman from Oregon [Mr. PIERCE], who spoke to me about a certain amendment, and I told him that we would take it up with the Senate Finance Committee. The gentleman from New York, my colleague [Mr. ANDREWS], also suggested an amendment.

Mr. PIERCE. When will the amendment be taken up?

Mr. CULLEN. As soon as I can get it over to the Finance Committee of the Senate.

Mr. ANDREWS. I may say I have a copy of the amendment and I will offer it.

Mr. CULLEN. Will that satisfy the gentleman with reference to the bridge at Buffalo?

Mr. ANDREWS. Yes.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from Oregon.

Mr. MOTT. I have submitted to the gentleman from New York an amendment to strike out subdivision (j) of subsection 3 of section 304, on page 4.

Mr. CULLEN. Yes; I have that amendment.

Mr. MOTT. Is that the same amendment my colleague the gentleman from Oregon [Mr. PIERCE] has submitted?

Mr. CULLEN. It is practically the same kind of an amendment. I promise the gentleman these amendments will be considered in the Finance Committee of the Senate.

Mr. MOTT. Do I understand the gentleman from New York has no objection himself to striking out this particular section in the other body?

Mr. CULLEN. No; none whatever, because the Treasury Department has practically agreed on it.

This bill contains nothing but a revision of the rules and regulations in the customs law. There is not a suggestion of any kind in regard to a tariff because we were very particular about that.

Mr. MAGNUSON. Mr. Speaker, the northwest lumber industry is and has been seriously confronted with promiscuous importation of unmarked lumber. The Tariff Act of 1930 requires imported lumber to be marked so as to identify the country of origin. This provision has not been enforced strenuously. The Treasury Department finds difficulty in enforcing it, due to some reasons over which it has no control and due to other reasons not known. The present bill has a provision allowing the Treasury Department to allow unmarked lumber, if it has been coming in for 5 years unmarked, to continue to come in. This would directly apply to lumber. I object to this provision. The rules do not allow me to amend. I have the assurance of the members of the committee in charge that they will strike out the provision in the Senate Finance Committee. I take them at their word. Were the provision not out, it would be injurious to the lumber industry of the Pacific Northwest. Without the provision, it is a good bill and helps simplify customs' matters. With the assurance of the gentlemen of the committee, I withdraw my objection.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from Missouri.

Mr. COCHRAN. Will this bill simplify procedure? In other words, will it help the businessman to expedite his business with the customs officials?

Mr. CULLEN. That is just the purpose of this bill.

Mr. COCHRAN. I think the bill ought to be passed by a unanimous vote.

Mr. CULLEN. This is to help manufacturers and all kinds of businessmen. It helps the business world generally.

Mr. COCHRAN. I think this will simplify the procedure considerably.

Mr. CULLEN. The gentleman from Missouri [Mr. COCHRAN] has stated what I wanted to talk about, that the old rules and regulations under which the Treasury Department has been working are obsolete. They are half a century old.

Mr. COCHRAN. This is exactly what the people are complaining about. It takes them too long to go through the required procedure and they have to fill out too many reports in order to secure goods which are shipped in to them, even under bond.

Mr. CULLEN. The gentleman is absolutely correct. This bill cures all that, and that is all it does. That is the purpose of the bill.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from Oregon.

Mr. MOTT. May I suggest that the bill goes further than that in subdivision (j). The present law requires all imported lumber to be marked.

Mr. CULLEN. The gentleman is correct.

Mr. MOTT. Subdivision (j), to which I object, provides that if a commodity has been imported in substantial quantities for a period of 5 years all the Secretary has to do is to publish this fact in the Treasury Decisions and the law then is repealed as far as that commodity is concerned. Therefore the effect is that an order of the Secretary of the Treasury may legalize a 5-year violation of the law and repeal the law.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will point out, if he has not already done so, that this bill comes with a unanimous report from the Committee on Ways and Means.

Mr. CULLEN. The gentleman is correct. I overlooked stating that.

I may say further that the purpose of this bill is to facilitate efficient administration of the customs laws. It cannot be termed an importers' bill, nor can it be termed a domestic manufacturers' bill. Neither group was consulted in connection with the drafting of this measure. Such benefits as will accrue to either group are purely incidental to an increase in administrative efficiency.

In answer to the charge that this is an importers' bill I shall cite some of the advantages which domestic manufacturers will derive under it.

One provision of the bill—section 3 (G)—exempts from the marking requirements articles which are to be processed otherwise than for the purpose of concealing their origin and where the mark would necessarily be destroyed in the process of manufacture. If cotton fabric, for example, is imported by an American manufacturer for his own use in the manufacture of automobile tires, marking of that fabric does not serve the purpose of informing the ultimate consumer of its origin. The marking requirements under existing law have been a source of great inconvenience to American manufacturers. Heavy penalties have been assessed against them in many cases because raw materials which they imported were not properly marked, although marking in such cases would serve no useful purpose.

Another provision of the bill—section 4—extends the privilege of temporary free importation under bond to include articles of special design for temporary use exclusively in connection with the manufacture of articles for export. Here is an illustration of that. An American manufacturer had a foreign order and had to send abroad to get a pattern. The foreign purchaser supplied the pattern at a cost of $3,000. But the American manufacturer had to pay $1,000 duty—33⅓-percent ad valorem—on an article to be used solely for filling foreign orders and then exported. Section 4 would permit an American manufacturer to bring in such a pattern without payment of duty, under a bond conditioned upon its exportation when he had completed the use of it, and thus give increased employment to American labor.

Another provision of the bill—section 31—amends existing law relating to the free entry of articles not exceeding $100

in value brought in by returning residents so as to require absence from the United States for not less than 48 hours before the privilege of free entry may be enjoyed. This will prove of great benefit both to American manufacturers and retailers. It will prevent the abuse of the exemption privilege by residents along our borders who cross the line solely for the purpose of making foreign purchases. Last year at the port of Detroit alone the total exemptions during a representative week were over $97,000. This provision of the bill has been endorsed by the American Retail Federation, the National Retail Dry Goods Association, and the Detroit Retail Merchants' Association.

Another provision of the bill—section 21—eliminates the existing 10-months' limitation on the storage of imported grain in bonded warehouses and extends the permissible storage period to 3 years. This will benefit American interests at such ports as Portland, Maine, and Buffalo, N. Y., since it will encourage the storage and exportation at those ports of grain which now moves through Canadian ports. This section will bring into use grain elevators which are now idle and stimulate our maritime activity in general. It was inserted in the bill at the request of a Republican Member of the House, Congressman OLIVER, of Maine.

The examples that I have cited are just a few of the ways in which this bill will benefit domestic industry. It will, of course, likewise benefit importers. It is significant that representatives of both domestic industry and importers appeared at the hearings to testify in favor of various of its provisions.

But in conclusion I wish to repeat that this bill was designed primarily to eliminate difficulties which the Treasury Department now meets in its administration of the customs laws, and that it is neither an importers' nor a domestic manufacturers' bill.

AMENDMENTS TO H. R. 6738, THE "CUSTOMS ADMINISTRATIVE ACT, 1937", ADOPTED BY THE SUBCOMMITTEE

First. In section 2 the words "Kingman Reef" are inserted following the words "Midway Islands." The Pan American Airways expect to establish a station at Kingman Reef, and it is desirable to exempt this station from customs administration along with the Midway and Wake Islands groups.

Second. In section 3 (a) the words "in a conspicuous place" are inserted following the word "marked", so as to make the wording conform with existing law.

Third. Section 3 (a) is further amended to make it clear that the marking requirements are mandatory. This amendment was suggested by Mr. MCCORMACK.

Fourth. Section 3 (b) is amended by providing that where articles are excepted from the marking requirements the usual containers shall also be excepted.

Fifth. Section 3 (c) is amended by the insertion of the words "as provided in subsection (b) hereof", following the word "container" where it occurs so as to make it clear that merely marking an empty container would not satisfy the law.

Sixth. Section 4 is amended so as to permit the Secretary to defer requiring a bond for 6 months in the case of any automobile or boat entering the United States from any country which accords a similar privilege to automobiles and boats from the United States. This amendment was proposed by Mr. CULLEN and incorporates suggestions of the Hotel Association.

Seventh. Section 8 is amended so as to assure the payment of overtime compensation in all cases to customs employees who perform customs services for private parties outside of regular hours of business. This amendment was proposed by Mr. MCCORMACK, and includes certain suggestions of the customs employees.

Eighth. Section 12 (a) is amended by inserting the word "estimated" before the word "duties." This is merely a technical perfecting amendment.

Ninth. Section 14 (b) is amended so as to permit appraising and examining officers to testify as to facts obtained from memoranda made in the office of the appraiser and as to conclusions reached by them in the course of their official duties. This permits appraising and examining officers to testify at a hearing before the customs court where they have no samples, but where it is desirable to permit them to give conclusions and certain facts of which they may have knowledge.

Tenth. Section 15 (b) is amended by substituting "date of mailing to the complainant of notice of such liquidation" for "date of such liquidation." This gives the complainant 30 days, approximately, after he is notified that the entry has been liquidated to file his protest rather than 30 days after the date of liquidation.

Eleventh. Section 19 is amended so as to authorize the Secretary of the Treasury to permit the transit through the United States otherwise than by bonded common carriers of motor vehicles and chassis of such vehicles. This will permit manufacturers and dealers to transfer automobiles between foreign points through the United States by the modern drive-away and trailer methods by which the vehicles are moved under their own power or in special auto vans. This amendment was suggested by Mr. DINGELL.

Twelfth. Section 20 of the bill is amended so as to authorize the refund of full duties when merchandise is exported on which duties have been paid and which has remained continuously in customs custody while in this country. The change will eliminate an administrative problem and make the provision affected conform with the provision of the present law authorizing the refund of 100 percent of duties when duty-paid merchandise is destroyed under customs supervision.

Thirteenth. A new section 21, which was inserted, eliminates the provision in existing law (first adopted in the 1930 Tariff Act) limiting the storage of imported grain in bonded warehouses to a period of 10 months. It will thus place imported grain in the same status as other imported merchandise by extending the permissible storage period in bonded warehouses to 3 years. The 10 months' limitation was originally adopted to afford more storage space for domestic grain. In recent years with smaller crops there has been little justification for the limitation. Section 21 will apply to grain imported prior to its effective date as well as thereafter. This amendment was proposed by Congressmen OLIVER, of Maine, and MEAD and BEITER, of New York. It should prove beneficial to the ports of Buffalo, N. Y., and Portland, Maine.

Fourteenth. Section 27 (a) of the old bill (section 28 (a) of the new bill) is amended so as to eliminate the provision which placed the burden of proof upon the carpet manufacturers to establish the status of the wastes. This amendment was proposed by Mr. MCCORMACK.

Fifteenth. Section 27 (a) of the old bill (sec. 28 (a) of the new bill) is further amended by substituting the words "usual course of" in lieu of "except at an expense which is commercially prohibitive of such use." This amendment was agreed upon at a conference between representatives of the carpet manufacturers and officials of the Treasury Department.

Sixteenth. Section 27 (b) of the old bill (section 28 (b) of the new bill) is amended by striking out "imported prior to" and inserting "under bond on." This amendment, which was proposed by Mr. MCCORMACK, makes it clear that this section will apply to wool imported prior to the effective date only if such wool is under bond on that date.

Seventeenth. A new section 29 which was inserted eliminates the phrase "of blanketing" from paragraph 1111 of the Tariff Act of 1930. This will correct a ruling of the customs courts holding that steamer rugs were excluded from classification under paragraph 1111 because the blanketing material of which they were composed had had no separate existence as blanketing before the rugs were made. The change will continue the administrative practice of several years and effect the original intent of the Congress. This amendment was proposed by Mr. MCCORMACK.

Eighteenth. Sections 30 and 31 of the old bill are stricken out.

Mr. TREADWAY. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, the provisions of section 8 of this act in amendment of section 451 of the Tariff Act of 1930 would permit the Treasury Department or the Bureau of Customs, should it so desire, to charge overtime at all international bridges, both public and private, to the bridge companies themselves. This would affect the bridges at Brownsville, El Paso, Detroit, Buffalo, Niagara Falls, and in the St. Lawrence region. This situation was brought to the attention of Members of Congress thus involved. We have no fault to find with the bill because we were assured by the gentleman in charge of this bill, Mr. CULLEN, and the gentleman from Massachusetts [Mr. MCCORMACK] and also by representatives of the Treasury Department that there is no intent on the part of the Treasury Department to interfere with the present method of handling matters at the bridges.

Mr. CULLEN. May I say to the gentleman that his statement is absolutely true. This will cure that defect.

Mr. ANDREWS. For the purpose of making it a matter of record, I understand these gentlemen will favor an amendment by the Senate, and those concerned have drawn an amendment to the bill which would come in at the end of section 8 after the words "public interests" and which will correct the situation.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD the suggested amendment, with which we are all in agreement.

Mr. CULLEN. I have no objection, Mr. Speaker.

The SPEAKER pro tempore (Mr. THOMPSON of Illinois). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS. Copy of amendment to section 8 of H. R. 8099 as proposed and agreed upon:

At the end of section 8, after the words "public interest", insert the following: "or to authorize the collection of overtime compensation for services of a kind which were being regularly performed by customs officers or employees assigned to regular tours of duty at nights or on Sundays or holidays in connection with international traffic over ferries or highway bridges or through highway tunnels on July 1, 1937, and which shall hereafter be performed in connection with such traffic."

Mr. ANDREWS. Mr. Speaker, I also ask unanimous consent to extend my remarks by quoting the law thus affected, and showing the effect of this proposed amendment and what the situation would be with the passage of the amendment by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS. Section 450 of the Tariff Act of 1930 provides as follows:

Unlading on Sundays, holidays, or at night. No merchandise, baggage, or passengers arriving in the United States from any foreign port or place, and no bonded merchandise or baggage being transported from one port to another, shall be unladen from the carrying vessel or vehicle on Sunday, a holiday, or at night, except under special license granted by the collector under such regulations as the Secretary may prescribe. (June 17, 1930, ch. 497, title IV, 450, 46 Stat. 715.)

It is proposed to amend section 451 as follows:

SEC. 451. Same.—Extra compensation: Before any such special license to unlade shall be granted, the master, owner, or agent of such vessel or vehicle shall be required to give a bond in the penal sum to be fixed by the collector conditioned to indemnify the United States for any loss or liability which might occur or be occasioned by reason of the granting of such special license and to pay the compensation and expenses of the customs officers and employees assigned to duty in connection with such unlading at night or on Sunday or a holiday, in accordance with the provisions of section 5 of the act entitled "An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes", approved February 13, 1911, as amended. In lieu of such bond the owner, or agent, of any vessel or vehicle or line of vessels or vehicles may execute a bond in a penal sum to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unlading of vessels or vehicles belonging to such line for a period of 1 year from the date thereof. (At the request of the master, owner, or agent of any vessel the collector shall assign customs officers and employees to duty at night or on Sunday or a holiday in connection with the entering or clearing of such vessel, or the issuing and recording of its marine documents, bills of sale, mortgages, or other instruments of title, but only if the master, owner, or agent.) Upon a request made by the owner, master, or person in charge of a vessel or vehicle, or by or on behalf of a common carrier or by or on behalf of the owner or consignee of any merchandise or baggage, for overtime services of customs officers or employees at night or on a Sunday or holiday, the collector shall assign sufficient customs officers or employees if available to perform any such services which may lawfully be performed by them during regular hours of business, but only if the person requesting such services gives a bond in a penal sum to be fixed by the collector, conditioned to pay the compensation and expenses of such customs officers and employees, who shall be entitled to rates of compensation fixed on the same basis and payable in the same manner and upon the same terms and conditions as in the case of customs officers and employees assigned to duty in connection with lading or unlading at night or on Sunday or a holiday. Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at nights or on Sundays or holidays when such assignments are in the public interest.

If the proposed amendment to section 451 of the Tariff Act of 1930 shall become a law the Treasury Department may impose upon international bridges the obligation to pay overtime of customs employees. For proper consideration of the proposed amendment it is essential to consider section 5 of the act entitled "An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes", approved February 13, 1911, as amended, which is referred to in section 451, is as follows:

Section 5. Compensation for overtime services; boarding officers may administer oaths; fixing working hours.

The Secretary of the Treasury shall fix a reasonable rate of extra compensation for overtime services of inspectors, storekeepers, weighers, and other customs officers and employees who may be required to remain on duty between the hours of 5 o'clock p. m. and 8 o'clock a. m., or on Sundays or holidays, to perform services in connection with the lading or unlading of cargo, or the lading of cargo or merchandise for transportation in bond or for exportation in bond or for exportation with benefit of drawback, or in connection with the receiving or delivery of cargo on or from the wharf or in connection with the unlading, receiving, or examination of passengers' baggage, such rates to be fixed on the basis of one-half day's additional pay for each 2 hours or fraction thereof of at least 1 hour that the overtime extends beyond 5 o'clock p. m. (but not to exceed 2½ day's pay for the full period from 5 o'clock p. m. to 8 o'clock a. m.), and 2 additional days' pay for Sunday or holiday duty. The said extra compensation shall be paid by the master, owner, agent, or consignee of such vessel or other conveyance whenever such special license or permit for immediate lading or unlading or for lading or unlading at night or on Sundays or holidays shall be granted to the collector of customs who shall pay the same to the several customs officers and employees entitled thereto according to the rates fixed therefor by the Secretary of the Treasury: *Provided*, That such extra compensation shall be paid if such officers or employees have been ordered to report for duty and have so reported, whether the actual lading, unlading, receiving, delivery, or examination takes place or not. Customs officers acting as boarding officers and any customs officer who may be designated for that purpose by the collector of customs are hereby authorized to administer the oath or affirmation herein provided for, and such boarding officers shall be allowed extra compensation for services in boarding vessels at night or on Sundays or holidays at the rates prescribed by the Secretary of the Treasury as herein provided; the said extra compensation to be paid by the master, owner, agent, or consignee of such vessel; *Provided, further*, That in those ports where customary working hours are other than those hereinabove mentioned the collector of customs is vested with authority to regulate the hours of customs employees so as to agree with prevailing working hours in said ports, but nothing contained in this proviso shall be construed in any manner to affect or alter the length of a working day for customs employees or the overtime pay herein fixed.

Under section 451 as now constituted an obligation to give a bond to pay the compensation and expenses of customs officers and employees assigned to duty at night or on Sunday or a holiday is limited to the master, owner, or agent of any vessel or vehicle. Under the proposed amendment the obligation is imposed upon the owner, master, or person in charge of a vessel or vehicle, common carrier, or consignee of any merchandise or baggage. The operator of a toll bridge has been held to be a common carrier.

When the act of February 13, 1911—section 5 above quoted—was amended on February 11, 1920, to enlarge the

provisions to relate to the examination of passengers' baggage, the collector of customs threatened to close the bridges of the International Co. spanning the Niagara River between the United States and Canada unless the company would give a bond in the sum of $500,000 and agree to pay at double-time rate the salaries of the inspectors stationed at the bridges after 5 o'clock at night and before 8 o'clock in the morning and at any time on a Sunday or holiday. From this arose the injunction action brought by the International Co. against Davidson as collector of customs.

The Supreme Court of the United States in that case held that the words "vessel or other conveyance" in section 5 of the act of 1911 as amended by the act of 1920 were inappropriate to describe the plant of a toll bridge; that it was not the purpose of Congress to make it applicable to the conduct of a toll bridge or the operation thereon of a line of passenger trolley cars.

The proposed amendment to section 451 to include common carriers might be construed as adequate to describe the plant and operation of a toll bridge. The so-called saving clause proposed to be enacted as the last sentence of section 451, reading as follows:

> Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at night or Sunday or holidays when such assignments are in the public interest—

imposes no duty upon the Treasury Department to assign customs officers or employees to regular tours of duty at night or on Sunday or holidays. The sentence merely clarifies the intention to preserve the existing authority of the Treasury Department to make such assignments if it wills to do so. If the Treasury Department decides not to assign customs officers or employees to regular tours of duty after 5 p. m. and before 8 a. m. or on Sundays or holidays, and the operator of a bridge between the United States and Canada or between the United States and Mexico desires to keep the bridge open, as it obviously would, on Sundays and holidays and during some part of if not all of the night, it could be required to give a bond by the terms of which it would agree to pay the compensation and expenses of customs officers and employees assigned to duty at the periods mentioned.

The amendment to the last sentence of section 451 of the Tariff Act of 1930 suggested above would preserve the rights of bridge companies as determined by the Supreme Court of the United States (*International Co.* v. *Davidson*, 257 U. S. 560) and remove the option to the Treasury Department by change of policy or personnel to curtail regular tours of duty for the purpose of collecting additional compensation where it would be in the public interest not to curtail customs service, and it would also make this law conform to immigration laws.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ANDREWS. I am glad to yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say that the gentleman from New York, Mr. ANDREWS; the gentleman from New York, Mr. REED; and the gentleman from New York, Mr. MEAD, representing constituents of theirs in connection with the international bridge, had a conference with the gentleman from New York [Mr. CULLEN], another member of the Committee on Ways and Means, and me. The Treasury Department never intended to disturb the situation which exists at the international bridge or at Detroit at the present time, and certainly this was not the intention of the committee.

May I compliment the three gentlemen from New York on so zealously fighting for an amendment which will definitely clinch the matter. I hope their constituents will remember it at the right time.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I want to compliment the members of the subcommittee of the Ways and Means Committtee who were so generous in their time and in their efforts and energies in hearing this bill through a long and tedious session. In spite of the fact that they have done well and are no doubt proud of their work, and we are all proud of the work they have done, I find myself unable to bring myself to vote for this bill. I have had a conscientious and deep-seated objection to it from the beginning. I made my feelings known in that respect, and I still object to it from the same standpoint.

This is my objection: This is a customs bill, and of course it is under the Bureau of Customs of the Treasury Department. I maintain at all times that there is a sort of a tie between the Bureau of Customs and the importers, which has been very difficult to break.

While this bill in some respects has sought to break that tie, it does not do so, and here is a condition I would like to delineate for just a moment, because it is a condition that almost inevitably obtains down there. The goods come in from foreign countries and are brought in by the importers. The importing business is one that is very technical. It is a business that people who live in a rural section, as I do, know nothing about. Consequently, the consumer is not represented at the port of entry as he should be, and he never has been represented at the port of entry, because it is a business between the representatives of the customs and the importers) and the importers in this country, as everybody will admit, are a smart lot. They know their business, and they do not import goods especially for the benefit of the consumer. The importing business is carried on for the benefit of the importers and you cannot blame them for that, and I may say that this is not a matter of politics, because the same thing obtains under all administrations with respect to the Secretary of the Treasury and his corps of administrators. It is almost impossible for them to resist the wiles or overcome the pressure upon them from these people who deal more or less as an exclusive class. The percentage of importers compared with the percentage of consumers is practically nil, but they control the prices to the consumer on practically all the articles imported.

I call your attention, especially, to the fact that the Department here in Washington has never responded cordially to the demands of the retailer and the consumer in the country. I can cite you many instances and for one I may cite the instance of the potteries of this country. The pottery business is practically dying out, because the competition of Japan is so keen and so overwhelming. It is impossible for our people to meet such competition in spite of the fact we have a large duty. Why? Because in Japan, in addition to having a labor advantage of about 10 to 1, they have the advantage that the Government of Japan subsidizes the pottery business there because they realize they are about to take the pottery business away from the United States of America. Now, what else do they do? When our pottery people go down here and ask them to compel the Japanese to properly mark their goods, they say, for instance, "No; we will not compel them to mark both the cup and the saucer. It is all right to mark one." They will mark the cup but not the saucer and in this way the saucer finds its way into competition with our products without any Japanese name on it. There are many other instances that I could mention but my time is very limited.

I introduced a bill which would go a long way toward relieving this situation. I had hoped that the committee would have given some consideration to its provisions, but apparently they were too strict on the importers. I am inserting in the RECORD a copy of the bill which illustrates my position. [Applause.]

> SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.
>
> (a) Every article imported into the United States and its immediate container, or package in which such article is imported, shall be marked, stamped, branded, or labeled, in legible English words, in as conspicuous a place as the nature of the article will permit, in such manner as to clearly indicate to the ultimate consumer the country of origin of such article. Such mark, stamp, brand, or label shall be a part of any descriptive legend on such article and of approximately the same prominence

as other words in such legend. Such marking, stamping, branding, or labeling shall be as nearly indelible and permanent as the nature of the article will permit and shall be made under regulations prescribed by the Secretary of the Treasury. The Secretary of the Treasury may authorize the exception of any article from the requirement of marking if he is satisfied that such article was incapable of being marked without injury prior to importation, and at the time of manufacture, or except at an expense economically prohibitive of its importation, or that the marking of the immediate container will indicate the country of origin when the article itself is excepted from marking.

(b) Additional duties for failure to mark: If at the time of importation any article or its container is not marked, stamped, branded, or labeled in accordance with the requirements of this section, there shall be levied, collected, and paid on such article, unless exported under customs supervision, a duty of 10 percent of the value of such article, in addition to any other duty imposed by law, or, if such article is free of duty, there shall be levied, collected, and paid a duty of 10 percent of the value thereof.

(c) Delivery withheld until marked: No imported article or package held in customs custody shall be delivered until such article (and its container) or package and every other article (and its container) or package of the importation, whether or not released from customs custody, shall have been marked, stamped, branded, or labeled in accordance with the requirements of this section. Nothing in this subdivision shall be construed to relieve from the requirements of any provision of this act relating to the marking of particular articles or their containers.

(d) Penalties: If any person shall, with intent to conceal the information given thereby or contained therein, deface, destroy, remove, alter, cover, obscure, or obliterate any mark, stamp, brand, or label required under the provisions of this act, he shall upon conviction be fined not more than $5,000 or imprisoned not more than 1 year, or both.

Mr. TREADWAY. Mr. Speaker, I yield the balance of my time to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include some brief tables and short excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. THURSTON. Mr. Speaker, I should preface my remarks with this inquiry, Should the United States adopt a sound foreign trade policy? Then I wish to say that my good friend the genial and able gentleman from New York [Mr. CULLEN], who presented the bill here for the majority, made reference to the fact that this is a unanimous report from the committee. The gentleman will recall that the examination in committee was somewhat pointed and sharp, and I believe there were a number who were opposed to this bill, although they did not join in any minority report.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. McCORMACK. I believe that what the gentleman from Iowa states is correct, but I think that is not inconsistent with what the gentleman from New York intended to say. The gentleman from New York intended to say that prior to the final vote there was unanimity of opinion in the committee with respect to the consideration of this bill and no objection to any of its provisions, but on voting the bill out, I think there were four who voted against it.

Mr. THURSTON. Mr. Speaker, this is a bill to expedite the importation of foreign products into the United States, and I wish to point out briefly what two sections of the bill will accomplish, if passed.

First, it will allow an importer to bring in large consignments of merchandise and have it stored in the customs buildings, and then, under permission to be granted by the Secretary of the Treasury, they can remove portions of the shipment, 5 or 7 or 12 or any other percent at a time, and in this way make a distributing agency out of the United States Customs, which they have not had the right to do up to this time.

Mr. CULLEN. To what section is the gentleman referring?

Mr. THURSTON. Section 11.

Section 15 makes another decided change in our customs practice as it has heretofore existed.

Heretofore, when anyone who was interested complained that a duty was too low, the duty was suspended until the matter was finally determined by the court having proper jurisdiction. Under this bill the exaction of an increase of duty will be suspended until the court of final resort fixes the exact rate, and most of these cases pend for 2 years, which means that in the interim all like merchandise imported into the United States will pay the lower rate rather than a higher rate as provided by law. It would have been interesting to the membership if they could have been in our committee and heard the report that was made there that some of this legislation is needed because American citizens harassed the importers, and I may quote their exact language:

Under section 15, where you say that "this will curb the use of the law by domestic interests to harass importers."

Could any of you by the wildest imagination think that a German customs official, or someone in the employ of the Japanese Government, would charge their citizens with harassing importers? We are in a terrific struggle in this country to sustain employment for our people, and we are providing here a measure to expedite imports to our country. What did we read last week about our foreign trade? That there was an unfavorable balance of trade against the United States of $147,000,000 for the first 6 months of this year, the first time in a decade that that has happened, and our foreign trade is gradually diminishing, or our imports are increasing in such great volume that this result is brought about, and when we measure the invisible imports, the money that our tourists spend, if the present rate continues there will be an unfavorable trade balance both visible and invisible against this Government of $1,000,000,000. In this connection I mention the reciprocal-trade agreements and I shall include tables showing that each year since they have been in effect we not only have given Cuba already $100,000,000 under this agreement, but I shall show that each year this treaty has been in effect it has increased the price of sugar in America over what Cuba received in London, by 50 percent to 150 percent.

TABLE 1.—*United States trade with Cuba*

Year	Total imports into the United States from Cuba [1]	Total exports (domestic) from United States to Cuba
1929	$207,421,314	$125,279,382
1930	121,949,240	91,858,920
1931	90,059,312	46,240,469
1932	58,330,270	28,396,296
1933	58,497,548	24,762,745
1934 (calendar year)	78,761,135	44,770,843
1934 (Sept. 3–Dec. 31)	53,720,786	17,328,963
1935	111,350,842	59,191,630
1936	129,721,910	66,706,390
1937 (January–May)	81,418,469	37,588,000

[1] General imports 1929–33 inclusive, imports for consumption 1934 through May 1937.

Source: Foreign Commerce and Navigation of United States and unpublished data furnished by the Department of Commerce.

TABLE 2.—*Sugar: United States imports from Cuba under the trade agreement*

Year	Quantity	Value	Computed duties	
			At trade-agreement rates	At rates in effect prior to trade agreement
	Pounds			
1934 (Sept. 3–Dec. 31)	3,007,112,545	$45,328,149	$27,459,532	$45,765,887
1935	3,990,888,302	80,449,827	36,419,238	60,698,731
1936	3,850,299,932	96,469,384	35,185,347	58,642,244
1937 (January–May)	2,400,385,476	62,624,428	21,932,401	36,554,001
Total	13,248,686,255	284,871,788	120,996,518	201,660,863

Basic statistics from Foreign Commerce and Navigation of United States and unpublished data furnished by the Department of Commerce.

At rates in effect prior to trade agreement	$201,660,863
At trade-agreement rates	120,996,518
United States loss under trade agreement	80,664,345

TABLE 3.—*Raw sugar: World price and United States price compared*

Year	United States price (cost and freight New York)	World price [1]	Increase
	Cents per pound	*Cents per pound*	*Percent*
1931	1.333	1.239	8
1932	.930	.879	7
1933	1.220	.967	26
1934	1.500	1.040	44
1935	2.331	.999	134
1936	2.694	1.015	156

[1] Raw sugar (cost, insurance, and freight) United Kingdom, converted to cost and freight, New York basis.

Source: Lamborn & Co., New York, sugar market reports.

Certain items in United States balance of payments with Canada, United Kingdom, France, Germany, and Italy

[In millions of dollars]

CANADA

	1932	1933	1934	1935	1936
Merchandise:					
Exports	241.4	210.7	302.4	323.2	384.1
Imports	174.1	185.4	231.7	286.4	375.8
Net exports	67.3	25.3	70.7	36.8	8.3
Canadian tourist expenditures in United States	35	35	39	75	81
United States tourist expenditures in Canada	183	101	120	192	228
Net tourist expenditures by United States	148	66	81	117	147

In Canada our trade, where we formerly had a large balance, has shrunk until this year—when we figure what the American tourists spend in Canada—Canada will have a balance against this Government of $300,000,000. It is no wonder that a Democratic auditor of state in Massachusetts, through a press report, spoke as follows:

BAY STATE DEMOCRAT URGES HULL'S OUSTING

HAVERHILL, MASS., August 2.—State Auditor Thomas H. Buckley yesterday called on Massachusetts Democrats to demand removal of Secretary of State Cordell Hull and to oppose any reduction in European war debts owed the United States.

In a prepared address at the annual outing of the Haverhill Democratic City Committee Buckley charged Hull with "destroying Massachusetts employment through trade treaties which will not recognize the disparity between American and foreign standards of wages." He referred particularly to Massachusetts textile and shoe industries.

The Democratic State auditor asserted, "And let us ask Mr. Morgenthau (Secretary of the Treasury) to stop considering a reduction of the war debts due from England and other European nations and suggest some means of collecting the debts."

My friends, formerly the Congress had complete jurisdiction over the subject. Now we are turning it over to impractical, theoretical college professors who never had charge of any business, and they are making these trade agreements with foreign nations, and while the State Department tells in glowing terms the advantages of these wonderful agreements, they have not the courage to give you the truth and let you know that in most instances our trade is receding and that our balance is likewise diminishing. The Secretary of State of this country and his Assistant Secretary of State told the Ways and Means Committee that a trade balance is not essential.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. Yes.

Mr. MOTT. To ask the gentleman a question about the provisions of subdivision (J), on page 4, which is not even referred to in the committee report. Subdivision (J) provides that, notwithstanding the requirements of existing law for the marking of importing duties, if the Secretary of the Treasury has allowed them to come in unmarked in violation of the law in substantial quantities for 5 years, he may so declare in a Treasury decision and that thereafter that requirement will be abolished. I ask the gentleman if that provision does not mean that a 5-year violation of the law by the Secretary of the Treasury will repeal the existing marking law?

Mr. THURSTON. Certainly. In this instance, as to lumber, we are going to turn the tariff over to the Secretary of the Treasury, while in other provisions we delegate it over to visionaries and dreamers in the State Department.

Mr. MOTT. Unmarked imported lumber is being misrepresented as domestic lumber and sold to the Government in violation of the Domestic Origin Act of 1933. Second, and of even more serious consequence in the final analysis, American purchasers of lumber have no way of informing themselves as to whether they are buying domestic or imported lumber.

The Treasury, charged with the duty of enforcing the marking provisions of the tariff act, is seeking to continue to avoid their duty as to the marking of lumber by having Congress enact a revision of the marking law. In this revision, contained in H. R. 8099, they seek to except from the requirement of country of origin marking any article—lumber—which has entered in substantial quantities in the past 5 years without marking. In other words, failure of the Treasury to enforce the law for 5 years would effect a repeal of the law.

There can be no justification or excuse for legislation of this type. The Treasury did not seek to justify it in the extensive hearings on the customs administrative bill. Nor does the report of the Ways and Means Committee offer any reason for the enactment of such a provision.

Section 3 of H. R. 8099 should be amended by striking out paragraph J if the bill is to be enacted. Unfortunately since this bill comes up under suspension of the rules, an amendment to strike out this objectionable provision cannot be made. The gentleman from New York in charge of this bill for the committee has promised me to refer an amendment to strike this paragraph to the Senate Finance Committee. I hope that committee will strike it out, but because we are not permitted to strike it out here under the rules of the House I shall vote against the entire bill.

Mr. THURSTON. As to the position of the livestock industry in regard to the reciprocal-trade agreements, I submit two resolutions adopted by the principal livestock organizations in the United States.

The American National Livestock Association, at its annual convention held at El Paso, Tex., January 12–14, 1937, adopted the following resolution:

CANADIAN RECIPROCAL-TRADE AGREEMENT

Whereas the reduction in the tariff on cattle in the Canadian reciprocal-trade agreement and the extension of the same reduction to imports from Mexico has been one of the major factors in causing a sharp decline in cattle prices, as a careful examination of official Government market reports clearly indicates; and

Whereas the tariff on agricultural products has been reduced to increase the export of industrial products; and

Whereas these imports have been received in such manner as to effect a decline out of all proportion to the actual numbers involved: Therefore be it

Resolved, That we urge that the Reciprocal Trade Act be repealed, or that all treaties negotiated under it be subject to ratification by a two-thirds vote of the United States Senate; and be it further

Resolved, That we request that until the act is repealed or the Canadian agreement is nullified or expires, the imports of cattle under this agreement should be placed on a weekly or monthly quota for 1937, in order to prevent dumping of large numbers on our markets in a short period, as was done in the spring of 1936.

The United States Livestock Association, at its annual meeting in St. Louis, Mo., on February 19–20, 1937, adopted the following resolution:

Resolution No. 1

Resolved, That we are unalterably opposed to ratification of the proposed Argentine Sanitary Convention on both economic and sanitary grounds, and that we further insist that in case of any further consideration of foreign trade agreements involving sanitary restrictions against importations of livestock or livestock products from foreign areas, the recommendations of the United States Live Stock Sanitary Association shall be followed with regard to such sanitary restrictions.

With the ever-present danger of overproduction, and with the capacity of our livestock producers to supply our population adequately, we further insist that any foreign trade policy which will or may tend to undermine the domestic market of our do-

mestic livestock producers is unnecessary, unwise, and will prove detrimental, not only to the livestock industry, but to the economic welfare of our country as a whole.

Resolution No. 2

Notwithstanding all factors which have tended to limit livestock production, livestock prices are still below parity: Therefore, be it

Resolved, That we demand full protection of our home markets for our domestically produced hides, meat products, and fats and oils.

The National Wool Growers' Association, in January 1934, in a report from the Committee on Resolutions, stated:

THE TARIFF

Consideration of the question of import duties upon foreign products must always recognize and be based upon the fostering and encouragement of all lines of agricultural production. This is essential not only in the interest of our rural population, but because of the great dependence of the manufacturing industry, transportation, and all lines of commerce upon the purchasing ability of those engaged in agricultural and livestock production.

We consider that the effectiveness of present import duties upon foreign agricultural products imported into the United States has largely contributed to the maintenance of a better economic business condition in the United States than has prevailed in most other countries.

We urge upon President Roosevelt and the Seventy-third Congress that import duties on agricultural products be maintained upon a level no lower than that of the rates now prevailing.

We urge that these rates be maintained upon all livestock and meat products and upon wools imported in the raw or manufactured condition. It is also our belief that the raw-wool duty should continue to be levied as a specific duty upon the clean-content basis.

Any commercial intercourse with foreign nations logically brings up the question of the wages paid in the industries which are importing their products into the United States. On prior occasions I have placed tables in the CONGRESSIONAL RECORD, which show that the wage level in Great Britain is about 35 percent of the wage paid here; in France and Germany wages are paid on the basis of about 30 percent of that paid in the United States. Probably the fair average wage level in most of the remainder of Europe is about 25 percent of the wage paid here.

In the Orient wages are from one-eighth to one-twelfth of the wages paid in our country. Formerly it was contended that most of the products of Asia were of hand manufacture, but we now know that in Japan, in particular, by far the greater portion of the output is through the use of machines; so that the hour output per capita is almost as high as it is here. Longer hours and fewer holidays mean that the net Japanese output per capital will equal that in our own country.

Wages in selected industries and occupations in the United States and foreign countries, 1936–37, or latest available data

[Conversions into U. S. currency at average exchange rate as of December 1936]

Industry or occupation and unit of time	Rate of pay or earnings								
	United States	Sweden	Great Britain	France	Germany	Italy	Japan	China	Brazil
Day laborer:									
Per hour	$0.43	$0.39	$0.28	$0.16	$0.26	$0.10		*$0.02–$0.03*	$0.09
Per day							$0.41	.19– .24	
Farm hand:									
Per hour		.14							
Per day	1.58	*1.25*	*$1.16– 1.53*	.98		$0.55–.69	.24	.09– .18	.43
Per week			6.98– 9.19						
Average factory employee:									
Per hour	.60	*.29*			$0.25–.31	.09			
Per day		2.30					.38		
Per week	24.73								
Machinist (fitter):									
Per hour	.92	.36	.32	*.43*	.31			*.028– .054*	.17
Per day								.25– .49	
Carpenter:									
Per hour	1.23	.54	.37	.31	.33	.183		*.053– .070*	.16
Per day							.56	.48– .63	
Typesetter (hand compositor):									
Per hour	1.15	.38	.38	.34	.39	*.18*			.16
Per day						1.47	.85	.26	
Railway engineer:									
Per hour	.85		*.51*		.32				
Per week			24.34						
Per month									40.18
Per year								171.18–317.00	
Coal mine employees:									
Per hour	.80		*.33*	.25	.24–.38				
Per day	*5.58*		2.47	1.94			.43		.87–1.39

Compiled by Department of Labor.

Mr. THURSTON. Are we going to have a stable trade policy in this country or are we to continue to allow these dreamers and impractical persons to have charge of this very important matter? When we examine the wage scales of the rest of the world and know that people can be employed from one-tenth to one-half the wage scale here, and yet we are sitting idly by and not doing anything to protect our own market. We should remember that heretofore our Treasury has obtained substantial sums each year from these duties and that every time we conclude a reciprocal trade agreement we reduce the income of the Treasury.

Mr. Speaker, this administration has been so busy spending money that it has paid little attention to raising revenue, or at least revenue from other nations which deal with us, and as the secretary of state of Massachusetts said, it would be a blessing to the people of the country if we could have our State Department revitalized and have it show some vigor in an attempt to collect the debts these nations owe us rather than to give so much attention to lowering our tariffs. In the last 3 years we have given France alone, through the profit on gold, a sum exceeding one billion dollars.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. Yes.

Mr. PETTENGILL. Does the gentleman contend that there is anything in this bill that would increase the total volume or money value of imports?

Mr. THURSTON. Yes. I say that through a conspiracy to defer the final determination of the duty that might be fixed on a given article and fixing a lower rate they thereby expedite increased imports, and if we permit split shipments and allow the customhouse to be used as a distributing point for these importers, who heretofore had to pay all the duty, but now will pay only on the portion withdrawn, that will expedite the importation of foreign products into the United States.

I want to call particular attention to a subject which is studiously avoided by officials in our Government who have never, publicly, at least, made any statement or shown any endeavor to inform our people as to the profit in a personal-service dollar expended by our tourists when abroad. And American tourists spend more than any comparable group. It has been frequently asserted that such a dollar contains a profit of 50 to 70 percent for the beneficiary. Likewise, no

authoritative investigation has been made as to the average profit on a dollar's worth of merchandise exported from the United States. However, as world trade is highly competitive, we have the right to infer that profit on an article exported will vary between 12 and 20 percent, possibly a fair average would be 16 percent.

Therefore if American tourists spend $1 abroad, to balance that expenditure it would require about $4 in value of exports from the United States. When an accurate survey is made in regard to both visible and invisible items credited or charged to our foreign commerce, it is likely we will find that our boasting in regard to the balance of trade in our favor will be greatly diminished. For the year 1937 there will be a balance against us of several hundred million dollars.

It never was intended that the trade and commerce of our country should be placed under the jurisdiction of the State Department; and, as now constituted, those in charge of negotiating reciprocal trade agreements, and also advising the President as to the exercise of the flexible provisions of the present Tariff Act, means that he does not have the advice of practical businessmen.

Therefore it is easy to understand how foreign imports into the United States have increased 46 percent in the past 3 years and our exports to foreign countries have increased only 15 percent in the same period. A sad but truthful picture of the results brought about by meddling dreamers.

BALANCE OF TRADE OF THE UNITED STATES

Year	Imports	Exports	Balance of trade	
			Favorable	Unfavorable
1934	$1,655,055,000	$2,132,800,000	$477,745,000	
1935	2,047,485,000	2,282,874,000	235,389,000	
1936	2,422,154,000	2,455,978,000	33,824,000	
January–June:				
1936	1,164,509,000	1,154,961,000		$9,548,000
1937	1,683,701,000	1,536,380,000		147,321,000

INCREASE IN FOREIGN TRADE OF THE UNITED STATES 1934–36

	Value	Percent
Exports	$323,178,000	15
Imports	767,099,000	46

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. CRAWFORD. If I understand the gentleman correctly he means to say that foreign people shipping goods to this country can now take advantage of quantity freight rates, get their goods into import warehouses on our shores, defer the payment of duty and save interest on the money that they would otherwise pay to the Government and which we would have the use of, and thereby expedite their shipments and increase the quantities to our people?

Mr. THURSTON. The gentleman is correct. We are making a distributing agency out of our customhouses for the purpose of promoting more foreign trade with the United States.

Mr. CRAWFORD. Actually equivalent to a reduction in the tariff?

Mr. THURSTON. Certainly.

Mr. McCORMACK. That is not contained in this bill.

Mr. THURSTON. That is in one of the sections of this bill which will authorize the Secretary of the Treasury to make a rule permitting split shipments.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. MAGNUSON. Would not those people bringing in bulk shipments have to pay storage charges at the various custom warehouses?

Mr. THURSTON. There is no provision in the bill for that. Even if they did, why should our Government maintain convenient storehouses to protect and foster the sale of foreign goods in our own country? Now, we are engaged in a common enterprise. We know about these low-wage levels throughout the world. This is not a highly important measure, but it does show the trend of this administration, which has not had the courage to directly change the present tariff laws, but, through these reciprocal treaties and this back-door entrance to our economic welfare, is slowly but surely undermining the protection that the American workingman and American employer is entitled to have.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. CULLEN. I yield the gentleman 1 additional minute in order that I may ask him a question.

Of course, the gentleman from Iowa has delivered a most delightful Republican protective tariff speech.

Mr. THURSTON. I hope it will be to the advantage of the country. It is sound business sense.

Mr. CULLEN. There is not a thing about the tariff in this bill. This bill simplifies the rules and regulations for the administration of the customs of the country. The gentleman said something about the value of importations being reduced. That is absolutely untrue, because the Treasury Department can give you figures on that. Another thing I want to say about these rules that we are revising is, that it has the endorsement of all of the American federation of retail stores, wholesale stores, both importers and domestic manufacturers.

Mr. THURSTON. I am quite sure the importers of foreign products would join in supporting this measure. I regret that I cannot.

Mr. CULLEN. Oh, the gentleman dwells too much on that.

Mr. THURSTON. Irrespective of party affiliation, and without regard to any certain activity, whether it be industry or agriculture, the Members of the Congress should stand united in a firm determination to save America's markets for American producers.

We will not be able to express the views of our people in this respect if we continue to delegate the power which rightfully belongs in the House of Representatives and the Senate, whose Members are directly responsible to, and who are elected by our citizens—the power that has been nominally placed in the President through the Reciprocal Trade Act, but whose details are worked out and determined by theoretical, impractical visionaries, who generally are free traders, or at the best, low-tariff advocates. The Congress should and must regain this power.

This bill does provide some needed corrections in the administration of our customs; but it is to be regretted that it will greatly aid the importer in his industrious zeal to sell imported merchandise, and thereby deprive our people of the employment to which they are justly entitled.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. CULLEN. Mr. Speaker, I yield the balance of my time, 13 minutes, to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. MOTT. Will the gentleman from Massachusetts yield to me to make a unanimous consent request?

Mr. McCORMACK. Of course, I yield to the gentleman.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at the point I made them a few moments ago in my colloquy with the gentleman from Iowa.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I make the same request.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. CROSSER. Will the gentleman yield to me?

Mr. McCORMACK. I yield.

Mr. CROSSER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by Mr. Charles M. Hay, Assistant Attorney General, explaining the Retirement Act recently passed by the Congress.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. I yield to the gentleman from Texas [Mr. JONES].

THE SUGAR BILL—CONFERENCE REPORT

Mr. JONES submitted a conference report and statement on the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, with foreign countries, and for other purposes, for printing in the RECORD.

Mr. GREEN. Mr. Speaker, I reserve all points of order on this conference report.

The SPEAKER pro tempore. The gentleman from Florida reserves all points of order on the conference report just offered.

EXTENSION OF REMARKS

Mr. McCORMACK. I yield to the gentleman from Mississippi, Mr. Speaker.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the life and character of the late Franklin W. Fort, of New Jersey.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

RECIPROCAL-TRADE AGREEMENTS AS THEY APPLY TO THE SHOE INDUSTRY

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LORD. Mr. Speaker, I want to call to the attention of the House a serious situation which exists in the shoe industry in our Nation today, and what may result in the industry unless we have better protection from foreign invasion.

In my district I have the second largest shoe-manufacturing industry in our Nation, as well as a number of smaller manufacturers, and they, as well as other shoe manufacturers throughout the country, are attempting to compete with a manufacturer in Czechoslovakia, with the result that this foreign concern is taking thousands of dollars of business away from our own manufacturers and workers because foreign labor and living conditions are much lower than those in this country. For example, ladies' cemented oxfords that cost us $1.47 to manufacture, are being sold in this country by the Bata Shoe Co. for $1.17½.

The average cost of shoes shipped into this country from Czechoslovakia in 1929 was $2.26 a pair. The average cost in 1936 was 74 cents a pair. The cost of machinery, hides, and so forth, as near as I can learn, cost about the same here as they do there, so the difference in the cost of manufacturing is the difference in the labor cost. At the present time there is a 20-percent tariff on cemented shoes entering this country from Czechoslovakia. In order to protect the difference in the cost of shoes that tariff would have to be raised to at least 30 percent. However, at the present time reciprocal-trade agreements between the countries are being advocated and we have grave fears that shoes will be one of the items on which a reduction in the tariff will be asked, and whatever business goes to the Bata Shoe Co., of Czechoslovakia, comes out of the workers in our factories.

According to the Statistical Abstract of the United States, published by the Department of Commerce, the United States exported more than $75,000,000 worth of shoes in 1919. This has been reduced to a little more than $3,000,000 worth in 1936, a loss of more than 95 percent.

According to a report of the United States commercial attaché in Prague, April 27, on file in the Bureau of Foreign and Domestic Commerce, Czechoslovakia exported more than 5,000,000 pairs of shoes in 1936. This is an increase from 62,000 pairs in 1919. Czechoslovakia with only one outstanding shoe manufacturer, exported to the United States more shoes in 1936 than all the manufacturers in the United States exported to all the countries of the world during the same year.

The Endicott Johnson Corporation, the largest shoe manufacturer in my district, and the second in size in the United States, just lost one customer, with an account of over $350,000 a year, to this Bata Shoe Co. and no doubt will lose other customers unless the tariff is held at a level that will average the difference in the labor costs. In other words, the workers in our shoe factories in the United States will have to be brought in line with those of Czechoslovakia as to hours of labor and salaries unless the tariff provisions are readjusted to protect the workers or otherwise they will be idle. We do not want any of these things to happen.

I have taken this up with Secretary of State Hull and with President Roosevelt and explained to them the serious condition we are in and what we may expect unless favorable action is taken by the Tariff Commission. Their replies have not been very sympathetic but if they do not meet the situation now the whole shoe industry in the United States will be ruined and their workers will be added to our relief rolls.

There has been a resolution introduced in this House by Congressman TOBEY, of New Hampshire, to provide for an investigation of the cost of manufacturing shoes in Czechoslovakia, as compared with our own manufacturing cost, in the hope that we may arrive at a fair solution of the problem. Up to the present time the Ways and Means Committee has declined to report this resolution to the House.

Some of the reciprocal-trade agreements which have been made, for example, those affecting the dairy industry, have been very detrimental to our farmers, and I hope that this mistake will not be made with the shoe industry.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. ENGEL. I ask unanimous consent, Mr. Speaker, to extend my own remarks in the RECORD and include certain excerpts from the memoirs and biography of Albert Gallatin.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. BERNARD. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech which I made in Flint, Mich., on last Saturday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL of Washington. Mr. Speaker, will the gentleman from Massachusetts yield to permit me to submit a unanimous-consent request?

Mr. McCORMACK. I yield.

Mr. HILL of Washington. Mr. Speaker, under the special order of the House I was to have spoken for 15 minutes after the completion of the Legislative Calendar for the day. Because of the lateness of the hour and the fact that there is to be a caucus I ask unanimous consent that it be postponed until tomorrow.

The SPEAKER pro tempore. The gentleman from Washington asks unanimous consent that he may pe permitted to address the House for 15 minutes tomorrow after the completion of the legislative program for the day.

Is there objection?

There was no objection.

AMENDMENT OF TARIFF ACT

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PETTENGILL. I asked the gentleman from Iowa [Mr. THURSTON] if there was anything in the pending bill under which the total volume or money value of imports could or might be increased. His answer was "Yes." I would be very glad to have the comment of the gentleman from Massachusetts on that point.

Mr. McCORMACK. I think the gentleman from Iowa was talking on a broader scale than the bill itself. He talked about unfavorable trade balances. I do not want to discuss that now, but that is not concerned in the bill, and there is nothing in the bill which changes existing law other than for the purpose of assisting business in removing many unnecessary technicalities that exist and in removing red tape that has inconvenienced business in connection with our customs, both to the domestic manufacturer and the importer. I know of nothing in the bill that will permit anything along the lines inferred in the question of my friend from Indiana, except that the storage of grain is permitted—that is, for the payment of customs—now limited to 10 months. Grain, under the bill, is given the same consideration in the matter of storage as other commodities.

This benefits the city of Portland, Maine. Our distinguished colleague the gentleman from Maine, Mr. OLIVER; the gentleman from New York, Mr. MEAD; and the gentleman from New York, Mr. REED, were intensely interested in that. The Department did not recommend that, but the gentleman from New York [Mr. CULLEN], the chairman of the subcommittee, myself, and other members of the subcommittee thought there was merit to it, and it was included in the bill.

Mr. PIERCE. Is that free warehousing?

Mr. McCORMACK. Oh, no. The storage is in private warehouses. Under the provisions of this bill they can store grain the same as other products are stored for periods of 3 years before paying customs.

Mr. PIERCE. Do they pay storage?

Mr. McCORMACK. They pay storage, because it is stored in private storage warehouses. They have to pay for the storage.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ANDREWS. It is merely a return to the provisions of the old law.

Mr. McCORMACK. Yes; it is a return to what it was some years ago.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Briefly.

Mr. MOTT. If the gentleman has any time would he briefly explain subdivision (j) on page 4 and tell us what the reason for that is? It is not given in the committee report.

Mr. McCORMACK. I may say to the gentleman from Oregon that the Treasury Department's first bill is not the bill that is before the House. The bill that the Treasury Department recommended gives to the Secretary of the Treasury discretionary power over marking. We made it mandatory.

Mr. MOTT. Subdivision (j) does not make it mandatory. It simply says that if commodities come in here unmarked in violation of law for 5 years the Secretary of the Treasury may continue to let them come in without being marked.

Mr. McCORMACK. It is not in violation of law.

Mr. MOTT. Yes; it is in violation of law. The law requires that lumber be marked, but they have disregarded that law for 5 years.

Mr. McCORMACK. The gentleman from New York has made the statement that any amendment that you gentlemen from Oregon have in mind he will take up with the Finance Committee of the Senate; and I will join with the gentleman from New York [Mr. CULLEN] in the position he takes.

Mr. MOTT. I certainly hope that will be done. Without that provision no one who believes in protection for lumber could possibly vote for the bill.

Mr. McCORMACK. Most of this is rough lumber that has got to be planed in the United States.

Mr. MOTT. But the law says that it must be marked.

Mr. McCORMACK. I am sure the gentleman will realize there is difficulty in marking rough lumber. The lumber will be planed in the United States and that will eliminate the marks anyway. But if there is any amendment the gentleman feels necessary to meet a practical situation I will join with the gentleman from New York [Mr. CULLEN] in urging its insertion in the bill.

Mr. MOTT. I am very glad to have that assurance from the gentleman.

Mr. CULLEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CULLEN. I promised the gentleman from Oregon that I would see that his amendment be taken care of in the Senate Finance Committee.

Mr. MOTT. I asked the gentleman that and I take him at his word, and I believe he will do it. Notwithstanding that, I do want to call the attention of the House to the fact that what in my opinion is a very improper and injurious provision is contained in the House bill. I am glad the gentleman is willing to take that out.

Mr. McCORMACK. The gentleman has the assurance of the gentleman from New York and myself that we will do everything within our power.

Mr. MOTT. I thank the gentleman.

Mr. McCORMACK. This bill directly has nothing to do with the tariff. It simply, in the main, makes corrections in the existing administrative law, which will permit business to function more efficiently. The purpose of the bill is in the interest of business. There can be no objection to the bill from the side of my Republican friends. Of course, I do not take issue with them for utilizing the bill to discuss political questions, if they want to. The gentleman from Iowa talked about that and other aspects which have no relation to the bill. I could talk about the tremendous increase in the income of the farmers of America during the past 4 or 5 years; but why go into that? I would leave that for another time.

Mr. RICH. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we permit these unfavorable trade balances, how will we take care of the farmers and their produce?

Mr. McCORMACK. I said I was not going into that, because that is another question not concerned with this bill, which relates only to certain changes. There can be no objection to it and the bill should pass.

[Here the gavel fell.]

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and two-third having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

Mr. THOMPSON of Illinois. Mr. Speaker, on yesterday my colleague from Illinois, Mr. MEEKS, a member of the House Committee on Banking and Currency, was unavoidably detained. Had he been present he would have voted "nay" on the motion to recommit and "aye" on the passage of the bill.

COMPACT BETWEEN THE STATE OF OHIO AND THE COMMONWEALTH OF PENNSYLVANIA

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2831) to approve a compact agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the bill, as follows:

An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake

Whereas, under date of the 28th day of October 1936, the State of Ohio and the Commonwealth of Pennsylvania entered into a certain compact or agreement in the following words:

"AGREEMENT BETWEEN THE COMMONWEALTH OF PENNSYLVANIA AND THE STATE OF OHIO RE PYMATUNING LAKE

"This agreement made and concluded between the Commonwealth of Pennsylvania acting by and through its lawfully authorized agency, namely, the Water and Power Resources Board as party of the first part and the State of Ohio acting by and through its lawfully authorized agency, namely, its director of conservation as party of the second part.

"Witnesseth

"Whereas by act of Assembly of Pennsylvania approved the 2d day of May 1929 (Pamphlet Laws 1503), as amended by the acts approved the 5th day of May 1931 (Pamphlet Laws 84), the 24th day of April 1933 (Pamphlet Laws 67), and the 9th day of July 1935 (Pamphlet Laws 619), the Department of Forests and Waters of Pennsylvania, acting through the water and power resources board, was authorized inter alia to complete the work begun and continued under an act approved the 25th day of July 1913 (Pamphlet Laws 1270), entitled 'An act providing for the erection of a dam at the outlet of Pymatuning Swamp, and the establishment of a reservoir to conserve the waters thereof, providing for the taking of land and materials necessary thereto, vesting certain powers and duties in the water-supply commission, and making an appropriation', and did duly complete said work, whereby there was created a lake or reservoir now known and hereinafter called Pymatuning Lake, extending, in part, across the boundary line between said States of Ohio and Pennsylvania into the State of Ohio; and

"Whereas the primary purposes of the project by which said lake was created were to conserve water draining said swamp, all of which has its source in Pennsylvania, as well as control floods and regulate the flow of water in the Shenango and Beaver Rivers, and secondary thereto permit the water and the land surrounding the same to be used for fishing, hunting, recreational, and park purposes under such terms and conditions as the water and power resources board might determine in such way or ways as in the opinion if the said board will not materially interfere with the primary purpose in said acts of assembly and hereinbefore specifically referred to; and

"Whereas in view of the fact that a certain part of the lake extends into the State of Ohio whereby it is necessary and desirable that the use of the lake for the secondary purposes, namely, hunting, fishing, and recreational use be uniformly provided for, as well as to guard against inconveniences and mischiefs which might hereafter arise from the uncertainty or jurisdiction within and on said lake to the end that the lake may be adequately policed and conflicts of jurisdiction for the arrest and punishment of offenders be avoided.

"Now then, therefore, in order that law and justice may in all cases be executed and take effect upon said lake from shore to shore in all parts and places thereof where the lake is a boundary between said States, the said parties hereto do agree for and in behalf of their respective States in the manner following:

"General use:

"It is hereby agreed that the entire Pymatuning Lake or Reservoir, subject to the primary use thereof by the Commonwealth of Pennsylvania for regulating the flow of the water in the Shenango and Beaver Rivers as in paragraph 9, hereinafter more specifically mentioned, shall be open for recreational use equally to the citizens of both contracting parties save as restricted as to hunting, fishing, and boating in this agreement set forth or hereafter mutually agreed upon by both parties but no person shall be permitted to hunt or fish thereon unless the lawful holder of a fishing or hunting license authorizing him or her so to do issued by the proper authorities of Pennsylvania or of Ohio.

"2. Arrest and prosecution of offenders:

"That each State shall enjoy and exercise a concurrent jurisdiction upon the water (but not upon the dry land between the shores of said lake, including the islands therein) with respect to the arrest and prosecution of offenders, but in such sort that any boat or vessel fastened to or aground on the shore of either State shall be considered exclusively within the jurisdiction of said State, but that all capital and other offenses, trespasses, or damages committed on or over said lake the judicial investigation and determination thereof shall be exclusively vested in the State wherein the offender or person charged with such offense shall be first apprehended, arrested, prosecuted, or first brought to trial, it being the intent of this agreement that an offender may be pursued and arrested anywhere on or over said lake, or shores thereof, or islands therein, regardless of the boundary line, by any peace officers or persons of either State authorized to make arrests, whether the offenses be committed on or over any part of the lake, on the shores, or islands therein, regardless of the State in which the place where the offense was committed lies.

"3. Islands:

"All islands within the lake shall be considered as part of the State of Pennsylvania.

"4. Pollution of water:

"The lake shall forever be protected against pollution of its waters by industrial trade waste, individual or municipal sewage from shore or boat, and the discharge of any noxious or deleterious substance, liquid or solid, into the waters of the lake which is or may become inimical or injurious to public health or to animal or aquatic life is hereby expressly forbidden.

"No sewage may be discharged into the waters of the lake except after complete treatment and then only upon permit first approved by the health departments of both States.

"5. Boats and vessels:

"No power or motor boats nor hydroplanes or aquaplanes shall be permitted anywhere on said lake except such police or administration motorboats to the number which shall be mutually agreed upon by the parties hereto. Sailboats, rowboats, and canoes shall be permitted provided they first obtain a license from the respective State of which the owner is a resident under such regulations as each party to this agreement may now have or hereafter adopt.

"6. Fishing:

"Any person possessing a duly issued fishing license by either State shall be permitted to fish anywhere on the entire lake (except such portion thereof as is closed to fishing by paragraph 8 hereof or such further portion as may hereafter by regulation be mutually agreed to by the parties hereto), but no fisherman shall be entitled to fish from the shores of the State of which he is a nonresident unless he complies with the nonresident fishing license law of said State.

"In order to permit the fish to fully propagate and develop no part of the lake shall be open for fishing until the 1st day of July 1937, and thereafter shall be closed in each year between the 10th day of December and the 30th day of June.

"Until otherwise mutually agreed to by both parties hereto the creel size and season limits for the respective kinds of fish caught shall be such as may hereafter be agreed upon between the two States.

"7.Reciprocal hunting rights:

"Reciprocal hunting rights are hereby granted to the licensed hunters of each State on the water of that portion of the lake both in Pennsylvania and Ohio over the area bounded on the south by an east-and-west line crossing the State boundary five-tenths of a mile north of Simons, Ohio, and on the north by a line drawn between the point at which the Padamaram Road crosses the State boundary and a point formerly known as the Polleck Bridge, but such reciprocal hunting rights hereby granted shall extend only to such wild migratory birds as are covered by the Federal bird treaty and Federal laws adopted thereunder.

"Hunting in such portions of the lake as are not included in the area above described and designated shall be and remain under the jurisdiction of the Commonwealth of Pennsylvania.

"No permanent blinds shall be erected anywhere on the lake and shores thereof, but this provision shall not be interpreted as forbidding the use of a boat as a blind temporarily moored to or grounded on the shore of the lake or islands thereof.

"8. Wild game and fish sanctuaries:

"A. The Game Commission of the State of Pennsylvania having established a wild migratory bird and game sanctuary or refuge in that part of the lake located southeast of the Pennsylvania Railroad crossing, it is expressly agreed that nothing herein contained shall be interpreted as entitling the residents of either State, whether licensed to fish or hunt, trespass or enter upon said sanctuary for any purpose whatsoever. Anyone so doing shall become amenable to prosecution therefor under the game laws of the State of Pennsylvania applicable to game refuges.

"B. The conservation division of the Department of Agriculture of the State of Ohio having established a fish sanctuary and game refuge in the following portion of the lake.

"Being the southerly parts of lots nos. 79 and 80, Richmond Township, all of lot no. 41 and all of lot no. 42 except the westerly 1,000 feet thereof in Andover Township, Ashtabula County, Ohio.

"Beginning at a point in the west line of lot no. 79 that is 1,523 feet south of the north line of lot no. 79 also being the center line of Padanaram Road thence southerly along the county highway along the westerly side of lot no. 79, 1,869.5 feet to the north line of Andover Township thence westerly along the northerly line of Andover Township 939.7 feet to the northwest corner of lot no. 41 thence southerly along the highway that marks the westerly line of lot no. 42, 1,000 feet to a point thence of lot no. 42 thence easterly along the north line of lot no. 42, 1,000 feet to a point thence in a southerly direction parallel to and 1,000 feet easterly from the westerly line of lot no. 42, 2,734 feet more or less to the southerly line of lot no. 42 thence easterly along the said southerly line of lot no. 42, 5,180.4 feet to the Ohio and Pennsylvania State line thence northely along the said Ohio and Pennsylvania State line 7,297.6 feet, more or less, to a point that is 1,523 feet southerly from the north line of lot no. 80, thence in a westerly direction 1,523 feet southerly from and parallel to the north lines of lots nos. 79 and 80, 5,260 feet more or less to the place of beginning.

"It is expressly agreed that nothing herein contained shall be interpreted as entitling the residents of either State whether licensed to fish or otherwise to fish in, hunt, trespass, or enter upon said sanctuary for any purpose whatsoever. Anyone so doing shall become amenable to prosecution therefor under the laws of the State of Ohio applicable thereto.

"9. Reservation of Pennsylvania's right to the body of the water:

"It is expressly agreed that nothing herein contained shall operate to deny, limit, or restrict the right of the water and power

resources board of Pennsylvania or any authority established hereafter by said State to exercise such power to at any time, now or hereafter, raise or draw off so much of the waters of the lake as in their sole judgment may be necessary to maintain or regulate the flow of the Shenango and Beaver Rivers in furtherance of the primary purpose for which said lake was established; and said water and power resources board shall without let or hindrance have the full right, irrespective of other considerations, to release so much of the water as they may deem proper to maintain the flow of the Shenango and Beaver Rivers, irrespective of its effect on the level of the lake or use thereof for other purposes.

"In witness whereof the parties hereto have hereunto set their respective hands and seals by, for, and under the authority of their respectives States this 28th day of October 1936.

"COMMONWEALTH OF PENNSYLVANIA
"by and through
"WATER AND POWER RESOURCES BOARD

"Witness
"By J. F. BOGARDUS
"Chairman

"CHAS. E. RYDER
"STATE OF OHIO
"by and through
"CONSERVATION DIVISION
"By L. WOODDELL
"Commissioner

"R. P. JOHNSTON
"Approved as to form and manner of execution
"GROVER C. LADNER
"Grover C. Ladner
"Deputy Attorney General
"Commonwealth of Pennsylvania"

and

Whereas the General Assembly of the Commonwealth of Pennsylvania by act approved the 5th day of June 1937 ratified and approved said compact or agreement; and

Whereas the General Assembly of the State of Ohio by act approved the 18th day of May 1937 ratified and approved said compact or agreement: Now, therefore

Be it enacted, etc., That the aforesaid compact or agreement be, and the same is hereby, approved pursuant to the provisions of a joint resolution of Congress approved the 8th day of June 1936.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESOURCES AND COMMERCE OF ALASKA

Mr. SPEAKER. Without objection, the proceedings by which House Concurrent Resolution 24 was passed by the House will be vacated.

There was no objection.

The SPEAKER. The Clerk will report the concurrent resolution.

The Clerk read as follows:

House Concurrent Resolution 24

Resolved by the House of Representatives (the Senate concurring), That the President is requested to prepare or cause to be prepared by the present departments and agencies of the Government, and within the regular appropriations of such departments and agencies heretofore made for the fiscal year 1938, and to report to the Congress within 30 days after commencement of the second session of the Seventy-fifth Congress, a comprehensive plan, to be carried out over a period of approximately 10 years, for the development of the resources of the Territory of Alaska, and the expansion and development of the facilities of commerce between the United States and Alaska, and within the Territory. The plan so prepared and reported to Congress, may, in the discretion of the President, embrace a statement of such works and facilities to be established in Alaska as may be desirable for national defense.

With the following committee amendments:

Page 1, line 8, strike out "to be carried out over a period of approximately 10 years"; and page 2, after line 4, insert the following: "Said report to contain such information as will aid the Congress in conducting investigations to determine what is to be done with the resources of Alaska."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. There are several special orders pending.

Mr. WIGGLESWORTH. I was under the impression they had been withdrawn.

The SPEAKER. There are two special orders remaining to be disposed of. The Chair would be glad to entertain the request of the gentleman except he feels these other special orders have already been made and the Members are entitled to the time.

Mr. WIGGLESWORTH. Mr. Speaker, I withdraw the request.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a certain short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(Mr. PETTENGILL asked and was given permission to insert his own remarks in the RECORD.)

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter with reference to the cotton situation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUGAR BILL

Mr. LANZETTA. Mr. Speaker, I wish to reserve all points of order against the conference report on the sugar bill.

The SPEAKER. The Chair may say the gentleman's rights are protected, if he desires to make a point of order. Points of order are not waived.

DECORATION FOR DISTINGUISHED SERVICE—ACORS RATHBUN THOMPSON

Mr. JOHNSON of West Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 1918, to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized to cause the recommendation for the award of a decoration to Acors Rathbun Thompson, formerly private, Sixty-sixth Company, First Battalion, Fifth Marines, Second Division, American Expeditionary Forces, who, on September 14, 1918, at Jaulny, in the St. Mihiel sector, France, rescued and carried a wounded comrade through heavy enemy fire to a first-aid station, and who further distinguished himself as a member of a small group, October 4 and 5, 1918, at Blanc Mont Ridge, France, though wounded and constantly exposed to constant enemy machine-gun fire from three sides, was cut off from his main body, repulsed five counterattacks by the enemy, which resulted in the capture of 4 German officers, 268 men, together with 85 machine guns in position, some mortars, and a heavy fieldpiece, to be considered by the proper boards or authorities, and such award made to said Thompson as his said conduct merits.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under a previous order of the House, the gentleman from New York, Mr. DICKSTEIN, is recognized for 20 minutes.

UN-AMERICAN ACTIVITIES

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and insert therein a number of extracts from newspaper clippings dealing with un-American activities in the United States.

The SPEAKER pro tempore (Mr. BOLAND of Pennsylvania). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, it is with a great deal of hesitation that I am again taking the floor on the subject so

important to the well-being of this country, in spite of the fact that I have addressed this House on a number of occasions. But if, in spite of our sincere attempts to eradicate this ever present menace from America, I find that subversive agents of foreign governments are still engaged in their un-American practices, I must speak again even at the risk of appearing presumptuous and monopolizing the time of the House on this subject.

The other day I came across a photograph of the Nazi camp in Andover, N. J., about which I have already addressed the House on a previous occasion, and here is what I see: I have in my hand a picture of the swastika and the Italian Fascist flag dominating the landscape high above the buildings of the camp, while the American flag is hidden below and not visible at a distance, and is shown almost furtively and shamefacedly. Of course we might say that it is a great deal of arrogance on the part of anyone to link the American flag, which represents freedom, liberty, and democracy, with the flags of governments which make it their business to suppress individual liberty and freedom of conscience. This, incidentally, is the camp in which certain members of a newspaper, who came to visit the camp on August 1 and to obtain some information about it, were surrounded by a crowd which hurled epithets at them and shook their fists, echoing the thought that it was presumptuous on the part of the newspapers to try to obtain information about the camp. I quote from the Yorkville Advance, New York City, on August 5, 1937:

> Not 2 minutes elapsed before the cry arose that newspapermen were in the camp's midst. Immediately a crowd surrounded the Advance men, hurling epithets at them, and shaking their fists. Women joined the belligerents, one crying and others echoing, "Even if I'm a lady, I'll help beat you up, you lying, filthy Jew b——s."
>
> Had not one storm trooper, less provoked than his fellows, ushered the newspapermen to a far end of the camp, the crowd, which was fast getting out of hand, would have certainly attacked the newspapermen. Selman did not attempt to take any photos on the camp proper for fear of precipitating a riot and having his camera broken.
>
> Snarling men came running up to the Advance party from every corner of the grounds threatening to beat them. The entire camp was incensed over alleged lies in the press "for the past 14 days."
>
> Their anger reached a head, it was learned, when the Newark Ledger printed a photo of their Nazi flag with a caption saying "Mystery—Where's American flag? An American flag flew side by side with the Nazi flag today. And it was charged by the camp's inhabitants that it was unfurled when the Ledger took the photo."

But this unholy alliance between the American flag and the flags of nations which suppress liberty of thought and conscience is not the only unholy alliance which came to my attention in the last few weeks. And so I find another instance where a so-called leader or national chairman—or whatever title he seeks to arrogate unto himself—of the German Americans of this country, or the German-American so-called Bund, refers to a Jewish newspaper in support of his opposition to my activities as a Member of this House. We have reached the stage now where the leader of the Bund and a small organ of so-called Jewish opinion are united in their desire to have this House suppress my interest in an investigation of subversive activities in the United States.

The leader of the Bund sent a so-called "round robin" to all the Members of the House telling them how a "representative Jewish paper disagrees with me on the advisability of conducting an investigation at this time." Can you just picture Mr. Kuhn agreeing with the American Hebrew and the American Hebrew in accord with Mr. Kuhn? Surely something must be wrong with both.

I have already had occasion to tell the House in no uncertain terms that I do not consider this investigation as being a Jewish question, nor is it a question of any particular race or creed. It is an American question, to be determined by American standards; we must once and for all make up our minds that America does not stand for any subversive activities, whether from within or from without.

I had occasion to tell the House at other times how a democracy must protect itself if it wishes to survive, and how subversive groups are ready to seize the liberties of the democracy for the purpose of destroying it. We have no better evidence of that than in the contempt which the present rulers of Germany express about the German Republic, which, after all, gave them the opportunity to seize power, because it allowed them the latitude which they themselves do not allow their opponents. If the German democracy created by the Weimar constitution had had the foresight to defend itself against the aggression of subversive movements which overthrew it, there would have been no nazi-ism today and the world would have heard very little about this man Hitler. It is this very supine submission to subversive agitation which results in destruction of the liberties of the people.

And it is this very same "leader" of the German-American Bund—and incidentally I resent the use of the term "American" in connection with this so-called bund—who published an almanac this year in which he so boldly presents to the public his photograph alongside that of the German Chancelor, and is so proud of the fact that the German Chancelor told him to go back to America and do his "good" work.

I have previously exhibited to this House a copy of this almanac with its many pictures, all of which depict the beauty of present-day Germany, and all of them speaking contemptuously of the attempt which Germany made to establish a constitution of democracy. The leaders of the republic are considered fools and traitors, and the German Republic itself is referred to as the "Jew republic." There is not a shred of desire to promote the ideals which we were taught from the days of our infancy to revere and admire. Not a word is said about liberty of constitution or democratic government. Those ideals are of no consequence; in fact, they are ridiculed and held to be so much drivel.

And it is more than amusing to read in this pamphlet, put out by the leader of the Bund, a criticism of my own doings and a reference to the fact that I am "an immigrant from Russia of Jewish stock." This so-called leader incidentally claims to be a German World War veteran, who, of course, served in the army against the people of America when they sought to make the world safe for democracy and lost their lives in the attempt to prevent kaiserism and the very ideals which this leader holds so holy.

The men and women in this House whose sons, daughters, brothers, and sisters served in that World War to make the world safe for democracy must surely resent such unguarded language on the part of a naturalized alien whose only interest in America is to convert us into the Nazi ideology. It is a far cry from the humility of those who signed the armistice on November 11, 1918, to this arrogance and aggressive manner in which these same men are trying to teach America how to conduct its affairs.

This country is not alone in being infested with Nazi organized agents who seek to undermine our Government by all means, fair or foul. Here is a news item taken from the New York Times of August 12, 1937, dealing with the situation in Great Britain:

[From New York Times, Aug. 12, 1937]

GERMANS IN LONDON ORGANIZED BY NAZIS—INTRICATE INFORMATION SERVICE EVOLVED, ESPECIALLY AMONG SERVANTS IN PRIVATE HOMES

LONDON, August 11.—British public opinion has accepted the fact of the expulsion of three German journalists as not needing explanation. Britons are satisfied that the Home Office acted on solid reasons and that ends the matter.

However, if later the demand arises for an explanation, it is impossible to predict the nature of the official statement because the authorities have the choice of a number of transgressions, each of which is sufficient to cause the withdrawal of the permit of residence from the person implicated.

To put an end to the inquiries the best course is to give a general picture of the activities of German agents in London. Now the alien's department of the Bow Street police station, which centralizes the statutory declarations of foreigners resident in the British capital, has registered more than 100 German "journalists." The official Foreign Press Association has not even a third of that number on its list of members.

The discrepancy between the two figures confirms the suspicion that the activities of many "journalists" have little in common

with straightforward press service. Scotland Yard long ago established the fact that these people were engaged in work not connected with the reporting of daily events to reputable organs abroad. Examination of the list of journals or agencies named in the statutory declarations reveals that most of them were unknown, even in their native country.

GERMAN COLONY INCREASES

The German colony in London is now 20,000, consisting partly of businessmen, a few thousand refugees from the Hitler regime, but mostly persons of both sexes employed in domestic service.

The Nazis, when they came to power, took steps to organize the German residents so as to be able to control their activities.

A swarm of agents of the Nazi Party, secret police, Ministry of Propaganda, and army intelligence men descended upon London.

Every German even temporarily resident was indexed and enrolled, often in several organizations. All that was more difficult to follow than appears at first sight, because of the multiplicity of agencies, and especially because the directing centers were independent of the German Embassy and were often situated in Berlin.

A good example is supplied by the details of the organization of domestic servants. The police believe that only a few of the thousands of German maids serving in private homes in London escape the dragnet of agents who force them to join so-called social clubs, where they are subjected to strict supervision and are expected to report to officials all that they hear or see in the houses of their employers.

SPYING ACTIVITIES INCLUDED

An exactly similar organization was created for obtaining higher class political and economic information by centralizing reports from numerous Germans circulating in various strata of city and West End society. Here is where the title journalist opens doors ordinarily closed to foreigners.

The fact has been established that the agents mentioned, having begun their organization with the object of collecting general information, as well as keeping control of their nationals, gradually expanded their activities to include downright, deliberate spying. That has been directed partly against German refugees, in this country to escape the clutches of the Gestapo [German secret police] and the joys of an Aryan regime, but also against the vital interests of Britain.

Here we reach a delicate point, because we would be obliged to speak of the ramifications of military and naval espionage and possibly reveal details rendering difficult the fruitful investigations of the British Intelligence Service, which, in spite of numerous handicaps, is still quite good.

Of the three men expelled, only Werner von Crome possessed journalistic standing, the other two, Franz Otto Wrede and Wolf Dietrich Langen, are unknown to the Foreign Press Association.

The long-suffering Home Office allowed the incriminating matter to accumulate for some time before finally taking action.

And so you see, England found an effective way of dealing with the situation. I hope to God we do likewise.

And only this morning the New York Times brings another news dispatch from Germany telling us from a Nazi standpoint that America is not "threatened" by "national Socialist agitators." O Heaven forbid! Quite the contrary, it seems that these foolish Americans do not appreciate the blessings of national socialism which are about to come to this country. The plan is perfectly simple. Let all Americans adopt the ideology which was most successful in Germany and we will all be blessed with our own national socialism. And here is the boast of the "Headquarters of Germans Domiciled Abroad" in Stuttgart, Germany:

We desire to bring back Germans in the United States to the racial unity and common fate of all Germans. To this end the intellectual and spiritual reform of Americans of German extraction is necessary in accord with the model furnished by the old homeland.

When we have attained this goal we will then organize German-Americans for spiritual regeneration, economic support, and political schooling.

[From the New York Times, Aug. 16, 1937]

UNITY OF GERMANS IN UNITED STATES IS NAZI AIM—EDITORIAL INDICATES LEADERS HOPE TO CREATE POLITICAL WEAPON IN AMERICA—SPIRITUAL REFORM URGED—STRUGGLE FOR REGENERATION SEEN IN THIS COUNTRY AGAINST THE JEWS AND COMMUNISTS

BERLIN, August 15.—The National Socialist leaders seem to have hopes of making pan-Germanism a political weapon to be employed in internal American politics. A revealing editorial appeared in the National Socialist Kurier, the official party organ for Stuttgart—center of the Reich's pan-German agitation—which city Chancellor Adolf Hitler gave the title of "Headquarters of Germans Domiciled Abroad", and which is the seat of the Institute for Germanism Abroad.

The Kurier's "program" for the young German-American corps, wherever it may be found, is the following:

"We desire to bring back Germans in the United States to the racial unity and common fate of all Germans. To this end the intellectual and spiritual reform of Americans of German extraction is necessary in accord with the model furnished by the old homeland.

"When we have attained this goal we will then organize German-Americans for spiritual regeneration, economic support, and political schooling.

"German-American influence thus economically strengthened and politically reactivated shall then be thrown in the balance under our leadership for the coming struggle with communism and Jews and for the Americans' regeneration."

The editorial explains:

"These German-Americans are today prepared to enlist in the final struggle and take their place in America's political life while preserving their German 'Weltanschauung' and racial character in order to exercise a determining influence on the new America."

The editorial protests vigorously Representative DICKSTEIN's belief that America is threatened by National Socialist agitators.

It asserts, however, that the Representative's fears have lost all significance, for the great majority of Americans no longer see any danger in "Germanism."

The editorial states that Mr. DICKSTEIN's various warnings and declarations are the result not of patriotic feeling but of a desire to damage the Third Reich and uphold the "phantom of National Socialist revolutionary agitation."

The Kurier then continues:

"This attempt has failed entirely, for DICKSTEIN's agitation no longer impresses Americans, nor does it intimidate German-Americans. Twenty-one summer camps of the German Folk, League, an organization founded in 1933 under the name of the Friends of New Germany, as well as homes and camps of German-American vocational associations, are proof of that, for in these summer camps away from the great city the racial and national life of German-Americans find free play.

"Here they rediscover the sense of being rooted in the soil which they had been forced to forego. Here on their own ground whole colonies have been created. Here young Germans learn to work as middlemen between the old and the new home for better relations between the two great nations and as Germans who owe a duty to America and who are bound to Germany.

"Here they learn to harmonize their duties as American citizens and their national and racial mission as Germans."

The article appeared in connection with the annual congress of the Institute for Germanism Abroad, which Dr. Wilhelm Frick, Minister of the Interior, addressed yesterday.

On August 28 the annual congress of the foreign section of the National Socialist Party will open at Stuttgart. It will be in session until the opening of the party congress at Nuremberg.

And so it seems to be the aim and object of the masses of Germany to "educate" all persons of German extraction in the "model" furnished by the old homeland, and so, in accordance with this "model", when all Germans have been converted into good Nazis, then the time will come when the German ideology will be the determining influence in our American political life.

This is not the first time that this institute for Germans abroad produces the far-reaching program to indulge in the reorganization of our country. In a radio address, of which I have complete German text in my hands, and which was sent by short wave on June 6, 1937, this institute boasts that it controls every German abroad, and that nothing can be done by Germans outside of Germany without their knowledge.

Mr. Speaker, I still do not know what this Congress proposes to do with regard to the matter which is now pending before the Committee on Rules, in which it is requested that something be done to clean up the camps of this country. When I speak about the camps, I am talking about un-American activities, which are spreading daily and weekly. A week ago I told you we had 22 camps. The one in Pennsylvania had made it 22. Here is the twenty-third camp which opened two Sundays ago in the city of my friend from St. Louis. I have the name of the camp, the names of the leaders, and the names of all the alien groups which are participating in this particular camp. I also have a record of the location of the camp.

The St. Louis group of the Nazi Volksbund has expanded in recent months and has recently acquired a meeting house at 2960 Oregon Avenue in St. Louis and a summer camp near the Meramec River, just off of Lemay Ferry Road. Last Sunday's ceremony included a parade of uniformed storm troopers carrying the swastika banner under the leadership of Anton Kessler. The camp goes under the name of "Deutsch-Horst."

Thus, the sublimest of comedy: One has to know that after having given the Hitler salute with out-stretched arm,

having blared three "heils", the uniformed storm troopers lined up in double file and self-consciously, carrying the flag of a foreign country, marched down what is called the Government drive.

Mr. COCHRAN. Of course, the gentleman knows I am not a member of the Rules Committee. Does the gentleman know whether the report in the paper is true, to the effect that acting upon the request of the gentleman from Connecticut [Mr. CITRON] the Attorney General has directed the Division of Investigation to make an investigation of the activities of the organizations to determine whether or not they are violating the laws of the United States?

Mr. DICKSTEIN. I may say in answer to the gentleman that I know all about it. I may also state that the investigation of the Attorney General deals with but one phase. When I came in here a year and six months ago and told this Congress that not only was there drilling being carried on in uniforms, and that many other things foreign to our form of government were being encouraged, but that there were actually guns on the premises of these people, some of the Members laughed. All the Attorney General is now doing is to follow the law. I have been begging for the last 6 months that something be done by somebody, but all the Attorney General is doing is to make an investigation and to find out how many guns have been transported from one camp to another, and if there has been a violation of the interstate law. This is as far as the Attorney General can go. I know that the Attorney General is one of the ablest men we ever had in that office. He would go further if he had had the power to do so.

Mr. COCHRAN. In other words, the gentleman's activities have brought fruit?

Mr. DICKSTEIN. Yes; they have brought fruit.

Mr. COCHRAN. The Attorney General has ordered an investigation?

Mr. DICKSTEIN. Yes.

Mr. COCHRAN. Has he advised the gentleman personally to what extent he is going to investigate?

Mr. DICKSTEIN. He has not advised the gentleman personally, but the Attorney General, in a statement released only yesterday, which I have here in my hand, states that he can go as far as to find out whether a crime has been committed in the shipment of ammunition from one camp to the other. I have no doubt that the Attorney General will find evidence of this, but all the Attorney General can do is to prosecute those who have been shipping these guns from one camp to another in interstate commerce. He cannot do anything further. In fact, the director of the Bureau of Investigation has been asked by Mr. Cummings to make "a cursory examination."

Mr. COCHRAN. If the Attorney General's investigation discloses that other Federal laws are being violated, he can certainly proceed against those who are violating our laws.

Mr. DICKSTEIN. Certainly.

Mr. COCHRAN. And he will.

Mr. DICKSTEIN. I am just trying to tell my colleague from St. Louis that the function of the Attorney General, as he has stated it, and this is all he can do, is to make an investigation of whether ammunition or guns have been smuggled in and transported from one camp to another and from one State to another in interstate commerce. That is all he can do.

Mr. COCHRAN. What I want to bring out is that an investigation is on. Why not give the Attorney General all the information you have?

Mr. DICKSTEIN. I am glad the investigation is on. It should have been on a year ago. However, all the Attorney General can do is but one step in the right direction. I admire the Attorney General for at least doing something in calling the attention of the Bureau of Investigation to the seriousness of the situation which I have been exposing for the past 4 years.

This Congress is going to be charged with neglect in failing to bring about the necessary study and investigation of subversive agitation, with almost 350,000 aliens and citizens in this country subscribing to ideologies of a foreign source, despite the fact that I have been begging for such an investigation for almost 6 months. The Committee on Rules is asleep. It actually brought out a rule for the consideration of a bill allowing helium to go to Germany.

Mr. COCHRAN. Instead of Congress making the investigation, the Department of Justice is going to do the job. I hope it will be done thoroughly.

Mr. DICKSTEIN. I wish the Department of Justice had the power to make a thorough investigation, not only of the smuggling of guns but also of the bringing in of millions of dollars to pay aliens who have been smuggled in to promulgate un-American activities which attempt to substitute nazi-ism for Americanism. This is going on in almost every section of the country, and the Attorney General cannot do anything about it.

Mr. COCHRAN. The gentleman does not mean to state that if aliens are smuggled into this country it is not a violation of a Federal law?

Mr. DICKSTEIN. Why, certainly it is a violation.

Mr. COCHRAN. Then the Attorney General can prosecute such people.

Mr. DICKSTEIN. I have written a number of letters to the Department of Labor about this. When we are ready to pick up these spies, they take the next boat back to Germany. They have a fine system of espionage. You cannot pick them up. They are too smart for our people in this country.

Mr. COCHRAN. If they violate the law and the Attorney General finds they have violated it, and if he can apprehend them, he can prosecute them as he can prosecute people who may move arms from one State to another.

Mr. DICKSTEIN. May I make my position clear?

Mr. COCHRAN. Is not that true?

Mr. DICKSTEIN. The gentleman is just stretching the point.

After my pleading and begging for the last 6 months, there are two things which have been done. The Congress passed the McCormack bill a week ago to make all known agents representing foreign governments register with the Department of State. The other thing is the statement by the Attorney General that all the power he has is to investigate the interstate smuggling of guns between one Nazi camp and another. This is a fine step in the right direction. However, the main point I present to you is that the subversive organizations in this country are financed by foreign money, and to do what? To substitute their form of government for ours, and they have admitted it. The Reich admitted this only a week ago. The German Government admitted that it is setting out to nazify England, America, and other countries of the world. I want to know who is behind this, and we could have found out if Congress had given us the right to subpena. We know who is behind this, and we would like to know how many millions of dollars have been sent in here. I know where I could find this information if I only had the power of subpena.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. RICH. Are any of the men in these camps naturalized American citizens?

Mr. DICKSTEIN. About 60 percent of them are naturalized citizens, about 10 percent of them are native-born, and the rest are aliens; but the native-born belonging to these camps are no more citizens of this country than I am of Mr. Hitler's country.

Mr. RICH. What seems to be the idea of the native-born or the naturalized citizens who have joined these camps? What is their idea in joining them?

Mr. DICKSTEIN. Their object is to nazi-ize the United States. They are not citizens in truth, nor in fact. If I had the power to examine certain documents I could prove that all of these so-called citizens by naturalization when taking their oath of allegiance to the United States, did so with a mental reservation with respect to the Fatherland of Germany.

Mr. RICH. Then the gentleman claims they did not become American citizens with any idea of supporting our laws and our Constitution?

Mr. DICKSTEIN. That is it exactly. Another point is that there is a certain document which I can lay my hands on that would show the official oath that each of these troopers in this country take to the Hitler government. If I can establish that, we can cancel the citizenship of almost 200,000 of them, but I cannot do this in any other way than by power of subpena. There are certain people who are ready to take the stand against their own Nazis, in other words, they are ready to squeal and tell exactly what is going on in this country.

Mr. BOYLAN of New York. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from New York.

Mr. BOYLAN of New York. Is it not a fact that a Jewish magazine named the American Hebrew, published some articles stating that responsible Jewish leaders are opposed to this investigation?

Mr. DICKSTEIN. I am happy the gentleman has asked me that question. This so-called American Hebrew is a 2-by-1 organization. My good friend, the gentleman from North Carolina [Mr. WARREN], on April 8, made a big fuss about the Jews being against this investigation. This a one-man organization with just a few people on the pay roll. It has no right to speak for the Jews, particularly "responsible Jews." It does not control the opinion of Jewry. If this magazine seeks to prevent an investigation for reasons unknown to me, I think this Congress ought to know the reason and we ought to find out who are these responsible Jews and why they do not want the investigation.

We have passed several bills recommended by the former committee. Things have changed since. New aliens, new propagandists, new blood, new secrets, and new spies have crept in since then. The only way to determine these facts is by an investigation.

So, Mr. Speaker, if the American Hebrew speaks for responsible Jews, I should like to know who they are, and what they are trying to hide. If the American Hebrew, or the Irish Hebrew, or any publication or periodical is opposed to an investigation, which would determine the fact that there are subversive movements in the United States seeking to overthrow our form of government, and is withholding the true facts from the people, I am prepared to investigate it. [Laughter.]

I heard one Congressman say that all the Jews are against this investigation on account of the American Hebrew. The Congressman evidently thought that the American Hebrew represents the whole of Jewry. The American Hebrew has absolutely no authority to speak for the Jews. It speaks only for its own small circulation.

Mr. Speaker, this is not a Jewish question, nor a Catholic question, nor any other religious question. This is purely an American issue as to whether the Constitution shall be preserved and whether our democratic institution should continue, or whether we should substitute some other form of government in its place. This is a 100-percent American question, and no race or group or people has the right to interfere with Congress in determining the groups that are seeking in one form or another to bring about a Fascist state against the will of the people.

This country of ours is one of the greatest democracies on earth. We believe in the principles of our form of government. We have survived many years successfully, and we do not need any advice from the Nazis, the Communists, or from any other foreign government. We want to be left alone and follow the footsteps of our forefathers in preserving liberty and peace. We do not believe in intolerance or bigotry. We are a free people, and we do not stand for foreign agitation which seeks to array American against American.

Mr. BOYLAN of New York. Mr. Speaker, will the gentleman yield further?

Mr. DICKSTEIN. Yes.

Mr. BOYLAN of New York. The German leader, Fritz Kuhn, and the American Hebrew charge you with being angry because you did not get the chairmanship of the last investigating committee. Is this true?

Mr. DICKSTEIN. I am glad the gentleman has asked me that question, because my Nazi enemy and the enemy of America, Fritz Kuhn, sent out a letter to each Member of Congress in which he quotes the so-called American Hebrew, stating that because I did not get the chairmanship I was sore about it and, Mr. Speaker, I ask unanimous consent at this point to put in the RECORD a letter from the late Speaker Rainey and my answer to him, dealing with that question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., March 30, 1934.

Hon. SAMUEL DICKSTEIN,
House of Representatives, Washington, D. C.

MY DEAR MR. DICKSTEIN: I hope to be able very soon to submit to the House, for its approval, the names of the special committee authorized by House Resolution 198, to investigate Nazi and other foreign-instigated propaganda in the United States which attacks our Government in its principles.

On account of your interest in the subject, your patriotism, and the splendid work you have already done in this matter, I desire to ask you, first of all, if you will accept the chairmanship of this committee. I will be very glad, indeed, to appoint you chairman.

Very truly yours,

HENRY T. RAINEY.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON IMMIGRATION AND NATURALIZATION,
Washington, D. C., April 2, 1934.

Hon. HENRY T. RAINEY,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I thank you for the very great honor you have conferred upon me by appointing me as the chairman of the special committee authorized by House Resolution 198 to investigate Nazi and other foreign-instigated propaganda conducted in the United States which attacks our Government and its principles.

I cannot find words to adequately express how highly I value the honor this appointment would confer upon me at this time, and I sincerely assure you that I appreciate your expression of confidence which this appointment means.

However, Mr. Speaker, for conscientious patriotic reasons, I feel compelled to respectfully decline the appointment.

My knowledge of conditions which this special committee will find, compels me to most respectfully ask you to appoint as its chairman an outstanding Member of this House, so that there can be no doubt that this is an American issue of primary importance.

My patriotism for the United States in this matter far surpasses any sentiment which my acceptance of this chairmanship might, by some persons, be interpreted as an ambition for glory for uncovering a blot upon our affairs in the United States.

I feel very strongly, Mr. Speaker, that this probably is too serious a question to be even remotely disparaged by any allegation of prejudice which my acceptance of this chairmanship might invoke.

However, as an American citizen deeply interested in this investigation, I shall be happy to serve as a member of the special committee if that is your desire, so that I may give to the committee the benefits of all of my efforts during the past 8 months of exhaustive work in fact finding.

I feel the work this committee has before it, will be the making of wholesome American history.

Sincerely yours,

SAMUEL DICKSTEIN.

Mr. DICKSTEIN. That will completely answer the entire matter.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. McCORMACK. I was chairman of the special committee and I can say there is absolutely no truth in any such statement.

Mr. DICKSTEIN. And yet, Mr. Kuhn, a Nazi agent, has been elected for 4 years to carry on his dirty work, and he sends out a letter attacking me containing false information. They are nothing but a bunch of propagandists in this coun-

try, and I am prepared to prove it if the Rules Committee would wake up.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. HOFFMAN. The gentleman does not expect us to read that letter?

Mr. DICKSTEIN. No; you can read it or throw it away.

Mr. HOFFMAN. Mine went into the wastebasket. I have heard the gentleman talk a number of times, and I am always hearing about this Hitler business. What about the Russians?

Mr. DICKSTEIN. They are all cousins.

Mr. HOFFMAN. Is the gentleman after those cousins, too?

Mr. DICKSTEIN. Certainly; we are after all the cousins. We are after the white shirts that have an army of 50,000, and then you have the black shirts. They have all combined, and they are going to make an attack in the press on the 25th and other dates, charging me with being a Jew. They just found out that I am Jewish.

Mr. HOFFMAN. Is the gentleman speaking to his resolution?

Mr. DICKSTEIN. Yes.

Mr. HOFFMAN. When are we going to have a vote on that?

Mr. DICKSTEIN. I do not know that we will ever vote on it unless the Rules Committee wakes up.

Mr. HOFFMAN. Has the gentleman filed a petition?

Mr. DICKSTEIN. I have no petition.

Mr. McFARLANE. Does the gentleman not think the Rules Committee is suffering from a bad case of sleeping sickness in regard to some of these resolutions that are pending before us?

Mr. DICKSTEIN. I don't have to tell the gentleman that.

Mr. McFARLANE. If the gentleman will yield further, in 15 minutes they can meet in a hurry and report out a resolution to investigate about judges for the Judiciary Committee, but it takes them 8 or 9 months to report out a resolution that there is corruption existing in the departments here.

Mr. DICKSTEIN. What about the corruption that I have been talking about? What is the matter with this resolution dealing with subversive activities in the United States.

Mr. McFARLANE. I am for the investigation.

Mr. COCHRAN. It appears that the Rules Committee has about 48 hours to wake up in and there is no indication that they are going to wake up so far as the gentleman from New York is concerned. Why should not the gentleman from New York give the information that he has to the Department of Justice? I would like to see the Department of Justice go ahead with it.

Mr. DICKSTEIN. I think my former chairman, the gentleman from Massachusetts [Mr. McCORMACK], can explain that. I am tired of answering those questions.

Mr. McCORMACK. It is very simple. The Department of Justice cannot make any investigation unless a Federal law has been violated, and as there is no Federal law relating to this subject, therefore they cannot investigate, and you cannot take issue with the Department of Justice because of that, because they are absolutely stating what is the truth.

Mr. COCHRAN. If the gentleman from Massachusetts will permit, certainly the Federal law is being violated if they are smuggling aliens into this country. The gentleman from New York has made the statement that they are smuggling aliens into the country. That is a violation of law.

Mr. McCORMACK. Yes. I notice in the newspapers that they are investigating some of the charges that guns are being transported. That is a violation of a Federal law, but they cannot investigate the broad activities. I agree with the gentleman that smuggling is a violation of law.

Mr. COCHRAN. But the gentleman knows that the Department of Justice does not tell the public all it is going to investigate.

Mr. McCORMACK. I can assure the gentleman that I was in constant contact with the Department while the investigation was going on, and the Department did everything they could, but they could not do very much.

Mr. COCHRAN. If the gentleman from New York has information about aliens being smuggled into the country why does he not give it to them?

Mr. McCORMACK. That is one aspect.

Mr. COCHRAN. That is a big aspect.

Mr. McCORMACK. But the gentleman is discussing a much broader subject.

Mr. HOFFMAN. Assuming that some of us want to help the gentleman, what will we do? The gentleman says he does not have a rule and he does not have a petition.

Mr. DICKSTEIN. What is the use of kidding ourselves? I could get a petition, if time permitted, and I could obtain more than sufficient signatures on that petition. However, that petition would not be brought up for a vote until next January, but an investigation should be made now.

Mr. HOFFMAN. But what can I do to help the gentleman, if he does not have a petition?

Mr. DICKSTEIN. If the gentleman wants to help me, he should communicate with the chairman of the Committee on Rules.

Mr. HOFFMAN. The gentleman knows that that will not do any good.

Mr. DICKSTEIN. It might help some. Who was the gentleman who questioned the un-American activity in this country? I want him to look at this. This is one of their late camps. Here is the American flag on the bottom and the swastika and the black flag at the top. That is how much they respect our American institutions.

Mr. RICH. The American flag is on the building.

Mr. DICKSTEIN. The American flag is in the cellar and the swastika is on the roof.

Mr. RICH. Where did the gentleman get that?

Mr. DICKSTEIN. I took it from Camp Nordland, in New Jersey. They talk about running these camps for their health, they are trying to build up their bodies and put them in shape. They say they are so thin that they can hardly breathe air. I say to you that is not true. They are as fat as pigs. They ought to go to some Turkish bath to reduce themselves. They say that their bodies are slim and that they are just training them for their health, when they are training their German friends into an army, by order of the German Government, which is responsible for helping create the Nazi camps in our country and train them so that they may be ready for a future war when called upon by the fatherland irrespective of whether these men were born or naturalized in the United States.

Mr. SNYDER of Pennsylvania. Where was that picture taken?

Mr. DICKSTEIN. Camp Nordland. Look at those fat boys. [Laughter.]

Mr. PETTENGILL. Where is this camp located?

Mr. DICKSTEIN. Right in New Jersey; 200 acres of ground; heiling Hitler and helling the American flag.

Mr. SNYDER of Pennsylvania. Who owns this land?

Mr. DICKSTEIN. They own it. They paid enough money for it to buy 10 farms.

Mr. SNYDER of Pennsylvania. Who is "they"?

Mr. DICKSTEIN. The Nazi Government; the American Bund in this country, with money from the other side, and yet the gentleman from Missouri [Mr. COCHRAN] says "Why does not the Attorney General investigate it?" Let us find out how much money was paid and where it comes from.

Mr. McFARLANE. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. McFARLANE. The Department of Justice is allowing flagrant violations of the antitrust laws to continue, in connection with the radio monopoly, the sound-motion-picture monopoly, and W. J. Donovan, who was the antitrust law enforcement officer under the Hoover administration, drew the petition for R. C. A. that sandbagged the A. T. & T. That is well known. The Department of Justice has the facts, but we cannot get them to break up the monopoly.

Mr. DICKSTEIN. I do not want to quarrel with anybody. I am just presenting these facts to you as an American. I propose to arouse the American people of the condition now prevailing. You might be asked by your constituents why an investigation was not made by Congress. I do not mind telling you that I am getting nice, pleasant letters every day from these agitators, because every time I expose a group of spies they always have nice things to say to me, either by the telephone or confidential letter. I do not want to repeat what they say there. I tell you the responsibility is upon this Congress to do something to clean it up. What is more, I do not want to be a party to it. I would be glad to turn over all these documents to the committee. [Applause.]

I also want to call the attention of my colleagues to the fact that the American Legion, the Veterans of Foreign Wars, the Jewish War Veterans, the Disabled War Veterans, the Spanish-American War Veterans, and many other American groups are almost to a man behind me and have endorsed this investigation. I also want to tell you that your constituents have also written to me endorsing the investigation and offering their cooperation. Some of the Members of the House will have to account for the failure of this Congress to clean house once and for all.

In this connection I wish to say that I have nothing against the fine German people who are against Mr. Hitler's philosophies being practiced in the United States. I have found them to be true Americans and worthy of that name.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. DICKSTEIN] has expired. [Applause.]

SPECIAL ORDER

The SPEAKER pro tempore. Under special order of the House, the gentleman from Indiana [Mr. LUDLOW] is recognized for 12 minutes.

Mr. LUDLOW. Mr. Speaker, without surrendering the special order that was graciously granted to me, I want to ask unanimous consent at this time that the gentleman from Massachusetts [Mr. WIGGLESWORTH] may occupy such brief time as he may desire to speak at this time.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FEDERAL COMMUNICATIONS COMMISSION

Mr. WIGGLESWORTH. Mr. Speaker, I am very much indebted to our colleague from Indiana, and I think 2 or 3 minutes will suffice for what I have to say at this time.

Yesterday I introduced a resolution in the House calling for certain information from the Federal Communications Commission. I should like to ask unanimous consent to insert that resolution as a part of my remarks at this point.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The resolution is as follows:

Resolution

Whereas "no member of the Commission or person in its employ shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of this act, nor own stocks, bonds, or other securities of any corporation subject to any of the provisions of this act. Such Commissioners shall not engage in any other business, vocation, or employment. Not more than four Commissioners shall be members of the same political party" (the Federal Communications Act of 1934, sec. 4b); and

Whereas addresses have recently been made by Members of Congress in both the House and the Senate emphasizing the apparent failure to eliminate the evils of monopoly in the field of communications, and more particularly in the radio-broadcasting field, despite the intent of Congress manifest in the Communications Act of 1934; and

Whereas it appears possible that television may be added to the virtual monopoly apparently existing in this field; and

Whereas the apparent existence of trafficking in licenses, capitalization of Federal licenses at the expense of the public, and other matters referred to suggest the lack of proper administration, raising squarely the question of whether or not the Federal Communications Commission or the Broadcasting Division of the Commission is being conducted or is in a position to be conducted in accordance with the intent of Congress under the Communications Act of 1934; and

Whereas resolutions are now pending before both the House and the Senate with a view to a thoroughgoing investigation into the apparent monopoly in the radio-broadcasting field: Therefore be it

Resolved, That the Federal Communications Commission be required to furnish under oath the following information.

1. The name or names, if any, of any member, agent, or employee of the Commission financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any other company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio or in any company owning stocks, bonds, or in any other securities of such company.

2. The name or names, if any, of any member, agent, or employee of the Commission in the employ of or holding any official relation to any person subject to any provision of the Communications Act of 1934.

3. The name or names, if any, of any member, agent, or employee of the Commission holding, directly or indirectly, stocks, bonds, or other securities of any corporation subject to any provisions of the Communications Act of 1934; or having other interests profiting such member, agent, or employee, if any, through the action of the Commission in the field of communications; be it further

Resolved, That the above information be furnished the House of Representatives immediately.

Mr. WIGGLESWORTH. The Members will note that the resolution calls upon the Communications Commission to furnish, among other things, the name or names, if any, of any member, agent, or employee of the Commission holding either directly or indirectly stocks or bonds or other securities of any corporation subject to any provisions of the Communications Act of 1934, that practice being expressly forbidden by the terms of the act.

Mr. Speaker, I have just received word indicating that this afternoon there has been placed in the hands of members of the committee in the other body considering the confirmation of Commander Craven as a member of the Communications Commission information, in telegraphic form, tending to show that Commander Craven has been interested in radio station WPEN of Philadelphia; that for professional services rendered that station he acquired stock in the corporation controlling the station, which stock was subsequently placed by him in the possession of and held for him by a Washington attorney by the name of Horace Lohnes; that admissions of these facts have been made to the author of the telegrams personally, both by Commander Craven and by his attorney, Mr. Lohnes, and that if necessary the author of the telegrams will substantiate the fact with personal testimony.

Mr. Speaker, I assume no responsibility for the accuracy or inaccuracy of the statements made. The mere fact, however, that they have been made at this time and in this manner seems to me to call for the most careful consideration by the committee in the other body considering confirmation. Commander Craven has been for some time and is now, as I understand it, Chief Engineer of the Federal Communications Commission.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. McFARLANE. Would the gentleman mind stating who signed the telegrams?

Mr. WIGGLESWORTH. The telegrams are signed, I believe, by Mr. James P. Kiernan, of New York, formerly business manager of a broadcasting station.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield further?

Mr. WIGGLESWORTH. I yield.

Mr. McFARLANE. According to the trade papers, Mr. Sarnoff, the head of R. C. A., has been spending a good deal of time here in dining those in high places. It is intimated in trade circles that he is very close to many in the communications field and that he even has great influence in high places and claims a great deal of credit, whether he is entitled to it or not, for the naming of certain officials. I am wondering if the gentleman has information on that.

Mr. WIGGLESWORTH. Mr. Speaker, I cannot say that I have any real information on the question which my colleague raises.

As the Members of this House know, I have been very much interested for about a year and a half in securing favorable action upon a resolution introduced in this House by my late colleague from Massachusetts Mr. Connery calling for a thoroughgoing investigation of the entire radio field. As I have stated, it seems to me that the mere fact that charges are made at this time calls for most careful consideration of confirmation. It also affords just one more reason why the Rules Committee should take immediate and favorable action upon the Connery resolution.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. DICKSTEIN. I was present when our late colleague Mr. Connery, and I believe the gentleman from Massachusetts [Mr. WIGGLESWORTH] appeared before the Rules Committee, but the Senate stole a march on us and passed a similar resolution. They pass about one investigating resolution a month over there without any hesitation.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. McFARLANE. One of our Members, the late Billy Connery, introduced a resolution in January to investigate the industry, and recently Senator WHITE introduced a resolution to investigate the communications industry. Recently I introduced a resolution to investigate the communications industry. The broadcasting industry and their kept magazines now advocate the investigation be conducted by the other body rather than in this body. The gentleman from New York is a little mistaken as to the status of the proposed investigation. The resolution is pending in the other body. It was favorably reported by the Senate committee and is now pending before the Senate, but the resolution to investigate the communications industry has not yet been approved by the other body itself; so there is yet time for the Rules Committee of the House to awaken from their "sleeping sickness" and get into action.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. SABATH. I am not here to defend the chairman of the Rules Committee or the committee of which I am a member. We have before us, however, a great many resolutions, not only the Dies resolution, the Connery resolution, the McFarlane resolution, but others. We have before us at least 12 important resolutions, each and every one of which I would gladly vote for and report and allow these investigations to be carried on.

The reason the Rules Committee is not reporting these resolutions is because they feel that the House and some of the leaders in the House are opposed to any and all investigations. Invariably when a resolution to investigate is brought forward by the Rules Committee it fails of passage. That is the reason the Rules Committee has refrained from reporting many of these resolutions which, to my mind, should be reported favorably and these matters investigated.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I do not want to presume further on the time of the gentleman from Indiana.

Mr. DICKSTEIN. I will ask that the gentleman be given additional time if he will yield.

Mr. WIGGLESWORTH. I yield very briefly, but the gentleman from Indiana yielded to me and I do not want to impose upon his courtesy.

Mr. DICKSTEIN. The committee once before unanimously voted a resolution to investigate.

Does not the gentleman think we should investigate these subversive activities that have been going on all over the country, and which have been exposed by every newspaper in the country? Does not the gentleman think that rule ought to be reported as the first proposition, regardless of how many others you have?

Mr. SABATH. I agree with the gentleman. I believe other resolutions that are pending before the committee should be reported. These investigations should be made by the House and we should not always wait for the Senate to act. We stand by and permit all these things to exist, notwithstanding we have information that is of such importance it would justify the House in causing an investigation to be made.

Mr. RICH. Why does not the Rules Committee act? The gentleman is one of the oldest members of the Rules Committee, and he ought to get some action.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial appearing in the Philadelphia Record of August 6.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. LUDLOW] is recognized for 12 minutes.

PRESIDENT OF GOLD STAR MOTHERS PLEADS FOR LUDLOW PEACE AMENDMENT

Mr. LUDLOW. Mr. Speaker, over in France, where the poppies grow, there are graves of American soldiers, row upon row.

The green mounds where our precious ones lie are far removed from our vision but, though out of sight, they are never out of mind.

The golden strands of memory reach out into those faraway cities of the dead and a great love which cannot be dimmed nor tarnished by time nor chance, nor things past nor present, nor things to come, of whatever moment, links our hearts in never-ceasing devotion to our boys who are sleeping in foreign soil.

We of the older generation remember many of these boys when they were cooing babes and when they clambered to our knees, so trusting and confiding, to be taken up and tossed in our arms, and we remember them when they budded into life's roseate spring, so buoyant, so full of energy and hope and life and ambition; and then, when all of the skies were filled with rainbows and when life was so full of charm; when they had grown into the full stature and nobility of manhood and were entered upon their God-given right to live lives of usefulness and honorable service to their Maker and their fellow men, we saw war's merciless hand reach out and grip them, and regiment them, and send them away to die among strangers in foreign lands. Oh, the unspeakable pathos of it all!

This scarred old world of ours is full of shrines, Mr. Speaker, where love wends its eternal pilgrimages to lay its garlands on the altar of devotion, but no shrines are quite so sacred or so everlastingly entwined with the love and tears of our people as the graves where our beloved soldier boys are sleeping.

It is for us who are living to solemnly resolve that these boys of ours shall not have died in vain. No plummet line could ever sound the depth of wrong and injustice that was done to these boys when they were dragged into war's frightful cataclysm unless we who are living can build on their last full measure of devotion a better world. Theirs was a hopeless immolation and the very acme of tragic futility unless in some way or other, God giving us inspiration and vision, we who are left to carry on can weld their sacrifice into safeguards of everlasting peace.

It is with this thought in mind and with these emotions stirring me that I am now going to introduce to you, my colleagues, a witness who hopes that you will act favorably on my war-referendum peace resolution (H. J. Res. 199) which, except in the case of attack or invasion, would give the people of America a right to vote on a declaration of war before such a declaration becomes effective. Under the terms of this proposed constitutional amendment our boys would not be sent into foreign wars until the people have a chance to vote on the proposal in a Nation-wide referendum, the women having equal voting rights with the men.

It is with the deepest respect and reverence that I introduce my witness. If she were here to be presented in person every man and woman in this Chamber would rise out of respect for her. She personifies in a great and impressive way the love that America bears for its soldier dead. My witness is Mrs. Mathilda Burling, of Richmond Hill, N. Y., national president of the American Gold Star Mothers of the World War. Every member of the organization over which Mrs. Burling so capably presides is a mother who lost at least one son in the last war. The American Gold Star Mothers occupy a position unique in our country. The very name connotes reverence and affection. Mrs. Burling believes that on the immeasurable sacrifice which the Gold Star Mothers have made for their country and for humanity there must be a way to build foundations of lasting peace and as a step in that direction she favors the adoption of the war-referendum resolution I have introduced. I was greatly cheered and heartened a day or so ago when I received a letter from her announcing her support of my proposal. By unanimous consent of the House I present quotations from her pen, as follows:

I do believe that the mothers could do very much toward peace if they could be banded together and get organized properly. We hope and we pray that our children of America should never be taken to be cannon fodder on foreign soil. We mothers, whose flesh and blood enriched the foreign soil, know what sacrifices are made in these conflicts. We hope and we pray that some way could be found to settle grievances and misunderstanding among nations and bring about greater love toward one another.

Mothers of the world should bend every effort to make the world safe for the sons they bring into the world, for the sons they nourish and care for with the tenderness that is characteristic of motherhood.

God made the men of the world for something more than cannon fodder, for something more than inanimate pawns in the game of international murder, something more than potential debris of shell-torn battlefields. God made men of the world to live useful lives, to abide in peace and harmony with their fellow men, not to kill and to maim them, not to shower death and destruction upon their helpless women and children to satisfy the whims of a homicidal maniac strutting about in the trappings of a dictator.

Who is there that may strive or plead for peace with more just and poignant authority than the mothers who have given their sons and daughters in its cause? Surely it is peculiarly and sacredly their own, and efforts they might make in such an endeavor would constitute a most appropriate tribute to the memory of their loved ones.

Conditions in the world today present a ringing challenge to all of us to so order our thinking and doing that finally there may be achieved a complete abandonment of the ways that lead to war.

What can we do to avert war? We cannot, as loyal and patriotic Americans refuse to bear arms if our country calls upon us to do so. But we can insure this country and its people, not against war, but against participation in war except for defensive purposes.

I hope that the words of this wise and patriotic woman, the head of the organization of mothers whose sons sleep in France, will sink deeply into our consciousness. It is to carry out the exact purpose she has in mind, namely "to insure this country and its people against participation in war except for defensive purposes", that my war referendum peace resolution is directed.

This splendid and wonderful woman, who speaks for the mothers who lost their sons in the World War—a loss that only a mother knows and understands—hopes that the Members of this body will sign the Discharge Petition No. 11 which I have filed at the Speaker's desk to bring my peace resolution before the House for debate and a vote.

It is not in the book of fate that the petition will obtain enough signers to make it effective at the present session but we hope that all who favor it will sign it now so that it will be pending with a formidable list of signatures when Congress reconvenes in January.

Oh, friends in the Congress of the United States, remembering the precious sacrifice the Gold Star Mothers made when they gave their very own to their country, will you not do as they would have you do? Will you not sign Discharge Petition No. 11?

Mr. KNIFFIN. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Ohio.

Mr. KNIFFIN. May I say to my distinguished friend from Indiana that I have signed Discharge Petition No. 11, and I hope enough Members will sign it so that the question may be brought to the floor for consideration. I signed that petition because I do not believe this country should send soldiers to foreign jurisdictions to follow those who wish to exploit the resources of the Far East, Central America, and other places. That is the reason I signed the petition, and I hope it will be signed by enough Members so that the gentleman's resolution may be brought to the floor for consideration and become the law of the land as quickly as possible.

Mr. LUDLOW. The gentleman from Ohio was one of the first signers of the discharge petition I filed at the Speaker's desk. He is one of the most sincere and earnest friends of peace in the national lawmaking body. I feel honored by his support and thank him for his contribution to the discussion. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SLEEPING SICKNESS OF THE RULES COMMITTEE

Mr. MAVERICK. Mr. Speaker, what I am about to say is said so that it will get into the CONGRESSIONAL RECORD, and I hope the people of the United States will know it. The gentleman from Texas [Mr. MCFARLANE] just referred to the sleeping sickness of the Rules Committee. It is the sickness of a fox.

Mr. Speaker, we have gotten ourselves in such a state in this House where we have gagged ourselves and encircled the membership with rules to such an extent that we cannot even consider legislation.

Now the gentleman from New York [Mr. DICKSTEIN] is very much worried about the Nazis taking over the country. I do not want to get into a Nazi argument, but it seems to me that minimum wages and hours and protection of the living standards for millions and millions of Americans are of considerably more importance than chasing around hunting a few misguided people who are crazy enough to wear swastikas. Also, we have made solemn pledges. Are we keeping them?

Mr. MCCORMACK. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Massachusetts.

Mr. MCCORMACK. Does the gentleman mean minimum wages and maximum hours?

Mr. MAVERICK. I thank the gentleman for the correction. Yes; minimum wages and maximum hours.

NO DICTATOR ON THE FACE OF THE EARTH HAS THE POWER OF THE RULES COMMITTEE

Mr. Speaker, we hear a lot about dictatorship in this country. Let us consider that in reference to the Rules Committee. I read this in a newspaper and I do not think there is any doubt about it, as I understand, four Democrats or probably five, are keeping the minimum wages and hours bill from coming on this floor for consideration, thereby depriving several million American people of the protection of this law or a possible vote on it by this House. This means that four or five Democrats have more power than the other 324 Democrats, 88 Republicans, and 11 Farmer-Laborites and Progressive Members.

There is no dictator on the face of the earth—no king, prince, or emperor, that has as much power as the Rules Committee. It is grotesque and amazing for a civilized country that claims to have democratic government. I am talking common sense to you. It is not reasonable, it is not fair, it is not democratic.

What is the Rules Committee for? The Rules Committee is not supposed to be a nurse to slap this House like

we are a set of babies. It is not supposed to be a censor for this House. One of the gentlemen on the Rules Committee said the wage and hour bill was communistic and unconstitutional. Are we simpletons? We should be able to decide issues ourselves.

What is the Rules Committee for? The Rules Committee is supposed to take legislation and put it on the calendar, if it is of sufficient importance, and give us a chance to vote on the legislation.

Let us consider the Supreme Court of the United States. After we pass legislation, a lawsuit goes up and the Supreme Court declares the legislation unconstitutional, but the Rules Committee declares this minimum wage and hour bill unconstitutional in advance and say we cannot even vote on it.

WE ARE THE DOORMAT OF EVERY BRANCH OF THE GOVERNMENT

We have gagged ourselves. We have made ourselves the doormat of every other branch of the Government. We have made it so that the Senate is far more powerful than we are. We bend over like slaves and lash ourselves. Oh, my colleagues, we will have to do something to relieve ourselves of the onerous situation of the Rules Committee being the dictator of this House, or else we are not representatives of the people.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. ECKERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter addressed to John L. Lewis.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein the schedule of wages on the railroads.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an open letter from the Association for National Tax Relief.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RICH. Mr. Speaker, there are very few Members of the House present, and some legislation might be brought up. I therefore make the point of order a quorum is not present. I think we ought to have all the Members here to hear the important business that is coming up from now on.

Mr. MAVERICK. Will the gentleman withhold the point of order?

Mr. RICH. If the Speaker will assure me there are going to be no unanimous-consent requests to bring up bills which will require the expenditure of money, I will give the Members all the time they want and sit here and enjoy it.

Mr. Speaker, I withdraw the point of order.

THE RULES COMMITTEE

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Speaker, I want to supplement the remarks of the distinguished gentleman from Texas [Mr. MAVERICK] with reference to the Committee on Rules. Although I am a new Member and have not studied the rules a great deal, my understanding is that the province of the Committee on Rules as such does not include legislative discretion. In other words, to pass on the merits of legislation. I do not believe the Committee on Rules was brought into existence for the purpose of promulgating selected legislation by them. On the other hand, I believe its primary duty to the Members of the House of Representatives is to provide ways and means whereby legislation may be brought upon the floor of the House.

[Here the gavel fell.]

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

Mr. RICH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

Mr. COSTELLO. Reserving the right to object, Mr. Speaker, I shall not object to the gentleman's proceeding for 1 additional minute, but I shall object to any further extension of the gentleman's time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Speaker, in my opinion, the members of the Committee on Rules have no right to bar the Members of the House from passing on the wage and hour bill or any other bill. The province of this committee, as I understand the rules, is nothing more nor less than to provide a method of procedure whereby the House shall have the right to pass upon legislation introduced in the House.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the gentleman from Illinois.

Mr. SABATH. What can be done when the committee consists of 14 members, and before a rule can be granted a favorable majority is necessary if it is impossible to get a majority of the members of the committee to vote to report a bill out? I agree with the gentleman that the Committee on Rules is supposed to expedite business.

[Here the gavel fell.]

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

Mr. COSTELLO. I object, Mr. Speaker.

NATIONAL YOUTH ADMINISTRATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, a couple of days ago I asked the indulgence of the House to discuss for a few minutes the distressing situation with reference to the National Youth Administration.

In my remarks on this floor this week I pointed out that when the relief bill was under consideration many of us voted to provide the full $1,500,000,000 primarily for the reason that we were assured by what we believed was high authority that the National Youth Administration would receive $75,000,000 of that fund. I know that several members of the Appropriations Committee were so advised, and there is no question but that such assurances from those responsible for the expenditure of relief funds was of great assistance in the passage of that bill. In spite of such assurances, however, the allocations of funds for the National Youth Administration have been slashed to $40,000,000, which, I am told, means that college-aid fund for the school year beginning this September will be cut to 8 percent. This, of course, means that thousands and thousands of college students who have made their plans to enter college must be told that, despite the fact that this Congress earmarked funds to take care of them, there are no funds because of the inexcusable and stupid order cutting the National Youth Administration 40 percent.

I have received many letters of praise for the National Youth Administration from college and high-school students in Oklahoma who are familiar with the fine National Youth Administration program in my State under the leadership of Mr. Houston Wright, the brilliant and energetic National Youth Administration director for the State of Oklahoma.

I have also received a number of telegrams from college presidents, who appreciate the good work of this great organization in aiding needy college students in our State. These heads of our educational institutions are unanimous in their opposition to a reduction in funds to the National Youth Administration of 40 percent.

Mr. Speaker, I ask unanimous consent to place in the RECORD some of the telegrams I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I may say that the National Youth Administration has done a very wonderful service. There has been very little if any criticism, and there have been absolutely no scandals in connection with it.

Mr. JOHNSON of Oklahoma. I thank the gentleman, my distinguished friend from Massachusetts. Many other leading Members have so expressed themselves privately. Let me suggest to the gentleman from Massachusetts, as well as others interested in seeing that American youth receive a square deal, that you join me in a plea to the President of the United States to restore at least a substantial portion of what we feel so keenly is an unreasonable and uncalled for reduction in the great unselfish program of the National Youth Administration. Here are some of the many telegrams I have received.

NORMAN, OKLA., *August 19, 1937.*

Hon. JED JOHNSON,
Congress of the United States:
The proposed reduction in percentage quota of N. Y. A. student means that hundreds of students will be deprived of attending colleges in this State this fall. Have wired Hopkins urging more favorable action. Your assistance will be appreciated.

W. B. BIZZELL,
President, Oklahoma University.

LAWTON, OKLA., *August 19, 1937.*

Congressman JED JOHNSON,
Congressional Office Building, Washington, D. C.:
Have been advised $25,000,000 N. Y. A. funds being transferred to W. P. A. seriously affecting student-aid program. Please help us prevent this transfer.

C. M. CONWILL.

CHICKASHA, OKLA., *August 18, 1937.*

Congressman JED JOHNSON,
House Office Building:
We are distressed to read Associated Press report that N. Y. A. apportionment may be drastically cut. N. Y. A. fund most necessary at Oklahoma College for Women. No better value received for any Government expenditure. Please urge reinstatement. Thanks.

M. A. NASH,
President, Oklahoma College for Women.

CLAREMORE, OKLA., *August 19, 1937.*

JED JOHNSON,
House of Representatives, Washington, D. C.:
Informed that $25,000,000 of N. Y. A. funds being transferred to W. P. A., which seriously affects student-aid program. Will you please use your influence and position to prevent this transfer of funds? The youth of Oklahoma needs the N. Y. A. assistance and a great number cannot go to school this fall without it. Our quota for N. Y. A. jobs this year only 8 percent of college enrollment compared with 12 percent last year. Another cut will affect materially attendance of college and high-school youth.

WALTER E. DOWNS,
President, Oklahoma Military Academy.

Permit me to add also that, although I have no recent telegram from Dr. H. G. Bennett, president of Oklahoma A. and M. College, because of the fact that he is out of the State this week, yet I know because of several communications and conversations that President Bennett—that he, like the heads of all the other educational institutions in Oklahoma and throughout the country, is enthusiastic in his praise for the program of the National Youth Administration.

THE RULES COMMITTEE

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I rise at this time, since there has been so much talk the last few minutes about the Committee on Rules and about its action on the wage and hour bill, to state that there is only one member of the Committee on Rules on the floor of the House at this moment, and I think the RECORD ought to show that this member, the gentleman from Illinois [Mr. SABATH], has always been for the wage and hour bill and still is in favor of it, and has done everything he can to get it out of the Rules Committee. [Applause.]

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. COSTELLO. Mr. Speaker, in view of the lateness of the hour, it seems to me only proper that objection should be made. Therefore, Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SWOPE (at the request of Mr. HAINES) for this day on account of illness in his family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 1835. An act establishing a small claims and conciliation branch in the municipal court of the District of Columbia for improving the administration of justice in small cases, and providing assistance to needy litigants, and for other purposes; to the Committee on the District of Columbia.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7645. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; and

H. J. Res. 437. Joint resolution relative to determination and payment of certain claims against the Government of Mexico.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 29. An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes;

S. 1040. An act placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes;

S. 1516. An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.; and

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency-relief expeditions during the Ohio Valley flood in January and February 1937.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6563. An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission, in the

District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes.

ADJOURNMENT

Mr. WEARIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 36 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, August 20, 1937, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

806. A letter from the Archivist of the United States, transmitting a list of papers. consisting of four items, among the archives and records of the United States Employees' Compensation Commission which the Commission has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

807. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 103 items, among the archives and records of the Veterans' Administration which the Administration has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

808. A letter from the Archivist of the United States transmitting a list of papers, consisting of 21 items, among the archives and records of the Department of Labor which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

809. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 80 items, among the archives and records of the Department of Commerce which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

810. A letter from the Archivist of the United States transmitting a list of papers, consisting of 22 items, among the archives and records of the Department of Agriculture which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

811. A letter from the Archivist of the United States, transmitting lists of papers, consisting of 95 items, among the archives and records of the Department of the Navy which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

812. A letter from the Archivist of the United States, transmitting lists of papers, consisting of 78 items, among the archives and records of the Department of the Treasury which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985); without amendment (Rept. No. 1599). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended; with amendment (Rept. No. 1600). Referred to the House Calendar.

Mr. BYRNE: Committee on the Judiciary. S. 2387. An act to authorize certain officers and employees of Federal penal and correctional institutions to administer oaths; with amendment (Rept. No. 1601). Referred to the House Calendar.

Mrs. NORTON: Committee on Labor. S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes; with amendment (Rept. No. 1602). Referred to the Committee of the Whole House on the state of the Union.

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 5696. A bill to provide for the retirement of certain members of the police and fire departments of the District of Columbia, the United States Park Police force, and the White House police force; without amendment (Rept. No. 1603). Referred to the Committee of the Whole House on the state of the Union.

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 7710. A bill to provide shorter hours of duty for members of the fire department of the District of Columbia; without amendment (Rept. No. 1604). Referred to the Committee of the Whole House on the state of the Union.

Mr. FRED M. VINSON: Select Committee on Government Organization. H. R. 8276. A bill to amend the Budget and Accounting Act, 1921, to establish the office of Auditor General of the United States, and for other purposes; without amendment (Rept. No. 1606). Referred to the Committee of the Whole House on the state of the Union.

Mr. COSTELLO: Committee on Military Affairs. S. 2838. An act to establish a public airport in the vicinity of the National Capital; without amendment (Rept. No. 1612). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. S. 1077. An act to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; with amendment (Rept. No. 1613). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'MALLEY: Committee on War Claims. H. R. 7104. A bill for the relief of the estate of F. Gray Griswold; without amendment (Rept. No. 1597). Referred to the Committee of the Whole House.

Mr. O'MALLEY: Committee on War Claims. Senate Joint Resolution 67. Joint resolution conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased; with amendment (Rept. No. 1598). Referred to the Committee of the Whole House.

Mr. COSTELLO: Committee on Military Affairs. S. 2317. An act for the relief of Robert L. Summers; without amendment (Rept. No. 1605). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 937. An act for the relief of Harry W. Dubiske; without amendment (Rept. No. 1607). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 842. A bill for the relief of Theodore Bedard, Jr.; with amendment (Rept. No. 1608). Referred to the Committee of the Whole House.

Mr. BEVERLY M. VINCENT: Committee on Claims. H. R. 3253. A bill for the relief of John Fitzgerald; with amendment (Rept. No. 1609). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness; without amendment (Rept. No. 1610). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 5056. A bill for the relief of A. R. Wickham; without amendment (Rept. No. 1614). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE of Nebraska: A bill (H. R. 8288) to regulate interstate and foreign commerce in certain seeds; to prevent misbranding, false advertising, and adulteration of certain seeds; to require certain standards with respect to origin, adaptability, purity, and germination of certain seeds, and for other purposes; to the Committee on Agriculture.

By Mr. DINGELL: A bill (H. R. 8289) to provide for the construction of a metal-clad commercial airship for the United States Commerce Department; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 8290) to provide for the construction of a metal-clad airship for the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 8291) to provide for the construction of a metal-clad airship for the United States Army; to the Committee on Military Affairs.

By Mr. STEAGALL: A bill (H. R. 8292) to provide additional stimulation to the financing of housing construction through private means, to increase the supply of moderate-priced rental housing, to increase employment in the building trades and related occupations, to amend the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. TOWEY: A bill (H. R. 8293) to extend the provisions of the civil-service laws to certain positions in the Department of Justice; to the Committee on the Civil Service.

By Mr. HANCOCK of North Carolina: A bill (H. R. 8294) to amend the National Housing Act; to the Committee on Banking and Currency.

By Mr. PETERSON of Florida: A bill (H. R. 8295) to amend the act of March 2, 1911, to authorize the receipt of certified checks for duties on imports and internal taxes, and for other purposes, as amended by the act of March 3, 1913; to the Committee on Ways and Means.

By Mr. JONES: Resolution (H. Res. 324) authorizing the Committee on Agriculture to sit and act during recesses of the present Congress; to the Committee on Rules.

By Mr. RANKIN: Resolution (H. Res. 325) authorizing the Committee on World War Veterans' Legislation to make a comprehensive survey and inspection of soldiers' hospitals and other Veterans' Administration facilities; to the Committee on Rules.

By Mr. GREEN: Resolution (H. Res. 326) authorizing the Committee on Rivers and Harbors, House of Representatives, to have printed for its use additional copies of hearings on the Atlantic-Gulf ship canal, Fla.; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIERMANN: A bill (H. R. 8296) granting a pension to Cora T. Ogbin; to the Committee on Invalid Pensions.

By Mr. CURLEY: A bill (H. R. 8297) for the relief of Raimondo Bentivegna; to the Committee on Immigration and Naturalization.

By Mr. DINGELL: A bill (H. R. 8298) to provide for the issuance of a license to practice naturopathy in the District of Columbia to Dr. Patrick Joseph Clifford; to the Committee on the District of Columbia.

By Mr. FLANNERY: A bill (H. R. 8299) for the relief of Louis A. Miller; to the Committee on Naval Affairs.

By Mr. HANCOCK of North Carolina: A bill (H. R. 8300) for the relief of Dr. Henry Clay Risner; to the Committee on War Claims.

By Mr. PETERSON of Florida: A bill (H. R. 8301) for the relief of Marion F. Pollard; to the Committee on Claims.

Also, a bill (H. R. 8302) for the relief of Harry H. Bell & Sons, Inc.; to the Committee on Claims.

Also, a bill (H. R. 8303) for the relief of Thomas S. Devane; to the Committee on Claims.

By Mr. REECE of Tennessee: A bill (H. R. 8304) granting a pension to Mary Jane Paris; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3301. By Mr. CURLEY: Petition of Local 1802, American Federation of Musicians, Associated Musicians of Greater New York, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3302. Also, petition of the American Legion, Department of New York, recommending remedial legislation in behalf of alien veterans of the World War; to the Committee on Immigration and Naturalization.

3303. By Mr. HART: Petition of the Lambert Pharmacal Co., opposing the passage of House bill 300; to the Committee on Interstate and Foreign Commerce.

3304. By the SPEAKER: Petition of the Polish Chamber of Labor of United States, Chicago, Ill., concerning Senate bill 1567; to the Committee on Military Affairs.

SENATE

FRIDAY, AUGUST 20, 1937

Rev. D. Wade Safford, assistant minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

Most gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for their Senate here assembled, that Thou wouldest be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the good of Thy church, the safety, honor, and welfare of Thy people; that all things may be so ordered and settled by their endeavors upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations. These and all other necessaries, for them, for us, and Thy whole church, we humbly beg in the name and mediation of Jesus Christ, our most blessed Lord and Savior. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 19, 1937, was dispensed with, and the Journal was approved.

RESIGNATION OF SENATOR BLACK

The VICE PRESIDENT. The Chair lays before the Senate a communication which will be read.

The Chief Clerk read as follows:

UNITED STATES SENATE,
August 19, 1937.

Hon. JOHN N. GARNER,
President of the Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: Herewith I send you a copy of a letter this day delivered to Hon. Bibb Graves, Governor of Alabama.

Sincerely yours,

HUGO L. BLACK.

AUGUST 19, 1937.

Hon. BIBB GRAVES,
Governor of Alabama, Montgomery, Ala.

DEAR GOVERNOR: On account of the fact that the President of the United States has appointed me as an Associate Justice of the Supreme Court of the United States and the Senate has confirmed that appointment, I herewith tender my resignation as a United States Senator from the State of Alabama, effective immediately.

In tendering my resignation as Senator, I wish to express my sincere gratitude and appreciation to the people of Alabama for the great honor they conferred upon me in twice selecting me as one of their representatives in the United States Senate. I have endeavored to show that appreciation by giving to them and to the people of our country the best service of which I was capable. As an Associate Justice of the Supreme Court of the United States I shall do my very best to merit a continuation of the confidence

of the people and to perform the duties of Associate Justice in such way as will best serve our Nation.

Sincerely yours,

HUGO L. BLACK.

SENATOR FROM ALABAMA

The VICE PRESIDENT. The Chair lays before the Senate the credentials of the new Senator from Alabama, which will be read.

The Chief Clerk read as follows:

In the name and by the authority of the State of Alabama, I, Bibb Graves, Governor of the said State—

To DIXIE BIBB GRAVES, send greetings:

Reposing full trust in your prudence, integrity, and ability, I do, by virtue of the power and authority in me vested as Governor of the State of Alabama hereby commission you a United States Senator of and from the State of Alabama until a successor of former Senator Hugo L. Black shall have been elected in a special election heretofore ordered to be held on April 26, 1938.

To have and to hold the said office, together with all the rights, powers, and emoluments to the same belonging or in anywise lawfully appertaining, during the term prescribed by the constitution and laws of the State of Alabama, if you shall so long demean yourself well.

In testimony whereof I have hereunto set my hand and caused the great seal of State to be affixed at the capitol, in the city of Montgomery, this 19th day of August, A. D. 1937.

[SEAL] BIBB GRAVES, *Governor.*

By the Governor:

HOWELL TURNER, *Secretary of State.*

The VICE PRESIDENT. The credentials will be placed on file.

Mr. BANKHEAD. Mr. President, my new colleague, Mrs. DIXIE BIBB GRAVES, is present and desires to take the oath of office.

The VICE PRESIDENT. If the Senator-designate will advance to the desk, the oath will be administered.

Mrs. DIXIE BIBB GRAVES, accompanied by Mr. BANKHEAD, advanced to the Vice President's desk; and the oath prescribed by law having been administered to her, she took her seat in the Senate.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, as we resume the consideration of important legislation, noting the absence of a quorum, I ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	Pope
Andrews	Copeland	Johnson, Colo.	Radcliffe
Ashurst	Davis	King	Reynolds
Austin	Dieterich	La Follette	Schwartz
Bankhead	Donahey	Lewis	Schwellenbach
Barkley	Ellender	Lodge	Sheppard
Berry	George	Logan	Smathers
Bilbo	Gerry	Lonergan	Smith
Bone	Gibson	Lundeen	Steiwer
Borah	Gillette	McAdoo	Thomas, Okla.
Bridges	Glass	McGill	Thomas, Utah
Brown, Mich.	Graves	McKellar	Townsend
Brown, N. H.	Green	Maloney	Truman
Bulkley	Guffey	Minton	Tydings
Bulow	Hale	Moore	Van Nuys
Burke	Harrison	Murray	Wagner
Byrd	Hatch	Neely	Walsh
Byrnes	Hayden	Nye	Wheeler
Capper	Herring	O'Mahoney	White
Caraway	Hitchcock	Overton	
Chavez	Holt	Pepper	
Clark	Hughes	Pittman	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duties as members of the committee appointed to attend the dedication of the battle monuments in France.

I further announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Nevada [Mr. MCCARRAN] are absent because of illness.

The Senator from Oklahoma [Mr. LEE] is necesasarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Indiana [Mr. VAN NUYS], the Senator from Ohio [Mr. DONAHEY], and the Senator from Michigan [Mr. VANDENBERG] as the members on the part of the Senate of the General Anthony Wayne Memorial Commission, established under the provisions of the joint resolution (H. J. Res. 406), approved August 19, 1937, to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne.

WOOD PULP AND PULPWOOD—REPORT OF THE TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, submitting, in response to Senate Resolution 200, Seventy-fourth Congress, and Senate Resolution 365, Seventy-second Congress, its report of an investigation of wood pulp and pulpwood, which, with the accompanying report, was referred to the Committee on Finance.

PETITIONS

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying for the enactment of legislation to abolish the Federal Reserve System as at present constituted, and also praying that Congress exercise its constitutional right to coin money and regulate the value thereof, which were referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 7210. A bill to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania (Rept. No. 1278); and

H. R. 5593. A bill to provide for the addition or additions of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes (Rept. No. 1290).

Mr. MOORE, from the Committee on Immigration, to which was referred the bill (S. 993) for the relief of Chazkiel (or Charles) Lewkowski, reported it without amendment and submitted a report (No. 1279) thereon.

Mr. ANDREWS, from the Committee on Immigration, to which was referred the bill (S. 2257) for the relief of Helene Landesman, reported it with an amendment and submitted a report (No. 1280) thereon.

Mr. HUGHES, from the Committee on Immigration, to which was referred the bill (S. 2710) for the relief of Ernestine Huber Neuheller (nee Ernestine Huber), reported it without amendment and submitted a report (No. 1281) thereon.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 7415) to increase the rates of pay for charmen and charwomen in the custodial service of the Post Office Department, reported it without amendment and submitted a report (No. 1283) thereon.

Mr. COPELAND (for Mr. MALONEY), from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1649. A bill for the relief of Philipina Baca Klemencic (Rept. No. 1282); and

H. R. 4569. A bill for the relief of Isador Katz (Rept. No. 1286).

Mr. SCHWELLENBACH, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1543. An act to amend section 24 of the Immigration Act of 1917, relating to the compensation of certain Immigration and Naturalization Service employees, and for other purposes (Rept. No. 1284); and

H. R. 4256. An act conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon the suit in equity of Theodore Fieldbrave against the United States (Rept. No. 1285).

Mr. McGILL, from the Committee on Immigration, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

S. 2090. A bill authorizing the naturalization of Vernice May McBroom, and for other purposes (Rept. No. 1287);

H. R. 6468. A bill to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor (Rept. No. 1288); and

H. J. Res. 141. Joint resolution to authorize the issuance to Sekizo Takahashi of a permit to reenter the United States (Rept. No. 1289).

Mr. CHAVEZ, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 204) authorizing the President to issue a proclamation with respect to commemoration of the four hundredth anniversary of the journey and explorations of Coronado in western America, reported it without amendment.

RESOLUTIONS REPORTED FROM THE COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 178, Senate Resolution 180, Senate Resolution 176, Senate Resolution 182, and Senate Resolution 185, and ask unanimous consent for their immediate consideration.

The PRESIDENT pro tempore. Is there objection?

The Chair hears none, and the resolutions reported by the Senator from South Carolina will be severally considered.

ASSISTANT CLERK, COMMITTEE ON PATENTS

The resolution (S. Res. 178) submitted by Mr. McADOO on the 17th instant, was considered and agreed to, as follows:

Resolved, That Resolution No. 14, Seventy-fifth Congress, authorizing the Committee on Patents to employ an assistant clerk during the first session of the Seventy-fifth Congress, to be paid from the contingent fund of the Senate at the rate of $2,400 per annum, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

ASSISTANT CLERK, COMMITTEE ON COMMERCE

The resolution (S. Res. 180), reported by Mr. COPELAND from the Committee on Commerce on the 18th instant, was considered and agreed to, as follows:

Resolved, That Resolution No. 55, Seventy-fifth Congress, agreed to February 10, 1937, authorizing the Committee on Commerce to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of $1,800 per annum during the first session of the Seventy-fifth Congress, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

INVESTIGATION OF MUNITIONS INDUSTRY—LIMIT OF EXPENSE

The resolution (S. Res. 176), submitted by Mr. NYE on the 12th instant, was considered and agreed to, as follows:

Resolved, That the special committee appointed by the Vice President pursuant to Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $754.64 in addition to the amounts heretofore authorized to be expended for the purposes set forth in said resolution.

ASSISTANT CLERK, COMMITTEE ON EDUCATION AND LABOR

The resolution (S. Res. 182), submitted by Mr. THOMAS of Utah on the 18th instant, was considered and agreed to, as follows:

Resolved, That Resolution No. 20, Seventy-fifth Congress, agreed to February 10, 1937, authorizing the Committee on Education and Labor to employ an assistant clerk, to be paid from the contingent fund of the Senate at $2,000 per annum during the first session of the Seventy-fifth Congress, hereby is continued in full force and effect until the end of the Seventy-fifth Congress.

ADDITIONAL MESSENGER, SENATE PRESS GALLERY

The resolution (S. Res. 185), submitted by Mr. BYRNES on the 19th instant, was considered and agreed to, as follows:

Resolved, That the Sergeant at Arms hereby is authorized to continue until January 2, 1938, the employment of an additional messenger for service to press correspondents, to be paid from the contingent fund of the Senate at the rate of $1,440 per annum, as authorized by Resolution No. 236, Seventy-fourth Congress, agreed to February 20, 1936.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On August 19, 1937:

S. 1283. An act to increase the extra pay to enlisted men for reporting; and

S. 2281. An act to regulate proceedings in adoption in the District of Columbia.

On August 20, 1937:

S. 29. An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes;

S. 1040. An act placing provisional officers of the World War in the same status with emergency officers of the World War, and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes;

S. 1516. An act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc.; the Veterans of Foreign Wars of the United States, Inc.; and the Disabled American Veterans of the World War, Inc.; and

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency relief expeditions during the Ohio Valley flood in January and February 1937.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

A bill (S. 2991) granting a pension to Wallace W. Stewart; to the Committee on Pensions.

By Mr. PEPPER:

A bill (S. 2992) for the relief of the Florida National Bank & Trust Co., a national banking corporation, as successor executor or trustee for the estate of Phillip Ullendorff, deceased; to the Committee on Claims.

By Mr. ANDREWS:

A bill (S. 2993) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Edward Forbes, and others, as set out therein; to the Committee on Claims.

By Mr. BROWN of Michigan:

A joint resolution (S. J. Res. 214) to modify the Sugar Act of 1937; to the Committee on Finance,

By Mr. BERRY:

A joint resolution (S. J. Res. 215) creating the International Debt Commission, to negotiate with foreign countries concerning their indebtedness to the United States, and for other purposes; to the Committee on Finance.

A joint resolution (S. J. Res. 216) providing for the appointment of a commission to investigate the enforcement of criminal statutes and the administration of penal institutions, and for other purposes; to the Committee on the Judiciary.

(Mr. CONNALLY introduced Senate Joint Resolution 217, which was referred to the Committee on the Judiciary and appears under a separate heading.)

AMENDMENT TO THE CONSTITUTION—MEMBERSHIP OF UNITED STATES SUPREME COURT

Mr. CONNALLY. Mr. President, recently the Senate passed a resolution appointing a subcommittee of the Committee on the Judiciary to make a study of all matters relating to the Federal courts, and to report to the next ses-

sion of Congress. Because of that fact, I now ask leave to introduce a joint resolution proposing an amendment to the Constitution relating to the organization of the Supreme Court, and ask that it be referred to the Committee on the Judiciary.

The joint resolution provides that the membership of the Supreme Court shall consist of nine Justices—one Chief Justice and eight Associate Justices. It further provides that upon attaining the age of 70 years any Justice may resign, and thereby be assured for life the compensation he was receiving at the time of his resignation. It provides that upon attaining the age of 75 years any Justice who has not in the meantime retired shall retire from the Court. The provision as to forced retirement at the age of 75 years does not apply to any of the members of the Court at the present time, but only to those hereafter appointed. The joint resolution further provides that no Justice shall be appointed to the Supreme Court from any circuit that is then represented on the Court. The effect of that will be that in the course of time the nine Justices will be from the nine separate circuits of the United States.

The last provision of the joint resolution is that no person who serves as Chief Justice or an Associate Justice of the Supreme Court shall ever thereafter be eligible for any executive or legislative office under the United States.

Mr. BORAH. Mr. President——

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. Would it be practicable to include in the amendment an inhibition against the appointment of a man who had held such an office prior to that time?

Mr. CONNALLY. I suppose that could be done by constitutional amendment. The amendment could be amended in that way. Since the Senator from Idaho is a member of the Judiciary Committee, and the joint resolution will be referred to the committee, I shall expect him to give attention to that particular aspect of the matter, and probably suggest a modification of the amendment when it is taken up by the committee. The purpose of the latter clause is, of course, to prevent any Justice from being open to the temptation to make political decisions and to become a candidate for the Presidency, or for the Senate, or for any other high station.

It will be remembered that Mr. Chief Justice Chase was almost continuously a candidate for President of the United States while he was serving as Chief Justice of the United States, and other Justices have entertained ambitions of that character. I believe that when a man is appointed to the Supreme Court of the United States, and assumes that station, he ought to enter upon a cloistered judicial life. I do not mean that he should not be in touch with current events, but he ought to be removed from the possibility of becoming embroiled in partisan or personal politics. We have already provided that he shall have security for his lifetime. He has a salary for life. It cannot be diminished or taken away from him. Therefore, I want to remove also temptation from any political inducement whatever.

So, Mr. President, I ask leave to introduce the joint resolution, and to have it referred to the Committee on the Judiciary for the study of the subcommittee during the recess of Congress.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred to the Committee on the Judiciary.

The joint resolution (S. J. Res. 217), proposing an amendment to the Constitution of the United States relative to the membership of the Supreme Court, was read twice by its title and referred to the Committee on the Judiciary.

Mr. LEWIS. Mr. President, there is much wisdom in the suggestion of the able Senator from Texas; and the interpellation of the Senator from Idaho indicates that this amendment may be added to, though it may be said that it is not to be improved.

During the minute I occupy the floor I wish to say, with the consent of Senators allowing this intrusion, that I have read that the President of the United States is shortly to address the country respecting the Constitution, and, it is intimated, respecting some amendments to it. The suggestion of the Senator from Texas indicates that there are provisions in the Constitution which need to be clarified and made more definite. In view of the fact that the interstate-commerce feature, the due-process-of-law feature, and other features of the Constitution have lately been the basis of much dispute by thoughtful men, and seem to have led to much contradiction and confusion through the Supreme Court of the United States, I am exceedingly anxious that if the President of the United States shall find it agreeable in the addresses which we are told he will undertake to discuss the amendment of the Constitution, he will consider that the time has come when there should be a general new Constitution. Instead of having the Constitution divided into parts and now and then fractured by some addition to this or that or the other clause of the instrument, it is time for the country to consider the whole situation and remedy all of the matters which require correction.

If we have reached the point where the Constitution should be amended in the several particulars in which at present interest is being manifested, I suggest, sir, that there be a new constitutional convention at an appropriate early time to consider the whole Constitution, that it may be generally amended and changed to meet the new and necessary conditions and the needs of the Republic.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Texas.

Mr. CONNALLY. I suggest to the Senator in that connection that, of course, the amendment which I offer does not in any wise affect the powers of the Congress under the commerce clause. We will probably need to have the Constitution amended to clarify that provision. But with relation to the fourteenth amendment, I wish to say that I heartily agree with the Senator from Idaho, who has pending an amendment to the fourteenth amendment which would remove what I think was an erroneous construction of that amendment by the Supreme Court in classifying corporations as "persons", entitled to all the rights and privileges under the Constitution to which individuals are entitled, and perhaps in some other respects.

That is a very important matter because under that construction of the fourteenth amendment has grown up a great body of decisions which have been very troublesome to both the States and to the Federal Government in handling modern development of commerce and transportation, and all of the varied activities of American business life.

Mr. LEWIS. Mr. President, it cannot be denied that there is much foundation for the complaint. I am greatly regretful that a member of the Supreme Court of the United States appointed as a Democrat, Mr. Justice Peckham, was the first to step aside and assert that under the provision of the Constitution to which we have referred such privilege is extended to institutions which, previous to that time, had had no life or existence. Nevertheless, the word "person", in the fourteenth amendment, has been construed to mean any institution of any nature that arises and exists under the Federal Government, when the truth is that the real object of the amendment was to protect the colored man as a person who, it was thought by the writers of the amendment and those who passed it, might be the subject of some injustice, and largely to prevent him from being discriminated against because he was black and had lately been in slavery the amendment was adopted. But it has been so construed, it has been so tortured, it has been so extended as to work a greater amount of injustice to the general public of the United States than any other provision in the Constitution. For that reason, and other reasons I have intimated, the time has come, if we are proceeding upon the policy of amending the Constitution, to consider the whole Constitution generally, and the need of any amendment and all amendments, in order to effect the purposes of the Constitution, namely, the service of the American citizen and the American public.

Mr. KING. Mr. President, I shall detain the Senate but for a few moments. Throughout the world there are political and economical disturbances; and criticisms and, indeed, assaults are being made against governments and political institutions. It may truly be said that this is an iconoclastic age when landmarks erected by noble men are being removed and the foundations of political and economic structures are being undermined. It is the view of many that progress is measured by the abandonment of ideals, which have guided in the past, and the destruction of the foundations upon which rest moral codes and political and governmental institutions.

The Constitution of the United States is acclaimed by the lovers of liberty, and the most enlightened people of the world, as the greatest political document which ever emanated from man. Under the Constitution there has been developed the greatest Nation in all the world, great not only in its material strength, but in its moral and spiritual power. I am unwilling to concede that it should be cast aside, and that a new constitution should be formed. It has met all conditions in times of peace, and measured up to every standard in periods of stress and strife. I believe that the patriotic men who drafted it were endowed with divine wisdom; and I firmly believe that it is sufficient to meet the needs of the present and the future, and that under it freedom and justice may be enjoyed. This Nation, if the spirit and principles of the Constitution are preserved, will grow in influence and moral and spiritual power, and its influence for good and for righteousness will be pervasive in all the world.

There are some who believe that radical and revolutionary changes are essential to progress and that moral and spiritual forces are weighed by materialistic scales. And there are individuals who are not satisfied with the Ten Commandments and the commandments of the Savior; they regard the work of Moses as too imperfect and they would add to the Decalog; they would change the Beatitudes of the Master and the teachings and commandments which exalted Him to the moral and spiritual leadership of the world, in His age and in all succeeding generations. The exalted teachings of Moses and the inspired and divine teachings of the Savior constitute the highest form of religion, and an ethical and spiritual philosophy which constitutes the richest inheritance man can enjoy.

Mr. LEWIS. Mr. President, I should like to call the attention of my able friend from Utah, a scholar both in theological history and modern economic history, that what he has suggested was what was done, the commandments were amended. Jesus Christ, as the Scriptures tell us, seeing how deficient were the commandments as then interpreted by the Sanhedrin, the supreme court of that day, to apply to the conditions of the time, added two commandments. One was, "Thou shalt love the Lord thy God with all thy heart", and the other was, "Thou shalt love thy neighbor as thyself"; and, said He, "On these two commandments hang all the law and the prophets", indicating clearly how perviously the commandments had failed in their usefulness. [Laughter.]

Mr. KING. Mr. President, I fear the Senator has overlooked inspired passages in the Pentateuch, which enjoin a love of the Creator, and a recognition of the duties and obligations to one's neighbor.

REORGANIZATION OF FEDERAL COURTS—CONSTITUTIONAL AMENDMENT

Mr. ANDREWS. Mr. President, I ask unanimous consent to submit a substitute amendment revising Senate Joint Resolution No. 100, and have the same read at this time and referred to the Judiciary Committee to be considered along with other joint resolutions proposing to amend the Constitution which affect the reorganization of the Federal courts.

The PRESIDENT pro tempore. Without objection, the proposed amendment submitted by the Senator from Florida will be read, printed, and referred to the Committee on the Judiciary.

The Chief Clerk read as follows:

Amendment intended to be proposed by Mr. ANDREWS to the joint resolution (S. J. Res. 100) proposing an amendment to section 1, article III, of the Constitution of the United States relating to the judiciary, viz: In lieu of the matter after the enacting clause, insert the following:

"That the following amendment, when ratified by three-fourths of the several States, shall replace section 1 of article III of the Constitution of the United States of America:

"ARTICLE III

"SECTION 1. The judicial power of the United States shall be vested in a Supreme Court, circuit courts of appeal, district courts, and such inferior courts as the Congress may from time to time ordain and establish. The Justices and judges of said courts shall be appointed by the President, by and with the advice and consent of the Senate.

"The Supreme Court shall be composed of a Chief Justice appointed from the United States at large, and 10 Associate Justices appointed one each from the territories composing respectively the 10 circuit courts of appeal as defined by Congress. If upon this amendment becoming effective the territory of any circuit court of appeals be represented on the Supreme Court by more than one Associate Justice, then no appointment to the extent of such excess representation shall be made from an unrepresented circuit until such excess representation shall cease.

"The respective circuit courts of appeal shall be composed of at least one judge from each State included within the territory comprising such court, the senior member of which shall be the presiding judge.

"Any Justice or judge, having held a commission or commissions as such Justice or judge of said courts for at least 10 years, may retire upon attaining 70 years of age; and all Justices and judges, except those serving at the time of the ratification hereof, shall automatically retire upon attaining the age of 75 years and, in either case, shall receive at stated times a compensation which shall not be diminished during their continuance in office, nor in case of their retirement after having served 10 years.

"This section shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 5 years from the date of its submission."

Mr. ANDREWS. Mr. President, many Members of the Senate seem to feel there should be submitted at this session of Congress a proposed amendment to our Constitution providing, in substance:

First. An age limit for retirement of all Federal judges.

Second. Appointment of Associate Justices of our Supreme Court, one each from the territory composing the 10 respective circuit courts of appeal, and that the respective circuit courts of appeal should be composed of at least one judge from each State included in each circuit.

I am presenting a revision of Senate Joint Resolution 100, which is now offered as an amendment by way of substitute for a similar one introduced by me early in this session. This last draft seems to meet generally the views of those of the Senate and hundreds of officials and citizens who have expressed themselves on this subject.

I am asking that the same be read into the RECORD at this time, and that it be considered by the special committee appointed to make a study and report to the Senate on amendments proposed on this subject.

The debate between the distinguished Members of the Senate during the past few days on the question as to whether the President has authority under our Constitution to fill the "vacancy" created by the retirement of Mr. Justice Van Devanter by appointing a "successor" has further emphasized and conclusively shown to us that the only proper and practical way to deal with the permanent "retirement" of Federal Judges is by constitutional amendment.

My original Senate Joint Resolution 100 was not, when first introduced early in this session of Congress, nor is it now after being revised, intended as a substitute for the bill recently recommitted, which was designed to enlarge the Federal courts by duplicating judges over 70 or 75 years of age.

The first sentence of section 1, article III, would, as amended, read as follows:

The judicial power of the United States shall be vested in a Supreme Court, circuit courts of appeal, district courts, and such inferior courts as the Congress may from time to time ordain and establish.

The reason circuit courts and district courts are here specifically named is that those courts, although created by

statute, have, after 150 years' experience, been established as a part of our trial and appellate court system, and no doubt they will so remain throughout our national existence.

Another new provision in this amendment provides that when any Justice or judge holds a commission for at least 10 years, he may voluntarily retire upon attaining the age of 70 years, and all Justices and judges, except those serving at the time of the ratification hereof, shall automatically retire upon attaining the age of 75 years, and in either case shall thereafter receive the same annual compensation.

While some judges have served on the bench after the age of 75 with marked ability and undiminished mental vision and powers, both as to the law and social advancement, it is equally true that those instances may well be considered as exceptions, and it is logical to assume that the exceptions should not be made the rule. The records show that the average number of opinions written during the past 2 years by Justices less than 75 years of age was 40, and for those over 75 only 20. In fairness it should likewise be remembered that each Justice carefully reviews all opinions before they are rendered, whether he is the author or not.

After intimate knowledge gained by long service on the Supreme Court, our distinguished Chief Justice, in 1927, suggested compulsory retirement of all judges at 75. He gave his reasons as follows:

> I agree that the importance in the Supreme Court of avoiding the risk of having Judges who are unable properly to do their work and yet insist on remaining on the bench is too great to permit chances to be taken, and any age selected must be somewhat arbitrary, as the time of the failing in mental power differs widely. * * * Under present conditions of living and in view of the increased facility of maintaining health and vigor, the age of 70 may well be thought too early for compulsory retirement. Such retirement is too often the community's loss. A compulsory retirement at 75 could more easily be defended.

Based upon careful observation and experience of more than a century, it seems to be the consensus of opinion that compulsory retirement should be permanently fixed in our Constitution at 75. It would permanently dispose of a recurring embarrassing controversy.

The proposed amendment also provides that the Supreme Court shall hereafter be composed of a Chief Justice appointed from the United States at large and 10 Associate Justices to be appointed, 1 each from the territories composing respectively the 10 circuit courts of appeal. Such an apportionment of the Justices to the major divisions of the United States was obviously intended at the time the Constitution was drafted; in fact, it has its basis in our historical background. This being a representative democracy operating under a limited Constitution, the people are now more than ever conscious of the fact that the personnel of our Federal appellate courts, like our Congress and our executive department, should be more nearly representative of every major section of the Union, in order that its members may be more conversant with all vital agricultural, social, economic, and educational problems and interests. Judges, like other human beings, are by nature creatures of environment. In that very fact rests our strength rather than our weakness. They naturally view social and economic problems and issues through mental glasses tinted by the influence of environment, and would thus be better equipped to render impartial justice involved in constantly changing conditions in every great diversified section of our great country.

Through no fault of theirs, at least six members of our present Supreme Court come from the northeastern financial and industrial section of the United States. Two were appointed from the Northwest, and only one from the south half of the United States. One of our Justices, often accredited to Tennessee, was, according to the records, not appointed from that State. For the first time in over a quarter of a century a Justice has just been appointed on the Supreme Court from the southern half of the United States. That great agricultural territory stretching from the Pacific to the Atlantic is now asking to become something more than just a province of the United States in that department where the final scales of justice are applied to life, liberty, and property.

In order to bring about an early apportionment as well as to fix a definite number of Justices on the Supreme Court, this amendment further provides that if, upon this amendment becoming effective the territory of any circuit court of appeals be represented on the Supreme Court by more than one Associate Justice, then no appointment to the extent of such excess representation shall be made from an unrepresented circuit until such excess representation shall cease.

This is placed in the amendment in order that the distribution shall be made to the 10 circuits automatically and gradually as vacancies occur in those offices which are of course now held under life tenure. After this amendment is ratified no vacancies could be filled except by appointment from an unrepresented circuit, at which time the two additional members provided therein could be appointed, one each from separate unrepresented circuits by reason of the increase to 10. If this amendment were now in force, only the second circuit, composed of New York and Vermont, would have more than one Associate Justice on the Supreme Court—Chief Justice Hughes being in the status "from the United States at large."

History shows that in practically all instances when the Supreme Court has been increased it was nearly always by reason of expansion of territory. The first increase over the original six was under Jefferson, when the three new States of Ohio, Kentucky, and Tennessee were admitted to the Union. Immediately a new judicial circuit was created and a seventh Justice added to the Supreme Court because of the further expansion of the country.

During the next 30 years the country had continued to expand, thus causing the representatives of the Middle Northwest to urge that another circuit be created. This being done, the Supreme Court was increased from seven to nine members. By 1863 our western frontier had reached the Pacific coast, when a tenth member was added to the Supreme Court. This increase was evidently initiated to make the Supreme Court as nearly as possible a representative body in conformity with our plan of government.

When General Grant became President in 1869, the Court had, by death or resignation, been allowed to reduce, for alleged political reasons, from 10 to 8 members by operation of an act of Congress passed in 1866 at the close of the Civil War. In 1869 Congress again fixed the membership at nine. It has so remained for the past 68 years, although our country has almost trebled in population.

By 1920 the Supreme Court docket had become so congested that an act was passed which restricted the right of appeal in nearly 80 percent of the cases. The average American does not look with favor upon such a restriction of the right of appeal to our court of last resort.

All agree that our written Constitution established a government of laws and not of men. A reversal of that declared theory would ultimately accomplish its destruction. No true American desires to destroy that basic theory. There is well founded belief that, by this proposed amendment, we are not only building a stronger fortress of justice but furthering the ends of justice by making the courts more representative of the people and thus more responsive to the educational, economic, industrial, and social needs.

The fact that those in political power saw fit to depart from our original policy seven decades ago by confining practically all appointments to our Supreme Court to the northeast section of the United States has caused some peculiar situations not understood by the average person. For example, our able Associate Justice Cardozo, although appointed from New York, was, under our present system, until recently, the supervising Justice of the fifth judicial circuit—the largest in the United States—composed of Florida, Georgia, Alabama, Mississippi, Louisiana, and Texas. It is said that he has never resided in that circuit. A similar situation obtains as to other circuits.

An examination of the record will further disclose that there are 22 States which have never had one of their

citizens on the Supreme Court; 11 States only 1 member on the Supreme Court; 4 States, 2; 4 States, 3; 3 States, 5; Pennsylvania alone has had 6; Ohio, 7; and New York, 12. It has been 77 years since Virginia, the mother of Presidents, has seen one of her sons on the United States Supreme Court; Connecticut, 137 years; Iowa, 47 years; Maine, 56 years; Maryland, 73 years; Mississippi, 43 years; New Hampshire, 86 years; North Carolina, 133 years; and South Carolina, 103 years. The great agricultural and livestock States of Illinois, Iowa, Kansas, Indiana, Missouri, and Nebraska—this great empire of the Middle West, with great cities like Chicago, St. Louis, Kansas City, Des Moines, Omaha, and Indianapolis, to mention only a few—have not had a Supreme Court Justice from that area for more than a quarter of a century. There has grown up an apparent belief—especially among those heretofore entrusted with appointive powers—that eligibility for appointment chiefly consists in some kind of training a lawyer receives in the great financial center.

This proposed amendment not only makes our highest Court a more representative body but its number definite. If ratified it can never again be charged that the Supreme Court is being "packed" or "unpacked" by any proposed statutory enactment. The proposed amendment further provides that:

> The respective circuit courts of appeal shall be composed of at least one judge from each State included within the territory comprising such court, the senior member of which shall be the presiding judge.

We feel that each State is entitled to at least one member on the circuit court of appeals, because that court is the court of last resort for about 9 out of every 10 Federal cases. It will necessarily permit the populous States of New York and Pennsylvania to have more than one member on the circuit court of appeals of which they respectively form a part.

Most important of all is the fact that this proposed amendment would allow the people themselves to forever settle the questions, first, as to the retirement of Federal judges at the age of 75 years; second, the just apportionment of Supreme Court Justices and circuit judges by appointment from a specified circuit or State; and third, to definitely fix the number of Justices hereafter to be placed on the Supreme Court.

Naturally, any statute enacted at this or any other time without these proposed constitutional powers would be subject to repeal by any subsequent Congress, and thus possibly throw the whole matter into controversy again at a time perhaps when it would be even more disturbing than at present.

By allowing the people of the United States themselves to make these three contemplated changes, Congress will thereby secure not only the confidence but the preponderant influence and power of our people, and our courts the respect needed to insure a more sympathetic and efficient administration of justice throughout the United States, which has for many years been the subject of much adverse criticism not only among those in high positions in the executive and legislative departments, but those in high judicial authority as well.

We certainly can gain much and lose nothing by submitting this amendment and thus afford our States the privilege of making our Federal courts more representative bodies, like the Congress and the Executive Department. The Constitution provides a way for us to forever settle these three disturbing controversies.

By way of illustration of my contention that the personnel of the Supreme Court is not, at present, apportioned to the great natural and geographical sections of the United States, I am offering, as part of my address, the following table:

MEMBERSHIP DISTRIBUTION OF SUPREME COURT

First circuit population, 6,199,827: Massachusetts, Maine, New Hampshire, Rhode Island. Mr. Brandeis, of Massachusetts.

Second circuit population, 14,554,580: Vermont, New York, Connecticut: Mr. Hughes, of New York; Mr. Stone, of New York; Mr. McReynolds, of New York; Mr. Cardozo, of New York.

Third circuit population, 13,911,074: Delaware, New Jersey, Pennsylvania. Mr. Roberts, of Pennsylvania.

Fourth circuit population, 10,691,623: Maryland, North Carolina, South Carolina, Virginia, West Virginia: None.

Fifth circuit population, 16,960,094: Alabama, Florida, Georgia, Louisiana, Mississippi, Texas, Canal Zone: Mr. Black, of Alabama (who was recently appointed since S. J. Res. 100 was first introduced on March 12 this year).

Sixth circuit population, 16,720,164: Kentucky, Michigan, Ohio, Tennessee. None.

Seventh circuit population, 13,808,183: Illinois, Wisconsin, Indiana. None.

Eighth circuit population, 15,261,398: Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota: Mr. Butler, of Minnesota.

Ninth circuit population, 9,703,702: Arizona, California, Idaho, Montana, Nevada, Oregon, Washington, Hawaii, Alaska. None.

Tenth circuit population, 6,468,659: Colorado, Kansas, New Mexico, Utah, Wyoming, Oklahoma. Mr. Sutherland, of Utah.

1930 census figures used.

HOUSE BILL REFERRED

The bill (H. R. 8099) to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes, was read twice by its title and referred to the Committee on Finance.

CIVIL-SERVICE EXAMINATION FOR OFFICE OF POSTMASTER AT PORTSMOUTH, VA.

Mr. GLASS. Mr. President, I ask unanimous consent for the consideration of a Senate resolution which I do not think will lead to any debate.

The PRESIDENT pro tempore. The Senator from Virginia asks unanimous consent for the consideration of a resolution. Is there objection?

Mr. LA FOLLETTE. Let the resolution be read, before consent is given.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 187) was read, as follows:

> *Resolved*, That the Civil Service Commission is directed to report to the Senate immediately by virtue of what authority, at whose suggestion, and for what reasons it has declined to furnish to the Senators from the State of Virginia information with respect to the results of the examination given for the office of postmaster at Portsmouth, Va., in May 1937.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GLASS. Mr. President, I desire to say that there is no Member of the Senate now and never has been one who has a greater detestation for Federal patronage and its distribution than I have. The two Senators from Virginia have accorded to the nine Representatives in Congress from that State the right to nominate all the postmasters in their respective districts; but the Senators from Virginia are not going to stand idly by and see either corruption or irregular manipulation of civil-service practices engaged in for the benefit of any politician on earth. For that reason I have offered this resolution, because the Civil Service Commission, in a very sinister sort of way, has declined to furnish the Virginia Senators with the results of an examination held last May.

WITHDRAWAL OF MOTION

Mr. KING. Mr. President, a few days ago House bill 7985 was passed by the Senate and sent to the House. I entered a motion to reconsider the vote by which the bill was passed, and the House, on my motion, was requested to return the papers to the Senate. I now desire to withdraw the motion.

The PRESIDENT pro tempore. Without objection, the motion will be withdrawn, and without objection, the House will be requested to return to the Senate the message requesting the House to return the bill and accompanying papers.

IMPORT DUTIES ON TEXTILES

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The legislative clerk read the resolution (S. Res. 177) submitted by Mr. STEIWER on the 16th instant, as follows:

Resolved, That the United States Tariff Commission is requested to transmit to the Senate not later than January 15, 1938, its recommendations with respect to the desirability of fixing the import duties on textiles on a basis of specific rates, subject to the limitations of existing ad-valorem rates, for the purpose of providing a more nearly equal competitive basis between countries having high costs of production and countries having low costs of production, in exporting textiles to the United States.

Mr. BARKLEY. Mr. President, I hope the Senator from Oregon will not insist on the consideration of this resolution requesting the Tariff Commission to transmit to the Senate certain information. At the moment it is desired to have the deficiency appropriation bill taken up for consideration, and I should like to look into the resolution a little further. I suggest that it lie on the table.

Mr. STEIWER. Mr. President, will we have another opportunity at a later time to consider the resolution?

Mr. BARKLEY. Possibly so. I should like to talk to the Senator about it first. I wish also to confer with the State Department.

Mr. STEIWER. I do not like to forego a chance of its consideration, but I will be happy to let it go over and will later discuss the matter with the Senator.

DEDICATION OF CHAPEL IN FLANDERS FIELD, BELGIUM—ADDRESS BY SENATOR DUFFY

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator DUFFY at the dedication of the chapel in Flanders Field, American Cemetery, Belgium, Aug. 8, 1937, which appears in the Appendix.]

DEDICATORY ADDRESS BY SENATOR GIBSON AT VIERSTRAAT, BELGIUM

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD the address delivered by Senator GIBSON at Vierstraat, Belgium, on Aug. 8, 1937, which appears in the Appendix.]

THE COTTON INDUSTRY—ADDRESS BY SENATOR CONNALLY

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a radio address on the cotton industry, delivered by Senator CONNALLY Aug. 19, 1937, which appears in the Appendix.]

WORLD PEACE—ADDRESS BY SENATOR DAVIS

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an address on world peace delivered by Senator DAVIS before the State convention of the American Legion of Pennsylvania at York, Pa., Aug. 18, 1937, which appears in the Appendix.]

BILLIONS OUT AND BILLIONS BACK—ARTICLE BY HON. JESSE JONES

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an article entitled "Billions Out and Billions Back", written by Hon. Jesse Jones and published in the Saturday Evening Post of the issue of July 31, 1937, which appears in the Appendix.]

ADDRESS OF MR. JAMES ROOSEVELT BEFORE CONVENTION OF YOUNG DEMOCRATIC CLUBS

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by Mr. James Roosevelt, Secretary to the President, before the National Convention of Young Democratic Clubs in America, at Indianapolis, Ind., Aug. 20, 1937, which appears in the Appendix.]

ACTIVITIES OF POST OFFICE DEPARTMENT

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD a report from the Post Office Department as to its activities during the past year, which will appear hereafter in the Appendix.]

ACTIVITIES OF RECONSTRUCTION FINANCE CORPORATION

[Mr. MCADOO asked and obtained leave to have printed in the RECORD a statement of the activities of the Reconstruction Finance Corporation from Mar. 4, 1933, through Aug. 10, 1937, which appears in the Appendix.]

ACCOMPLISHMENTS OF WORKS PROGRESS ADMINISTRATION

[Mr. LEWIS asked and obtained leave to have printed in the RECORD a statement relative to the work and accomplishments of the Works Progress Administration in 2 years of operation, which appears in the Appendix.]

FEDERAL POWER COMMISSION AND ITS WORK

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a statement concerning the work of the Federal Power Commission from 1933 to 1937, which appears in the Appendix.]

WORK OF THE UNITED STATES MARITIME COMMISSION

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a statement relative to the work of the United States Maritime Commission, which appears in the Appendix.]

WORK OF THE FEDERAL TRADE COMMISSION

[Mr. DIETERICH asked and obtained leave to have printed in the RECORD a statement concerning the work of the Federal Trade Commission, which appears in the Appendix.]

WORK OF THE NATIONAL LABOR RELATIONS BOARD

[Mr. WALSH asked and obtained leave to have printed in the RECORD a statement prepared by the National Labor Relations Board setting forth the activities of the Board during the first 6 months of 1937, which appears in the Appendix.]

FINANCIAL METHODS OF VERMONT—STATEMENT BY GOVERNOR OF VERMONT

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an official statement by the Governor of Vermont with reference to the State debt and financial methods of Vermont, which appears in the Appendix.]

CONDITIONS AFFECTING ORGANIZED LABOR—LETTER FROM A. F. WHITNEY

[Mr. BARKLEY asked and obtained leave to have printed in the Appendix of the RECORD a letter from A. F. Whitney, president of the Brotherhood of Railroad Trainmen, concerning certain conditions affecting organized labor, which appears in the Appendix.]

ALIEN CONTROL

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a letter on the subject of alien control, written by W. F. Knouse, which appears in the Appendix.]

ADDRESS BY MR. JAMES ROOSEVELT BEFORE CAROLINA POLITICAL UNION

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address delivered by Mr. James Roosevelt, secretary to the President, before the Carolina Political Union, University of North Carolina, Chapel Hill, N. C., which will appear hereafter in the Appendix.]

SAFETY IN AIR—ARTICLE AND EDITORIAL FROM WASHINGTON HERALD

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article and editorial appearing in this morning's Washington Herald relating to Senate bill 2, providing that rates of fare and safety of operation by commercial air lines be fixed by the Interstate Commerce Commission, which appear in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake;

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended;

S. J. Res. 197. Joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba; and

S. J. Res. 199. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938.

The message also announced that the House had passed the bill (S. 537) to provide suitable accommodations for the district court of the United States at Glasgow, Mont., with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 8099) to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 24) requesting the President to prepare and submit to Congress a plan for development of resources and commerce of Alaska, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The message further announced that the House agreed to the amendments of the Senate to the bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

The message returned to the Senate, in compliance with its request, the message of the Senate of August 16, 1937, on the bill (H. R. 7935) to promote air commerce by providing for the enlargement of Washington Airport, together with the Senate engrossed amendments thereto.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7935) to promote air commerce by providing for the enlargement of Washington Airport, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON of Texas, Mr. WILCOX, Mr. ANDREWS, and Mr. SHORT were appointed managers on the part of the House.

The message also announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7646) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; that the House had receded from its disagreement to the amendments of the Senate nos. 2, 3, 4, and 5 to the bill and concurred therein; and that the House had receded from its disagreement to the amendments of the Senate nos. 1 and 6 to the bill and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CASUALTIES ON AMERICAN WARSHIP AT SHANGHAI

Mr. WALSH. Mr. President, I arise to give some information to the Senate which perhaps many Senators have not already heard.

The Navy Department today received a communication from the Japanese-Chinese war zone to the effect that a shell had struck one of our naval vessels, the *Augusta*, at Shanghai, the vessel being just off the Bund. One enlisted man was killed and 18 others were wounded. It is unknown up to the present time whether the shell came from the Chinese or the Japanese side. It was a small shell.

I submit to the Senate the information received.

ORDER TO DISPENSE WITH CALL OF THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEFICIENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I move that the Senate proceed to the consideration of House bill 8245, the third deficiency bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered. The first committee amendment will be stated.

The first amendment of the Committee on Appropriations was, at the top of page 2, to insert:

TITLE I—GENERAL APPROPRIATIONS

LEGISLATIVE

SENATE

To pay to Ewilda G. Robinson, widow of Hon. Joseph T. Robinson, late a Senator from the State of Arkansas, $10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

To pay Edward J. Trenwith, as compensation for compiling a revised supplement to the compilation entitled "Treaties, conventions, international acts, and protocols, between the United States and other powers", to include treaties, conventions, important protocols, and international acts to which the United States may have been a party since March 4, 1923, under resolution of the Senate (S. Res. 132, 75th Cong., 1st sess.), fiscal year 1938, $2,500.

The amendment was agreed to.

The next amendment was, on page 2, after line 15, to insert:

Office of the Sergeant at Arms and Doorkeeper: For an amount required to increase the compensation of the secretary of the majority and the secretary of the minority $1,000 each per annum so long as the positions are held by the present incumbents, fiscal year 1938, $2,000, and the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1938, approved May 18, 1937, is amended by adding on page 3, under the office of Sergeant at Arms and Doorkeeper, after the words "two secretaries (one for the majority and one for the minority), at $5,400 each" the following: and $1,000 additional to each so long as either position is held by either of the present incumbents.

Mr. ADAMS. Mr. President, in the amendment just stated, beginning in line 16, page 2, there seems to be some unnecessary phraseology. I should like to perfect the amendment by striking out on page 2, line 20, all after the numerals "$2,000."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 2, line 20, in the committee amendment, after the numerals "$2,000" it is proposed to strike out the following: "And the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1938, approved May 18, 1937, is amended by adding on page 3, under the office of Sergeant of Arms and Doorkeeper, after the words 'two secretaries (one for the majority and one for the minority), at $5,400 each' the following: and $1,000 additional to each so long as either position is held by either of the present incumbents", so as to make the committee amendment read:

Office of Sergeant at Arms and Doorkeeper: For an amount required to increase the compensation of the Secretary of the Majority and the Secretary of the Minority $1,000 each per annum so long as the positions are held by the present incumbents, fiscal year 1938, $2,000.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McGILL. Mr. President, I wish to make an inquiry relative to appropriations authorized under the Cooperative Farm Forestry Act. It is my understanding the item was recommended by the Bureau of the Budget and that an appropriation of $1,000,000 was recommended. This would include the shelterbelt program, together with certain other programs. I do not find any such item in the bill. I inquire whether it was included in the House bill.

Mr. ADAMS. No; it was not. It was taken up with the committee, and the committee declined to insert it in the bill.

Mr. McGILL. Does the Senator refer to the House committee or the Senate committee?

Mr. ADAMS. It was presented to the House committee and was not accepted by that committee. It was then presented to the Senate committee and the Senate committee declined to recommend it.

Mr. McGILL. After the committee amendments are disposed of I presume an amendment to include such an appropriation would be in order?

Mr. ADAMS. I presume so.

The PRESIDENT pro tempore. The next committee amendment will be stated.

The next amendment of the Committee on Appropriations was, on page 3, after line 3, to insert:

Senate document room: For the amount required from September 1, 1937, to June 30, 1938, inclusive, to increase the compensation of the superintendent of the Senate document room at the rate of $1,040 per annum so long as the position is held by the present incumbent, $867.

The amendment was agreed to.

The next amendment was, on page 3, after line 8, to insert:

Senate kitchens and restaurants: For repairs, improvements, and equipment for the Senate restaurant, Capitol Building, including personal and other services, fiscal years 1937 and 1938, $12,300, to be expended by the Architect of the Capitol.

The amendment was agreed to.

The next amendment was, on page 5, after line 13, to insert:

UNITED STATES CONSTITUTIONAL SESQUICENTENNIAL COMMISSION

For carrying out the provisions of the public resolution entitled "Joint resolution to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes", approved June 1, 1936 (49 Stat. 1392), as amended by the act approved August 19, 1937, fiscal year 1938, to remain available until December 31, 1939, $100,000, together with the unexpended balance provided for this purpose in the First Deficiency Act of June 22, 1936.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

ARCHITECT OF THE CAPITOL

Capitol Building: For purchase and installation of steel shelving for the Senate document room, in room B2, Senate Office Building, fiscal year 1938, $850.

Library Building and Grounds: Not to exceed $18,000 of the appropriations heretofore made for the construction of the Annex, Library of Congress, is hereby made available for the construction of a fireproof bookstack, with necessary appurtenances, for the Hispanic room in the Library of Congress.

The amendment was agreed to.

The next amendment was, on page 6, to strike out lines 11 to 19, as follows:

GOVERNMENT PRINTING OFFICE

For payment to William Madden, Preston L. George, and William S. Houston, and on account of Samuel Robinson, messengers on night duty during the first session of the Seventy-fifth Congress, $900 each; in all, $3,600, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1938; such sum on account of Samuel Robinson to be paid in equal amounts to Mary E. Adams and Nettie Bullas, nieces of such person.

Mr. COPELAND. Mr. President, I apologize for the necessity of asking the Senator from Colorado [Mr. ADAMS] about this item, because I was late in getting to the meeting of the committee yesterday. Was the purpose in striking out the language in lines 11 to 19 with the idea of considering the matter in conference?

Mr. ADAMS. That is correct.

Mr. COPELAND. In other words, the matter is not closed altogether?

Mr. ADAMS. No; it is not closed.

Mr. COPELAND. I wish to call attention to the item. William Madden, Preston George, and William Houston have been for a long time servants of the Senate and House in carrying official papers. Provision was made by the House for certain payments to them, which is stricken out by the Senate committee. I hope sincerely that the language will be restored in the conference.

Mr. ADAMS. When the item was reached by the committee an amendment was offered by the Senator from Pennsylvania [Mr. DAVIS] to include and add additional names. It reached the point where it seemed better for the committee to strike it all out.

Mr. McKELLAR. Mr. President, as I recall, the four messengers named have been taken care of in a similar item carried in the appropriation bills for something like 20 years. It seems to me that payment ought to be continued. I hope the amendment will be rejected; and if not, that it will be taken care of in conference.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 10, after line 13, to insert:

SOCIAL SECURITY BOARD

Salaries and expenses: For an additional amount for the Executive Director of the Social Security Board to make the salary $9,500 per annum, fiscal year 1938, $500; payable from the appropriation for "Salaries and expenses", Social Security Board, fiscal year 1938.

Mr. KING. Mr. President, I inquire of the Senator from Colorado the necessity for this amendment. Is it to increase the salary of some Government official?

Mr. ADAMS. Mr. President, this is to carry out an understanding entered into by the conferees during the consideration of the independent offices appropriation bill. I think the amount of the item was reduced from $9,500 to $9,000 through some misunderstanding. The Senate conferees said they would endeavor to have the salary restored at the time of the consideration of the deficiency bill. This is an effort on the part of the Appropriations Committee to carry out the understanding at that time.

Mr. KING. What is the position?

Mr. ADAMS. It is the position of Executive Director of the Social Security Board.

Mr. BYRNES. Mr. President, as chairman of the Senate conferees on the independent offices appropriation bill, I know an agreement was made whereby the Senate was to recede from the amendment reducing the salary and the House was to recide from the House amendment. In preparing the report an error was made. The amendment now pending is solely to carry out an agreement between the House and Senate conferees on the independent offices appropriation bill. It restores the salary to what it had been theretofore.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 11, after line 2, to insert:

THOMAS JEFFERSON MEMORIAL COMMISSION

For the purposes authorized under the provisions of the act approved June 3, 1936 (49 Stat. 1397), entitled "An act to authorize the execution of plans for a permanent memorial to Thomas Jefferson", fiscal year 1938, $20,000, including payment of obligations heretofore incurred in the fiscal years 1937 and 1938.

Mr. KING. Mr. President, may I inquire of the Senator the reason for this item? As I understand, the work of the Commission is practically completed. The House has rejected the plan which was agreed upon and rejected the efforts to secure $500,000 to continue the work. I ask for information as to the purpose of the amendment.

Mr. ADAMS. The purpose is to continue the Commission, to maintain its administrative expenses, upon the theory that Thomas Jefferson is really entitled to an appropriate memorial properly located, and that the Commission should be continued in order to work out the problem.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the subhead "United States Maritime Commission", on page 11, line 25, after the word "exceed", to strike out "$75,000,000" and insert "$150,000,000", so as to read:

In addition to the contracts which may be entered into under funds available to the United States Maritime Commission for carrying out the provisions of the Merchant Marine Act, 1936, the Commission is authorized to enter into contracts for further carrying out the provisions of such act in an amount not to exceed $150,000,000.

Mr. CLARK. Mr. President, I should like to ask the Senator from Colorado what justification there is for this increase of $75,000,000 over the amount contained in the bill as it passed the House. It seems to be an effort to give the Maritime Commission an additional $75,000,000 at this time, which is certainly more than they ought to ask. An appropriation of $75,000,000 was granted them, and for them to come now with a proposal for an authorization of $150,000,000, an increase of $75,000,000 over what they were allowed by the House of Representatives, is something that cannot be justified.

Mr. ADAMS. Mr. President, I ask the Senator from South Carolina [Mr. BYRNES] to explain the item.

Mr. BYRNES. Mr. President, the original request of the Budget Bureau was for an appropriation of cash. The House changed the item to provide merely for an authorization of not to exceed $150,000,000. The statement of the Chairman of the Maritime Commission is that conferences are being held from time to time affecting rates. It seems that in the past the English have influenced and rather dominated the conferences as to rates, and that the desire of the officials of the Maritime Commission is to let the people of this country know and let the world know that the United States intends to carry out this program, and that the hope of the officials is that the action of the Congress in authorizing the Commission at this time to carry out the provisions of the act heretofore enacted by the Congress, they will be in better position in the months to come to protect the rights of American shippers, and to secure better rates for American shipping.

The Chairman of the Commission, Mr. Kennedy, has advised me, in discussing the matter, that it certainly will not be his purpose to make commitments of one dollar more than is absolutely essential during this year. He states that it is possible that a smaller amount of commitments may be justified, and it may not be necessary—certainly his hope is that he will not this year find it necessary—to enter into commitments to the extent of the full amount; but that the additional purpose is that, if this authority exists and the opportunity presents itself to make an advance which will be effective and which will help the merchant marine and at the same time will save money, they will be in position to do it.

That is the statement of the Maritime Commission.

I must say that the thing which has caused me to believe that it would be wise to do what is proposed is that the Congress has enacted the law authorizing this merchant-marine program. This authority will be given either in this appropriation bill or in one next year. If by giving it now the Commission believe that they may possibly save money, and certainly that they may secure better rates for American shipping, there is no reason why we should defer the authorization which must in any event be made.

That is the statement.

Mr. CLARK. Mr. President, I have great respect for the Chairman of the Maritime Commission and for the other members of the Commission. I think they have set about their work in a very ambitious and splendid manner; but, as one Senator, I am not willing to put the United States in the position of playing table-stakes poker with the Maritime Commission, as outlined by the Senator from South Carolina. It seems to me we should proceed more cautiously with these authorizations of vast sums of money, give the Commission an authorization of $75,000,000—which seems to me to be extremely liberal—and let them come back here next year and show what they have done with that amount, instead of just outright doubling the very liberal authorization made by the House of Representatives.

Mr. BYRNES. I may say to the Senator that the estimate of the Budget Bureau and the program of the administration was for $150,000,000. The House reduced the authorization to $75,000,000.

Mr. CLARK. I understand that, and I think the House is absolutely right.

Mr. BYRNES. The Senator and I disagree on that; but I do believe there is much to be said in behalf of the argument that if, by making now the commitment which is authorized by law and which is a part of the program that we are going to carry through, we can enable the administration to make a better bargain and to make better rates for American shipping, there would be no reason in deferring it until next year; and we have this situation, as I think the Senator will agree: There are some commissions toward which I might not feel so favorably disposed. I think the Maritime Commission, the confirmation of whose members was recommended by the committee of which the Senator is a member, is about as fine a commission as could be entrusted with this merchant-marine program.

Mr. CLARK. I entirely agree with the Senator on that proposition; but I do not believe we can afford to make appropriations or authorizations on the basis of our personal opinion of the present members of a commission.

Mr. BYRNES. No; but when their opinion, based upon their negotiations, is that this authorization would help them to administer this law efficiently, I would pay more attention to their opinion than I would to the opinions of some commissions whose members do not impress me as favorably as do the members of the Maritime Commission.

Mr. CLARK. I will say to the Senator that in all probability I would, too.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BYRNES. I have not the floor.

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Maine?

Mr. ADAMS. I do.

Mr. WHITE. I desire to ask the Senator from South Carolina a question.

Mr. BYRNES. I shall be glad to answer it.

Mr. WHITE. Beyond the consideration which the Senator has already mentioned, is it not true that the Maritime Commission contemplates a substantial building program, to be begun almost immediately, which will call for a very substantial cost construction subsidy, which will have to come out of this amount for which the Commission asks?

Mr. BYRNES. Of course, that is true. I was referring only to one feature of the matter.

Mr. CLARK. I will say to the Senator from Maine that $75,000,000 is a pretty good stake to play on.

Mr. BYRNES. Of course, the Senator from Missouri knows that there are times in the construction of ships—because they are constructed over a long period—when advantage can be taken of a price condition and a good trade made, in which event it is advantageous to go ahead and make the trade.

Mr. CLARK. Of course, the Senator from South Carolina is perfectly familiar with the fact that the Maritime Com-

mission already have $69,000,000 in cash money in the till. Now they come here and ask for $150,000,000 more. The House of Representatives has given the Commission $75,000,000. With the money they have on hand, plus the $75,000,000 authorized in the House bill, it certainly seems that they ought to have enough money to operate on during the time remaining until the next session of Congress.

Mr. BYRNES. I may say to the Senator that they have that amount of money on hand—and it is a great tribute to efficiency of administration—from the sale of obsolete ships.

Mr. CLARK. That is not the point. I am not reflecting on the efficiency of the Commission. What I am saying is that they have on hand at the present time $69,000,000, which, plus the $75,000,000 authorized by the House, certainly ought to be enough for them to operate on until the meeting of the next session of Congress.

Mr. BYRNES. Mr. President, I do not want the Senator to be confused about the matter. One amount is the cash which the Commission have secured in great measure from the sale of obsolete ships. That money is available to pay for construction. We are giving them no cash at all in this bill, but are merely authorizing commitments for this program.

Mr. CLARK. They do not need any authority for the $69,000,000.

Mr. BYRNES. They do not. They have that amount, and it is available.

Mr. CLARK. Then the $69,000,000, plus the $75,000,000, certainly ought to tide them over until the next meeting of Congress, when we can see what they have been doing with the money.

Mr. BYRNES. Except that the $69,000,000 is cash, and the other amount is merely an authorization. We cannot say it is $69,000,000 plus $75,000,000, because one is merely authority to contract, and the other is cash in hand to pay on contracts. They have only the $69,000,000 to pay on any contracts they make.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from New York?

Mr. ADAMS. I do.

Mr. COPELAND. This is one of those very happy proposals over which both those who believe in private ownership and those who believe in public ownership may be happy, for this reason——

Mr. CLARK. Which proposal?

Mr. COPELAND. The proposal of the committee.

Mr. CLARK. To raid the Treasury of $75,000,000?

Mr. COPELAND. No.

Mr. President, if we are going to build up an American merchant marine, we are going to do it in one or two ways: Either by paying the cost wholly out of the Treasury, as the law prescribes it may be done, with rental or operating arrangements for the ships with private operators, or by lending the money for building ships to be owned by private operators. If we are to go forward with our plans, this, as I see it, is a necessary thing, and in my judgment it is the surest way to escape public ownership, because if it is seen by the operators that Uncle Sam is empowered to build the ships, they do not want them built by the Government, and they will then bestir themselves to get the money to build them privately.

Therefore, so far as I am concerned, I think the proposal is a wise one; and, with all due deference to my friend from Missouri, I think the committee has done a wise thing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. [Putting the question.] The Chair is in doubt.

Mr. CLARK. I call for the yeas and nays.

The yeas and nays were not ordered.

The amendment was agreed to.

Mr. KING. Mr. President, it is obvious that any effort to introduce into the activities of the Government the principles of economy will meet with failure. I notice from the figures which appear in the RECORD at page 9300 that the appropriations provided for up to date for this session amount to $9,389,488,893.06, showing the meticulous care with which somebody in the Department is computing the appropriations which are made.

Mr. President, it was only a few years ago under the administration of President Wilson that the entire expenses of the Government including the Army and the Navy and the large number of Federal employees, was approximately $800,000,000 to $1,000,000,000. Now it costs nearly $2,000,000,000 to pay the salaries of Federal employees, and the appropriations have multiplied and multiplied until, as I have indicated, we are appropriating for this session—and the session is not ended—more than nine and a quarter billion dollars.

Notwithstanding the fact that we have increased taxes nearly every year during the past 4 or 5 years, until the people are groaning beneath the heavy burden of Federal, State, and municipal taxes, we have been compelled to borrow money to meet the deficits during the past 5 years of nearly $18,000,000,000, and the public debt today is approximately $37,000,000,000. Yet we blithely appropriate, adding here $75,000,000 without any adequate evidence presented, $75,000,000 which the House rejected, and in the face of their report and the hearings which they had we ignore the position which they took and add, as indicated, $75,000,000 in this one item for the Emergency Fleet Corporation.

Mr. President, it seems to me that we ought to pause and reflect upon the burdens which we are imposing upon the people. The inevitable consequence will be inflation, a rise in prices, and an ultimate injury to the consumers in the United States.

I do not want to denounce or criticize, but I cannot bring my mind to accept these enormous appropriations, and I do voice my protest against the extravagance characterized by many of the appropriations found in this and other bills.

The PRESIDENT pro tempore. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 12, line 1, after the word "Commission", to strike out "for personal services", so as to read:

Out of funds available to the Commission not to exceed $75,000 may be expended, including payment for obligations heretofore incurred, for the employment on a contract or fee basis of persons, firms, and corporations for the performance of special services, including legal services, deemed necessary by the Commission, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5).

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia", on page 12, after line 18, to insert:

Survey of tax structure, District of Columbia: For the employment of clerical services in connection with a survey and study of the entire tax structure of the District of Columbia in accordance with the provisions of title VII, section 3, of the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes", approved August 17, 1937, fiscal year 1938, $5,000.

The amendment was agreed to.

The next amendment was, at the top of page 15, to insert:

For payment of the final judgment rendered against the District of Columbia, as set forth in Senate Document No. 97, Seventy-fifth Congress, $4,206.19, payable from the special fund created by section 1 of the act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924 (43 Stat., p. 106), and accretions by repayment of assessments.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 17, after line 2, to insert:

THE SUGAR ACT OF 1937

To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar producing industry; to promote the export trade of the

United States; to raise revenue; and for other purposes", approved August —, 1937, fiscal year 1938, $50,000,000.

Mr. KING. Mr. President, I ask the Senator from Colorado whether the amount which will be imposed as taxes upon the consumers will meet this enormous appropriation of $50,000,000.

Mr. ADAMS. The amount will not be imposed upon the consumers. There will be in the Treasury a net surplus in the operation of the Sugar Act of some $20,000,000, but that money will come from Cuba and not from the American consumers.

Mr. KING. Payment will have to be made by some persons. I suppose it is the 50 cents which is added to the refining that will pay this amount, or contribute toward it.

Mr. ADAMS. The tax is entirely distinct from the payments to be made under the act. There is a definite excise tax, which will raise some seventy or seventy-five million dollars. The benefit payments which are required to be made under the act will take some $50,000,000, which is this appropriation. It does not take the same excise-tax money.

Mr. KING. As I understand, after the excise taxes have been collected there will not be a deficit?

Mr. ADAMS. No; there will be a surplus in the Treasury of $20,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 17, line 3.

The amendment was agreed to.

The next amendment was, on page 17, after line 21, to insert:

INTERNATIONAL PRODUCTION CONTROL COMMITTEES

The limitation in the amount which the Secretary of Agriculture may expend for the objects specified under this head in the Agricultural Appropriation Act for the fiscal year 1938, from the funds available to the Agricultural Adjustment Administration, is hereby increased from $7,500 to $10,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Office of the Secretary", on page 18, after line 5, to insert:

General Committee of Accident Prevention Conference: For salaries and expenses of the general committee of the Accident Prevention Conference, authorized in the act entitled "An act to advance a program of national safety and accident prevention", approved August , 1937, including personal services in the District of Columbia and elsewhere, printing and binding, traveling expenses, and all other expenses authorized in said act, fiscal year 1938, $25,000.

The amendment was agreed to.

The next amendment was, on page 18, after line 22, to insert:

BUREAU OF AIR COMMERCE

Safety and planning: To carry out the provisions of the act approved May 20, 1926, entitled "An act to encourage and regulate the use of aircraft in commerce, and for other purposes", as amended by the act approved February 28, 1929, and the acts approved June 19 and June 20, 1934, through safety research relative to aviation equipment, personnel and operation methods, including not to exceed $10,000 for the purchase of Letters Patent No. 1531065 or licenses under said letters patent, $10,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior—Bureau of Indian Affairs", on page 21, after line 20, to insert:

Fort Peck, Mont., irrigation system: For continuing the construction of the irrigation system, Fort Peck Reservation, Mont., including the purchase or rental of equipment, tools, and appliances and the acquisition of rights-of-way and payment of damages when necessary, fiscal year 1938, $100,000, reimbursable.

The amendment was agreed to.

The next amendment was, on, page 22, after line 8, to insert:

BUREAU OF RECLAMATION

Bonneville project: For administering and carrying out the provisions of an act entitled "An act to authorize the completion, maintenance, and operation of the Bonneville project, for navigation and for other purposes", approved ——, — (Public, No. —, 75th Cong., 1st sess.), including necessary personal services in the District of Columbia and elsewhere; the purchase of easements and rights-of-way; purchase, exchange, and operation of automobiles; purchase of office furniture and equipment; stationery and office supplies; purchase of equipment and other supplies; rent, traveling expenses, telegraph and telephone expenses, printing and binding, and all other necessary expenses, fiscal year 1938, $100,000.

The amendment was agreed to.

The next amendment was, on page 22, after line 22, to insert:

Cabinet Gorge project, Idaho: For the purpose of carrying out the provisions of the act of August 14, 1937 (Public, No. 279, 75th Cong., 1st sess.), entitled "An act to provide for studies and plans for the development of a hydroelectric power project at Cabinet Gorge, on the Clark Fork of the Columbia River, for irrigation pumping or other use, and for other purposes", $25,000.

The amendment was agreed to.

The next amendment was, on page 23, after line 4, to insert:

Construction of small reservoirs: For the construction of small reservoirs as authorized by the act of August , 1937 (Public, No. , 75th Cong., 1st sess.), $500,000 from the Reclamation Fund, Special Fund, to be immediately available and to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 23, after line 9, to insert:

Commission to investigate reclamation projects: For expenses and all necessary disbursements, including salaries, to be expended under the direction of the Secretary of the Interior, of the Commission proposed to be created to investigate the financial, economic, and other conditions of the various United States reclamation projects and Indian irrigation projects, as contemplated by the terms of S. 413 (to create a Commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects), $30,000: *Provided*, That such sum shall not become available unless and until the aforesaid legislation is enacted into law.

The amendment was agreed to.

The next amendment was, under the subhead "National Park Service", on page 25, after line 9, to insert:

Salaries and general expenses, public buildings and grounds in the District of Columbia, 1938: Of the appropriation of $7,137,280 for salaries and general expenses, public buildings and grounds in the District of Columbia, contained in the Interior Department Appropriation Act, 1938, not to exceed $24,000 may be expended for the construction of a steam line to connect the National Gallery of Art with the steam distribution system of the Central Heating Plant.

Mr. KING. Mr. President, I inquire what is the object of this appropriation of $7,000,000? Is that large amount required for general expenses in connection with public buildings?

Mr. ADAMS. No. The amendment merely provides that of the appropriation in the District of Columbia appropriation bill for salaries and general expense, public buildings and grounds in the District of Columbia, "not to exceed $24,000 may be expended for the construction of a steam line to connect the National Gallery of Art with the steam-distribution system of the central heating plant." It is not the appropriation of any money but the authorization of the use of $24,000 of an appropriation already made in order that work may be carried on when the winter months come on.

Mr. KING. Of the $7,000,000?

Mr. ADAMS. Yes; it is not an additional appropriation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 25, line 10.

The amendment was agreed to.

The next amendment was, under the heading "Department of Justice", at the top of page 27 to insert:

FEDERAL BUREAU OF INVESTIGATION

Claims for damages: For the payment of claims for damages to any person or damages to or loss of privately owned property caused by employees of the Federal Bureau of Investigation, acting within the scope of their employment, considered, adjusted, and determined by the Attorney General, under the provisions of the act entitled "An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation", approved March 20, 1936 (49 Stat. 1184), as fully set forth in Senate Document No. 106 of the Seventy-fifth Congress, $233.88

The amendment was agreed to.

The next amendment was, on page 27, after line 12, to insert:

UNITED STATES SUPREME COURT

Salaries: For an additional amount for salaries, Supreme Court of the United States, including the same objects specified under this head in the Department of Justice Appropriation Act for the fiscal year 1938, $1,200.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Office of the Secretary", on page 29, line 16, after the word "in", to insert "Senate Document No. 108, and", and in line 18, after the name "Congress", to strike out "$1,431.58" and insert "$1,745.21", so as to read:

Claim for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels", approved December 28, 1922, as fully set forth in Senate Document No. 108, and House Document No. 316, Seventy-fifth Congress, $1,745.21.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Yards and Docks", on page 30, after line 17, to insert:

Naval Medical Center: Toward the acquisition of land and construction of buildings at or in the vicinity of Washington, D. C., including utilities, accessories, and appurtenances, as authorized by the act approved August 14, 1937, at a limit of cost not exceeding $4,850,000, $600,000: *Provided*, That the $600,000 hereby appropriated shall be available for transfer to and expenditure by the Procurement Division, Treasury Department.

The amendment was agreed to.

The next amendment was, at the top of page 31, to insert:

REPLACEMENT OF NAVAL VESSELS

The appropriations for construction and machinery, and armor, armament, and ammunition, as contained in the appropriation for replacement of naval vessels appearing in the Naval Appropriation Act for the fiscal year 1938, approved April 27, 1937, are hereby made available, including the same objects and under the same conditions and limitations prescribed under these heads in said appropriation act, for the commencement of one seaplane tender, one destroyer tender, one minesweeper, one submarine tender, one fleet tug, and one oiler, as authorized by the act approved July 30, 1937.

The amendment was agreed to.

The next amendment was, on page 31, after line 18, to insert:

POST OFFICE DEPARTMENT

(Out of the postal revenues)

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Contract Air-Mail Service: For an additional amount for the inland transportation of mail by aircraft, including the same objects specified under this head in the Post Office Department Appropriation Act for the fiscal year 1936, $82,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of State", on page 35, line 14, after "Congress)", to strike out the comma and "$20,000", so as to read:

Payment to Government of Mexico, and executors or administrators of estate of R. E. Fishburn, deceased: For payment to the Government of Mexico for the account of Gen. Higinio Alvarez, $15,000, and to the executors or administrators of the estate of R. E. Fishburn, deceased, $5,000, in all $20,000, as authorized by and in accordance with the act of May 6, 1937 (Public Act No. 68, 75th Cong.).

The amendment was agreed to.

The next amendment was, on page 36, after line 15, to insert:

Salaries of ambassadors and ministers: For an additional amount for salaries of ambassadors and ministers, fiscal year 1938, for the salary of an envoy extraordinary and minister plenipotentiary to Lithuania at $10,000 per annum, $8,333.34: *Provided*, That the appropriation for salaries of ambassadors and ministers, fiscal year 1938, shall be available for payment of the salary of an envoy extraordinary and minister plenipotentiary to Estonia and Latvia at $10,000 per annum.

The amendment was agreed to.

The next amendment was, on page 38, after line 2, to insert:

Interparliamentary Union: The unexpended balance of the appropriation for the Interparliamentary Union for the expenses of the American Group of the Interparliamentary Union made in the Department of State Appropriation Act, 1937, is hereby made available for the same purposes for the fiscal year 1938. The certificate of the executive secretary of the American Group of the Interparliamentary Union shall be final and conclusive upon the accounting officers in the auditing of all accounts of the American Group of the Interparliamentary Union.

Mr. BARKLEY. Mr. President, in the committee amendment on page 38, line 8, before the word "executive", I move to add the words "President and", because under the permanent law authorizing this appropriation the President and the executive secretary are authorized to certify the expenses of delegates, and I think the words I have suggested ought to be added. I offer the amendment that, on line 8, before the word "executive", the words "President and" be added.

The amendment to the amendment was agreed to.

Mr. BARKLEY. Also, in line 10, after the word "shall", I move that there be inserted the word "hereafter."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 38, after line 12, to insert:

Emergencies arising in the Diplomatic and Consular Service: For an additional amount to enable the President to meet unforeseen emergencies arising in the Diplomatic and Consular Service, and to extend the commercial and other interests of the United States and to meet the necessary expenses attendant upon the execution of the Neutrality Act, to be expended pursuant to the requirement of section 291 of the Revised Statutes (U. S. C., title 31, sec. 107), fiscal year 1938, $500,000.

The amendment was agreed to.

The next amendment was, on page 38, after line 21, to insert:

Inter-American Radio Conference: For the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, fiscal year 1938, $15,000.

The amendment was agreed to.

The next amendment was, on page 39, after line 11, to insert:

Eighth International Road Congress: For the expenses of participation by the United States in the Eighth International Road Congress, to be held in the Netherlands in 1938, including personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services, by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; official cards; printing and binding; preparation, installation, transportation, and operation of an appropriate exhibit; entertainment; local transportation; the payment of expenses incident to travel by steamer, rail, or motorbus on the official congress inspection trip; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payment may have been made for any of the purposes herein specified, fiscal year 1938, $5,000.

The amendment was agreed to.

The next amendment was, on page 40, after line 4, to insert:

Payment to Cecile C. Cameron: For payment to Cecile C. Cameron, widow of Alfred D. Cameron, late a Foreign Service officer of the United States at London, England, of 1 year's salary of her deceased husband who died while in the Foreign Service, as authorized by the act approved August 14, 1937 (Private Act No. 293, approved Aug. 14, 1937), fiscal year 1938, $4,400.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Office of the Secretary", on page 41, line 5, after the word "amended" and the comma, to strike out "$25,000,000" and insert "$15,000,000", so as to read:

Payments to Federal land banks on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay each Federal land bank such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is

equal to the amount by which interest payments on mortgages held by such land bank have been reduced during the fiscal year 1938, and prior thereto, in accordance with the provisions of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act (12 U. S. C., 771) as amended, $15,000,000.

The amendment was agreed to.

The next amendment was, on page 41, line 17, after the figures "1937" and the comma, to strike out "$8,000,000" and insert "$5,000,000", so as to read:

Payments to the Federal Farm Mortgage Corporation on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such corporation have been reduced during the fiscal year 1938, in accordance with the provisions of section 32 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (12 U. S. C. 1016), as amended, such payments to be made quarterly, beginning as soon as practicable after October 1, 1937, $5,000,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 18, to insert:

Claims for damages, operation of vessels, Coast Guard and Public Health Service: To pay claims for damages adjusted and determined by the Secretary of the Treasury under the provisions of the act entitled "An act to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and the Public Health Service, in sums not exceeding $3,000 in any one case", approved June 15, 1936, as fully set forth in Senate Document No. 104, Seventy-fifth Congress, $77.89.

The amendment was agreed to.

Mrs. CARAWAY. Mr. President, I wish to offer an amendment, on page 43, line 8, to strike out the words "section 1" and to insert "sections 1 and 13." This is merely a clarifying amendment which the Bureau of the Budget would like to have made. By a mistake these words were left out of the bill in the House, and I should like very much to see the amendment agreed to.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 43, line 8, after the words "available by", it is proposed to strike out "section 1" and to insert in lieu thereof "sections 1 and 13", so as to make the paragraph read:

PUBLIC HEALTH SERVICE

Division of Venereal Diseases: The President is hereby authorized to allot to the Public Health Service, Treasury Department, for the fiscal year 1938, not to exceed $200,000 out of unexpended balances made available by sections 1 and 13 of the Emergency Relief Appropriation Act of 1937, for the purpose of continuing the operation and maintenance of the Hot Springs Transient Medical Center Infirmary located at Hot Springs National Park, Ark.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Committee on Appropriations will be stated.

The next amendment was, on page 42, after line 10, to strike out:

BUREAU OF CUSTOMS

The appropriation "Collecting the revenue from customs", fiscal year 1938, is hereby made available for the construction of a gate on one of the two highways across the international boundary at Nogales, Ariz., at a cost of not to exceed $3,500.

The amendment was agreed to.

The next amendment was, under the subhead "Public Health Service", on page 43, after line 12, to insert:

National Cancer Institute: For carrying into effect the provisions of section 7 (b) of the National Cancer Institute Act, approved August 5, 1937, fiscal year 1938, $400,000, of which $200,000 shall be available for the purchase of radium.

The amendment was agreed to.

The next amendment was, at the top of page 48, to strike out:

Government Printing Office, annex buildings: For continuation of construction of annex buildings for the Government Printing Office, $1,500,000: *Provided*, That the limit of cost fixed by the Second Deficiency Appropriation Act, fiscal year 1935, for acquisition of necessary land and construction of annex buildings for the Government Printing Office is hereby increased from $5,885,000 to $7,500,000.

Mr. THOMAS of Oklahoma. Mr. President, I rise to oppose the amendment on page 48, where the committee has stricken from the bill lines 1 to 7, inclusive. Pending action on the amendment submitted by the committee, I desire to offer two amendments to perfect the lines prior to the final vote upon the elimination.

I move that in line 3 the figures "$1,500,000" be increased to "$2,798,000", and that on line 7 the figures "$7,500,000" be increased to "$8,798,000."

The facts relating to this amendment are somewhat as follows: Heretofore the Congress has authorized the construction of a warehouse in connection with the Government Printing Office. The total amount of the authorization was fixed by law. The Procurement Division of the Treasury Department made estimates of the cost of this improvement.

I call the attention of the Senate to page 23 of the Senate hearings, on which begins the statement of Russell Herrell, Comptroller, Government Printing Office. Mr. Herrell said:

The Procurement Division of the Treasury Department requested, and the Bureau of the Budget approved, an authorization of $8,798,000 for this work.

Later on Mr. Herrell gives an itemization of the necessity for increasing the amount. He says that the necessity comes about through increased costs. It comes about through increasing the size of the motors in the building from 25-cycle to 60-cycle motors. It comes about through the desire of the Procurement Division to rewire the present building for light and power; for the installation of an incinerator in the present building; for moving and reconnecting the existing mechanical equipment; for power-house facilities, rent of temporary quarters, moving, furniture, and so forth.

Mr. President, the Bureau of the Budget heard the representative of the Procurement Division and approved the Budget estimate; and I am asking that this provision be increased to carry the full amount of the Budget estimate. The Department has made the plans. The Department is now ready to ask for bids. The bids have been received, as I understand, but have not been awarded. The witness testified that the bids check very closely with the Procurement Division's previous estimate.

On another page of the hearings I read as follows from Mr. Herrell's statement:

The only possible way by which we could keep within the present proposed limit of cost of $7,500,000 is to reduce the size of the proposed building by approximately 20 percent.

I will state what the amendment means. If the Senate amendment to strike out the entire item shall be agreed to, no money will be provided for the construction of this building. If the House provision should prevail, the Budget estimate would be reduced, making it necessary to reduce the size of the presently planned building by 20 percent.

I read further from Mr. Herrell's statement:

This would, of course, necessitate a complete replanning of the whole project, with the attendant complete loss of all such work done to date. This loss would involve at least $100,000. In other words, this would mean the total loss of work which has cost at least $100,000 and has taken 2 years to perform. In addition to this loss we would have a building, when the plans and building were completed, that would not be adequate or satisfactory. In other words, we would have something that would not serve the best interests of the Government.

Then Mr. Herrell states the specific damages which would result if the Senate provision should prevail.

Mr. President, if the Senate provision should prevail the entire item would be stricken out. Then the whole matter would go to conference, and the highest amount the conferees could bring back to the two bodies would be that contained in the House language, which would mean a reduction of the cost, so that the building, when completed, would be a smaller building by an estimated 20 percent.

Mr. Herrell stated that the damage would be as follows:

1. A 20-percent reduction in space would make it impossible to carry out the Public Printer's plans for straight-line production, which, if carried out, will save the Government at least $135,000 a year.

2. No provision will be made for any possible future expansion.

That is, if a smaller building should be constructed. I am referring now to the damages that would result if this reduction should be made.

Mr. Herrell continues:

3. At least $100,000 worth of work devoted to the drawing of present plans and specifications will be entirely wasted.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AUSTIN. I should like to ask the Senator what the estimated saving of $135,000 represents.

Mr. THOMAS of Oklahoma. I will read the language of Mr. Herrell:

1. A 20-percent reduction in space would make it impossible to carry out the Public Printer's plans for straight-line production, which, if carried out, will save the Government at least $135,000 a year.

If the Senate amendment should prevail, and the conferees should bring back the sum carried by the House bill, this is what would happen, according to Mr. Herrell's statement:

4. The project will be delayed 1½ years, which will place an additional expense of at least $57,000 for rental and will delay for 1½ years, or eliminate to a large extent, the annual estimated saving of at least $368,000.

Mr. President, 2 days ago I appeared before the subcommittee of the Committee on Appropriations and presented a letter in regard to this matter. The letter which I presented was from the legislative representative of the American Federation of Labor. In order that the Senate may be advised, I desire to read the letter I received, which now appears in the hearings on this bill.

The letter is dated August 18, 1937, and is addressed to me. It is, in part, as follows:

On page 36 of H. R. 8245 (third deficiency bill) as reported by the House, line 5 carries an appropriation of $1,500,000 for the new Government Printing Office buildings.

This amount should be increased to $2,798,000 in accordance with Budget estimates, and the total amount on line 9, same paragraph, should be increased to $8,798,000, also in accordance with Budget estimates.

Page 116 of the House hearings goes into detail on this matter, Admiral Peoples testifying. The House report of August 16 also mentions the matter on page 7.

It seems, due to the fact that 44,000 square feet of floor space was added to the Government Printing Office warehouse, now under construction, and also due to the fact that the railroad tracks were placed inside of the building instead of on the outside as originally contemplated, that the warehouse construction has exceeded the estimated cost, and that therefore it is necessary to increase the appropriation for the other buildings.

It is also understood that unless this appropriation is increased to the Budget estimates that work will cease for the next year.

The American Federation of Labor and the building trades department of the federation are deeply interested in this appropriation being increased to the above amount.

Mr. President, as chairman of the subcommittee of the Appropriations Committee which has charge of appropriations for the District of Columbia, I am forced to give attention somewhat to the condition of the unemployed in this city. I am advised that now there are many unemployed in the city of Washington; that the unskilled unemployed are taken care of fairly well; but that unless this item is included in the bill a large number of the skilled laborers of Washington will either be thrown upon relief in this city or they will have to leave the city and find employment elsewhere. Inasmuch as the Government officials desire to have this building erected according to plans which have been made, it will be necessary, in my opinion, to increase the amount.

Mr. President, I submit that the Bureau of the Budget estimate for this Government building should be increased according to the language of my amendment.

Mr. ADAMS. Mr. President, I desire to ask the Senator from Oklahoma why, in the amendment he offers, he increases the present appropriation, which, as I understand, is all that was asked for.

The actual appropriation asked for was $1,500,000, as I understand, and the Senator is asking to increase that amount. The controversy concerning this item was as to the limit to be placed upon the aggregate cost. The controversy was not over the amount to be appropriated for immediate purposes.

Mr. THOMAS of Oklahoma. Mr. President, I am relying upon the letter from the representative of the American Federation of Labor. The letter represents that it will be necessary, in order to let this contract, that the amount be increased from $1,500,000 to the sum of $2,798,000; and, if that is done, the appropriation must be raised from $7,500,000 to the sum of $8,798,000.

Mr. ADAMS. Mr. President, the matter was presented to the committee, and the fact was developed that there was an original authorization of $5,885,000 for the construction of the building. That authorization was in accordance with the Budget estimates; and it was the understanding at that time that that amount of money would complete the building in accordance with the plans drawn.

The House, by reason of representations made to the House committee and to the House, increased the limit of the expenditure, in order to meet increased costs, to seven and one-half million dollars; that is, an increase of $1,800,000. As the Senator from Oklahoma tells us, the Government Printing Office representatives stated that that would require a revision of the plans. The representatives of the Government Printing Office did say, however, that they could get along with $8,000,000 rather than the amount which they were asking, so necessarily some cuts would be required.

There was enough difference of opinion in the Appropriations Committee so that the committee finally decided that it had better strike out the entire item and take the additional time necessary between now and the next meeting of Congress to have the matter studied. The committee felt that it was not an emergency matter, and that it should not be included in the deficiency bill; that the Government Printing Office could certainly go along, and that operations would not stop.

That was the reason, as I recall, why the committee decided to eliminate the entire item, in view of the differences that arose.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

ACCOMMODATIONS FOR DISTRICT COURT AT GLASGOW, MONT.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 537) to provide suitable accommodations for the District Court of the United States at Glasgow, Mont., which was, on page 2, line 5, to strike out "heads" and insert "reads."

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THIRD DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

The PRESIDENT pro tempore. The next amendment reported by the Committee on Appropriations will be stated.

The next amendment was, on page 48, after line 11, to strike out:

Acquisition of premises designated as 1724 F Street NW., Washington, D. C.: For purchase of premises designated as 1724 F Street NW., Washington, D. C., and described as lot 28 in square 170 on the records of the surveyor of the District of Columbia, comprising a 6-story and basement brick office building and approximately 13,200 square feet of land, to provide necessary office space for permanent Government organizations, $200,000.

The amendment was agreed to.

The next amendment was, on page 49, line 1, before the word "for", to strike out "and/or" and insert "and", so as to read:

Grand Central Station Post Office and Office Building, New York, N. Y.: For carrying out the provisions of the act approved July 12, 1932 (47 Stat. 656), authorizing purchase of land and building thereon, for a post-office building and for other Government purposes, $10,107,065.94, payment from such sum to constitute complete settlement.

The amendment was agreed to.

The next amendment was, on page 50, after line 9, to insert:

Glasgow, Mont., court rooms in Federal building: To provide suitable rooms and accommodations for holding terms of the district court of the United States in the Federal building to be constructed at Glasgow, Mont., $100,000: *Provided*, That notwithstanding the provisions of section 92 of the Judicial Code, as amended, the limit of cost for such building is hereby increased by $100,000 for such purpose.

The amendment was agreed to.

The next amendment was, at the top of page 51, to insert:

WAR DEPARTMENT—CIVIL FUNCTIONS

CORPS OF ENGINEERS, RIVER AND HARBOR WORK

Improvement of Indian River Inlet and Bay, Delaware: For the improvement of Indian River Inlet and Bay, Delaware, in accordance with plans and conditions set forth in report of the Chief of Engineers dated July 7, 1937, submitted in response to resolution of the Committee on Rivers and Harbors of the House of Representatives, adopted February 21, 1935, at an estimated cost of $443,000, fiscal year 1938, $160,000, and in addition there shall be contributed by local interests $160,000.

Mr. KING. Mr. President, may I inquire the reason why this item was not included in the regular appropriation bill for rivers and harbors?

Mr. ADAMS. I refer that query to the Senator from New York [Mr. COPELAND].

Mr. COPELAND. The reason why the appropriation is included in this bill is that the bill authorizing the appropriation was not passed until the 26th of May.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 51, after line 11, to insert:

Flushing Bay, N. Y., in accordance with River and Harbor Committee Document No. 35, Seventy-fifth Congress, $505,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Judgments and authorized claims—Property damage claims", on page 51, line 18, before the word "For", to insert "(a)", so as to read:

SEC. 1. (a) For the payment of claims for damages to or losses of privately owned property, adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in House Document No. 313 of the Seventy-fifth Congress, as follows:

The amendment was agreed to.

The next amendment was, on page 52, after line 17, to insert:

(b) For the payment of claims for damages to or losses of privately owned property, adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sums not exceeding $1,000 in any one case", approved December 28, 1922 (U. S. C., title 31, secs. 215–217), as fully set forth in Senate Document No. 110 of the Seventy-fifth Congress, as follows:

Veterans' Administration, $170.05;
Works Progress Administration, $2,041.36;
Department of Agriculture, $981.12;
Department of the Interior, $49.88;
Navy Department, $325.40;
Treasury Department, $25.00;
War Department, $1,099.34;
Post Office Department (payable from postal revenue), $54.12;
In all, $4,746.27.

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, Court of Claims", on page 55, line 16, after the word "in", to insert "Senate Document No. 105, and", so as to read:

SEC. 3. (a) For payment of the judgments rendered by the Court of Claims and reported to the Seventy-fifth Congress in Senate Document No. 105, and House Document No. 319, under the following departments and establishments, namely:

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 21, to strike out "$126.30" and insert "$472.15", so as to read:

Veterans' Administration, $472.15.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 23, to strike out "$36,058.68" and insert "$39,883.54", so as to read:

Navy Department, $39,883.54.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 24, to strike out "$277,187.35" and insert "$770,123.46", so as to read:

War Department, $770,123.46.

The amendment was agreed to.

The next amendment was, on page 56, line 1, after the words "in all", to strike out "$343,471.58" and insert "$840,578.40", so as to read:

In all, $840,578.40, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

The amendment was agreed to.

The next amendment was, on page 64, after line 8, to insert:

AUDITED CLAIMS

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1935 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 107, Seventy-fifth Congress, there is appropriated as follows:

LEGISLATIVE ESTABLISHMENT

For public printing and binding, Government Printing Office, $8.88.

INDEPENDENT OFFICES

For National Industrial Recovery, Civil Works Administration, $24.

For Federal Civil Works Administration, $5.47.

For Interstate Commerce Commission, $119.

For farmers' crop production and harvesting loans, Farm Credit Administration, $154.60.

For loans and relief in stricken agricultural areas (transfer to Farm Credit Administration), $1,330.

For loans to farmers in drought- and storm-stricken areas, emergency relief, $450.

For agricultural credits and rehabilitation, emergency relief, $18.59.

For salaries and expenses, Farm Credit Administration, $1,961.67.

For Army and Navy pensions, $146.75.

For medical and hospital services, Veterans' Bureau, $1.

For salaries and expenses, Veterans' Administration, $1,152.91.

DEPARTMENT OF AGRICULTURE

For salaries and expenses, library, Department of Agriculture, $1.95.

For salaries and expenses, Bureau of Animal Industry, $19.66.

For salaries and expenses, Bureau of Dairy Industry, $12.

For salaries and expenses, Bureau of Plant Industry, $78.40.

For salaries and expenses, Forest Service, $33.

For salaries and expenses, Bureau of Chemistry and Soils, $480.

For salaries and expenses, Bureau of Entomology and Plant Quarantine, $30.04.

For salaries and expenses, Bureau of Agricultural Economics, $75.

For chinchbug control, Department of Agriculture, $105.96.

For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Agriculture), $48.26.

For National Industrial Recovery, Resettlement Administration, subsistence homesteads (transfer to Agriculture), $1,549.31.

For emergency relief and public works, Agriculture, wildlife refuges, $12.67.

DEPARTMENT OF COMMERCE

For air-navigation facilities, $74.
For general expenses, Lighthouse Service, $27.76.

DEPARTMENT OF THE INTERIOR

For Emergency Conservation Fund (transfer from War to Interior, act Mar. 31, 1933), $550.
For salaries and expenses, office of national parks, buildings and reservations, $1.50.
For National Park Service, $400.
For contingent expenses, Department of the Interior, $553.09.
For purchase and transportation of Indian supplies, $15.39.
For support of Indians and administration of Indian property, $36.91.
For fulfilling treaties with Sioux of different tribes, including Santee Sioux of Nebraska, North Dakota, and South Dakota, $9.78.
For education, Sioux Nation, $573.30.
For conservation of health among Indians, $99.82.
For loans and relief in stricken agricultural areas (transfer from Agriculture to Interior, Indians), $4.21.
For Emergency Conservation Fund (transfer from War to Interior, Indians, act June 19, 1934), $1,294.20.
For Indian service supply fund, $91.25.

DEPARTMENT OF JUSTICE

For fees of commissioners, United States courts, 67 cents.
For fees of jurors and witnesses, United States courts, $41.09.
For miscellaneous expenses, United States courts, $169.50.
For support of United States prisoners, $21,969.80.
For salaries and expenses, Bureau of Prisons, $1.
For salaries, fees, and expenses of marshals, United States courts, $98.48.
For salaries and expenses of district attorneys, United States courts, $26.
For salaries and expenses, Division of Investigation, $1.
For salaries and expenses, Alcoholic Beverage Unit, Department of Justice, $1.
For United States penitentiary, Atlanta, Ga., maintenance, $1,815.45.

DEPARTMENT OF LABOR

For expenses of regulating immigration, $2.
For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Labor), $9.52.

NAVY DEPARTMENT

For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (Navy), $30.73.
For pay, subsistence, and transportation, Navy, $351.88.
For maintenance, Bureau of Supplies and Accounts, $1.94.
For aviation, Navy, $5,135.87.
For pay, Marine Corps, $64.95.
For ordnance and ordnance stores, Bureau of Ordnance, $6,670.15.
For construction and repair, Bureau of Construction and Repair, $7,111.42.
For engineering, Bureau of Engineering, $5,897.91.
For instruments and supplies, Bureau of Navigation, $47.42.

DEPARTMENT OF STATE

For office and living quarters, Foreign Service, $10.
For payment to officers and employees of the United States in foreign countries due to appreciation of foreign currencies (State), $16.75.

TREASURY DEPARTMENT

For collecting the revenue from customs, $2.41.
For collecting the internal revenue, $325.09.
For contingent expenses, Coast Guard, $18.13.
For fuel and water, Coast Guard, $44.60.
For pay and allowances, Coast Guard, $149.99.
For quarantine service, $1.19.
For pay of personnel and maintenance of hospitals, Public Health Service, $13.89.
For operating expenses, Treasury buildings, Procurement Division, $24.50.
For vaults and safes for public buildings, $7.50.

WAR DEPARTMENT

For pay, and so forth, of the Army, $2,002.09.
For pay of the Army, $600.82.
For increase of compensation, Military Establishment, $2.
For extra pay to Volunteers, War with Spain, $30.
For Army transportation, $193.54.
For clothing and equipage, $55.66.
For barracks and quarters, $3,682.41.
For subsistence of the Army, $952.49.
For supplies, services, and transportation, Quartermaster Corps, $12.78.
For general appropriations, Quartermaster Corps, $265.16.
For National Guard, $102.06.
For Organized Reserves, $3.31.
For Air Corps, Army, $205.12.
For seacoast defenses, Panama Canal, Coast Artillery, $250.
For replacing ordnance and ordnance stores, $145.15.
For Coast Artillery School, Fort Monroe, Va., $300.
For library, Surgeon General's Office, $1.82.
For barracks and quarters, other buildings, and utilities, $74.54.
For Emergency Conservation Fund (transfer to War, act June 19, 1934), $5,410.23.
For loans and relief in stricken agricultural areas (transfer from Emergency Conservation Work to War, act June 19, 1934), $51.15.

POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues)

For clerks, first- and second-class post offices, $50.06.
For compensation to postmasters, $54.52.
For indemnities, domestic mail, $61.60.
For railroad transportation and mail messenger service, $51.97.
For rent, light, and fuel, $1,676.
For village delivery service, $563.80.
Total, audited claims, section 4 (b) $78,410.44, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

Mr. ADAMS. Mr. President, there is a perfecting amendment on page 64 which I should like to offer. It is simply to strike out line 9, which is a duplication.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. In the amendment of the committee, on page 64, line 9, it is proposed to strike out the words "audited claims."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 72, line 5, after the word "in", to insert "Senate Document No. 109, and"; and in line 7, after the word "Labor" and the comma, to strike out "$7,597.53" and insert "$17,174.15", so as to read:

SEC. 5. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States District Court for the Southern District of New York against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U. S. C., title 28, sec. 842), and certified to the Seventy-fifth Congress in Senate Document No. 109 and House Document No. 318, under the Department of Labor, $17,174.15.

The amendment was agreed to.

The PRESIDENT pro tempore. That concludes the committee amendments as printed in the bill. Are there further committee amendments?

Mr. BYRNES. Mr. President, by authority of the committee, I send an amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 18, after line 3, it is proposed to insert the following:

PRICE-ADJUSTMENT PAYMENT TO COTTON PRODUCERS

Notwithstanding any other provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural-adjustment program formulated under the legislation contemplated by Senate Joint Resolution No. 207, Seventy-fifth Congress. Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the 10 designated spot-cotton markets on the dates of sale of such cotton. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture.

Mr. KING. Mr. President, I should like an explanation of that amendment.

Mr. BYRNES. Mr. President——

The PRESIDENT pro tempore. The Senator from South Carolina.

Mr. AUSTIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield?

Mr. BYRNES. I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I ask whether that amendment is subject to a point of order?

Mr. BYRNES. I will say to the Senator from Vermont that it is, and because it is subject to a point of order I gave notice of a motion to suspend the rules, so that, if the point of order should be made, the amendment could be considered. I should like to state to the Senator, though, before he makes the point of order, if he has any such intention, the reasons for offering this amendment.

Last week an agreement was arrived at by officials of the Department of Agriculture and by the President with members of the Committee on Agriculture and Forestry of the Senate with reference to legislation authorizing loans to agricultural producers in consideration of statements made that loans would be made upon agricultural products provided the Congress gave assurance that appropriate legislation would be enacted. The Senate passed a resolution seeking to carry out that agreement. The resolution is before the other House. I do not know whether it has as yet been agreed to. At the time of that agreement it was thought by members of this body who are interested in the subject that funds provided under section 32 of the A. A. A. Act were available for the purpose of making payments under the price adjustment contracts. The fact is, however, that since 1935 the section referred to has been amended, and the funds available under that section would not now be available to carry out the purposes of this amendment and to carry into effect the agreement arrived at in settling the controversy between the executive and the legislative branches of the Government as to these loans.

Mr. AUSTIN. Mr. President, will the Senator yield for a question at that point?

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield; and if so, to whom?

Mr. BYRNES. I yield first to the Senator from Vermont.

Mr. AUSTIN. I understand I have the floor.

Mr. BYRNES. I understood I had the floor, but I am delighted to yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I inquire who has the floor.

The PRESIDENT pro tempore. The Senator from Utah asked that the Senator from South Carolina answer a question, and the Chair recognized the Senator from South Carolina.

Mr. AUSTIN. Very well.

Mr. BYRNES. I am glad to yield to the Senator from Vermont.

The PRESIDENT pro tempore. The Senator from Vermont, then, is recognized.

Mr. BYRNES. I yield to the Senator from Vermont for a question, or I will yield the floor to him if he wishes.

Mr. AUSTIN. I simply wish to ask a question. The question is whether the source of the funds mentioned in the amendment proposed by the Senator from South Carolina is not the source of the funds that are also employed for the benefit of the milk and dairying industry.

Mr. BYRNES. The fund was used for the protection of several commodities. Since 1935 the section of the act has been amended. I do not know all of the purposes for which the fund is now available.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. AUSTIN. I have another question I should like to ask the Senator from South Carolina.

Mr. CONNALLY. Very well.

Mr. AUSTIN. The question is, Has the Senator from South Carolina considered the interests of the other basic commodities that are comprehended in the original allotment of the fund under the section of the statute referred to?

Mr. BYRNES. The Agricultural Department in 1935 used the funds from this source for these other purposes, and this year it was their intention to use the funds from the same source. I assume that in drafting the amendment and in proposing to resort to this particular section they have given thought to the various purposes specified in that section. I admit that I have not definite information as to their thought as to the amount necessary for the various purposes, but in the negotiations between the executive and the legislative branches it was the statement of the officials of the Agricultural Department that there would be sufficient funds available from this source to care for this agricultural program.

Mr. AUSTIN. Mr. President, will the Senator yield further?

Mr. BYRNES. I yield.

Mr. AUSTIN. Would the Senator consider favorable, before this amendment is acted upon, an amendment to provide some sort of safeguard for the funds used for the other purposes?

Mr. CONNALLY. Mr. President, will the Senator from South Carolina yield to me? I have some information on that point.

Mr. BYRNES. I yield to the Senator from Texas so that he may answer the Senator from Vermont.

Mr. CONNALLY. Let me say that the fund originally amounted to $125,000,000. Twenty million dollars was allocated for certain purposes, and the purpose was to use more of the fund for the dairy industry. There is now $105,000,000 in the fund. It is my information that there is sufficient to take care of the allocation for the benefit of the dairy fund.

Mr. AUSTIN. The fund was originally $200,000,000.

Mr. CONNALLY. No; it is 30 percent of whatever the tariff revenues amount to for the preceding year. The tariff revenues in 1936 gave the fund $125,000,000. The Department has used $20,000,000, and purposes using some of the balance for the dairy interests. My information is there is still enough left in the fund to take care of this particular matter.

Is it not true, may I ask the Senator from South Carolina, that as section 32 was originally enacted it would not have required any additional legislation, but subsequently someone in the Department had the act amended and consequently this amendment now before the Senate has become necessary?

Mr. BYRNES. Mr. President, the law was enacted for the purpose of encouraging exports. Subsequently the act was amended as the Senator has stated. I did not know of the amendment until a few weeks ago. It is because of that amendment of last year that it is now necessary to offer the pending amendment.

Mr. SMITH. Mr. President, I should like to call attention to the fact that the reason why we were all anxious to have this form of legislation enacted was because it costs the Treasury practically nothing at all. The minute the trade understood there would be a subsidy paid of the difference between what is called the floor price of 9 or 10 cents, and 12 cents, the farmer was allowed to go ahead and sell his cotton, knowing he would get the difference between what he sold it for and 12 cents. The result was that we had practically no subsidy to pay. The market rose to the subsidy price and stayed there until the cotton year was over. Under this procedure it is very likely the Treasury will have to pay only a very small amount.

I wrote a letter to Chairman Jones of the Reconstruction Finance Corporation and asked how much of a fund was available for orderly marketing including all agricultural products, which letter I had printed in the RECORD. He claims there is available for the purpose of orderly marketing, taking care of the surpluses, $1,000,000,000. Just where the source is I do not know, but I checked up on it a little. It does not make any difference so far as the amendment of my colleague is concerned because there are ample funds, according to the Commodity Credit Corporation and the Re-

construction Finance Corporation, to take care of the basic agricultural commodities which are included in the term "orderly marketing."

Mr. AUSTIN. Mr. President, it is not my purpose to raise the point of order unless it is necessary to do so. I am after the substance and not the form. If there could be incorporated in the amendment of the Senator from South Carolina a proviso to the effect that no part of the funds appropriated by this section shall be expended pursuant to the terms of the amendment unless the Secretary of Agriculture states that they will not prevent the operation of the clause upon the other commodities, I should not raise the point of order.

Mr. LA FOLLETTE. Mr. President, will the Senator from South Carolina yield?

Mr. BYRNES. Certainly.

Mr. LA FOLLETTE. I share the apprehension expressed by the Senator from Vermont [Mr. AUSTIN]. At the same time I realize the critical situation which exists so far as the cotton producers are concerned and I would be the last to want in any way to prevent their receiving this essential and needed help.

I should like to ask the Senator from South Carolina a few questions. In the first place, my information is that, so far as this year is concerned, there has already been collected under section 32 from customs duties a sufficient amount of money to enable, according to past experience, all of the other agricultural commodities aside from cotton to be taken care of. The only possible apprehension that could be held by those who are interested in the stabilization operations from the point of view of other agricultural commodities in connection with the pending amendment would be that such a shrinkage in customs duties might take place, though it probably will not, as that the fund would not provide sufficient money, in addition to the $65,000,000 provided for in the amendment, to carry on the stabilization operations that may be needed for other commodities.

So far as I am personally concerned, if we could have the assurance of the Senator from South Carolina and other Senators interested in the amendment that, if that unforeseen difficulty should arise, they would be willing to assist in restoring a sufficient amount of money to this fund so that emergencies could be taken care of with regard to other agricultural commodities, I should be perfectly satisfied.

Mr. BYRNES. The officials of the Department of Agriculture who are informed as to the situation, after taking into consideration the other purposes of section 32, regard this amount as being available for this particular purpose without interfering in any way with the other purposes of that section. They would not ask for this amount unless they were so satisfied.

I know that at this time the officials of the Department cannot possibly tell how much money may be needed for carrying out the purposes of the amendment. I do not believe we will need this amount. There is no desire on the part of anyone interested in the amendment to divert funds which are necessary for the accomplishment of the purposes in which the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Vermont [Mr. AUSTIN] are interested. There is no intention on the part of departmental officials to permit such funds to be diverted.

I do not believe this amount will be needed. The officials purposely set $65,000,000 as the maximum figure because they regarded it as the extreme limit. In the next session of Congress we can go into the matter more carefully, and I certainly would cooperate with the Senator from Vermont and the Senator from Wisconsin to see that no other amount is diverted.

Mr. AUSTIN. Mr. President, will the Senator from South Carolina yield to enable me to ask the Senator from Texas [Mr. CONNALLY] a question?

Mr. BYRNES. Certainly.

Mr. AUSTIN. Is this the same subject matter as comprehended in the joint resolution introduced yesterday by the Senator from Texas?

Mr. CONNALLY. It is. Let me say further that the Senator from Texas was the author of section 32, which was adopted as an amendment to the A. A. A. Act. He was not having that done for cotton alone. He was doing it for all agricultural commodities. The Department of Agriculture has been using that fund for all of its program.

I hope the Senator from Vermont will not object, because I am sure this will take care of the dairy industry. I had a conversation with the Secretary of Agriculture just the other day, and he went over the whole program. We are not trying to get one farthing from the other agricultural products, but this is emergent and is of the highest importance, and time is of the essence of our action here. I hope the Senator will not press the point of order. So far as I am concerned, if the fund should become depleted at any time, I should advocate a general appropriation from the general funds in the Treasury to supplement the fund; but I do not believe there is any danger of that becoming necessary.

Mr. AUSTIN. In view of the parliamentary situation, and the joint resolution of the Senator from Texas and the notice given yesterday that the amendment would be called up today, and in view of the explanation and assurances made, I shall not make the point of order.

Mr. SMITH. Mr. President, as chairman of the Committee on Agriculture and Forestry I want to assure the Senator from Vermont that we have with all due diligence appreciated particularly the situation of the milk producers. I think the dairy interests are always more liable to be mulcted and robbed than any other form of agricultural industry. I promise the Senator that I shall aid in every way possible to take care of the situation.

Mr. GEORGE. Mr. President——

Mr. BYRNES. I yield to the Senator from Georgia for a question.

Mr. GEORGE. I desire to point out to the Senator from Vermont and to the Senator from Wisconsin that under all the farm-adjustment programs, cotton alone is the only commodity which has not brought a parity price. Every other commodity that has come within the protection of the several acts passed during this administration has reached parity, and sometimes has gone above. Cotton alone is the one great commodity which composes the bulk of our foreign commerce so far as agricultural products are concerned that has not reached parity; and it has not reached parity, either, when we consider the price plus all of the adjustment payments and benefit payments of every kind that have been made to the cotton farmer.

I desire to put this statement in the RECORD, too, Mr. President, and I shall insist upon it very strongly when we consider permanent farm legislation—that under the increased price of farm commodities due to legislation passed under this administration, plus all of the benefit payments, the average per-capita increase in the income of the cotton farmer has not exceeded $147, whereas in the case of wheat, corn, hogs, and all the other products that have been brought under the production-adjustment acts we have passed, the average per-capita income of these farmers has been increased twice, three times, and in some instances four times the amount of the average per-capita income of the cotton farmer.

Mr. AUSTIN. Mr. President, if the Senator will yield, does he include dairymen in that statement?

Mr. GEORGE. Dairy prices have reached parity when all of the benefit payments are counted, and the average per capita increased income has exceeded that of the southern cotton farmer.

Mr. AUSTIN. If the Senator will permit me to say so, probably the dairy industry never reached so great a depth of depression as during the past year and a half, and that perhaps was due to the fact that it did not get the benefits of the legislation to which the Senator from Georgia refers, but we have had a distinct sag in the economic welfare of dairymen in New England and in New York, and for that reason we came here and asked for additional legislation at this session of Congress in order to put the dairy industry under the action that was intended for the regulation of marketing.

Mr. GEORGE. Congress gave it to the dairy industry.

Mr. AUSTIN. Yes, indeed; but I think the Senator would not be accurate if he included dairy products in those that had arrived at parity.

Mr. GEORGE. I agree with the Senator from Vermont; there has been a great sag; but I repeat my statement that under all of this legislation, with all the benefit payments, the average per-capita income of the cotton farmer has not been increased above $147 per annum, and in the case of all the other commodities it has been increased twice and three times and in some instances four times that amount.

Mr. CONNALLY. Mr. President, if the Senator will yield, I also suggest to the Senator that cotton is one agricultural commodity which cannot get any protection from the tariff, and, on the other hand, it furnishes America a large item in her export trade.

Mr. GEORGE. The Senator is entirely right.

Mr. LA FOLLETTE. Mr. President, will the Senator from South Carolina yield to me for just a moment?

Mr. BYRNES. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I merely wish to reemphasize what I said when I previously interrupted the Senator from South Carolina. That is to say, I do not think there are any Senators, even the Senators from the cotton States, who are more sympathetic with the problem they are confronted with than is the Senator from Wisconsin. I do not think there is very much likelihood of there being such a shrinkage that the fund will not be ample. I merely wished to raise the point before the amendment was agreed to; and I heartily support it.

Mr. BYRNES. Mr. President, I desire to put into the RECORD the statement that I am advised the total amount available under section 32 is $125,000,000. This amendment proposes to make available for this purpose not to exceed $65,000,000. My information is that of the balance of the $125,000,000, $40,000.000 is available for the dairying industry.

Mr. President, in explanation of the amendment I will say that the amendment seeks to put into effect the same cotton program which was adopted in 1935. It authorizes the payment of the so-called price adjustment based upon the difference between 12 cents and the price the farmer receives on the day he sells his cotton, basing that price on the then spot market. It provides that in no case shall that bounty, if you choose to call it that, exceed 3 cents per pound. It gives to the Department the right to adopt regulations to carry it into effect.

This program was effective in 1935, and therefore the Department will have little difficulty in establishing the machinery. I am advised by Department officials that though they necessarily have not at this time the regulations, it will be their purpose to pay this amount upon any cotton that is sold from this year's crop, even though that cotton is sold prior to the enactment of this legislation.

I do not know that there is anything I care to add to that explanation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from New Mexico.

Mr. HATCH. I have been out of the Chamber, and I have not heard all the explanation of the proposed amendment. I recall quite well that when the Secretary of Agriculture was before our committee testifying relative to a proposal which had been introduced by the Senator from Texas [Mr. CONNALLY], which I think was practically the same as the one which the Senator from South Carolina is discussing, the Secretary of Agriculture said that proposal would be the least expensive to the Government and the simplest to administer of any that had been suggested. Is that correct?

Mr. BYRNES. That is correct; and it has the additional advantage that its object is to have the cotton sold instead of stored.

Mr. HATCH. I think the Secretary made that quite clear. It did have that result in 1935.

Mr. BYRNES. It has the result of moving the cotton to market instead of moving it into the warehouses.

Mr. SMITH. Mr. President, if my colleague will allow me, the Secretary, after reading the different proposals, recognized that the one the committee had drafted—practically the same one that the Senator from Texas [Mr. CONNALLY] had proposed—was exactly in line with the Executive order of 1935–36, simpler in administration, and also cheaper to the Government. That was practically the way he stated it.

Mr. KING. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Utah.

Mr. KING. I am not a member of the Committee on Agriculture and Forestry, and many of these very complicated questions in connection with cotton and other agricultural crops and subsidies and bounties, or whatever term may be employed, are not fully comprehended by me.

I recall a few years ago, and the Senator does, that we received between four and five hundred million dollars a year from customs duties. As I understand, at the present time, whatever the customs duties are—whether $300,000,000 or less or more—goes into a fund to be used by the Agricultural Department or by some organization for the purpose of aiding agriculture. What limitation is there upon the amount which may be expended?

Mr. SMITH. Thirty percent.

Mr. KING. And how is there to be determined the amount which will be lost to the Government, and how is that loss met? Is it by direct payment out of the Treasury of the United States?

Mr. BYRNES. The amount that is available under the percentage that my colleague has just stated is, at this time, $125,000,000, and it is available for the encouragement of exports of all kinds of agricultural products. Of course, I must say that it does come out of the Treasury of the United States, because if the money were not used for this purpose it would remain in the Treasury.

Mr. KING. That is expected to be a loss, then?

Mr. BYRNES. Yes, Mr. President; it may be said that it is a loss. Instead of lending money upon cotton, as we did under the old Farm Board, and taking a loss, and then holding millions of bales of cotton over the market, depressing the price and causing the loss of millions of dollars to the cotton growers, this proposal causes the cotton to move into the market. It is sold. There can be no loss unless you call this a loss; but, as the Senator from Georgia has just said, it is using some money for the protection of the cotton grower, who has never received any benefit from the levying of tariff duties, and a part of the tariff duties is diverted to that purpose. The theory of the Congress when it enacted section 32 was to make available that protection to those who produce these agricultural commodities.

Mr. KING. May I ask the Senator one further question? Notwithstanding the availability of this fund, whether it is $100,000,000 or three or four hundred million dollars, has that fund been adequate to meet all the expenses of the Agricultural Department in executing the plan to grant relief to agriculture?

Mr. BYRNES. It certainly has in this respect, because they have not spent it all, and they do not propose to spend it all. They put on a ceiling of $65,000,000. My own thought is that they will not have to spend that amount here.

This amount more than covers all the expenses necessary to carry out the purposes of section 32.

Mr. KING. The appropriation which is carried in the Senator's amendment would be taken from the 30 percent of the fund arising from the customs duties?

Mr. BYRNES. That is correct.

Mr. McKELLAR. Mr. President, the Senator from South Carolina also knows that, insofar as the cotton which has been sold under the scheme that was enacted several years ago is concerned, there has been no loss, but the Government really made a profit.

Mr. POPE. Mr. President, I wish to ask the Senator from South Carolina a question. If the $65,000,000 is made avail-

able, how much more money is there that can also be used for loans for cotton and other commodities?

Mr. BYRNES. The question of any loans made by the Commodities Credit Corporation is not affected in the slightest by the amendment. I may say that in 1935 it was found that, due to the adoption of a similar provision, loans were not necessary. Only 37,000 bales of cotton were pledged as collateral in that year, according to my recollection. The purpose is to have cotton go to market to be sold, and to make unnecessary any large amount of loans, and that will be the effect of the amendment.

Mr. POPE. This morning I was given some figures, and I was wondering whether the Senator would have information to verify them. The figures indicate that the estimated value of the crop this year will be very large. The figures I got showed that $870,000,000 would be received for the estimated amount of cotton to be sold this year, and that benefit payments, or conservation payments, would amount to about a hundred million dollars, and then the estimate as to the seed cotton, about $110,000,000, which would make the largest amount ever received by the cotton farmers for a crop of cotton.

Mr. BYRNES. Mr. President, I hope the Senator's figures are correct. I have not looked into that sufficiently to enable me to answer the Senator directly.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. BYRNES].

The amendment was agreed to.

Mr. ADAMS. Mr. President, by direction of the committee I wish to offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 51, after line 14, it is proposed to insert the following:

UNITED STATES SOLDIERS' HOME

Effective July 1, 1937, the appropriation "Pay of the Army, etc.", fiscal year 1938, is hereby made available for the pay and allowances of not to exceed five retired officers of the Regular Army who may be assigned, upon the recommendation of the Board of Commissioners, to active duty at the United States Soldiers' Home, at a cost not to exceed $10,160, and such officers while so assigned shall be entitled, notwithstanding any other provisions of law, to the pay and allowances of officers of the same rank and length of service on the active list of the Army.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I have one further committee amendment I desire to offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 17, after line 2, it is proposed to insert the following:

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES, DEPARTMENT OF AGRICULTURE

The provision in the item entitled "Conservation and Use of Agricultural Land Resources, Department of Agriculture", contained in the Department of Agriculture Appropriation Act, fiscal year 1938, making funds available under this head for "the purchase of seeds, fertilizers, or any other farming materials and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary of Agriculture in the 1937 programs, for the reimbursement of the Tennessee Valley Authority for fertilizers heretofore or hereafter furnished by it to the Secretary of Agriculture for such purpose, and for the payment of all expenses necessary in making such grants including all or part of the costs incident to the delivery thereof", is hereby made applicable also to the 1938 programs under the Soil Conservation and Domestic Allotment Act of February 29, 1936 (50 Stat. 430–431).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The agreement was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert on page 29 after line 7 the following:

DEPARTMENT OF LABOR—OFFICE OF THE SECRETARY

Salaries and expenses, Division of Labor Standards: For an additional amount for salaries and expenses in connection with the promotion of health, safety, employment, stabilization, and amicable industrial relations for labor and industry, fiscal year 1938, including the same objects specified under this head in the Department of Labor Appropriation Act, 1938, $35,960, of which amount not to exceed $10,560 may be expended for personal services in the District of Columbia.

Traveling expenses: For an additional amount for all traveling expenses, except travel expenses incident to the deportation of aliens, under the Department of Labor, fiscal year 1938, including the same objects specified under this head in the Department of Labor Appropriation Act, 1938, $13,900.

Printing and binding: For an additional amount for printing and binding for the Department of Labor, fiscal year 1938, including the same objects specified under this head in the Department of Labor Appropriation Act, 1938, $3,560.

Mr. KING. Mr. President——

Mr. LA FOLLETTE. There was enacted by Congress a measure to provide for the furtherance of apprentice training. The Senator from Utah will remember that, because I discussed it with him both on the floor and off the floor.

I regard this program as having great potentialities for helping to provide training for the youth of this country in order that they may get an opportunity to find employment after they have been trained as apprentices.

This item is precisely as presented by the Bureau of the Budget in the estimates, and I hope very much the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McADOO. Mr. President, by authority of the Committee on Appropriations, I offer an amendment, which I ask the clerk to state.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert, on page 24, between lines 14 and 15, the following:

YOSEMITE NATIONAL PARK, CALIF.

For acquisition of certain lands, including expenses incidental thereto, as set forth in the act of Congress approved July 9, 1937 (75th Cong., Public, No. 195), there is hereby made available not to exceed $2,005,000 of the unexpended balance of the appropriation contained in the emergency relief appropriation act of 1935, heretofore earmarked thereunder for that purpose, notwithstanding the reappropriating provisions with respect to such unexpended balance in section 1 of the emergency relief appropriation act of 1937.

Mr. McADOO obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. AUSTIN. I ask the Senator from California whether this amendment, if agreed to, would increase the obligation of the Treasury of the United States over what it was when the original act was adopted.

Mr. McADOO. No; it would not increase it. I may say to the Senator that the act authorizing the acquisition of the area covered by the amendment provided that the Secretary of the Interior might acquire this area on behalf of the United States by the payment from any funds available at the time of the enactment of the law, except from the general funds in the Treasury.

The bill passed both Houses prior to June 30, 1937, the end of the fiscal year, but it was not approved by the President until the 9th of July, after the end of the fiscal year.

The $2,005,000 had been earmarked under the act of 1935, and the purpose of the amendment to this bill is merely to reauthorize the use of identically the same amount of money in the acquisition of the park which the Congress has already authorized.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BARKLEY. I am informed that the National Park Service and the Department of the Interior, of course, one being in the other, are interested in the preservation of this

property for the purpose of making it part of the Yosemite Park. Is that correct?

Mr. McADOO. That is quite correct.

Mr. BARKLEY. And that the chances are that without this amendment the timber which is now standing on the property may be destroyed by interests which would really like to get hold of it, cut the trees and saw them up into lumber. Is that true?

Mr. McADOO. The situation is exactly as stated by the Senator from Kentucky. The property is owned by the Yosemite Sugar Pine Lumber Co., which has opposed the taking over of the property for the Yosemite Park. They have extended a logging road into the area already, and have cut down some of the magnificent trees in preparation for the logging of the entire area. Unless this appropriation, which was available under the previous act, and prior to June 30, 1937, is made available in this bill, these great trees, these marvelously beautiful trees, I think the finest specimens of trees in the entire Sierra Nevadas, will be destroyed, will be cut down for commercial purposes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BARKLEY. As I gather the purpose of the amendment, it merely proposes a reappropriation of money that was heretofore appropriated for this purpose, and to that extent only is it a new appropriation. It simply makes available money that was available but was not used for the purpose.

Mr. McADOO. Exactly. The amount will come out of money that was available at the time the bill was introduced into the Congress, and which would have been employed for this purpose, except for the fact that the act was not signed by the President before the end of the fiscal year. The result is that we must have an authorization in the measure before us, so that we may still use the funds which were earmarked for this particular purpose prior to the end of the fiscal year.

Mr. BARKLEY. Do the character of the property and the proximity of the property to the Yosemite National Park make the land desirable as an addition to the park?

Mr. McADOO. Yes, Mr. President. The land in question is immediately adjacent to the Yosemite National Park, and under the terms of the bill will become a part of the park.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. ADAMS. I believe some inaccuracy has occurred in the statement concerning the funds. I should like the Senator from California to correct me if I am wrong. I do not want inaccurate statements to appear in the RECORD.

Mr. McADOO. I may say to the Senator that if any of my statements in that regard were inaccurate, I shall be glad to correct them.

Mr. ADAMS. The statement made in reply to the question of the Senator from Vermont [Mr. AUSTIN] is not entirely according to my understanding of the situation. What I say, Mr. President, has nothing to do with the merits of the question.

The Appropriations Committee authorized the Senator from California to submit the matter. Consequently, it has its approval. However, as I see it, the item involved is a new appropriation, and creates a charge upon the Treasury which otherwise would not exist. That is the very reason for the amendment.

As the bill originally passed, it contained the specific provision that no money should come from the general fund of the Treasury, but that the money should come from funds already available for the purpose. The funds which were thought to be available were to come out of certain relief funds in the hands of the Public Works Administration. It now develops that, in fact, either by reason of the terms of the original law or as a result of the passage of the last emergency relief measure, the funds are not available.

Mr. KING. That is true, Mr. President.

Mr. ADAMS. In other words, in the absence of the amendment now offered, the property could not be bought; and the amendment provides a direct appropriation to provide money which the Senator from California and others thought would be available, but which, as the situation has developed, are not available.

I think that is a correct statement.

Mr. McADOO. Yes, Mr. President; I think that is a correct statement. What I mean to say is that these funds were earmarked as a part of the unexpended balance under the act of 1935. By the mere accident of the act being approved by the President after the end of the fiscal year, these funds became unavailable; but the unexpended balances which were reappropriated by the act of 1937 contained this earmarked $2,005,000. It is necessary, however, that this amendment be agreed to in order to make the amount now available because of the fact that the sugar-pine bill was signed after the end of the fiscal year.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BYRNES. I wish to make a statement which I think will be a correct statement.

The Senator from California said the funds were earmarked. They were earmarked because the Congress passed the act which specifically provided that this amount of money should be taken out of relief funds and used to buy the property in question. When the Congress had directed that that be done there was no discretion in the officials of the Department about earmarking. They had nothing to do except to carry out the directions of the law. When the Relief Act was passed it contained a provision that the funds contained in that measure—$1,500,000,000, plus the unexpended balances—should be available for relief and work relief, and for relief and work relief alone. Therefore the funds were not available for the purchase of the land now in question or for the purchase of any other land.

When the amendment was offered in the House it was held, and properly held, that it was legislation, because it changed the language of the relief law, and made funds available for the purpose of the purchase of the land in question, when under the relief law they were not available. For that reason the Appropriations Committee, finding that the amendment was legislation, could not include it in the bill; and that is why the Senator from California is offering the amendment on the floor.

Mr. McADOO. Mr. President, I myself am not at all sure, although I do not set myself up as an authority on the subject, that this is not a proper amendment to be put on this bill, because I think the act of 1937, the Relief Act, covers exactly this point. If Senators will look at subsection (b) of section 1 of that act, they will find that, among other purposes for which these funds may be used, is "public buildings, parks, and other recreational facilities." I assume that under that phrasing the President may have power to make use of these funds. However, as we did not want any doubt to exist, I felt that it was proper to come back to the Congress and ask that the situation be clarified.

Mr. KING. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. KING. As I understand the amendment which the Senator has offered, it calls for a direct appropriation out of the Treasury of the United States, and not out of any relief funds that have been granted to the President; so that if the Senator bases his demand for this appropriation upon the theory that the money is to come out of relief funds, obviously the amendment does not provide for that; and if we agree to the amendment in its present form, it will make a demand upon the Treasury of the United States for this entire amount.

Mr. McADOO. Mr. President, it will make a demand upon the Treasury of the United States, of course, but only to the extent that the funds which were turned back to the Treasury, these unexpended balances, included in them this earmarked amount. I do not think it is at all essential to defend the amendment upon that ground. I only want the Senate to know that this difficulty has arisen because of the mix-up resulting from the fact that the Relief Act of

1937 was signed before the Sugar Pine Act went into effect. The committee, without opposition, authorized me to present this matter to the Senate. I think the request is a reasonable one, and that in view of the history of the matter it is peculiarly well founded.

Mr. President, I wish to make a further statement. The trees in question, being 7,000 acres of the most wonderful sugar pine in the whole world, I am told, are in danger of destruction, because the lumber company proposes to log that section immediately. The company has already built a logging road into this area and, as I understand, has already cut down some of these magnificent trees which God Almighty has created over a period of more than 500 years. Unless we shall make these funds immediately available we cannot carry out the terms of the act which the Congress has already passed approving the acquisition of this property. So all I am asking is that the amount which would have been available had this act been signed prior to the 30th of June 1937 be now made available for the same purpose. The amendment does not put any new charge on the Treasury.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BARKLEY. If the amount had been expended while it was available, the amount that was turned back into the Treasury would have been reduced by that much?

Mr. McADOO. Absolutely.

Mr. BARKLEY. So the mathematics of the situation is the same as if the money had been used for the purpose while it was available.

Mr. McADOO. Exactly.

Mr. KING. Mr. President, I do not accept the view just stated by my friend the Senator from Kentucky and my friend the Senator from California. As we all know, many allocations were made out of the first appropriations to the Works Progress Administration and to the P. W. A. With respect to a number of projects in my State, I know that when they were not completed within a certain time, or when work was not inaugurated, the President merely took the amounts that were allocated for certain projects and allocated them for other projects in various other parts of the United States. Those sums did not go into the Treasury to be reappropriated. They were simply kept in the fund, and the President of the United States allocated those amounts for other projects in other States.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BYRNES. The necessity for this amendment is that in the Relief Act we specifically provided that—

> No portion of the funds hereby appropriated shall be allocated or used for any purpose except to provide relief or work relief for persons in need.

That act made available not only $1,500,000,000, but also the unexpended balances. They are all subject to that provision. The funds cannot be used for any purpose except for the relief of persons in need.

The amendment now proposed to the appropriation bill would change that law. That is why the Appropriations Committee could not put the amendment in the bill, and it had to be offered on the floor.

Mr. KING. That action makes it subject to a point of order. Although strenuous efforts were made to have an appropriation for the purchase of this land included in the appropriation bill, the House committee refused. I have read the RECORD very carefully. I have read the statement of Representative ENGLEBRIGHT. While I do not care to controvert or attempt to controvert any of the statements made by the Senator from California, there is very much to be said in opposition to the position taken by him. Representative ENGLEBRIGHT, who lives in the vicinity involved, knows that section, and made a very strong argument with regard to it. A point of order ought to be made against the amendment.

Mr. McADOO. The fact that Representative ENGLEBRIGHT alone of the California delegation is opposed to this proposal is no reason why the Senate should not move to carry out the act of Congress, which has been duly passed by both Houses, has the approval of the President of the United States, and is now existing law.

I submit further that Representative ENGLEBRIGHT, for whom I have great respect, is simply wrong on this question; that is all. The people of the State are for it. I may say furthermore that the claims which were made by the opposition, the opposition being chiefly the lumber company itself, and the Yosemite Valley Railroad Co., were considered by the committees of both Houses before the bill was passed. I do not wish to say anything more on the subject.

Mr. ADAMS. Mr. President, I wish to correct a statement I have made. I had misinterpreted the proposed appropriation. I thought that it was a direct appropriation and I was endeavoring to correct what I though was a misstatement when I myself was the one who was making the misstatement. I merely wish to ask the Senator from California a question as to whether or not there may be some danger to his appropriation if it is provided in the form proposed by the amendment which reads:

> There is hereby made available not to exceed $2,005,000 of the unexpended balance of the appropriation contained in the Emergency Relief Appropriation Act of 1935, heretofore earmarked thereunder for that purpose.

I am wondering, if it is limited to money that is earmarked, if the Senator might not meet difficulty in the Comptroller General's office in demonstrating the fact that the money has been earmarked?

Mr. McADOO. I may say to the Senator from Colorado that the same thought occurred to me when the amendment was submitted to me. I did not draft it; I left it to the lawyers; but I understand that the Comptroller General thinks this amendment is in proper form and that it would meet with no difficulty in his office.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from California yield to the Senator from Vermont?

Mr. McADOO. I yield.

Mr. AUSTIN. Mr. President, I am obliged to the Senator from Colorado for clearing this matter up in my mind, and now I wish to say that it would not change my views on the merits of the amendment at all. I was so impressed by the remarkable scene presented in the Yosemite Valley when I had an opportunity of being there and seeing the giant sequoias, the redwoods and the sugar pines, particularly when I realized that some of them are the oldest living things on earth; that they were there in a time as long ago as that of Augustus Caesar and the time of the persecution of the Christians, that they are still vigorous and growing and that they represent the grandeur and tenacity of life as no other living things on earth do, I would favor this expenditure even if it should involve a new appropriation. So it is only a matter of where the money comes from, and I must say that I am in favor of the amendment.

Mr. GREEN. Mr. President, I am in favor of this amendment although I come from a State on the extreme Atlantic coast. The people of my State and the people of the eastern section are just as much interested in preserving this unique stand of sugar pines as are those who live in the far West. It is our national heritage and is in danger of being destroyed. I think that the citizens of any civilized country would regard us as barbarians if we ourselves either wantonly destroyed or stood aside and consented to the destruction of this unique natural glory of this country. I hope the amendment may prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. CHAVEZ. I offer an amendment to the pending bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 21, it is proposed to strike out from line 1 down to and including line 8, in the following words:

The limitation of $290,000 on the amount of applicable appropriations for the Bureau of Indian Affairs contained in the Interior Department Appropriation Act for the fiscal year 1937, that may be expended for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of employees in the Indian field service, including the transportation of Indian school pupils, is hereby increased to $430,000.

Mr. CHAVEZ. Mr. President, on several occasions I have tried to impress upon this body that, notwithstanding the liberality of Congress in providing appropriations, presumably for the Indians, today the Indians throughout the United States are more dissatisfied and more mentally depressed than they have been for many a year.

It was hoped that directly after 1933 the Indian would get a "new deal." That was the intention of those who fought for the New Deal. But it appears that all that we have done is to appropriate money by the millions of dollars, not in many instances to help the Indians but only to perpetuate the most ruthless governmental bureaus we have had in years. The dissatisfaction and discontent on the part of the Indians is not confined to any one section of the United States. It is found in the Cherokees of North Carolina; it is found in the Navajos of New Mexico; it is found in the Oneidas of Wisconsin; it is found among the Indians of South Dakota, Oregon, California, and Oklahoma. They are complaining for the simple reason that they have been placed in such a position that, instead of looking forward with hope, they find themselves being crushed by theoretical ideas of men who may mean right but who are actually causing the Indians to go backward and retarding progress.

I will tell you, Mr. President, why the Indian is dissatisfied. I want to call the attention of Congress to the situation because, after all, it is the Congress that is responsible to the Indians; the Congress is the only tribunal to which the Indians throughout the country can appeal; and it is Congress that should know what is going on and find out whether the right thing is being done. It should scrutinize bills affecting the Indians so as to make sure that the appropriations which we all so much desire should go to benefit the Indians.

Glance, if you please, at the item referred to in the amendment I have just submitted or the item on page 20 commencing in line 18, extending to line 25. That item has for its purpose increasing the limitation on the amount which may be expended by the Indian Bureau—for what purpose? For the purchase and exchange of automobiles.

Mr. President and Senators, in common, ordinary, everyday affairs of life, how much benefit do you think that would result in to the Indians? How many Indians do you think will keep from going hungry by appropriating hundreds of thousands of dollars so that the Indian Bureau may buy automobiles when the Indian himself will not be employed to drive a truck? We have had testimony from the Indians that in one instance on one reservation within the State of New Mexico—and the same thing is true of Arizona—the Indian Bureau has over 700 automobiles for Indian Bureau employees and over 700 trucks, and yet a Navajo from Tuba City cannot get work driving a truck into Flagstaff, Ariz.

We were told that the present Commissioner of Indian Affairs would give the Indians a new deal, and we hoped so. We were told that the money appropriated for the Indians was going to be spent for the benefit of the Indians, and we hoped so; but what do we now find? We find dissatisfied Indians and 1,200 more employees in the Indian Bureau. The condition described exists not only in one place but is general. I think the Congress has approached the day when it must accept its responsibility to the Indians and decide once and for all that its responsibility is to the Indians and not to the Bureau.

I will inform you, Mr. President, why the Indians are dissatisfied. They are dissatisfied because they are being coerced, they are being browbeaten into accepting theories that are as wild as any Indian ever dared to be.

I wish to call the attention of the Senate to a telegram which I received from Farmington, N. Mex. I will ask the clerk to read it.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

FARMINGTON, N. MEX., *August 6, 1937.*

Hon. DENNIS CHAVEZ,
United States Senator, Senate Office Building,
Washington, D. C.:

Hosteen Tso, chapter officer, Twin Lakes, two others arrested by Indian police, Gallup, Monday, charge refusing dip sheep. Charge false, police brutally beat men with gun and clubs. Hosteen Tso in hospital, serious head injury. Arrest made in Gallup. No town ordinance involved. Men taken from New Mexico into reservation and across line into Arizona. Defendants received no warrant unless in English, cannot read. Defendants not informed of charge in Navajo. Two dozen or more white and Indian witnesses to facts which agency does not deny. Navajo judge John Curley says 60 Indians in jail at Window Rock, other jails full; tells Indians any Indian opposing Collier program will be arrested, fined $100, 6 months in jail. Literally hundreds of charges by Indians of false arrest, imprisonment, beatings, no trials or, if any, refused jury, witnesses, attorney. Many cases defendants refused information of charge. Indians angry at injustice, malicious persecution. Situation tense, meetings all over reservation, thousands threaten rising. Morgan, myself asking Indians to let law take course; cannot control much longer unless Indians given square deal. Hell loose soon all Navajo country unless policy and tactics changed. Fryer refuses to release Hosteen Tso and others.

PAUL B. PALMER.

Mr. CHAVEZ. Mr. President, I received that telegram some time past. The Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Indian Affairs, received a similar telegram. The matter was called to the attention of the Indian Commissioner, and he promised both the Senator from Oklahoma and me that he would make a complete investigation of the serious charges. What did he do? He continued the same idea of carrying out the theories he had in mind when he became Commissioner, and which he is trying yet to put into effect.

Did he send someone from Utah who would know an Indian when he saw one? Did he send someone from Colorado or Oklahoma who would know an Indian when he saw one? No; he sent the president of the American Association on Indian Affairs, Inc., and that is the trouble—two many long-haired boys from New York City telling the Indians what to do.

He sent Mr. Oliver La Farge, president of the American Association on Indian Affairs, Inc., with offices at 120 East Fifty-seventh Street, New York City. I do not believe there is a Navajo Indian anywhere in the United States who would know the location of the association which it is alleged is trying to do so much for the Indians. He sent Mr. La Farge into New Mexico to investigate the abuses of the Indians.

As a result of that investigation, on August 14 the Secretary of the Interior, who is also supposedly very solicitous for the welfare of the Indians, released a statement to the press wherein he went into detail as to how greatly interested the Interior Department and the Bureau of Indian Affairs are in the Indians. Calling special attention to the matter I am discussing and referring to the telegram which I just had read, he said:

This telegram stated that three Indians were arrested on the charge of refusing to dip their sheep and that this charge was false and part of a plot to persecute all Indians opposed to the policies of the present administration. The telegram also alleges:

"Navajo Judge John Curley says 60 Indians in jail Window Rock. Other jails full. Tells Indians any Indian opposing Collier program will be arrested, fined hundred dollars, 6 months in jail. Literally hundreds of charges by Indians of false arrest, imprisonment, beatings, no trials or, if any, refused jury, witnesses, attorney. Many cases defendants refused information of charge * * *. Thousands threaten rising."

A similar telegram from Mr. Morgan to Senator THOMAS charges that hundreds of Indians have been jailed in the course of terrific persecution.

The facts as developed by an independent inquiry made by Oliver La Farge, president of the American Association on Indian

Affairs, are that four Indians repeatedly refused to conform to the sheep-dipping regulations, that warrants were finally issued for their arrest, and that they were duly arrested and held for trial before the legally constituted reservation court, conducted by Indians for Indians.

Before the court had decided whether or not these Indians had violated the law, Mr. La Farge and the Secretary of the Interior came to the conclusion that the Indian Bureau officials were correct in beating them with guns and blackjacks because they were alleged to have violated the law.

The only sins of the three Indians who were brutally assaulted by the officers of the Indian Bureau under Commissioner Collier were that they had dared to fight for what any Senator and I would fight for—an expression of their opinion, no matter how wrong it might be, and for their rights as they believed them to exist.

No one has tried to impress the country more than the present Indian Commissioner as to how civil liberties should be protected. Does he carry that idea into effect when treating with the Indians?

What happened? After the trial of the Indians who were beaten as I have described, I received last night a telegram from Farmington, N. Mex., reading in part, as follows:

Hosteen Tso & Co. entirely cleared of charges yesterday.

As a matter of fact, they had not done a thing except that they had dared to oppose the policy of the Indian Commissioner, and still we in Congress, year after year, without actually looking into the affairs and conditions of the Indians, appropriate money by the millions of dollars that do not help the Indians one bit, but do increase, as has been evident during the past few years, the number of Indian Bureau employees by 1,200. It is not fair to the Indians; it is not fair to the Congress. It does not give the Indian that to which he is clearly entitled.

I go a little further to show how solicitous the Indian Bureau officials are with reference to the Indians. I send to the desk a statement from an Indian woman near Gallup, N. Mex., which I ask may be read.

The PRESIDING OFFICER. The clerk will read, as requested.

The Chief Clerk read as follows:

STATEMENT OF MRS. CLAUDE HANEN

Lives off the reservation on property of the Christian Reform Church, about 11 miles north of Gallup.

On Saturday, July 31, 1937, while her husband was away at a meeting in Arizona, Henry Smith, a district supervisor, came to her hogan and told her that her sheep must be dipped on that day or she would be violating section 40 of the Penal Code of the Navajo Tribe. (Jake Morgan says that this code was never passed upon by the tribal council and was merely promulgated from Washington without giving the Indians any opportunity of agreeing or disagreeing. This code is one of the main sources of difficulty with the Collier administration.)

Witness told Smith that she would be very glad to have her husband take the sheep to be dipped when he returned but that she was alone with the children and could not do so at the time. Later the same afternoon three Navajo policemen came and told witness that unless her sheep were dipped that day she would be subject to a $100 fine and 6 months' imprisonment. Therefore, she sent her small children with the sheep to have them dipped. When they arrived at the sheep dip later in the afternoon the man who was running the dip refused to take any more sheep, and it was, therefore, impossible for them to be dipped.

On Monday, August 2, the Navajo police came back and gave witness a warrant for her husband for violation of section 40 of the penal code for their failure to dip sheep.

Witness does not live on reservation and the sheep pasture was off of the reservation. The Navajo police have no jurisdiction off the reservation, and the penal code, even if recognized, would have no effect upon them.

Mr. CHAVEZ. Mr. President, in order to show the Senate that this dissatisfaction is not confined to New Mexico alone, I send to the desk a letter written to me by the president of the American Indian Federation. The difference between the American Indian Federation and the American Association of Indian Affairs, Inc., is that the former is composed of Indians, while the latter, whatever else it may be, is composed practically entirely of New Yorkers. I ask that the letter may be read.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

THE AMERICAN INDIAN FEDERATION,
Sapulpa, Okla., August 14, 1937.

Hon. DENNIS CHAVEZ,
United States Senator, Washington, D. C.

MY DEAR SENATOR: Following a direction from the members of our recent convention at Lewiston, Idaho, I am pleased to hand you a resolution of commendation, unanimously adopted by our convention, comprising some 500 Indians of the Northwest (Southwest, too) for your stand against the use of public moneys in the furtherance of the Collier Civil Liberties Union legislation, so-called Wheeler-Howard Act, throughout your State of New Mexico.

Our Indian people are aroused. The rule-or-destroy methods of Commissioner Collier will not incline one real Indian toward his program, especially when that program is dictatorial, oppressive, un-American, and un-Christian. There is still some fight left in the Indian. It is regrettable, however, that the contest must arouse prejudices and strife within Indian groups, as in your State, and the real cause—the Commissioner and his program—be allowed to continue; all of which can easily be assumed to smack of sharp practice between guardian (the Congress) and ward (the Indian). In the absence of direct removal of Collier by the President or his impeachment by the Congress, your method of withholding public moneys from him, to be used in the furtherance of a law without a parallel (excepting the Thomas-Rogers Act) in the history of this Nation, and not applicable to your State, should be applauded by every taxpayer and true American.

Commissioner Collier has long since destroyed his usefulness (if such ever existed) to the Indian, the cause of the Indian, the Government, and the administration of which he is a part. He has no place in the present administration. He is not a Democrat—the record is the best evidence. He is a maverick feeding upon the succulent pastures of the Democratic Party. He should be turned out—not branded.

Personally commending you, I am, with kind regards and best wishes,

Sincerely yours,

JOSEPH BRUNER,
National President, The American Indian Federation.

Mr. CHAVEZ. Mr. President, at this point I ask unanimous consent to have inserted in the RECORD the resolution of the American Indian Federation, passed at their convention in Idaho within the past 30 days, with reference to Indian matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is as follows:

Resolution

Be it resolved by the American Indian Federation in regular annual convention assembled in the city of Lewiston, State of Idaho, That we commend Hon. BURTON K. WHEELER and Hon. LYNN J. FRAZIER, United States Senators of Montana and North Dakota, respectively, for their wisdom and true Americanism in repudiating the communistic so-called Wheeler-Howard Act. This legislation had its origin in the infamous American Civil Liberties Union—respectable front for the Communist Party in America. Members of the American Civil Liberties Union, Communists in thought and action but lacking the courage to disclose their true identity or acknowledge their convictions, now dominate and control the United States Indian Bureau. The union, through its members in key positions within the Bureau, shapes the policies and programs of this department of our Federal Government, legislative and administrative.

We especially commend Senators WHEELER and FRAZIER for the introduction of Senate bill 1736 into the Senate, which bill seeks to repeal the Wheeler-Howard Act. We appeal to the Indian citizenship of the Nation and loyal Americans without regard to racial distinction, to study the past and present program of the Indian Bureau; examine into its source of origin, and urge upon your Senators and Representatives in the Congress that they use their vote and influence in bringing about the early enactment of S. 1736 into law, thus closing the door to the legal establishment of communism in the United States, save and except the State of Oklahoma, now under the Thomas-Rogers Act, which act contains every communistic provision of the Wheeler-Howard Act, and should itself be repealed without further delay; be it further

Resolved, That we most emphatically approve of the work of Hon. DENNIS CHAVEZ, United States Senator from New Mexico, in striking from the Interior Department appropriation bill all expenditures of public and Indian moneys in the carrying out of the provisions of the Wheeler-Howard Act within the State of New Mexico. Congress, we appreciate, except through impeachment proceedings, cannot eliminate these communistic forces now entrenched in our governmental structure; it can and it should refuse to appropriate public moneys in the furtherance of their communistic and un-American schemes and programs. Communism and all other "isms" except Americanism, have no place in our American form of Government.

JOSEPH BRUNER,
National President, the American Indian Federation.

Attest:

W. W. LE FLORE, *Secretary.*

Mr. CHAVEZ. I also ask to have printed in the RECORD a letter of Hon. D. W. Roberts, sheriff of McKinley County, N. Mex., with reference to the arrest of three Indians, and a letter of Mr. J. Murray Palmer, attorney at law, Farmington, N. Mex.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

COUNTY OF MCKINLEY,
Gallup, N. Mex., August 12, 1937.

Hon. DENNIS CHAVEZ,
United States Senator, Washington, D. C.

DEAR SENATOR CHAVEZ: Regarding the assault with deadly weapons upon Hastin Tso, Hastin Tso Son, and another, committed by Jack Johnson, Slaw Nez, and Slaw Benatal, Navajo policemen, please be advised that I received a call at my office at about 1:30 p. m., on August 2, 1937, from Lee Williams, an Indian trader on the north side of Gallup, saying that there was a riot at his place and "that you had better get here as quick as you can because it is going to get worse."

I went to the Williams trading store; and when I arrived I found Hastin Tso in a serious condition, due from a very severe beating. His son was also severely beaten, but not as much as the old man. Both were under arrest by the Indian police when I arrived, and after seeing the warrant I did not attempt to interfere.

I questioned several eyewitnesses to the affair and have their statements as to what occurred. They vary as to the number of times Hastin Tso was struck over the head with a blackjack, but all agree that he was beaten unmercifully. Some say that he was struck from 10 to 20 times by all the Indian policemen, both with blackjack and pistol; others say that he was struck as many as 75 times.

I now have in my possession warrants for all three of the Indian policemen, charging them with assault with a deadly weapon; but as these men are now at Fort Defiance, in Arizona, I have been unable to apprehend them. I am trying to get the superintendent to surrender them to me. There is very bad feeling among the Indians, and there may be more trouble unless matters are cleared up.

I am sorry that I could not answer your wire sooner, but I was in the northern part of the State and in Colorado, trying to arrest some fugitives and just got back.

With kindest personal regards, I remain,

Yours very truly,

D. W. ROBERTS,
Sheriff of McKinley County.

FARMINGTON, N. MEX., *August 10, 1937.*

Hon. DENNIS CHAVEZ,
United States Senator, Washington, D. C.

HONORABLE SIR: I wish to commend you for your opposition to the program of the Indian Bureau insofar as it relates to the Indians of the Navajo Tribe.

I have followed the situation quite closely for sometime, and recently have become associated with the opposition forces in an effort to secure a square deal from the Bureau for the Navajos.

The situation of the Navajo people is intolerable due to the arbitrary, unjust, and coercive action of the Bureau. I know the details of the Hasteen Tso et al. incident which occurred in Gallup recently. I have heard the statements of over a dozen witnesses, both whites and Indians, as to what occurred there, and I am convinced beyond any doubt, that Hasteen Tso was brutally beaten by three Indian police; that there was no justification whatever for such action; that his arrest and the assault upon him were unlawful, first, in that they were carried out at a place beyond the jurisdiction of the Indian police; second, for the reason that the action was done in an inexcusably brutal and inhuman manner. I am convinced that the Bureau's charge, "refusal to dip sheep", made against these men is untrue for I have heard the statements of witnesses, that the fact of the matter is this, that at the time of his arrest, Hasteen Tso, together with several other men, was returning from the place where he and others had made arrangements for the dipping of their sheep. They state that there was no refusal to dip.

It is a significant fact that Hasteen Tso is the vice president of this chapter organization; that he has been outspoken in criticism of the Bureau's hand picking of a delegation erroneously called the Navajo Tribal Council, which council is now functioning as a rubber stamp for any action requested or demanded by the Bureau officials. It is also significant that Hasteen Tso is related to the wife of the man [J. C. Morgan] whose opposition to the Bureau's program of coercion, threat, inefficiency, waste, and graft inflames the officials of this Bureau to the point where they lose all sense of proportions.

I know the facts concerning other cases of brutal violence being exercised against Navajos by the Indian Bureau police—the Hasteen Tso incident is not an isolated case. I make the charge that Commissioner Collier, Superintendent Fryer, and particularly the officer directly over these police condone the brutal excesses perpetrated by them, and that by their actions and example, they incite and encourage, if not actually order, the perpetration of further atrocities against people who are essentially law abiding and peaceable.

We are reliably informed that John Curley, Navajo judge, is telling the Navajos that any Indian opposing the program of John Collier is liable to a fine of $100 and prison for 6 months; that opposition to any stock-reduction program may result in like sentence; we hear account after account of so-called trials before this judge, where witnesses are denied the defendant and he is jailed upon the bald statement of the police; of witnesses being fined for testifying to facts to which the judge did not agree. We have affidavits of Navajos being shaken-down and their money, property, and effects taken without trial or hearing.

We are now informed that the Bureau contemplates another stock-reduction drive through the use of force and intimidation; that the Bureau contemplates the allotment to individual Indians of definite, defined grazing areas. Such a program will enable the Bureau to eliminate by actual starvation the herd of any Navajo who opposes Bureau policy. The Navajo fears and distrusts such action. He has seen the unjust arbitrary action of its officials in other matters. He has reason to fear.

The Navajos are law-abiding, peaceful citizens of the United States. They have been a self-reliant, industrious, and honorable people. They have been an asset to communities adjacent to them. They are a democratic people, qualified and competent, with little leading, some encouragement, and no driving to manage and govern themselves in matters pertaining to their own internal affairs. They are a people, who if allowed to govern themselves in their own manner as to their own affairs and if they are encouraged to be and remain self-reliant, given encouragement and kindly guidance in place of bureaucratic despotism, will gradually become useful, respected members of our American civilization. Why can't they have it? Why must they have a system alien to the United States, a system alien to the Navajo, unfitted for him, and to which he will never peacefully submit; why must they have such a system and such a program crammed down their throats?

Under the present Indian program we have seen millions spent, squandered, in building a great Navajo capital, a project of no material benefit to the Navajo, rather under present management the Navajo is showered with injustices, threats, physical violence, and persecuted if he dares offer any resistance or even criticism. Formerly he could secure understanding of his problems and justice from six widely distributed agencies to which he had easy access. Now if he wishes to get a hearing or to bring his problems before the agency he often has to travel hundreds of miles. Other millions have been squandered in so-called soil-erosion control, good in theory but as actually practiced on the reservation an example of waste, inefficiency, and extravagance which will, when and if the full details become public, assume the proportions of a national scandal. In the building of schools on the reservation this same waste and inefficiency is evident. In most of this work involving the expenditure of millions of dollars the net result to the Navajos has been detrimental.

I charge that in the handling of the Navajo problem, and by that handling there really is a problem now, in their dealings with 50,000 citizens of our country, in their squandering of money which can only come from taxes levied upon American citizens, Superintendent Fryer, Commissioner Collier, and Secretary Ickes have subjected the Bureau and the Federal Government to ridicule, whereas they should command respect. They have amply demonstrated their unfitness for further conduct or control of Indian affairs. The Navajo is entitled to a square deal. He is entitled to be treated as an American citizen. He is not a guinea pig to be experimented upon through or under a system and a program "impracticable and even wild."

I feel that a thorough investigation should be made by Congress of the activity of the Indian Bureau in the Navajo country. I am convinced that such an investigation would result in the establishment of the accuracy of the charges made herein. Such an investigation would establish the gross unfitness and inability of the men at the head of Indian affairs. They should be removed.

Just now today's issue of the Gallup Independent comes to hand with a front-page article reporting that Paul B. Palmer, attorney for Hasteen Tso and others, failed to appear and to represent his clients at a hearing conducted today at Fort Defiance, on a charge of refusing to dip sheep. It is quite evident that this article is based upon misinformation supplied to the Gallup paper by the paid publicity agent of the Indian Bureau, who resides at Window Rock, that great monument of oppression, injustice, mismanagement, and inefficiency, commonly known as the Navajo capital.

The truth of the matter is this: Under date of August 4 the following telegram was sent to John Curley, Navajo judge:

"On behalf of Hosteen Tso & Co., demand prompt trial by jury. What are charges? Advise fully, collect.

PAUL B. PALMER."

I have talked to Mr. Palmer and have been informed by him that no reply has been as yet received to his wire; that he has had no notice from any party, including officials of the Indian Bureau, as to the date set for hearing in this matter, and that he had no knowledge whatever of any hearing until after it had been held.

I have also just been informed of the building some 3 years ago of an Indian day school costing some $37,000 upon private deeded land, over which neither the Government or the Indian Bureau has control and to which neither the Government, the

Indian Bureau, or the Indians have any right, title, interest, or claim. Full details concerning this matter will be furnished you and the Senate committee in the near future.

We are sure that the officials of the Indian Bureau are now completely on the defense. The facts insure their merited downfall. The forces in opposition to Bureau policy comprises almost the entire Navajo Tribe, and excepts only that limited number of Navajos who are in the employ of the Bureau or upon whom they have some hold through knowledge of past transgressions of law, and over whom they hold threats of prosecution if their "suggestions" are not followed.

Trusting that this letter will contain some elements of help in the fight you are waging against this despotic bureaucracy, I am,

Very truly yours,

J. MURRAY PALMER.

Mr. CHAVEZ. I also wish to have inserted in the RECORD, by unanimous consent, a letter addressed to me by Miss Cecil Cate with reference to Indian matters throughout the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

ST. LOUIS, MO., *May 10, 1937.*

Senator DENNIS CHAVEZ,
The Senate, Washington, D. C.

DEAR SENATOR CHAVEZ: I am sending you a file on the Sioux Indian situation on the Pine Ridge Reservation as it existed and continues to exist under the Collier regime.

To understand the Sioux question of today we must look back at the old treaties. There are three big treaties of the Sioux, 1869, 1877, and 1889. For your information, I have taken from congressional records a brief outline of these treaties. The time limit of 1869 is based on one sentence, "For a period not less than 20 years." The treaty of 1877 is the treaty between the Sioux and the United States Government regarding the Black Hills. It was agreed in 1913 that the Treaty of 1877 was not impressed with a time limit (File Section A, pp. 1 and 2).

In face of these facts Commissioner Collier said in the presence of many people on his first visit to Pine Ridge that Sioux treaties had lapsed. The Indians now must depend on the generosity of Uncle Sam's heart. In other words, they are living on gratuity funds. This was in 1934. In the early spring of this same year the "plains conference" for Northwest Indians was held in Rapid City, S. Dak. All northwest tribes were represented. However, the Indians, especially the Sioux, did not line up with Mr. Collier's plans. They were not willing to trade treaty rights for the Wheeler-Howard bill. They wanted to go back home and talk the thing over with other members of the tribe. This did not please the Commissioner. He blamed the missionaries for this attitude of the Indians.

On March 9, 1934, Commissioner Collier wrote a letter to the Catholic Indian Bureau in Washington complaining that the missionaries were active in opposing the Wheeler-Howard bill. In this letter there was a veiled threat to take away mission grants if the missionaries did not line up with his policy (File Section A, pp. 3 and 4). The whole Collier plan was a "must" affair, and, right or wrong, no one dared say a word against the radical changes that the New Deal brought in the Sioux country. The Catholic Indian Bureau had to calm the wrath of the Commissioner (File Section A, p. 5).

The Wheeler-Howard bill was accepted by the Pine Ridge Sioux. No one ever knew how this was brought about, as the Indians did not want it and the reservation was in a turmoil. It was whispered about that those who did not vote were counted for the bill and it won by default. However, the bill was not a law until the charter was accepted by the Indians. Regardless of this fact, this bill was put into operation by Commissioner Collier. On March 15, 1937, Senator WHEELER asked for the repeal of this bill, because, he said, "I have come to the conclusion that it is a bad bill, thoroughly deserving of repeal. My conviction is that it is unworkable, reactionary, doctrinaire, and unpopular among important sections of the Indians themselves." About this same time the charter for the bill was brought up for vote on the Pine Ridge Reservation. One Indian told me, "We are ready this time and our horns are sharpened." The charter was hopelessly defeated. Yet I think, in the face of this fact, Mr. Collier will continue his reorganization policy among the Sioux.

I saw this bill, or what is known as the Reorganization Act, in operation on this reservation for almost 4 years. I agree perfectly with Mr. WHEELER that it is unworkable and unpopular. It brought nothing but hardship and suffering to the Indians and great dissatisfaction. There was terrible poverty in spite of the fact that thousands and thousands of dollars were spent each year for the betterment of the Sioux. The monthly Government pay roll at the Government agency at Pine Ridge will tell the story of where the money went and how little of Indian funds reached the Indians. The bill just did not work. And today, after vast sums have been spent, the Indians are as poor as ever and further away from self-government and home life than he was 5 years ago. Commissioner Collier spreads a beautiful propaganda around about the Indians getting a new lease on life under the New Deal. He talks much about buying back land—yes; submarginal land that is neither workable nor fit for a human being to live on or build up a home.

The Sioux Indians of Pine Ridge do not want the Reorganization Act. They do not want the various social workers, field educational agents, reorganization officials, and others who are using the Indians' money for large salaries while the poor Indian begs for a piece of bread and a cup of cold water. Just recently a man by the name of Holsizer was given a trailer that the Indians claim cost $11,000. Even if it cost half of this sum it would be bad enough. He is to go out and rough it with the Indians in this floating palace. Mr. CHAVEZ, just how much good do you think this project of the Government will do the Sioux Indians? To me it is the height of nonsense to spend such a sum of money on a trailer when the Indian is half starved and freezing.

One more point: If the Sioux treaties have lapsed, as Commissioner Collier claims, how can he go before Congress and appropriate vast sums of money under Sioux treaties? He did just this. I refer you to House of Representatives, Seventy-fourth Congress, first session, Report 249, Interior Department appropriation bill, fiscal year 1936, pages 24–26–27. Do you think that public opinion would ever back Mr. Collier in the policy that the United States owes nothing to the American Indian?

For your information, Mr. CHAVEZ, I am attaching a copy of the mission contracts that must be signed before the Interior Department will give grants to the South Dakota Missions. (Sec. A, pp. 6, 7, 8.)

Briefly this contract means that the freedom of religious education is gone where John Collier has a thumb on the institution. This in spite of the Reuben Quick Bear case of 1907. The decision of the Supreme Court was "The treaty and trust moneys that the Indians can lay claim to as a matter of right; the only sums on which they are entitled to rely as theirs for education; and while these moneys are not delivered to them in hand, yet the money must be not only provided but be expended for their benefit and in part for their education; it seems inconceivable that Congress should have intended to prohibit them (the Indians) from receiving religious education at their own cost if they so desire it; such an intent would be one to prohibit the free exercise of religion amongst the Indians."

Of course, if the treaties are scrapped, there is no money. Mr. Collier with a stroke of the pen did away with treaties and ignored the decision of the Supreme Court. If these facts are admitted true, why put up a fight like the one that just took place in Congress on the Supreme Court bill?

After the scrapping of treaties and the introduction of the Wheeler-Howard bill Mr. Collier made his five-point plan of education effective. In July 1933 a circular on Indian education appeared on the reservation (sec. B, p. 1). This was the first rumor that the Indians had that the school program for the Sioux was to be radically changed. On January 13, 1934, Mr. Collier mailed from the Indian Office the five-point plan of education for the Sioux (sec. B, p. 2).

Let us survey briefly the situation of the Sioux at this time. This five-point plan might look harmless in writing, but it meant tragedy for the Indians. It forced little children to live in tents and huts during the long, cold winter months. The Indians with large families of 8 and 10 children were not prepared for this radical change. Conditions were crowded; there were not enough blankets; in many cases there was sickness. One can find active tuberculosis and trachoma in almost every hut or tent. The children were forced to walk 2½ miles to school, and this in a blizzard country. Often the children had little or no breakfast. They returned home to share a limited amount of food with 6, 7, or 8 other children. Surely a program that brought so much suffering was not practical. These children could have been fed and kept warm in schools not many miles away, but they were condemned by a social worker, who had a nice warm place to live and plenty to eat, to months of suffering. They were treated like so much chattel so that the new experiment of the Indian Office could be carried out ruthlessly. There has been much writing and more talking about this policy building up the home and promoting family life. How can a home be built up when it has nothing for a foundation but poverty, sickness, hunger, and death? Can a tent pitched by the wayside where there is nothing to eat but rotten food, dogs, and cow guts, and often not this, be a home? In spite of pleas and angry words of parents this program was carried out on the Pine Ridge Reservation (sec. B, pp. 3 and 4).

On March 5, 1934, the Pine Ridge Indians appealed to Mrs. Roosevelt for help. The Rosebud Sioux had appealed to the President. Mrs. Roosevelt did not acknowledge the letter and the whole affair was hushed up because the public must not know that the Indians were dissatisfied with their new deal. On May 27, 1937, Mrs. Roosevelt resigned as honorary vice president of the National Indian Association. She said there was not enough evidence for the accusations that the association was making against the administration. Perhaps Mrs. Roosevelt did not read the petition sent to her by the Sioux back in 1934 (sec. B, pp. 5 and 6).

The Indian parents wrote many letters begging for the right to send their children to the school of their choice. I am enclosing copies of some of these letters (sec. B, pp. 7, 8, 9, and 10). These letters will give you a faint idea of the misery and suffering that the new educational program for the Sioux brought upon a helpless and destitute people.

The case of Willie Brewer, a mixed-blood Indian, was used as a "test case." Letters were written to Jim Farley, Secretary Ickes, and the local Government agent with no success (sec. B, pp. 12, 13, 14, and 15).

The mission school decided to enroll a few destitute children on their charity list. They were backed in this by a letter written

by Secretary Ickes to George Whirlwind Soldier of the Rosebud Sioux (sec. B, p. 16). However, local officials did not abide by Mr. Ickes' decision, but they began to fight the mission for this course of action. A letter written to Mr. McGregor, former agent, by Miss Clara Madsen, Mr. Collier's very efficient social worker, shows clearly the policy of the Department in action (sec. B, pp. 17, 18, and 19). The Carlow children, the Brewer children, the John H. Clifford children, were not put out of the mission school, but the superintendent was. He did nothing but feed destitute children and demand the rights of parents over the education of their children, but this was not cooperation with John Collier. Is the new deal for Indians so much like Soviet Russia that a missionary is removed from Indian territory because he demands the rights that belong to every American citizen?

I wish to make a few comments on this letter written by the social worker (sec. B, p. 17), Miss Madsen writes, "The Paul Grey family, the American Horse family are two of the many families living in tents, sleeping on the ground, storing food in paper cartons, who are sending their children to day or public schools. Yet because these families accepted the policy and make no complaint the children remain at home and attend day or public schools."

It certainly is a wonderful system of education that sends little children home each evening to a tent to sleep on the ground and grab food from paper cartons with a half a dozen other youngsters. The social worker who forces children to remain in these conditions during the cold winter months must be very efficient. Within a few miles of these children there is a warm school, beds, and plenty of food, but the children are not allowed these comforts because John Collier's dream for Indians must come true within the next 20 years.

Section B, page 18, Miss Madsen again writes: "It has been gratifying to know how the Swift Bird family, the Big Crow family, and the Dixon family have improved their living conditions since last summer." I wish to take up the case of the Swift Bird family. Last September 1936 I was at Government headquarters when the Indian children were being herded like cattle into schools of the Government's choice. Among the mothers who had come to plead for her children was Mrs. Swift Bird. She looked very sad but smiled when I shook hands with her. She said in a helpless, tragic voice, "My oldest girl died with TB." I offered her a few words of consolation. In the same tragic voice she added, "My little girl is in the hospital with TB." I assured her that the little girl would soon be well. She then said, "My two boys will get TB if they live in that hut all winter and sleep under the same bedclothes as the sick children. I want to get an O. K. for my boys to go to the Mission School so they can stay away from the TB." In spite of this tragedy there was no O. K. from the Government and these boys could have been saved with good nourishing food and a warm place to live and sleep. I leave it to your own good judgment, Senator CHAVEZ, did the Swift Bird family improve living conditions between 1935 and 1936? This is just one of the many, many hopeless cases that one meets day after day in the Sioux country. We, who have the welfare of the American Indian at heart, are not concerned with the realization of Mr. Collier's dream. We must face facts and often grim facts today and not 20 years from now.

With all of this "ring-around-rosy" that the new five point plan of education caused nothing was accomplished. There are on the Pine Ridge Reservation 2,600 Indian children of school age. Thousands have been spent under the New Deal for consolidated schools, busses, new equipment, and teachers. In spite of this on October 31, 1936, 822 children, according to Government records, were in no school. See letter written by Mr. E. Clement, field educational agent on the reservation. (Sec. B, p. 20.) I hold the list of children compiled by the Government. Can an educational program be called a success or even practical when after 4 years of spending vast sums of money one-third of the children are out of school?

Back in 1924 Mr. John Collier, Indian Commissioner, wrote for the Scripps-Howard magazine. His articles dealt with the Pagan Indian Religions. Mr. Collier shows very definitely that he is in favor of this form of paganism. (Sec. C, p. 1.)

On the Pine Ridge Reservation the native American religion, or what is known as the peyote eaters, has gained much strength during the Collier regime. For your information the Indians chew the seed of a cactus plant and call this the Body of Christ. They cook it into a stew and it becomes the Blood of Christ. This diabolical practice is defended behind the cloak of the freedom of religion. If this practice continues it will ruin the Indian mentally, morally, and physically. I have seen Indians under the influence of the peyote. They are dazed and act like those addicted to dope. I am told that after chewing this seed the Indian has beautiful dreams. It has been referred to as an "intellectual drug." Can you understand just why any man who has the interest of the Indians at heart will encourage such a practice?

Section C, No. 2, is a pamphlet on peyote reprinted from hearings of the Subcommittee of the House Committee on Appropriations of Interior Department appropriation bill for 1936, pages 689–696.

Section C, No. 3, is a letter sent around by Commissioner John Collier defending the Peyote religion.

In 1934 Mrs. Eastman in an open letter in the Christian Century Magazine openly accused Mr. Collier of paganizing the Indians. Mr. Collier as usual denied this fact. He claimed that he had the backing of both Catholic and Protestant Mission Boards for his new religious regulations that gave the Peyote or native American religion the same consideration as the Christian religions. (Sec. C, p. 4.) I cannot believe that any self-respecting mission board regardless of creed would back John Collier and the Peyote religion.

The Baptist Home Mission Society took the matter up, but Collier's statement was never refuted by any ecclesiastical authority so the regulations remained in force in Indian territory. (Sec. C, p. 5.)

In the law and order regulations of the Department, tribal marriages are allowed. (Sec. C, p. 6.) Tribal marriages among the Sioux mean the kicking of a drum. (Sec. C, p. 7.) The tribal divorce is obtained by a similar proceeding. (Sec. C, p. 8.)

In 1934 I dared to criticize these pagan practices in a private letter. By mistake this letter reached John Collier. He became enraged and being a vindictive gentleman he appealed to the Catholic Indian Bureau to hush up any criticism of this policy. There was an awful hub-bub raised over this criticism of the Department. I was told to keep silent, because, as the Catholic Indian bureau wrote, "one effect was, I know, to arouse the Commissioner. I am further told that repetition of such an incident would naturally arouse the Secretary." Up until this time I was really under the impression that we had freedom of speech in this United States of America. This just proves further what a "must" affair this whole new Indian deal (for Indians) has been. It would take a miracle of God to protect anyone in Indian territory who dared to even whisper a criticism of John Collier's policy. (Sec. C, p. 9.)

I have often wondered how Mr. Collier expects to realize his beautiful dream of building up home and family life among the Sioux or any other tribe of Indians with these drum-kicking marriages.

During the last 4 years the question has often been asked, "Is the new deal for Indians communistic"? Mr. Collier is notoriously known to be affiliated with the American Civil Liberties Union. This is a conceded fact. Then why would his program be anything else but communistic? The Indians answered this question just recently when a news flash went around the country that the 30 tribes of Northwest Indians who were in council at Lewistown, Idaho, asked for Mr. Collier's removal because "he is a sympathizer of the Christ-mocking American Civil Liberties Union.

Let us review the Sioux situation as it is today; the rights of parents are gone over the education of their children; pagan religions and pagan marriages are permitted by the Department; pagan religions are taught little children. The Department does not call it communism but broad-mindedness and a beautiful dream that will make the Indians live in a land of plenty 20 years hence. However, if denying parents a God-given right and teaching youth paganism by active propaganda are not communistic principles, then, Senator CHAVEZ, what is communism?

I am enclosing a copy of a letter received a year ago through the American Legion of South Dakota. It tells that Mr. Collier is backing members of the American Civil Liberties Union (sec. C, p. 10).

We Americans have robbed and cheated the Indians of everything. Surely, in justice we owe the native American more than the red flag of Soviet Russia flying over Indian Territory.

Thanking you, Senator CHAVEZ, I am,

Very sincerely yours.

(Miss) CECIL CATE.

Mr. CHAVEZ. I also ask unanimous consent to have inserted in the RECORD a letter from Frank O. Jones, chairman of the Sac and Fox Indian Business Committee, written from Atlanta, Ga.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

722 E. MORNINGSIDE DRIVE,
Atlanta, Ga., August 10, 1937.

Senator DENNIS CHAVEZ,
Washington, D. C.

DEAR SENATOR CHAVEZ: In the press a few days ago, I observed a statement that you are reported to have made as follows:

"If evidence already brought forward is true, things are rotten in the Indian Bureau and I intend to see that Congress does something about it."

I, as chairman of the business committee of a small tribe, the Sac and Fox Indians of Oklahoma, since 1924, want to refer you to reports of irregularities amounting to downright corruption in the Shawnee Indian Agency, Shawnee, Okla., on file in the office of Secretary of the Interior Ickes.

Two department investigations of conditions in that agency have resulted in the usual Indian Office whitewash. Now, they have this W. P. A., E. C. W. plaything to browbeat poor, hungry, helpless Indians into submission. I do not know how many complaints have been filed by our members. If you file a complaint now you are marked for punishment. Talk about a new deal for the Indian is bunk. I have recently asked a senatorial investigation of that agency, but I am glad that the Senate Indian Committee realize that it is Collier who should be investigated. Almost his entire time has been spent in the secrecy of his office answering

criticism since he accidently got his appointment as commissioner. He promised the universe to the Indian early in 1933. Look at the plight of the Indian today! The very conditions Collier criticized for years still prevail, but on a larger scale.

Clean out the whole Indian Bureau and there will still be plenty of rottenness in the service. I am pleased to enclose letters from members of my tribe which tell only a part of the story.

Respectfully yours,

FRANK O. JONES,
Chairman, Sac and Fox Indian Business Committee.

Mr. CHAVEZ. Mr. President, I shall not take the time of the Senate very much longer. I want to read part of a short letter that I received from an Indian Bureau employee. I shall not mention his name, for I know what would happen to the gentleman if I did. This letter was written only a short while ago. He says:

I have been teaching——

I will not say where—

for over 2 years, and I am convinced that if there was more sympathetic help given to the Indian, and not so much high-pressure supervision, both the Indian and the Government would be better off.

Mr. HATCH. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to his colleague?

Mr. CHAVEZ. I do.

Mr. HATCH. I have just come on the floor of the Senate, and have not been present during all the remarks of my colleague. I am wondering if he has touched upon the question of the expenses of the Indian Bureau.

Mr. CHAVEZ. It was with reference to that matter that I submitted the original amendment which is now under discussion.

Mr. KING. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield to the Senator from Utah.

Mr. KING. The Senator, however, has not called attention to the enormous increase in the expenses of operation of the Indian Bureau. A few years ago the amount annually expended by the Bureau was from $15,000,000 to $16,000,000. It rose to $22,000,000 in 1933 and, as I recall, is over $30,000,000 for this year; and there has been an increase in the number of employees from 6,300 to 6,400, as it was in 1933, to perhaps 7,000-plus at the present time.

Mr. CHAVEZ. I may say to the Senator from Utah that I have stated that the Indian Bureau is ruthless, and I state that so far as Government expenses are concerned the Indian Commissioner is ruthless. That remark is based upon a statement made by the Commissioner before a subcommittee of the Committee on Indian Affairs to this effect: When his attention was called to the fact that $12,000,000 had been spent by the Indian Bureau in one area alone in New Mexico and Arizona, and he was asked why that was done, he answered the committee in effect in these words: "The money was there and we grabbed it."

That is what appeared before the committee, and that is what the Indian Commissioner stated before the committee. The Indian Bureau has built in one reservation in New Mexico alone beautiful homes costing $10,000 and $15,000, but not for the Navajo—homes that have every convenience that can be found in any home in the city of Washington, with radios, telephones, and heat from a central heating plant, at an expenditure of several million dollars; so much of an expenditure that a firm of architects in the city of New York collected practically $200,000 in fees.

But the Navajo still lives in the hogan, and the little girl that we send to school, and teach her your ways and my ways, after she gets through does not get an opportunity to pound on any typewriter that we provide for by appropriations. She will be herding a bunch of goats inside of 3 weeks after she gets out of school, but the Commissioner will give out statements week after week as to how solicitous he is for the Indian.

It is time for Congress to quit appropriating money for the Indian Bureau and pay a little more attention to the Indian. The Commissioner's theory may be fine, but he has been very impractical. The poor Navajos in my State and in Arizona actually do not know where to turn. What does the Indian Commissioner care for the effect of reducing a herd of a hundred head of sheep? Instead of forcing the Navajo to do that, why do they not try to show him that it should be done? I say it is inhuman, when a Navajo has 100 head of sheep, that under orders of the Commissioner he has to reduce them to 15. It is getting so now that if a squaw wants to make a blanket she has to sell her silver to the Indian trader in order to buy a few pounds of wool, all as a result of the beautiful dream of the Indian Commissioner. Why not use American methods in dealing with the first American?

Mr. KING. Mr. President, a number of years ago the numerous complaints concerning the Indian Bureau impelled me to make a searching examination of its operations. I discovered that there was much waste and extravagance, and a personnel greatly in excess of what was required properly to conduct the affairs of the Bureau.

As a result of my investigations, I submitted a resolution calling for an investigation of the activities of the Bureau. Under the resolution, which was adopted, the Committee on Indian Affairs over a period of several years investigated the work of the Bureau in most, if not all, of the Indian agencies. Reports were submitted by the committee calling for reforms and for modifications of the law.

In 1933, as I recall, I brought to the attention of the Senate many of the evils existing in connection with the administration of the laws relating to the Indians. It was hoped that important changes would be made which would result in economy, and improve the condition of our wards. I have been greatly disappointed because the expected reforms have not been effectuated. As a matter of fact, there have been no economies of which I am cognizant, and there has been a very large increase in the personnel.

The Senator from New Mexico [Mr. CHAVEZ] has called attention to abuses and to conditions which I think demand, if continued, a further investigation of the Indian Bureau. It is my purpose to investigate, so far as opportunity may be afforded, the situation of the Indians and the work of the Indian Bureau, with a view of determining whether another investigation should be conducted. I am not satisfied with the large increase in the personnel and with the increase in the expenditures of the Indian Bureau.

If the amendment suggested by the Senator from New Mexico is accepted, I shall be content for the present, and shall submit no further observations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CHAVEZ].

The amendment was agreed to.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes, which were, on page 3, line 13, to strike out "shall" and insert a comma and "is hereby authorized to"; on page 3, line 15, after the word "hereby", to insert "authorized to be"; on page 3, line 18, to strike out "shall be" and insert "is authorized to be made"; on page 3, line 23, to strike out "shall then be" and insert "is authorized to be made"; on page 4, line 6, to strike out "shall be" and insert "is authorized to be made"; on page 5, line 4, to strike out "shall be" and insert "is authorized to be made"; and on page 9, to strike out lines 5 and 6.

Mr. PITTMAN. I move that the Senate concur in the House amendments.

The motion was agreed to.

THIRD DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

Mr. LONERGAN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

The proviso in the second paragraph under the heading "Refund of erroneous collections" in the act entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1938, and for other purposes", approved June 29, 1937, is amended to read as follows: "*Provided*, That except in cases of duplicate tax payments erroneously made on the same property, this appropriation shall be available only for refund of such erroneous payments made within the past 3 years."

Mr. ADAMS. Mr. President, under the direction of the committee I feel compelled to make the point of order that this amendment proposes general legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair is of the opinion that the amendment clearly contemplates a change in existing law, and therefore sustains the point of order.

Mr. LONERGAN. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place in the bill, the following:

For the purpose of paying to the respective persons the respective amounts found by the Court of Claims to be the value of work performed by them, respectively, in excess of 8 hours in each calendar day while employed as engineers, firemen, laborers, and mechanics in the care of public buildings of the United States, elsewhere than in the District of Columbia, as set forth in the following Senate documents, $94,456.20:

(1) Senate documents of the Sixty-first Congress, first session, numbered 93 and 95;

(2) Senate documents of the Sixty-first Congress, second session, numbered 234, 236, 263, 264, 265, 313, 262, 260, 232, 231, 243, 311, 230, 228, 239, 251, 308, 267, 312, 257, 233, 249, 250, 253, 259, 269, 235, 229, 237, 255, 266, 309, 310, 268, 238, 252, and 261; and

(3) Senate documents of the Sixty-second Congress, second session, numbered 535, 532, 524, 527, 528, 534, 541, 500, 521, 515, 517, 533, 519, 506, 537, 512, 498, 538, 525, 504, 503, 507, 501, 530, 543, 539, 499, 523, 497, 505, 536, 514, 540, 516, 529, 546, 509, 518, 544, 508, 545, 513, 520, 531, 547, 526, 542, and 502.

Such respective amounts shall be disbursed by the Secretary of the Treasury and each such payment is to be in full satisfaction of, and receipt of same shall operate in each case as a full and final release and discharge of, their said respective claims for compensation for extra hours of work above the legal day of 8 hours.

Mr. AUSTIN. Mr. President, I should like to inquire what the document numbers that have been read refer to.

Mr. LONERGAN. Mr. President, the purpose of this amendment is to effect the payment of claims totaling $94,456.20 for extra labor above the legal day of 8 hours performed by engineers, firemen, laborers, and mechanics while employed in the care of public buildings of the United States outside the District of Columbia.

The claims included in the amendment have been passed upon by the Court of Claims. The court, by its findings, has determined the names of the respective party claimants and amounts awarded in accordance with a Senate bill (S. 9500, 60th Cong., 2d sess.) referred to the court providing for payment to them of "such amount as may by findings of fact be found to be the value of work performed by them, respectively, in excess of 8 hours in each calendar day while employed in care of public buildings of the United States." These findings are correctly reported in the amendment.

One of the claimants has already been paid in this manner (finding in favor of John Glanzmann, S. Doc. 522, 62d Cong., 2d sess., included in the appropriation act of Mar. 4, 1915, 38 Stat. 962, c. 140, p. 980). That finding is identical with those enumerated in the amendment.

Congress recently paid similar findings of the Court of Claims in favor of employees in the navy yards and shore stations for services performed under the same circumstances. (Private Act 349, Private Res. 7, 74th Cong., $332,342.74, approved Aug. 29, 1935.)

The most comprehensive and exhaustive analysis of these claims is found in Senate Document 985, Sixty-second Congress, third session. It establishes beyond argument that these amounts allowed by the Court of Claims for overtime work beyond the legal day of 8 hours should be paid.

Mr. ADAMS. Mr. President, I wish to make an inquiry of the Senator from Connecticut. It rather seemed to me, as I heard the amendment read, that it covered, in the first place, a private claim which could not be put on the bill, and in the next place that it is a matter which has no legislative foundation or Budget estimate underlying it. I am inquiring as to whether I am correct in that. The Senator said it had been adjudicated by the Court of Claims.

Mr. LONERGAN. Yes; I so stated. It has been represented to me that a similar amendment was adopted some years ago. The claim has been presented to the Committee on Claims of the Senate.

Mr. ADAMS. It seems to me it would more properly go to the Committee on Claims, and that we should not act before the Committee on Claims has passed on it. I make the point of order that it is a private claim.

The PRESIDING OFFICER. The Chair is of opinion that the items contained in the amendment are not items authorized by existing law, and therefore sustains the point of order.

AMENDMENT OF RIVER AND HARBOR AUTHORIZATION ACT OF 1936—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7646) an act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: "*Provided further*, That if after investigation the President finds that States, political subdivisions thereof, or other responsible local agencies are unable by reason of their financial condition to comply with the requirements as to local cooperation with respect to providing lands, easements, and rights-of-way for any projects authorized by the Flood Control Act of June 15, 1936 (Public Act No. 678, 74th Congress), the Flood Control Act of June 22, 1936 (Public Act No. 738, 74th Congress), and by this amending act, he is authorized to waive such requirement on any individual project not to exceed fifty percent of the estimated costs of the lands, easements, and rights-of-way;" and with a further amendment as follows: Insert: Quotation marks at the end of section 1; and the Senate agree to the same.

Amendments numbered 2, 3, 4, and 5: That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, and 5, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

"SECTION 9. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding a third paragraph, reading as follows, under the heading 'Mississippi River': 'Memphis, Tenn.—The construction of flood-walls, levees, and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tennessee, in accordance with the report on record in the office of the Chief of Engineers. Estimated construction cost, $9,000,000. Estimated cost of lands and damages, $4,324,000'"; and the Senate agree to the same.

ROYAL S. COPELAND,
MORRIS SHEPPARD,
HATTIE W. CARAWAY,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

WILL M. WHITTINGTON,
GLENN GRISWOLD,
HARRY L. ENGLEBRIGHT,
Managers on the part of the House.

Mr. BARKLEY. Mr. President, I wish to make an inquiry of the Senator from New York about an amendment I offered a few days ago, which was agreed to, authorizing the President to waive the requirements under the Flood Control Act of 1936 for local contributions in the purchase of rights-of-way and easements for the construction of flood-protection devices. I inquire what was done with the amendment?

Mr. COPELAND. Mr. President, the position of the Senator was truly presented to the conferees, and after due consideration the conferees agreed on a procedure, which was upset in the House. It went to the House, and there what we did was somewhat changed. As it comes back to us the amendment of the Senator from Kentucky is changed so that the President may remit the charges up to 50 percent of the locally required contribution.

Mr. BARKLEY. Mr. President, I merely wish to reiterate what I have on numerous occasions stated previously, that in a great flood-control program such as is necessary in the Ohio River Valley, and in the valleys of other large rivers in the country, to which many tributaries make their contributions of water during flood seasons, the problem is primarily a national obligation. I cannot conceive of the possibility of ever working out a unified and effective system of flood-control devices on any great stream in this country if those devices are to be constructed along the river at points only where the cities or counties are sufficiently wealthy to enable them to purchase rights-of-way in order that they may have protection.

Therefore I believe, as I have believed for a long time, that the question of flood protection is a national obligation, and wherever there is a need for a sea wall, or a levee, or any other artificial device necessary to protect a city or town from the waters which flow down from 10 or 15 or 20 other States, the Government of the United States ought not to require the local communities to buy the rights-of-way in order that they may be protected from the waters which are descending upon them from many of the States above.

Let me illustrate what I mean by calling attention to my own home city, which is only typical of the situation in the entire Ohio Valley, and that is only typical of the conditions in many other valleys in this country. The Army engineers have estimated that a flood wall to protect that city would cost in the neighborhood of between five and six million dollars, and that it would require more than $2,000,000 to buy the rights-of-way in order to build that flood wall. That means that in order for that city to protect itself against floods, for which it is not responsible, except in the fact that it happened to locate itself on the banks of the Ohio River, it is necessary for that small community of 40,000 people to raise over $2,000,000, which is about one-third of the entire cost of the protective device, in order that it may protect itself against all the waters which flow down from many other States in many tributaries of the Ohio River.

The same thing is true of the rivers in Indiana and Ohio, West Virginia and Pennsylvania. The same thing is true, in some respects, in New England, along the Merrimack and Connecticut Rivers. It is true as to the Monongahela and the Allegheny. It is true as to the larger streams all over the country. So, while the conferees have conceded at least that to the extent of half the amendment which I offered and secured the adoption of was sound, I doubt after all whether it offers much relief to communities which are required to raise an enormous amount beyond their power either of taxation or of borrowing under the limitations of the law under which they operate. While the committee of conference has made that much of a concession I am extremely sorry that the conferees on the part of the House and the House itself could not agree to my amendment, because I think it is a righteous amendment, and I think that if we ever have in this country an effective and unified flood-control system on the great navigable rivers, it must be based upon the recognition of the fact that it is primarily a national obligation, and that if the poorer communities, which cannot make the contributions, are left out, there cannot be any unified and effective flood-control system on any river in the United States.

Mr. President, I felt it my duty to say this much, in view of my convictions on this subject. I appreciate what the committee of conference did in the way of providing that the President might waive at least half of the local contributions, but I hope that when we are able to write a comprehensive flood-control bill, we will recognize what we must recognize, that this is a national obligation.

Mr. LEWIS. Mr. President, will the Senator from Kentucky inform me whether our constituency in Illinois called Cairo, on the river, is affected equally with the community he has described?

Mr. BARKLEY. The city of Cairo is equally affected, the city of Metropolis, which is a smaller place, which was inundated, is likewise affected. If we take the city of Lawrenceburg, Ind., or take all the smaller cities around Covington, opposite Cincinnati, or take Louisville, any city that is not above the average in wealth, it will be found that they will be unable to raise even half of the money required.

Mr. BULKLEY. Mr. President, I should like to corroborate what the Senator from Kentucky has said. There are communities in Ohio which are in exactly the same predicament the Senator has described as to the city of Paducah.

Mr. BARKLEY. I recall one city which was for a whole month completely under water. The property damage in that city alone was $25,000,000, and the city was required to anticipate its revenues for 2 years in advance in order that it might take care of the refugees. To require such a city to put up $2,000,000 to buy rights-of-way would mean nothing more nor less than a denial of any protection in the case of a future flood.

Mr. OVERTON. Mr. President, there is another objection to the amendment that was adopted in the House and is now a part of the conference report, that the amendment applies only to flood-control projects affecting towns and cities in the Ohio Valley.

Mr. COPELAND. That is correct.

Mr. OVERTON. We have undertaken to adopt a uniform rule of local contribution applicable to the entire flood-control program throughout the United States. We have the doctrine of local contribution embedded in the flood-control act relating to the lower Mississippi Valley, the act of June 15, 1936. We have a local contribution provision applicable to all the projects under the Copeland omnibus flood-control act.

The effort is made to effect a departure from that uniform rule by making an exception in the case of the towns and cities of the Ohio Valley. I can readily sympathize with what the senior Senator from Kentucky has to say with reference to the plight of those towns and cities in the Ohio Valley.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. I appreciate what the Senator says. Of course, the amendment which I offered the other day was an amendment to the Flood Control Act of 1936; but the amendment itself pertained only to the Ohio Valley. When I offered the amendment, which was agreed to, I indicated, I think in a colloquy with a Senator on the floor, that it was my desire that what I offered should apply to the Flood Control Act of 1936, and not solely to the Ohio Valley. I realize that any exception made to the rule of local contribution should be made uniform, and applicable to the whole country, and not to one river valley.

We had before us at the time consideration of only the Ohio Valley in an amendment to the Flood Control Act. I was asked by the Senator from Missouri [Mr. CLARK] whether my amendment applied only to the Ohio Valley, or whether it applied to all the rivers that came under the act of 1936. I then gave it as my view that, although the amendment under consideration was applicable only to the Ohio River, and my amendment happened to be an amendment to the Flood Control Act, the effect of my amendment was to cover all of the projects that were included in the 1936 act.

Mr. OVERTON. Mr. President, I was not present at the time that bill was considered by the Senate; but since then I have read the RECORD, and what the Senator from Kentucky has to say in that connection is correct. I think it is well for us to emphasize now, however, the fact that there

ought to be a uniform rule. For instance, the Presiding Officer now in the chair [Mr. CLARK] will recall that in the St. Francis Valley there must be full local contribution, and this amendment would not apply to the St. Francis River Valley project. It would not apply to other projects in the lower Mississippi Valley, and it would not apply to other projects under the Copeland Omnibus Flood Control Act.

I think also that it is a matter that should not be left to the discretion of the President or anyone else. We ought to have a uniform rule that is applicable; and I think this amendment would be better were it to reduce by 50 percent the local contributions, without the necessity of the President passing on the question of whether or not any particular town or municipality should be relieved. If one is relieved, others ought to be relieved. There ought to be uniformity in the matter of local contributions.

I hope the Senator from New York, in charge of the conference report, and the Senator from Kentucky, when this matter comes up again at the next session of the Congress, as in all probability it will, will join the representatives of other States that are interested in flood control so as to devise a uniform rule that will be applicable to all flood-control projects throughout the United States.

Mr. COPELAND. Mr. President, if I am here next winter I shall do all I can to bring about uniformity in this rule. I think it is fair to the lower Mississippi and the tributaries of the lower Mississippi, where in years past lands have been bought for the levees, and so forth, that they should be included; but the provision came before us in its present form, and under the rules of the conference we could not go beyond the fact that it applied to the Ohio River Valley.

So I move, Mr. President, that the Senate agree to the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives receding from its disagreement to the amendment of the Senate no. 1 to the bill (H. R. 7646) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936, and concurring therein with an amendment, as follows:

In lieu of the matter inserted by the Senate amendment to insert the following: "*Provided further*, That if after investigation the President finds that any city or town is, by reason of its financial condition, unable to comply with the requirements of section 3 as to local cooperation, he is hereby authorized to waive such requirements on any individual project not to exceed 50 percent of the estimated cost of the lands, easements, and rights-of-way."

And receding from its disagreement to the amendment of the Senate numbered 6 and concurring therein with an amendment, as follows:

In lieu of the matter inserted by the Senate amendment, to insert the following:

"SEC. 9. That section 5 of the act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936, is hereby amended by adding a third paragraph reading as follows, under the heading 'Mississippi River': 'Memphis, Tenn.—The construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tenn., in accordance with the report on record in the Office of the Chief of Engineers. Estimated construction cost, $9,000,000. Estimated cost of lands and damages, $4,324,000'; and the Senate agree to the same."

Mr. COPELAND. I move that the Senate concur in the amendments of the House to the amendments of the Senate.

The motion was agreed to.

DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

Mr. BARKLEY. Mr. President, in view of the importance of having this appropriation bill disposed of and sent to conference at the earliest possible moment, I hope that any other conference reports which may be ready will await the passage of the deficiency appropriation bill, because conference reports can be disposed of after the deficiency appropriation bill is passed.

Mr. O'MAHONEY. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the appropriate place in the bill, it is proposed to insert the following:

Of the unexpended balance of moneys appropriated to carry out the provisions of title 2 of the National Industrial Recovery Act of June 16, 1933, such amount, not exceeding $500,000, as the Federal Emergency Administrator of Public Works may deem necessary, is hereby made available for suveys and resurveys of public lands during the fiscal years 1938 and 1939, to be expended under the supervision of the Commissioner of the General Land Office in accordance with regulations prescribed by the Federal Emergency Administrator of Public Works.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. WAGNER. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 41, after line 18, it is proposed to insert the following:

Subscription to capital stock, United States Housing Authority: To enable the Secretary of the Treasury to make payments on account of subscriptions to the capital stock of the United States Housing Authority in accordance with the provisions of the United States Housing Act of 1937, fiscal year 1938, to remain available until expended, $1,000,000.

Mr. WAGNER. Mr. President, this particular appropriation has been authorized by the housing bill passed by the Senate; so, under the rule, I am authorized to present the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, the Senate will recall that a few days ago two bills were passed, one sponsored by the Senator from Nevada [Mr. McCARRAN], who is now ill in the hospital, and one sponsored by me. The one sponsored by me provided for the completion of the Great Smoky Mountains National Park in east Tennessee, and the one sponsored by the Senator from Nevada made provision for the Tahoe National Forest in Nevada. The one dealing with the Great Smoky Mountains National Park authorized an appropriation of $743,265, and the one relating to the Tahoe National Forest authorized an appropriation of $325,000.

A short while ago the Senate agreed to the amendment offered by the Senator from California [Mr. McADOO] to purchase additional land to be included in the Yosemite National Park in California. I now wish to offer amendments dealing with similar situations in regard to the two projects I mentioned. They are in order. I ask the chairman of the subcommittee of the Committee on Appropriations to accept the amendments dealing with the Great Smoky Mountains National Park and the Tahoe National Forest, and, after they shall have been agreed to, to let them go to conference.

I send forward an amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

To enable the Secretary of the Interior to acquire on behalf of the United States by purchase, at prices deemed by him to be reasonable, the lands needed to complete the Great Smoky Moun-

tains National Park in the State of Tennessee, in accordance with the provisions of the act of Congress approved May 22, 1926 (44 Stat. 616); and the Secretary of the Interior is further authorized, when in his opinion unreasonable prices are asked for any of such lands, to acquire the same by condemnation under the provisions of the act of August 1, 1888, $743,265.29, to remain available until expended.

Mr. AUSTIN. Mr. President, how much money does the amendment undertake to appropriate?

Mr. McKELLAR. It is to appropriate the money for completing the park.

Mr. AUSTIN. How much money is involved?

Mr. McKELLAR. Seven hundred and forty-three thousand dollars. The amendment is proposed for the same reason as was the amendment offered by the Senator from California [Mr. McADOO], except that it is more important to complete the Great Smoky Mountains National Park than it is to add land to the park in California. The amendment I propose is precisely similar to that offered by the Senator from California which was agreed to a while ago.

I ask the Senator from Colorado [Mr. ADAMS] if he is not willing to take the amendment to conference.

Mr. ADAMS. Mr. President, if the Senator will accept a very frank statement, I will say that a number of these items have been agreed to; and I am sure that the conferees who will be appointed on this bill—and I have no doubt the Senator from Tennessee [Mr. McKELLAR] will be among the number—will have considerable difficulty in maintaining all of these items on the appropriation bill.

Mr. McKELLAR. I understand that situation; but in view of the fact that other amendments have been agreed to, I think my amendment ought to be added to the bill.

Mr. AUSTIN. Mr. President, I do not think the appropriation should be made in accordance with any such rule as that. It should not be made upon the theory that "Somebody has had an appropriation for a park in his vicinity, and therefore I shall ask for an appropriation."

Mr. McKELLAR. The Senate has already passed a bill providing for this purpose. I do not know whether or not the Senator from Vermont voted for it; but a bill has been passed authorizing the appropriation, and why should not the money be appropriated for the purpose? The responsibility is not passed on to anyone else. The Senate has heretofore taken that responsibility, and has passed the bill covering this matter, and has authorized the appropriation. I am offering the amendment in order that it may be appropriated.

Mr. AUSTIN. Mr. President, a point of order. Is the amendment subject to objection?

Mr. McKELLAR. Mr. President, will the Chair indulge me for a moment? The bill has already been passed by the Senate, and has been favorably reported to the House, and there is no reason in the world why the amendment I offer is not in order.

Mr. KING. Mr. President, I should like to ask the Senator a question. What committee made an examination with a view to determining the value of the ground, and whether it was necessary to be added as part of any national reserve or park?

Mr. McKELLAR. The National Park Service has made that examination. As I stated the other day in the Senate when the bill was under discussion, and immediately before it was passed, the money was appropriated with the expectation that all of the land would be bought, but when the necessary land was purchased for the North Carolina end of the park it was found that money was lacking to purchase the necessary land in Tennessee.

This park is ready to be turned over to the Government as soon as the additional land is purchased. Nearly a million people will visit that park during the present year. Yet we have not even turned it over to the Government. The State of Tennessee has bonded itself for a very large sum to pay for a portion of these lands. The Rockefeller Foundation, in the interest of Mrs. Rockefeller, has contributed $5,000,000 toward it. It seems to me that an appropriation should be made, and I hope the Senate will accept the amendment.

Mr. AUSTIN. I make a point of order that the amendment is legislation on an appropriation bill.

The PRESIDING OFFICER. The Chair is of the opinion that the provision of the amendment authorizing the Secretary of the Interior to make condemnation of land is clearly legislation, not authorized by law, and, therefore, being legislation, is subject to the point of order.

Mr. McKELLAR. Mr. President, I wish to modify the amendment by striking out the language providing for condemnation, and merely providing for the appropriation of $743,000.

The PRESIDING OFFICER. The Senator from Tennessee modifies his amendment. The clerk will state the amendment as modified.

The CHIEF CLERK. On page —, line —, after line —, it is proposed to insert the following:

To enable the Secretary of the Interior to acquire on behalf of the United States by purchase, at prices deemed by him to be reasonable, the lands needed to complete the Great Smoky Mountains National Park in the State of Tennessee, in accordance with the provisions of the act of Congress approved May 22, 1926 (44 Stat. 616), $743,265.29, to remain available until expended.

Mr. AUSTIN. Mr. President, it seems to me that a matter of this kind offered here at this time ought to have more consideration than is apparently possible under the circumstances, and, if it is pressed, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	Pope
Andrews	Copeland	Johnson, Colo.	Radcliffe
Ashurst	Davis	King	Reynolds
Austin	Dieterich	La Follette	Schwartz
Bankhead	Donahey	Lewis	Schwellenbach
Barkley	Ellender	Lodge	Sheppard
Berry	George	Logan	Smathers
Bilbo	Gerry	Lonergan	Smith
Bone	Gibson	Lundeen	Steiwer
Borah	Gillette	McAdoo	Thomas, Okla.
Bridges	Glass	McGill	Thomas, Utah
Brown, Mich.	Graves	McKellar	Townsend
Brown, N. H.	Green	Maloney	Truman
Bulkley	Guffey	Minton	Tydings
Bulow	Hale	Moore	Van Nuys
Burke	Harrison	Murray	Wagner
Byrd	Hatch	Neely	Walsh
Byrnes	Hayden	Nye	Wheeler
Capper	Herring	O'Mahoney	White
Caraway	Hitchcock	Overton	
Chavez	Holt	Pepper	
Clark	Hughes	Pittman	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names; a quorum is present.

The question is on the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. McKELLAR. On behalf of the Senator from Nevada [Mr. McCARRAN] I offer the companion amendment to the one just adopted, modifying the amendment by striking out the matter which was declared to be subject to a point of order in the case of the amendment just agreed to.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Following the amendment last agreed to, it is proposed to insert:

To enable the Secretary of Agriculture to acquire, by purchase when purchasable at prices deemed by him reasonable, or by exchange under the provisions of the act of March 20, 1922, as amended, on behalf of the United States, certain lands in the State of Nevada now in private ownership, as particularly described in Senate bill 2583 entitled, "An act to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park, in east Tennessee", $325,000: *Provided*, That when title to any of the aforesaid privately owned lands has been vested in the United States, such lands described in section I hereof shall be added to and become a part of the Tahoe National Forest and shall be subject to all laws and

regulations applicable thereto: *Provided further*, That nothing herein shall be construed to affect any valid existing rights: *Provided further*, That the provisions of the act approved June 10, 1920, as amended, known as the Federal Water Power Act, shall not apply to any of the lands added to the Tahoe National Forest pursuant to the provisions of this paragraph.

Mr. AUSTIN. I make the point of order that the amendment proposes legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BILBO. Mr. President, I offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill insert the following:

For the purposes of carrying out the provisions of the Cooperative Farm Forestry Act (Public, No. 95, 75th Cong.) for the fiscal year ending June 30, 1938, $1,000,000.

Mr. KING. Mr. President, I should like to have an explanation of the amendment.

Mr. BILBO. Mr. President, at the present session of Congress we passed what is known as the Cooperative Farm Forestry Act, introduced by the senior Senator from Nebraska [Mr. NORRIS]. The act authorizes an annual appropriation of $2,500,000 for the purpose of carrying out its provisions. The President and the Bureau of the Budget have approved an appropriation of $1,000,000, but for some mysterious and unexplained reason the House omitted the item. Accordingly I am offering it at this time.

If reference is made to the act, the purposes of which this appropriation is intended to carry out, it will be found that Senators from every State should be interested, because the act is in the interest of the reforestation of the entire country. A letter from the Secretary of Agriculture, signed by the Acting Secretary, conveys the information that by the use of Federal funds and for the purposes of carrying out the objects of the bill there have been grown in about 13 different nurseries of the country 50,000,000 seedlings, to be planted in the prairie section and Timber Belt of the country.

In addition to that, in the South we have a great program, which was inaugurated and is being carried on by the Federal Government and the local government, to reforest the lands which have been denuded of timber by the sawmills in recent years. This is especially important for the southern section of the country, because under recent discoveries and developments in the manufacture of paper the reforestation of land has great economic value. These timberlands are very valuable, especially while the timber is young.

An appropriation for this purpose should appeal to every Senator, because the Government has already invested large sums of money in the growing of seedlings which must be put out this fall and next spring or they will be a total loss to the Government.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. BILBO. Certainly.

Mr. McGILL. Is not the further information contained in the letter from the Secretary of Agriculture that the 50,000,000 seedling trees must be set out in the fall of 1937 and spring of 1938, and that unless this appropriation is made there will be no funds to carry forward the program and those seedlings will be a total loss to the Government?

Mr. BILBO. The Senator from Kansas is correct. The Department says the trees must be set out this fall and next spring or they will be a dead loss to the Government. The purpose is to encourage the setting out of trees on all the waste lands of the individual farmers throughout the entire country. The money should be used by the Government for that purpose everywhere in the country.

Mr. THOMAS of Oklahoma. Mr. President, I desire to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. BILBO. I yield.

Mr. THOMAS of Oklahoma. Is not this a liquidation of a former ambitious program to build a row of trees or several rows of trees through the western section in the hope and with an effort to minimize the hot winds and temper the climate in that way? Is it not a fact that formerly the administration purchased and acquired a great number of nurseries and they have now ready for planting many millions of trees, and if this fund is not provided, will not those trees be a total loss to the Government? Further, is it not a fact that this amendment, calling for $1,000,000, is to liquidate that program and see that those trees are planted, and to carry out a Budget estimate?

Mr. BILBO. Mr. President, not being from that section of the country or familiar with conditions there, nevertheless I have a suspicion that part of this fund would be used for that purpose; but I have another suspicion that a greater part of the fund would be used to encourage farmers throughout the Nation to reseed and grow timber on their own individual lands.

Mr. KING. Mr. President, will the Senator yield?

Mr. BILBO. Certainly.

Mr. KING. With the $1,000,000 proposed to be appropriated, will there be a complete and effective and ended-forever liquidation of the project to which the Senator from Oklahoma referred, or will there be in the future, from time to time, demands for further appropriations to carry on that project?

Mr. BILBO. I am not in a position to say that the purpose of the appropriation is to liquidate the former effort on the part of those who had the dream of protecting the country from the cold winds of the North and the hot winds of the South. The appropriation is proposed to be made pursuant to a permanent act of Congress, Public, No. 95, of this session, approved the 18th day of May 1937, which provides for doing certain things to aid agriculture, increase farm-forestry income, increase water resources, increase employment, and in other ways to advance and improve living conditions on farms through the means of reforestation and forestation in the various States and Territories. It is the purpose of the act for which the appropriation is asked to carry out all those purposes stated in the act approved May 18, 1937, including the utilization of the 50,000,000 seedlings to which I have referred.

Mr. KING. I assume from what the Senator has stated that there is to be no liquidation, but this is to be a perpetual expenditure by the Federal Government.

Mr. BILBO. The act provides for an annual appropriation of $2,500,000 from now on.

Mr. AUSTIN. Mr. President, I inquire if the amendment is acceptable to the committee?

Mr. ADAMS. Mr. President, this item was first brought to the attention of the House Committee on Appropriations. They declined to include it in the bill and the bill passed the House without it. The matter was submitted to the Senate Committee on Appropriations and that committee, after due consideration, declined to include the item in the bill. I am merely saying that that is the judgment of the two Appropriations Committees.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. BONE. Mr. President, I tender an amendment to the pending bill and desire to take a moment to explain its purpose.

On August 25, 1936, Congress enacted a law inviting the nations of the earth to come to the United States for an international power conference. Pursuant to that act, which was Public, No. 58, the convention was held. I think all the leading nations of the earth were represented.

As a part of that set-up the proceedings of the convention were printed or ordered printed. The work has about been finished and 60 percent of the report is now in type in the Public Printer's Office. But by inadvertence no item was included in the deficiency bill to take care of the printing costs. The various nations are now asking for copies of the proceedings and report, and they are not

available. The amendment has been approved by the President and by the Bureau of the Budget. It calls for $50,000. I ask that the amendment may be stated.

The PRESIDING OFFICER. The amendment of the Senator from Washington will be stated.

The CHIEF CLERK. On page 20, after line 7, it is proposed to insert the following:

OFFICE OF THE SECRETARY

Printing and binding: For printing from type now standing at the Government Printing Office, supplemented by such additional material as may be submitted to the Public Printer by the Department of the Interior, 500 sets of the complete transactions of the Third World Power Conference and of the Second Congress on Large Dams, sponsored by the United States, and pursuant to Public Resolution No. 58, approved August 26, 1935, including personnel without regard to the civil-service laws and regulations and including reimbursement to other appropriations for services of personnel employed for translating, compiling, and editing such material, and for all other necessary expenses incident thereto, fiscal year 1937 and 1938 (acts Aug. 26, 1935, 49 Stat. 870; Feb. 11, 1936, 48 Stat. 1124), $50,000.

Mr. ADAMS. Mr. President, this matter was presented to the Appropriations Committee, and the committee declined to include it in the bill. They did not feel that it was a deficiency item. We hesitated to authorize the expenditure of $50,000 for printing a set of reports. It seemed to some members of the committee that $50,000 was an unusual amount. We did not know the extent of the accumulation of information to be published. We did not know as to the necessity for it, and we did not have before the committee a justification which satisfied us that we should appropriate $50,000 for that purpose.

Mr. BONE. Mr. President, may I add one word?

Failure to print this report would leave the United States, if a republic may be said to be in an awkward position, in precisely that position. We very formally passed a law inviting the nations of the world to come here; and we entertained them, as I recall, quite royally. The report is voluminous in that it is in itself a comprehensive study of the whole power field; and, of course, the various nations which went to the expense and trouble of sending representatives here are wondering why their report is not forthcoming. It is a very lengthy thing. It is a report of all the proceedings; and 60 percent of the type, gentlemen of the Senate, is now set up over here in the Government Printing Office.

The matter is of no personal interest whatever to me, but I think the present situation is a rather awkward one for us. I rather hate to have Congress just say "We are not going to publish this report" after we had invited representatives of all the great nations to come here; they were our guests, and we virtually contracted with them to give them a report of the proceedings.

Mr. ADAMS. Mr. President, may I ask the Senator when this conference was held?

Mr. BONE. I dare not trust my memory as to that.

Mr. KING. It was held about 18 months ago. There was a big meeting down here at the Union Station.

Mr. BONE. It was held in Washington, as I recall; and I believe all the leading countries were represented by scientists and engineers of world-wide fame in their respective fields. This is the report of the proceedings.

Mr. ADAMS. Congress at that time made an appropriation for the expenses of the conference, did it not?

Mr. BONE. Now, the Senator is asking me to trust to my memory, and it is faulty. I do not recall. I merely know that as a part of that set-up we were to publish a report, and this is merely the winding up of what seems a very necessary detail. I am sure all of us realize that.

Mr. ADAMS. Does not the Senator think that if there was an appropriation, as there doubtless was, perhaps everything that was to be included was mentioned in the statute? If the type has been set up without authorization and without any appropriation, those who have directed it to be done have gone rather far afield.

I gather from the statement of the Senator that 60 percent of the report has been set up in type. Some appropriation must have been available for that.

Mr. BONE. I cannot answer, except to say to my brethren of the Senate that the President has cleared the item, and that the Budget Bureau has cleared it; and, of course, being a Member of the Senate, I would rely on that as sufficient justification and legal authority for presenting the matter, with the thought that it would be a perfectly justifiable action on my part. I think we are well within the four corners of the original statute in now putting this item in the bill.

Mr. ADAMS. There is no question of our justification in not putting it in if the Senate thinks it ought not to go in.

Mr. BONE. It is a very small item, and I feel that we should be doing ourselves a disservice not to publish these reports. They are very valuable. After this great conference has been held, there will be a great vacuum if a report is not published; and I think the world is entitled to have the report.

Mr. CONNALLY. Mr. President, can the Senator give any assurance that anyone will ever read the report after it is printed?

Mr. ADAMS. If it is a $50,000 report I think I can give assurance that it will not be read.

Mr. BONE. In answer to the question of the Senator from Texas, I will say that I suspect that those who are interested in this particular field will read the report.

Mr. CONNALLY. I am not opposing the Senator's amendment.

Mr. BONE. No; I understand that. But, in all fairness, I think a number of persons will read the report, because the leading engineers and members of the engineering fraternity generally attended the conference. The Government is now in the power business, and the report will have a very great technical and, I think, very practical value in the work we are now carrying on.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. BONE. I do.

Mr. KING. Did the Senator, or some member of his committee, before having the report sent to the Printing Office to be printed, make an investigation as to the cost of printing the report, or make any inquiry at all regarding it?

Mr. BONE. No, Mr. President. The matter was brought to my attention, and I made a hurried examination of the facts within the time I had, and it seemed to me that we ought not to default in this matter. It seems rather ridiculous to invite to this city a group of scientists from all over the world, and agree to publish a report of the proceedings and provide them for the various nations, and then not do so. The reports are going to other countries as well as to this one.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

Mr. ADAMS. Mr. President, I find in the amendment of the Senator from Washington, the following language:

Printing and binding: For printing from type now standing at the Government Printing Office, supplemented by such additional material as may be submitted to the Public Printer by the Department of the Interior, 500 sets of the complete transactions of the Third World Power Conference and of the Second Congress on Large Dams, sponsored by the United States, and pursuant to Public Resolution No. 58, approved August 26, 1935—

I first wish to call attention to the fact that it was authorized in 1935. Then follows this language:

including personnel without regard to the civil-service laws and regulations.

I am wondering what that means, and what it is doing in this appropriation amendment, that is, "including personnel without regard to the civil-service laws and regulations." I wanted to inquire of the Senator from Washington what that meant.

Mr. BONE. Mr. President, the amendment was prepared by counsel for the Interior Department, who had the law before them, and I think the verbiage to which the Senator refers is probably a statement from the law itself. I cannot

answer the Senator's question. I am only suspecting that to be the case. I rather think this is one of those formal amendments which contain a lot of verbiage which to most lawyers seem ridiculous, but I think it is probably a restatement of some provision of the act. I only guess at that, because this was prepared by the counsel for the Interior Department as I have said, to cover the exigency. I do not believe it has any significance at all here.

Mr. ADAMS. Mr. President, I was about to say to the Senator that it seems to me it is legislative in character, if it means anything.

Mr. BONE. I do not think so. I think it is more or less a restatement of the law.

Mr. ADAMS. I will read the law to the Senator under which this conference was held. It provides:

That the President be, and hereby is, authorized and requested to extend to the World Power Conference an invitation to hold the Third World Power Conference in the United States in 1936 and 1937.

That the sum of $75,000, or so much thereof as may be necessary, is hereby authorized to be appropriated for the expenses of organizing and holding the Third World Power Conference, including personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended, communication services, stenographic and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses, local transportation, hire of motor-propelled, passenger-carrying vehicles, rent in the District of Columbia and elsewhere, printing and binding, entertainment, official cards, purchase of newspapers and periodicals, necessary books and documents, stationery, membership badges, and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State.

I make the inquiry as to where there is an application of this civil-service provision.

Mr. BONE. The Senator has me at a disadvantage, because the amendment was brought to my attention only about noon today, and I had no time to study it, except in a very sketchy fashion, and I did not have the law before me. I recalled the passage of the law in 1935, but I did not recall the terms of the law, and I felt that this was probably one of the very vital things to be done in order to carry out the real purpose of holding the conference. The Senator has the statute before him, and of course he has the advantage of me, because I did not know what was in the statute. The lapse of time had blurred the whole thing in my mind.

Mr. ADAMS. I did not wish to take any advantage of the Senator. All I want is to explain that here is a matter before us, on which the Senator has had information only recently. All we had was a sketchy request for an appropriation, and we felt it our duty, unless there was some definite proof or evidence that it was necessary to spend $50,000, at least to lay it over until the next regular session of the Congress, and find out the reasons behind it.

Mr. BONE. When I said the Senator had the advantage of me, I meant he had the law before him and had the advantage of me in that regard. I am not prepared to state what is in the old statute, and I am glad to have the information.

Mr. ADAMS. Is not the Senator willing to let the matter go over until we all have more information about it?

Mr. BONE. I will conclude my statement by saying that the Interior Department felt that this was very vital, and as a matter of courtesy to them I told them I would be very happy to present the amendment.

Mr. ADAMS. I have yet to find a request for an appropriation from a department where the department does not think it vital.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was rejected.

Mr. LOGAN. Mr. President, I offer an amendment, which I desire to explain. I will read the amendment. It is as follows:

American Printing House for the Blind: To enable the American Printing House for the Blind more adequately to provide books and apparatus for the education of the blind in accordance with existing law, the sum of $50,000 as authorized by H. R. 4582, Seventy-fifth Congress.

By way of explanation, let me say that the House passed House bill 4582, and the Senate just a few days ago passed the same bill. It is now at the White House.

That bill authorizes an increase of $50,000 in the appropriation to the American Printing House for the Blind. That is the institution which prints the books for all of the blind students in all the States. It is an eleemosynary institution to that extent, and the books are distributed on a quota that is agreed upon among the respective States. There has been considerable legislation in the interest of the blind during the past few years, and the demands upon the American Printing House—which is the oldest of its kind in the Nation, and the only one, so far as I know—have grown so great that it is actually in need of immediate money to carry on its part of the arrangement to furnish books to students. The purpose in offering this amendment is to make provision for the sum of $50,000, because it has been authorized by both Houses of Congress, and I imagine the bill making the authorization will be signed by the President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. KING. Mr. President, I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the bill the following:

Site for armory, Militia, District of Columbia: For the acquisition, in whole or in part, by purchase, condemnation, or otherwise of squares nos. 1118, 1119, 1125, and 1126, in the District of Columbia, Northeast section, bounded by C Street on the north, Nineteenth Street on the west, Twenty-first Street on the east, and A Street on the south, as a site for an armory for the National Guard of the District of Columbia, fiscal year 1938, $210,000, to be expended under the authority and direction of the Commissioners of the District of Columbia, and to continue available until expended.

Mr. KING. Mr. President, the President in a message dated August 13, transmitted the report of the Bureau of the Budget favoring this provision, and strongly recommended the appropriation. The cost will be paid, of course, out of the District funds. I may add that the lands referred to were tentatively selected sometime ago, but unfortunately there was no appropriation and no authorization. In the meantime a number of small buildings have been erected on the land, and others may be erected in the near future. It is very important that the land be acquired at the earliest possible date; otherwise, additional buildings will be constructed, and the value of the premises will be very much greater than at the present time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. NYE. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 40, after line 18, it is proposed to insert the following:

SPECIAL MEXICAN CLAIMS COMMISSION

Special Mexican Claims Commission: For the purpose of carrying into effect the provisions of the act entitled "An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934", approved April 10, 1935, and amended August 19, 1937, including personal services in the District of Columbia or elsewhere, without regard to the provisions of any statute relating to employment; rent in the District of Columbia or elsewhere; furniture; office supplies, and equipment, including law books and books of reference; stenographic reporting and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41,

sec. 5); traveling expenses; transportation of things; printing and binding; and such other necessary expenses as may be authorized by the Secretary of State, $90,000, together with the unexpended balance of the appropriation made available for this purpose in the Second Deficiency Appropriation Act, Fiscal Year 1937, which unexpended balance is continued available until August 31, 1938.

Mr. NYE. Mr. President, in explanation of the amendment I should like to say that the language of the amendment, except for change in the dates which would bring it up to the present year, is precisely the language used in the State Department appropriation bill of last year. Yesterday both Houses approved the conference report on the bill which authorizes the extension of this work for an additional year. The appropriation is necessary to continue that work. I hope the committee will accept the amendment.

Mr. KING. What is the amount asked for?

Mr. NYE. Ninety thousand dollars.

Mr. KING. Mr. President, it seems to me that amount is not required, because, under the bill which was approved, the services of the Commission may be terminated at a much earlier date. As a matter of fact, the original bill, which I had the honor to introduce, limited the period to 2 years. Unfortunately, the work has not been completed, and a short time additional is required. It seems to me the Commission ought to complete its labor in a very few months.

Mr. NYE. I think the members of the Commission themselves are sure of accomplishing the completion of the work in less than a year. However, the Bureau of the Budget has indicated that it would be in quite complete approval of providing the same amount of money this year that was provided last year; and if the Commission completes its work before the end of the year, the whole amount will not be necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have conferred with the parliamentarian, and I now offer an amendment on behalf of the Senator from Nevada [Mr. McCARRAN], which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, under the heading "National Park Service", following the amendment dealing with the Great Smoky Mountains National Park, it is proposed to insert the following:

TAHOE NATIONAL PARK FOREST

To enable the Secretary of Agriculture to acquire, on behalf of the United States, certain lands in the State of Nevada now in private ownership, as particularly described in S. 2583, entitled "An act to provide for the acquisition of certain lands for and the addition thereof to the Tahoe National Forest, in the State of Nevada, and the acquisition of certain other lands for the completion of the acquisition of the remaining lands within the limits of the Great Smoky Mountains National Park, in east Tennessee", $325,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, following line 12, it is proposed to insert the following:

WAR DEPARTMENT

CORPS OF ENGINEERS

Flood control: For commencing the construction of flood walls, levees, and revetments along Wolf River and Nonconnah Creek for the protection of Memphis, Tenn., as heretofore or hereafter authorized by law, $1,000,000.

Mr. McKELLAR. Mr. President, that item is authorized by the Flood Control Act which was just passed by both Houses of Congress.

Memphis, Tenn., was very badly hurt by the recent flood, as was Paducah, the home town of the Senator from Kentucky [Mr. BARKLEY]; and it is absolutely necessary that work be done at the earliest possible moment in order to protect the city from the backwaters of the Mississippi River, which back up the other two rivers and very greatly injure the city. There was no loss of life during the last great flood, but there was a tremendous loss of property, and a great amount of work was necessary to keep the water from backing up farther and doing more damage than it did.

The proposal has been approved by the Board of Engineers, by the engineer of that district, and also by the Chief of Engineers in Washington, who prepared the original amendment. I hope the Senate will allow the amendment to go to conference.

Mr. AUSTIN. Mr. President, I desire to ask the Senator from Tennessee whether this amendment has been submitted to any standing committee of the Senate.

Mr. McKELLAR. It has not, because the bill was passed just a few moments ago. That is why the amendment was not submitted to a committee.

Mr. AUSTIN. Mr. President, I will ask the chairman of the subcommittee of the Appropriations Committee if he does not think an amendment of this character ought to be justified in some way before a standing committee before it is adopted by the Senate. I address my question to the chairman.

Mr. ADAMS. I will say to the Senator that I did not understand the question. I happen to be merely chairman of the subcommittee, and I did not recognize the intent to address me.

Mr. McKELLAR. The question relates to the appropriation which has just been authorized by the Congress, under the Flood Control Act, to protect Memphis from the floodwaters of the Wolf River and the Nonconnah Creek at Memphis.

Mr. ADAMS. The Senator has included in his amendment all the items that are in the Flood Control Act?

Mr. McKELLAR. No; only one.

Mr. ADAMS. What was the total of the Flood Control Act?

Mr. McKELLAR. I do not recall what the total of the Flood Control Act was, but this is an item in it, and it is a matter that ought to be attended to at once. There was great loss in the city of Memphis, as the whole world knows. The flood sufferers from Arkansas, Kentucky, and Tennessee came to Memphis. There was great loss, not of life, but of property. The purpose of this appropriation is to remedy that situation, and the work ought to be started at the very earliest possible moment.

Mr. ADAMS. The Senator, being a member of the committee, will recognize the embarrassment of the committee, because the projects included in the Flood Control Act, so far as I know, were all emergency projects, in connection with which provision was made for taking measures for protection against real hazards. I ask the Senator from Tennessee whether he feels that the deficiency appropriation bill should include selected items out of the Flood Control Act.

Mr. McKELLAR. I think this amendment should be included, because of the very great importance of doing this work at once. The item covers a matter that is really of an emergency nature. There is already in the bill a provision for this item, and, as a real emergency exists, I think the item should be included.

I hope the amendment will be agreed to.

Mr. AUSTIN. Mr. President, it occurs to me that under these circumstances the Senate cannot possibly test the justification for the amount, or any other feature of an appropriation of this character. Of course my protest will amount to very little; but I certainly protest against undertaking to appropriate these various large sums of money without any justification being made before any standing committee of the Senate.

Mr. McKELLAR. Mr. President, the Senate has just passed the bill, which came from a standing committee of the Senate, which authorized this item, and the Chief of Engineers has recommended it. The Senator from Colorado himself probably has not examined the bill; but it is true, nevertheless, that this appropriation has been recommended, and I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee on page 38, line 12. [Putting the question.] The "noes" appear to have it.

Mr. McKELLAR. I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER (Mr. McGILL in the chair). The bill is still before the Senate and open to amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 8245) was passed.

Mr. ADAMS. Mr. President, I move that the Senate insist on its amendments——

Mr. BYRNES. Mr. President, my attention being diverted, I did not know that the amendment stage of the bill had been passed. I wanted to offer an amendment. I send an amendment to the desk.

The PRESIDING OFFICER. In order that the amendment may be considered, it will be necessary to reconsider the vote by which the amendments were ordered to be engrossed and the bill to be read a third time and passed.

Mr. BYRNES. I make that motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment, which will be stated.

The CHIEF CLERK. On page 13, after line 5, it is proposed to insert the following:

That the authorization for the acquisition of a site for the Jefferson Memorial Junior High School and Library contained in the act making appropriations for the year 1938, approved June 29, 1937, shall be available for the purchase of a site regardless of the boundaries of tracts set forth in said act.

Mr. AUSTIN. Mr. President, may I ask for an explanation of the amendment?

Mr. BYRNES. The purpose of the amendment is to give an opportunity for the investigation of a matter which I believe is of some importance. It is a District matter, and the Senator from Utah [Mr. KING], the chairman of the District of Columbia Committee, and the Senator from Oklahoma [Mr. THOMAS], who is in charge of the District of Columbia appropriation bill, agreed that an opoprtunity should be afforded to determine whether or not when we passed the District of Columbia appropriation bill and provided that a site should be purchased for a school between two certain blocks; certain people who were interested influenced the designation of those blocks. I think the amendment should be adopted to give us an opportunity to investigate it, the only purpose of the amendment being to afford such opportunity and to permit the purchase of a site for a school building regardless of the site designated in the appropriation bill passed a few weeks ago, leaving it to the officials of the District of Columbia to determine where the building should be located and not having them bound to a certain location designated by certain streets in the appropriation bill.

Mr. ADAMS. Mr. President, I trust that the amendment will be agreed to, so that we may take it to conference.

Mr. BYRNES. I hope the amendment will be adopted. I have stated the only purpose contemplated by it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8245) was read the third time and passed.

Mr. ADAMS. I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. BYRNES, and Mr. HALE conferees on the part of the Senate.

INCORPORATION OF AMERICAN CHEMICAL SOCIETY

Mr. GEORGE. Mr. President, I have two matters that I think may be disposed of without debate.

Yesterday the Senate passed a bill (S. 2633) to incorporate the American Chemical Society. In the meantime the House passed a bill in words identical with the Senate bill, except for two amendments that were added in the House.

The House bill has been referred to the Committee on the Judiciary. I have conferred with the chairman of that committee, and, with his consent, I ask that the Committee on the Judiciary be discharged from the further consideration of House bill 7709, which is the bill to which I refer, for the purpose of asking unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary is discharged from the further consideration of the House bill. Is there objection to the request of the Senator from Georgia for the immediate consideration of the bill?

There being no objection, the bill (H. R. 7709) to incorporate the American Chemical Society was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the persons following: Robert T. Baldwin, Edward Bartow, Erle M. Billings, E. K. Bolton, Willard H. Dow, Gustavus J. Esselen, Arthur J. Hill, Townes R. Leigh, Thomas Midgely, Jr., Charles L. Parsons, R. E. Swain, E. R. Weidlein, Frank C. Whitmore, H. H. Willard, and R. E. Wilson, being persons who are now directors of the American Chemical Society, a corporation existing under the laws of the State of New York, their associates and successors duly chosen, and such other persons as now are or may hereafter be associated with them as officers or members of said American Chemical Society, are hereby incorporated and constituted and declared to be a body corporate by the name of American Chemical Society.

SEC. 2. That the objects of the incorporation shall be to encourage in the broadest and most liberal manner the advancement of chemistry in all its branches; the promotion of research in chemical science and industry; the improvement of the qualifications and usefulness of chemists through high standards of professional ethics, education, and attainments; the increase and diffusion of chemical knowledge; and by its meetings, professional contacts, reports, papers, discussions, and publications, to promote scientific interests and inquiry, thereby fostering public welfare and education, aiding the development of our country's industries, and adding to the material prosperity and happiness of our people.

SEC. 3. That the American Chemical Society shall have power to make its own organization, including its constitution, bylaws, rules, and regulations; to fill all vacancies created by death, resignation, or otherwise; to provide for the election of members, their division into classes, and all other matters needful and useful to promote the objects of the society. It shall hold an annual meeting at such place in the United States as may from time to time be designated.

SEC. 4. That the American Chemical Society shall, whenever called upon by the War or Navy Department, investigate, examine, experiment, and report upon any subject in pure or applied chemistry connected with the national defense, the actual expense of such investigations, examinations, experiments, and reports to be paid from appropriations which may have been made for that purpose by Congress, but the society shall receive no compensation whatever for any services to the Government of the United States: *Provided*, That the title to any and all inventions and discoveries made in the course of such investigations, examinations, and experiments that, in the opinion of the Secretary of the Navy or the Secretary of War, involve the national defense, shall vest in the Government of the United States, and the Government of the United States shall have unlimited license under all other inventions and discoveries.

SEC. 5. That the American Chemical Society be, and the same is hereby, authorized and empowered to receive, by devise, bequest, donation, or otherwise, either real or personal property and to hold the same absolutely or in trust, and to invest, reinvest, and manage the same and to apply said property and the income arising therefrom to the objects of its creation.

SEC. 6. That as soon as may be possible after the passage of this act a meeting of the directors hereinbefore named shall be held at the city of Washington in the District of Columbia by notice served in person or by mail addressed to each director at his place of residence by the secretary of the American Chemical Society, a New York corporation, and the said directors, or a majority thereof, being assembled, shall organize and proceed to adopt bylaws, to elect officers and appoint committees, and generally to organize the said corporation; and said directors herein named, on behalf of the corporation hereby incorporated, shall thereupon receive, take over, and enter into possession, custody, and management of all property, real or personal, of the corporation heretofore known as the American Chemical Society, incorporated as hereinbefore set out under the laws of the State of New York on November 9, 1877, and to all its rights, contracts, claims, and property of any kind or nature; and the several officers of such corporation, or any other person having charge of any of the securities, funds, real or personal, books or property thereof, shall, on demand, deliver the same to the said directors appointed by this act or to the persons appointed by them to receive the same; and the directors of the existing corporation and the directors herein named shall and may take such other steps as shall be necessary to carry out the purposes of this act.

SEC. 7. That the rights of the creditors of the said existing New York corporation known as the American Chemical Society shall not in any manner be impaired by the passage of this act, or the transfer of the property hereinbefore mentioned, nor shall any liability or obligation for the payment of any sums due or to become due, or any claim or demand, in any manner or for any cause existing against the said New York corporation, be released or impaired; but such corporation hereby incorporated is declared to succeed to the obligations and liabilities and to be held liable to pay and discharge all of the debts, liabilities, and contracts of the said New York corporation so existing to the same effect as if such new corporation had itself incurred the obligation or liability to pay such debt or damages, and no suit, action or proceeding before any court or tribunal shall be deemed to have abated or been discontinued by reason of the passage of this act.

SEC. 8. That the corporation shall, on or before the 1st day of December in each year, transmit to Congress a report of its proceedings and activities for the preceding calendar year, including the full and complete statement of its receipts and expenditures. Such reports shall not be printed as public documents.

SEC. 9. That the right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 10. That this act shall date from the 1st day of January 1938.

ANNE E. FELIX

Mr. GEORGE. Mr. President, sometime ago the House passed House bill 5495, providing an appropriation of $2,000 to pay the expenses of a contestant in a contested election. It seems that during the prosecution of this contest the contestant failed to ask for the $2,000 allowed by the House ordinarily in such contests, and that the House passed a special bill pursuant to an act of the Congress of 1879. From the Committee on Privileges and Elections I report the bill favorably, and ask unanimous consent for its immediate consideration.

There being no objection, the bill (H. R. 5495) for the relief of Anne E. Felix was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anne E. Felix, of Pittsburgh, Pa., the sum of $2,000 in full satisfaction of her claim against the United States for expenses incurred as contestant in connection with preparation and prosecution of the election-contest case of *Anne E. Felix* v. *Michael J. Muldowney* for the seat from the Thirty-second Congressional District of the State of Pennsylvania in the Seventy-third Congress, as authorized by the act of March 3, 1879 (U. S. C., title 2, sec. 226), a full and detailed account of such expenses having been properly filed with the clerk of the Committee on Elections No. 2, in accordance with the provisions of the act hereinbefore recited: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ACTIVITIES OF THE EXECUTIVE DEPARTMENTS

Mr. BARKLEY. Mr. President, there are in preparation several statements regarding the activities of the executive departments of the Government which should be incorporated in the CONGRESSIONAL RECORD as part of the proceedings of the first session of the Seventy-fifth Congress. At the moment I have not the data covering this information. As the RECORD will be extended for 10 days after the adjournment of Congress, I ask permission that the memoranda covering this information be inserted in the Appendix as part of my remarks covered by the request which I am now making.

Mr. AUSTIN. Mr. President, before the request of the Senator from Kentucky is acted upon, may I inquire whether the statements referred to are to be in the names of Members of the Senate?

Mr. BARKLEY. Yes; they are.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

INVESTIGATION PERTAINING TO COURTS IN PUERTO RICO

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably the resolution (S. Res. 184) submitted by Mr. BURKE on August 19, 1937, which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, hereby is authorized to investigate the advisability of amending section 40 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", as proposed in H. R. 1485, Seventy-fifth Congress.

For the purposes of this resolution the committee or subcommittee is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Seventy-fifth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to employ such clerical and other assistance, and to make such other expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The expenses of the committee, which shall not exceed $2,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

HEARINGS BEFORE COMMITTEE ON INTEROCEANIC CANALS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably the resolution (S. Res. 183) submitted by Mr. CLARK on the 19th instant, which was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Interoceanic Canals, or any subcommittee thereof, hereby is authorized during the Seventy-fifth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

FILING OF CONFERENCE REPORTS

Mr. BARKLEY. Mr. President, I ask unanimous consent that any committee of conference may have the privilege of filing any conference report that may be agreed to during any adjournment or recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIAN LANDS IN ARIZONA

Mr. THOMAS of Oklahoma. Mr. President, a few days ago the Senate passed a bill at the request of the Senator from Arizona [Mr. HAYDEN]. The bill went to the House and the House attached an amendment. A conference was asked. Because of the lateness in the session I now ask unanimous consent to enter a motion to reconsider the vote by which the Senate disagreed to the amendment of the House to the bill (S. 2188) to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

The PRESIDING OFFICER. Without objection, the motion will be entered.

Mr. THOMAS of Oklahoma. I now move that the House be requested to return the bill to the Senate for further consideration.

The motion was agreed to.

SINEPUXENT BAY BRIDGE, OCEAN CITY, MD.

Mr. RADCLIFFE. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 1287, House bill 7806, a bridge bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7806) authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence, reported from the Committee on Commerce with amendments, which had heretofore been agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WASHINGTON AIRPORT—CONFERENCE REPORT

Mr. CLARK submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following:

"That the Secretary of War is authorized and directed to lease to the National Airport Corporation, a corporation organized under the laws of the State of Delaware for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 25 years, and only for such period as the same shall be used for airport purposes, at a rental of $25,000, payable in advance, the lands forming that part of Military Road, Fort Myer Military Reservation, Arlington County, Virginia, described as follows: Beginning at a point on the easterly line of the Arlington Reservation north sixteen degrees west seventy-five and twenty-nine one-hundredths feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation north sixteen degrees no minutes west seventy-one and seventy-three one-hundredths feet; thence north eighty-five degrees thirty-five minutes east two hundred and sixty-three and twenty-five one-hundredths feet; thence by a curve to the right of six hundred and eight and seven-tenths feet radius three hundred and thirty-six and forty-two one-hundredths feet; thence south sixty-two degrees forty-five minutes east one thousand two hundred and fifty-three and eleven one-hundredths feet; thence by a curve to the left of four hundred and six and seven-tenths feet radius four hundred and fifty-four and twenty-seven one-hundredths feet; thence north fifty-three degrees fifteen minutes east thirty-two and nine one-hundredths feet to a point; thence south thirty-one degrees twenty-seven minutes east eight and ninety-six one-hundredths feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge; thence with the westerly line of said right-of-way south twenty degrees fifty-five minutes west one hundred and ten and ninety-one one-hundredths feet; thence south sixty-six degrees fifteen minutes west forty-five and eighty-five one-hundredths feet; thence by a curve to the right of four hundred and seventy-six and seven-tenths feet radius four hundred and twenty-four and three-tenths feet; thence north sixty-two degrees forty-five minutes west one thousand two hundred and fifty-three and eleven one-hundredths feet; thence by a curve to the left of five hundred and thirty-eight and seven-tenths feet radius, two hundred and ninety-seven and seventy-three one-hundredths feet; thence south eighty-five degrees thirty-five minutes west two hundred and forty-seven and sixty-three one-hundredths feet to the point of beginning. The above-described parcel of land comprises a strip of land seventy feet in width, the center line of said seventy-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains three and seven thousand one hundred and sixty-five ten-thousandths acres of land, more or less.

"The Secretary of War shall not make such conveyance or lease until he shall have received from such corporation to be paid to the board of commissioners, Arlington County, Virginia, such sum as may be necessary, but not to exceed $25,000, for the construction of a substitute road.

"SEC. 2. There is hereby authorized to be appropriated such sum as may be necessary, but not to exceed $25,000, to be paid to the Board of Commissioners of Arlington County, Virginia, for the construction of a public road as a substitute for that portion of Military Road authorized to be leased to the National Airport Corporation.

"SEC. 3. The Secretary of Agriculture is authorized and directed to lease, within six months after the enactment of this Act, to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding fifty years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of the lands (originally known as the Arlington Plantation and now commonly known as the Arlington Experimental Farm) lying east of the Washington and Southern Freight Branch of the Pennsylvania Railroad, containing fifty-three acres more or less.

"SEC. 4. The Secretary of War is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding fifty years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, the portion of the bed of the Potomac River adjoining the Washington Airport, if agreed upon by the Park and Planning Commission, commonly known as the lagoon area of the Boundary Channel, better described as the area lying south and east of the following-described arc: Beginning at a point which is the center of the west face of the south abutment of the Mount Vernon Memorial Highway Bridge over Boundary Channel at its mouth, thence upstream in a straight line south fifty-four degrees thirty-five minutes west (true meridian) a distance of two hundred feet, thence in a series of curves to the right (upstream) the chords of which bear south seventy degrees fifty-five minutes west one hundred and fifty feet, north eighty-one degrees thirty-five minutes west two hundred feet, north sixty-two degrees thirty minutes west three hundred feet, north fifty-one degrees thirty-five minutes west four hundred feet, and north thirty-eight degrees ten minutes west two hundred and fifty feet to intersect the approximate high-water shore line on the west bank of the said Boundary Channel. Such lease shall contain express conditions that the corporation, if deemed necessary by the Secretary of War, will widen and deepen the Boundary Channel and will construct a retaining wall along the above-described arc, or cause such work to be done, under the supervision of the Secretary of War and in accordance with such terms and conditions as he may prescribe: *Provided*, That nothing herein contained shall prevent the expenditures, upon lands belonging to the United States, of funds heretofore appropriated by Congress."

And the Senate agree to the same.

ROYAL S. COPELAND,
BENNETT CHAMP CLARK,
VIC DONAHEY,
Managers on the part of the Senate.
A. J. MAY,
EWING THOMASON,
J. MARK WILCOX,
W. G. ANDREWS,
Managers on the part of the House.

The report was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCGILL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. GLASS, from the Committee on Appropriations, reported favorably the nomination of Clarence N. Grey, of Massachusetts, to be a principal administrative officer in the Social Security Board.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. BULOW, from the Committee on Civil Service, reported favorably the nomination of Samuel H. Ordway, Jr., of New York, to be a Civil Service Commissioner, vice Leonard D. White, resigned.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Mac Swinford, of Kentucky, to be United States district judge for the eastern and western districts of Kentucky, to fill an existing vacancy.

He also, from the same committee, reported favorably the nomination of John Thomas Metcalf, of Kentucky, to be United States attorney for the eastern district of Kentucky, to succeed Mac Swinford.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Albert Ly-

man Cox, Reserve, to be brigadier general, Reserve, from November 10, 1937.

He also, from the same committee, reported favorably the nomination of Chaplain William Richard Arnold (lieutenant colonel), United States Army, to be Chief of Chaplains, with the rank of colonel, for a period of 4 years from the date of acceptance, with rank from December 23, 1937, vice Chaplain Alva J. Brasted (colonel), Chief of Chaplains, whose term of office expires December 22, 1937.

He also, from the same committee, reported favorably the nominations of several officers for appointment, by transfer, in the Regular Army.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

UNITED STATES JUDGE AND DISTRICT ATTORNEY IN KENTUCKY

Mr. BARKLEY. Mr. President, my colleague the junior Senator from Kentucky [Mr. LOGAN], who has been compelled to leave the Chamber for a time, has reported on behalf of the Committee on the Judiciary a nomination for United States district judge in Kentucky, and another nomination for district attorney in Kentucky. I wish to ask unanimous consent for the immediate consideration of the two nominations.

Mr. AUSTIN. Mr. President, if those are the nominations which I, as a member of the subcommittee, considered with the Senator from Kentucky [Mr. LOGAN], I am familiar with them and have no objection.

Mr. BARKLEY. I thank the Senator.

The PRESIDING OFFICER. The nominations will be stated.

The legislative clerk read the nomination of Mac Swinford to be United States district judge for the eastern and western districts of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Thomas Metcalf to be United States attorney for the eastern district of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the two nominations just considered.

The PRESIDING OFFICER. Without objection, the President will be notified.

IN THE ARMY

Mr. SHEPPARD. Mr. President, I ask unanimous consent that nominations in the Army this day reported may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. SHEPPARD. I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified.

The clerk will now state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Hobart Newman, of Washington, D. C., to be judge of the District of Columbia Police Court.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Communications Commission for the unexpired portion of the term of 7 years from July 1, 1935.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. Mr. President, in that connection I am informed that the Committee on Interstate Commerce has today unanimously reported favorably another nomination for the Communications Commission. I ask unanimous consent that the nomination be laid before the Senate and considered.

The PRESIDING OFFICER. The Chair is informed that it is not on the clerk's desk.

Mr. BARKLEY. Very well. I withdraw the request for the moment.

POSTMASTERS

The legislative clerk read the nomination of Moses G. Martin to be postmaster at Gilbertsville, Pa., which had been reported adversely from the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

The legislative clerk read the nomination of Anna C. Young to be postmaster at North Hills, Pa.

The PRESIDING OFFICER. This nomination also is reported adversely. The question is, Will the Senate advise and consent to this nomination?

The nomination was rejected.

Mr. McKELLAR. I ask that the remaining nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

That concludes the Executive Calendar.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

RECESS

Mr. BARKLEY. Mr. President, in order that we may ascertain whether or not it is necessary to hold a session this evening, we are compelled to take a recess for 15 minutes.

I ask unanimous consent that the Senate stand in recess for 15 minutes so that I may confer with the Speaker and the leader of the House and ascertain what the situation is, so that we may know whether or not it is necessary to meet tonight.

The PRESIDING OFFICER. The Senator from Kentucky asks unanimous consent that the Senate stand in recess for 15 minutes. Is there objection? The Chair hears none.

Thereupon (at 4 o'clock and 21 minutes p. m.) the Senate took a recess for 15 minutes.

On the expiration of the recess the Senate reassembled.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Saturday, August 21, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 20, 1937

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Justin Miller, of North Carolina, to be an associate justice of the United States Court of Appeals for the District of Columbia, vice Josiah A. Van Orsdel, deceased.

UNITED STATES ATTORNEY

John Thomas Metcalf, Esq., of Kentucky, to be United States attorney for the eastern district of Kentucky, to succeed Hon. Mac Swinford.

PROMOTIONS IN THE REGULAR ARMY

Lt. Col. Edgar Hall Thompson to be colonel, Coast Artillery Corps, from August 19, 1937.

Maj. William Hieatt Cureton to be lieutenant colonel, Field Artillery, from August 19, 1937.

Capt. Victor Herbert Strahm to be major, Air Corps (temporary major, Air Corps), from August 19, 1937.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

Lt. Col. Fred Hughes Coleman to be colonel with rank from August 19, 1937.

Maj. Orlo Harry Quinn to be lieutenant colonel with rank from August 19, 1937.

Capt. George William Goddard to be major with rank from August 19, 1937.

POSTMASTERS

CALIFORNIA

Blanche A. Ross to be postmaster at Winterhaven, Calif. Office became Presidential July 1, 1937.

LOUISIANA

Emily D. Straughan to be postmaster at Colfax, La., in place of V. N. McNeely. Incumbent's commission expired February 6, 1935.

MICHIGAN

Alden R. Derrie to be postmaster at Champion, Mich., in place of W. W. Wentela. Appointee declined.

TENNESSEE

William F. English to be postmaster at Pulaski, Tenn., in place of N. C. White. Incumbent's commission expired June 1, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 20, 1937

UNITED STATES DISTRICT JUDGE

Mac Swinford to be United States district judge for the eastern and western districts of Kentucky.

UNITED STATES DISTRICT ATTORNEY

John Thomas Metcalf to be United States attorney for the eastern district of Kentucky.

JUDGE OF THE DISTRICT OF COLUMBIA POLICE COURT

Hobart Newman to be judge of the District of Columbia police court.

FEDERAL COMMUNICATIONS COMMISSION

Frank R. McNinch to be a member of the Federal Communications Commission.

APPOINTMENT IN THE REGULAR ARMY

William Richard Arnold to be Chief of Chaplains with the rank of colonel.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Thomas Bennett Woodburn.

TO QUARTERMASTER CORPS

First Lt. Henry Ray McKenzie.

First Lt. Morton Elmer Townes.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

GENERAL OFFICER

Albert Lyman Cox to be brigadier general, Reserve.

PROMOTIONS IN THE REGULAR ARMY

Edgar Hall Thompson to be colonel, Coast Artillery Corps.

William Hieatt Cureton to be lieutenant colonel, Field Artillery.

Victor Herbert Strahm to be major, Air Corps (temporary major, Air Corps).

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS, IN THE REGULAR ARMY

Fred Hughes Coleman to be colonel.

Orlo Harry Quinn to be lieutenant colonel.

George William Goddard to be major.

PROMOTIONS IN THE NAVY

TO BE CAPTAIN

Lee P. Johnson

TO BE COMMANDERS

James K. Davis	Francis C. Denebrink
Randall E. Dees	Davenport Browne
Edward A. Mitchell	George E. Maynard
George T. Howard	

TO BE LIEUTENANT COMMANDERS

Charles W. Gray	Adolph E. Becker
Wilber G. Jones	Robert E. Blick
Marion E. Murphy	George P. Hunter
George D. Lyon	Harold F. Pullen
Jesse B. Goode	Archibald E. Uehlinger
Vincent W. Grady	Donald S. Evans
John S. Crenshaw	Charles J. Cater
Ralph C. Kephart	

TO BE LIEUTENANTS

Paul Foley, Jr.	Laurence C. Baldauf
Edward C. Folger, Jr.	Joseph B. Duval, Jr.
David T. Ferrier	Howard C. Bernet
Harvey D. Akin	George F. Beardsley
Donald T. Eller	John Andrews, Jr.
Edward J. Burke	George K. Carmichael
Lot Ensey	Erle V. Dennett
Peter R. Lackner	Charles E. Brunton
William S. Estabrook, Jr.	Griswold T. Atkins
Bernhart A. Fuetsch	Richard R. Briner
Christian L. Engleman	Leonidas D. Coates, Jr.
Abraham L. Baird	Volckert P. Douw
Charles E. Trescott	Charles B. Brook
Walter S. Denham	Martin C. Burns
Joseph B. Berkley	John W. Ailes, 3d
Robert C. Brownlee, 2d	Jack S. Dorsey
Williston L. Dye	

TO BE LIEUTENANTS (JUNIOR GRADE)

Philip W. Winston	Charles R. Stephan
Paul Van Leunen, Jr.	Joseph J. Staley, Jr.
Keith E. Taylor	Richard C. Latham
Sidney L. Erwin	Earl K. Solenberger
Clyde G. Caldwell	Donald G. Irvine
Lawrence H. Birthisel, Jr.	John M. Hyde
Lewis L. Snider	Wayne R. Merrill
Raymond D. Fusselman	Duncan P. Dixon, Jr.
John D. Bulkeley	Robert M. Brinker
Nathaniel B. Davis, Jr.	George S. Bullen
Matthew DeMaria	Robert C. Houston
Lawrence R. Neville	William C. Hembury
Dillon R. McMullen	Thomas C. Edrington, 3d
Blish C. Hills	Frederic G. Pegelow
Jacob T. Bullen, Jr.	Francis D. Boyle
Paul T. Metcalf	Albert Raborn
Royal R. Ingersoll, 2d	Forrest M. Price
Arthur C. Smith	Joe M. Alexander
William F. Cassidy	Robert F. Sellars
Charles M. Henderson	Thomas R. Hine
John R. Bromley	Charles C. Coley
Edgar S. Powell, Jr.	Dewey G. Johnston
Robert J. Ovrom	Edwin K. Jones

TO BE MEDICAL INSPECTOR

James D. Rives

TO BE ASSISTANT PAYMASTERS

Oakleigh W. Robinson	Lawrence V. Hallberg
Paul W. Clarke	Albert E. Pallon
Daniel E. Waite	Bert S. Beasley
Milton H. Jensen	Jerry H. Taylor, Jr.
Max Schliewe	David D. Long, Jr.

Marion D. Sims, Jr.
Portus D. Boyce
John B. Kackley
James T. Mathews, Jr.
Boyd Shafsky
Duncan J. McNab
Robert A. Williams
Oswald B. Porter, Jr.
Phillip D. Chubb
Ernest S. Tharpe
Lathrop B. Clapham, Jr.
George L. Bennett
James J. Bunner
Albert B. Howden

TO BE A CHIEF ELECTRICIAN

Charlie Deaton

TO BE A CHIEF RADIO ELECTRICIAN

August B. Cook

TO BE COMMANDERS

Gale A. Poindexter
Leonard P. Wessell

POSTMASTERS

ALABAMA

Mae F. Seymour, Goshen.
Martha Dale True, Newbern.
George B. Butler, New Hope.
Moses B. Rushton, Ramer.

ILLINOIS

Lesbia G. Moore, Belle Rive.

LOUISIANA

Charles T. Matlock, Bastrop.
Charles Jefferson Calhoun, Montgomery.

MARYLAND

Agnes C. Rafferty, Cockeysville.

MINNESOTA

Alf Cornelius Knudson, Detroit Lakes.
John M. Lambert, Two Harbors.

NEW JERSEY

Joseph R. Johnson, Mount Arlington.

NEW YORK

Maurice P. Sullivan, New Lebanon.
Loretto H. Manning, Plandome.

NORTH CAROLINA

Galusha Pullium, Andrews.
Mary P. Williams, Whittier.
Nelson Ritter Hunsucker, Winterville.

PENNSYLVANIA

Eleanor E. McNally, Aliquippa.
Daniel Warne Rankin, Dunbar.
John P. Connolly, Linwood.
Mina H. Corbett, Mont Clare.
William Lamar Sames, Richlandtown.

SOUTH CAROLINA

Bertie Lee B. Wilson, Neeses.
Lee B. Hudson, Ruffin.
Lottie M. Vernon, Wellford.

WASHINGTON

Frank Williams, Richmond Beach.

WEST VIRGINIA

Lance Hatfield, Red Jacket.
Herbert A. Frazier, Winfield.

REJECTIONS

Executive nominations rejected by the Senate August 20, 1937

POSTMASTERS

PENNSYLVANIA

Moses G. Martin to be postmaster at Gilbertsville in the State of Pennsylvania.

Anna C. Young to be a postmaster at North Hills in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 20, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, from whom all thoughts of truth and fraternity proceed, kindle, we pray Thee, in the hearts of all the true love of Christian brotherhood. Guide with Thy unerring wisdom the Congress as it takes counsel today; we pray Thee to strengthen the bonds of cooperation among all Members. May it strive wisely to order all things according to Thy holy will and for the peace and contentment of our whole country. Gracious Lord, consider our land; preserve its unity and bless it with honorable industry, sound learning, and pure religion. May our fellow citizens everywhere earnestly desire and more diligently seek the fruits of righteous living and uphold the standards of law and order. Heavenly Father, disappoint all fears, steady all hearts, and show us the way of service in our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 5417. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes; and

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 610. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

S. 988. An act to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927, as amended;

S. 2008. An act for the relief of the Cleveland Railway Co.;

S. 2223. An act to provide for the construction, extension, and improvement of public-school buildings, in Uintah County, Utah;

S. 2226. An act to regulate interstate commerce in the products of child labor, and for other purposes;

S. 2326. An act to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States", approved February 7, 1925;

S. 2601. An act to provide for refund of amounts collected as tax under the Bankhead Cotton Act of 1934; the Kerr Tobacco Act, as amended; and the Potato Act of 1935;

S. 2633. An act to incorporate the American Chemical Society;

S. 2759. An act authorizing the sale of certain lands to the regents of the Agricultural College of New Mexico;

S. 2817. An act providing for the purchase by the United States of air navigation facilities established, with the approval of the Secretary of Commerce, by air-mail contractors on their contract routes;

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes";

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes;

S. 2953. An act to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States;

S. 2963. An act authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes;

S. J. Res. 206. Joint resolution to authorize the painting of the scene of the signing of the Constitution for placement in the Capitol Building;

S. J. Res. 208. Joint resolution relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits; and

S. J. Res. 211. Joint resolution establishing a Springfield-Greenville Memorial Commission to formulate plans for the construction on Memorial Common, Springfield, Ohio, of a monument to commemorate the Battle of Piqua, and for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. MCKELLAR members of the Joint Select Committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the Executive Departments", for the disposition of executive papers in the following Departments:

The Department of the Treasury.
The Department of the Navy.
The Department of Agriculture.
The Department of Commerce.
The Department of Labor.
Veterans' Administration.
United States Employees' Compensation Commission.

The message also announced that the Senate had ordered that the Secretary be directed to request the House of Representative to return to the Senate the message of the Senate of August 16, requesting the House to return to the Senate the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, together with Senate engrossed amendments thereto.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 3, 1937:

H. R. 2093. An act for the relief of Marion Shober Phillips.

On August 4, 1937:

H. R. 1420. An act for the relief of Dewey Jack Krauss, a minor.

On August 9, 1937:

H. R. 6958. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1938, and for other purposes.

On August 11, 1937:

H. R. 4536. An act to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a license to practice optometry in the District of Columbia for Welton B. Hutton;

H. R. 4876. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Frederick W. Didier;

H. R. 4982. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. William Justin Olds;

H. R. 5110. An act to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Russell V. Pemberton;

H. R. 6696. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", known as the "Healing Arts Practice Act, District of Columbia, 1928", approved February 27, 1929;

H. R. 7614. An act to amend the act entitled "An act for the establishment of marine schools, and for other purposes", approved March 4, 1911; and

H. R. 7727. An act to authorize the administration of oaths by the Chief Clerk and the Assistant Chief Clerk of the office of the United States High Commissioner to the Philippine Islands, and for other purposes.

On August 12, 1937:

H. R. 3866. An act to add certain lands to the Columbia National Forest in the State of Washington;

H. R. 4343. An act to amend section 77B of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended;

H. R. 5194. An act granting a renewal of patent no. 60731 relating to the badge of the Girl Scouts, Inc.;

H. R. 5963. An act providing for the establishment of a term of the District Court of the United States for the Northern District of New York at Malone, N. Y.;

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts, New Hampshire, and Rhode Island;

H. R. 169. An act to provide for a term of court at Benton, Ill.;

H. R. 4605. An act relating to the accommodations for holding court at Shawnee, Okla.;

H. R. 4676. An act to provide for the reimbursement of certain civilian employees of the Navy for the value of personal effects destroyed in a fire at the Naval Air Station, Hampton Roads, Va., May 15, 1936;

H. R. 5158. An act for the relief of John P. Ryan;

H. R. 5462. An act to increase the age of consent for marriage in the District of Columbia to 18 years of age in the case of males and 16 years of age in the case of females;

H. R. 6242. An act to protect the buyers of potatoes in the District of Columbia;

H. R. 6283. An act to increase the punishment of second, third, and subsequent offenders against the narcotic laws;

H. R. 6388. An act to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia, relating to offenses against property;

H. R. 6693. An act to legalize a dike in the Missouri River 6.9 miles downstream from the South Dakota State highway bridge at Pierre, S. Dak.;

H. R. 6975. An act granting the consent of Congress to the county court of Saline County, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 6979. An act to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex.;

H. R. 7433. An act to advance a program of national safety and accident prevention;

H. R. 7440. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 7514. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 7714. An act to authorize the Secretary of Commerce to transfer the two unused lighthouse sites in Kahului town site, Island of Maui, Territory of Hawaii, in exchange for the two plots of land located in the same town site and now occupied for lighthouse purposes under permission from the respective owners, the Kahului Railroad Co. and the Hawaiian Commercial & Sugar Co., Ltd.;

H. R. 7766. An act to declare Burr Creek, from Fairfield Avenue southward to Yacht Street in the city of Bridgeport, Conn., a nonnavigable stream; and

H. R. 7807. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and

operate a free highway bridge across Cambridge Creek, in or near Cambridge, Dorchester County, Md., to replace a bridge already in existence.

On August 14, 1937:

H. J. Res. 446. Joint resolution to authorize the acceptance on behalf of the United States of certain bequests of James Reuel Smith, late of the city of Yonkers, State of New York;

H. R. 114. An act to provide for studies and plans for the development of a hydroelectric power project at Cabinet Gorge, on the Clark Fork of the Columbia River, for irrigation pumping or other uses, and for other purposes;

H. R. 991. An act for the relief of Adelaide Guerini;

H. R. 1241. An act for the relief of Dorothy Krick, Ernest Krick, and the estate of James Albert Ferren, deceased;

H. R. 1794. An act for the relief of the estate of Marcellino M. Gilmette;

H. R. 1869. An act for the relief of J. Roy Workman, Adelaide W. Workman, and J. Roy Workman, Jr., a minor;

H. R. 3217. An act for the relief of Vincent Chicco;

H. R. 3395. An act for the relief of J. H. Knott;

H. R. 3503. An act for the relief of George O. Claypool;

H. R. 4543. An act to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry;

H. R. 4705. An act to authorize the transfer of a certain piece of land in Breckenridge County, Ky., to the Commonwealth of Kentucky;

H. R. 5144. An act for the relief of Ludwig Bahnweg;

H. R. 5168. An act for the relief of Ethel B. Lord, a minor;

H. R. 5229. An act for the relief of Carson Bradford; and

H. R. 5860. An act making further provision for the fisheries of Alaska.

On August 14, 1937:

H. R. 6048. An act to provide for the establishment of a Coast Guard station in the vicinity of Fort Myers, Fla.;

H. R. 6295. An act to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments;

H. R. 6341. An act to provide for a stenographic grade in the office of chief clerks and superintendents in the Railway Mail Service;

H. R. 6976. An act to provide for the establishment of a Coast Guard station on the coast of Alabama, at or near Dauphin Island, Ala.;

H. R. 7373. An act to aid the several States in making or for having made certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes;

H. R. 7387. An act for the relief of Cecile C. Cameron;

H. R. 7512. An act to amend the act approved March 26, 1934;

H. R. 7741. An act to amend the Adjusted Compensation Payment Act, 1936, to provide for the escheat to the United States of certain amounts;

H. R. 7767. An act creating the Owensboro Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said Commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky.;

H. R. 8007. An act to restore the per-diem fee of $4 for service of jurors in Federal courts; and

H. R. 8025. An act to amend section 3528 of the Revised Statutes relating to the purchase of metal for minor coins of the United States.

On August 16, 1937:

H. J. Res. 284. Joint resolution authorizing the President of the United States of America to proclaim the 13th day of April of each year Thomas Jefferson's birthday;

H. J. Res. 288. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the New York World's Fair, 1939, New York City, N. Y., to be admitted without payment of tariff, and for other purposes;

H. R. 420. An act for the relief of Marjorie L. Baxter:

H. R. 851. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of A. F. Amory; and

H. R. 886. An act for the relief of Guideo Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettie, Carlo Biscaro, and Antonio Vannin.

On August 16, 1937:

H. R. 1095. An act for the relief of Dexter P. Cooper;

H. R. 1207. An act conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claims of the estates of Marshall Campbell and Raymond O'Neal;

H. R. 1734. An act for the relief of Sam Romack;

H. R. 1915. An act for the relief of Charles Tabit;

H. R. 2021. An act to provide time credits for substitutes in the motor-vehicle service;

H. R. 2488. An act for the relief of A. H. Sphar;

H. R. 2738. An act to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service;

H. R. 2740. An act for the relief of John N. Brooks;

H. R. 3421. An act to quiet title and possession with respect to certain lands in Tuscumbia, Ala.;

H. R. 3750. An act for the relief of Jack C. Allen;

H. R. 3987. An act for the relief of the estate of Col. C. J. Bartlett, United States Army;

H. R. 4378. An act for the relief of William Sperry;

H. R. 4526. An act for the relief of Lake Spence;

H. R. 4527. An act for the relief of Luther Jennings Workman, a minor;

H. R. 4642. An act to provide for the conveyance by the United States to the county of Beaufort, S. C., of the Hunting Island Lighthouse Reservation;

H. R. 4775. An act for the relief of D. E. Sweinhart;

H. R. 5703. An act for the relief of Thomas H. McLain;

H. R. 5859. An act authorizing the Territory of Alaska to transfer a certain tract of land to Sitka Cold Storage Co., a corporation;

H. R. 5969. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 6010. An act for the relief of William Sullivan;

H. R. 6145. An act authorizing the Secretary of Commerce to accept title to a certain parcel of land at Gaithersburg, Md.;

H. R. 6384. An act to liberalize the provisions of existing laws governing service-connected benefits for World War Veterans and their dependents, and for other purposes;

H. R. 6446. An act to prohibit in the District of Columbia the operation of any automatic merchandise vending machine, turnstile, coin-box telephone, or other legal receptacle designed to receive or be operated by lawful coin of the United States of America, or a token provided by the person entitled to the coin contents of such receptable in connection with the sale, use, or enjoyment of property or service by means of slugs, spurious coins, tricks, or devices not authorized by the person entitled to the coin contents thereof; and to prohibit in the District of Columbia the manufacture, sale, offering for sale, advertising for sale, distribution, or possession for such use of any token, slug, false or counterfeited coin, or any device or substance whatsoever except tokens authorized by the person entitled to the coin contents of such receptacle; and providing a penalty for violation thereof;

H. R. 6547. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works in or in the vicinity of the District of Columbia, and for other purposes;

H. R. 6651. An act to provide for a referendum in the Territory of Alaska as to the establishment of a one-house legislature, and for other purposes;

H. R. 7274. An act to enable the Department of Labor to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices and to cooperate with the States in the promotion of such standards;

H. R. 7278. An act to authorize the Secretary of Commerce to grant and convey to the State of Washington fee title to certain lands of the United States in Jefferson County, Wash., for highway purposes; and

H. R. 7402. An act to provide more effectively for the marking of wrecked and sunken craft for the protection of navigation, to improve the efficiency of the Lighthouse Service, and for other purposes.

On August 17, 1937:

H. R. 7022. An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes; and

H. R. 7092. An act to provide for the transfer of Scotland County to the middle judicial district of North Carolina.

On August 19, 1937:

H. J. Res. 363. Joint resolution to authorize an additional appropriation to further the work of the United States Constitution Sesquicentennial Commission;

H. J. Res. 406. Joint Resolution to establish the General Anthony Wayne Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Gen. Anthony Wayne;

H. J. Res. 445. Joint resolution granting the consent of Congress to a compact between the States of New York and New Jersey providing for the creation of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality of said States with appropriate rights, powers, duties, and immunities, for the transfer to said commission of certain functions, jurisdiction, rights, powers, and duties, together with the properties of the bodies politic now existing in each State known as "Commissioners of the Palisades Interstate Park", and for the continuance of the Palisades Interstate Park;

H. R. 854. An act for the relief of Robert Coates;

H. R. 1375. An act for the relief of Wayne M. Cotner;

H. R. 1690. An act for the relief of Ralph Reisler;

H. R. 3406. An act for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia;

H. R. 3745. An act for the relief of W. H. Lenneville;

H. R. 5472. An act to authorize the exchange of certain lands within the Great Smoky Mountains National Park for lands within the Cherokee Indian Reservation, N. C., and for other purposes;

H. R. 5622. An act for the relief of Marina Malik;

H. R. 5927. An act for the relief of Walter G. Anderson;

H. R. 6059. An act for the relief of Edith Jordan;

H. R. 6914. An act to authorize the acquisition by the United States of certain tribally owned lands of the Indians of the Shoshone or Wind River Indian Reservation, Wyo., for the Wind River irrigation project;

H. R. 7086. An act to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes;

H. R. 7172. An act for the relief of Jesse A. LaRue;

H. R. 7909. An act to amend the Federal Farm Loan Act, to amend the Emergency Farm Mortgage Act of 1933, to amend the Farm Credit Act of 1933, to amend the Federal Farm Mortgage Corporation Act, to amend the Agricultural Marketing Act, and for other purposes; and

H. R. 7953. An act to provide for studies and plans for the development of reclamation projects on the Cimarron River in Cimarron County, Okla.; the Washita River in Oklahoma; and the Northern Canadian River in Oklahoma.

PAN AMERICAN EXPOSITION AT TAMPA, FLA.

Mr. McREYNOLDS. Mr. Speaker, I call up the Senate joint resolution (S. J. Res. 166) providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes, and ask unanimous consent for its immediate consideration.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite all foreign countries and nations to an exposition to be held in Tampa, Fla., to be known as the "Pan American Exposition", in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, under the auspices and on the grounds of the Florida Fair and Gasparilla Association, Inc., in the year 1939, with a request that they participate therein.

SEC. 2. That there is hereby created a Federal commissioner for such Pan American Exposition, said commissioner to be appointed by the President upon the nomination of the Secretary of Commerce, who shall select for this purpose an official of his Department who has had experience in and is familiar with the preparation and management of exhibitions, and who will serve in this capacity without additional salary. That the expenses of the Federal commissioner and such staff as he may require will be met out of the funds provided for the purposes of the Government participation in the exposition.

SEC. 3. The Secretary of Commerce shall prescribe the duties of the Federal commissioner and shall delegate such powers and functions to him as he shall deem advisable, in order that there may be exhibited at the said Pan American Exposition by the Government of the United States, its executive department, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government in the advancement of industry, the arts, and peace, demonstrating the nature of our institutions particularly as regards their adaptation to the wants of the people.

SEC. 4. The commissioner may employ such clerks, stenographers, and other assistants as may be necessary, and fix their reasonable compensation within the grades and rates of compensation fixed by the Classification Act of 1923, as amended; purchase such material, contract for such labor and other services, and exercise such powers as are delegated to him by the Secretary of Commerce as hereinbefore provided, and in order to facilitate the functioning of his office may subdelegate such powers (authorized or delegated) to officers and employees as may be deemed advisable by the Secretary of Commerce.

SEC. 5. The heads of the various executive departments, independent offices, and establishments of the Government are authorized to cooperate with the commissioner in the procurement, installation, and display of exhibits; to lend to the Pan American Exposition, with the knowledge and consent of the commissioner, such articles, specimens, and exhibits which the commissioner shall deem to be in the interest of the United States to place with the science or other exhibits to be shown under the auspices of the Florida Fair and Gasparilla Association, Inc.; to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments or branches to assist the commissioner. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, the commissioner shall cause all such property to be returned to the respective departments and branches from which taken and any expenses incident to the restoration, modification, and revision of such property to a condition which will permit its use at subsequent expositions and fairs, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the appropriation provided; and if the return of such property is not practicable, he may, with the consent of the department or branch from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

SEC. 6. The sum of $100,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, parts of which sum may be expended for the erection of a building or buildings and/or for the rental of such space, as the Secretary of Commerce may deem adequate to carry out effectively the provisions of this resolution; for the decoration of such structure or structures; for the proper maintenance of such buildings, site, and grounds during the period of the exposition. The Secretary of Commerce may contract with the Florida Fair and Gasparilla Association, Inc., for the designing and erection of such building or buildings and/or for the rental of such space as shall be deemed proper. The remaining portion of the appropriation authorized under this resolution shall be available for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safekeeping, exhibition, demonstration, and return of such articles and materials as the Secretary of Commerce may decide shall be included in such Government exhibit and in the exhibits of the Pan American Exposition; for the compensation of the employees of the Secretary of Commerce in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government, employed by or detailed for duty with the Secretary of Commerce, and for their actual traveling expenses and subsistence at not to exceed $6 per day: *Provided*, That no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed plus such reasonable allowance for subsistence expenses as may be deemed proper by the commissioner; for telephone service, purchase of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uni-

forms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other publications, ice and drinking water for office purposes: *Provided further*, That payment for telephone service, rents, subscriptions to newspapers and periodicals, and other similar purposes may be made in advance; for the hire of a passenger-carrying automobile, its maintenance, repair, and operation, for the official use of the commissioner; for printing and binding; for entertainment of distinguished visitors, and all other expenses as may be deemed necessary by the Secretary of Commerce, to fulfill properly the purposes of this resolution. All purchases, expenditures, and disbursements, under any appropriations which may be provided by authority of this resolution, shall be made under the direction of the Secretary of Commerce: *Provided further*, That the Secretary of Commerce, as hereinbefore stipulated, may delegate these powers and functions to the commissioner, and the commissioner, with the consent of the Secretary of Commerce, may subdelegate them: *Provided further*, That the Secretary of Commerce or his delegated representative may authorize the allotment of funds to any executive department, independent office, or establishment of the Government with the consent of the heads thereof for direct expenditure by said executive department, independent office, or establishment for the purpose of defraying any expenditure which may be incurred by said executive department, independent office, or establishment in executing the duties and functions delegated to said office by the Secretary of Commerce; and all accounts and vouchers covering the expenditures under these appropriations shall be approved by the commissioner or such assistants as he may delegate, except for such allotments as may be made to the various executive departments and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit or permit any obligations to be incurred in excess of the amount authorized to be appropriated: *And provided further*, That in the construction of buildings or exhibits requiring skilled and unskilled labor, the prevailing rate of wages, then existing, shall be paid.

SEC. 7. The commissioner with the approval of the Secretary of Commerce may receive contributions in funds or materials or borrow materials or exhibits to aid in carrying out the general purposes of this resolution, and shall have the right to return borrowed property, and dispose of such other property under the direction of the Secretary of Commerce and to account therefor, the proceeds of such sales shall be covered into the Treasury of the United States.

SEC. 8. It shall be the duty of the Secretary of Commerce to transmit to Congress, within 6 months after the close of the Pan American Exposition, a detailed statement of all expenditures, and such other reports as may be deemed proper which reports shall be prepared and arranged with a view to concise statement and convenient reference.

With the following committee amendments:

Page 1, line 5, strike out the word "all."
In line 6, page 1, strike out the words "and nations."

The committee amendments were agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTER-AMERICAN RADIO CONFERENCE AT HABANA, CUBA

Mr. McREYNOLDS. Mr. Speaker, I call up the Senate joint resolution (S. J. Res. 197) authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, and ask unanimous consent for its immediate consideration.

There being no objection, the clerk read the Senate joint resolution, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Tresury not otherwise appropriated, the sum of $15,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba, including personal services in the District of Columbia and elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EIGHTH INTERNATIONAL ROAD CONGRESS

Mr. McREYNOLDS. Mr. Speaker, I call up Senate Joint Resolution 199 to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938, and ask unanimous consent for its present consideration.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Road Congress, to be held in the Netherlands in 1938, including personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services, by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; official cards; printing and binding; preparation, installation, transportation, and operation of an appropriate exhibit; entertainment; local transportation; the payment of expenses incident to travel by steamer, rail, or motorbus on the official congress inspection trip; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payment may have been made for any of the purposes herein specified.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILDLIFE RESTORATION PROJECTS

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2670) to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to cooperate with the States, through their respective State fish and game departments, in wildlife-restoration projects as hereinafter set forth; but no money apportioned under this act to any State shall be expended therein until its legislature, or other State agency authorized by the State constitution to make laws governing the conservation of wildlife, shall have assented to the provision of this act and shall have passed laws for the conservation of wildlife which shall include a prohibition against the diversion of license fees paid by hunters for any other purpose, than the administration of said State fish and game department, except that, until the final adjournment of the first regular session of the legislature held after the passage of this act, the assent of the Governor of the State shall be sufficient. The Secretary of Agriculture and the State fish and game department of each State accepting the benefits of this act shall agree upon the wildlife-restoration projects to be aided in such State under the terms of this act and all projects shall conform to the standards fixed by the Secretary of Agriculture.

SEC. 2. For the purposes of this act the term "wildlife-restoration project" shall be construed to mean and include the selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition by purchase, condemnation, lease, or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor, and the construction thereon or therein of such works as may be necessary to make them available for such purposes and also including such research into problems of wildlife management as may be necessary to efficient administration affecting wildlife resources, and such preliminary or incidental costs and expenses as may be incurred in and about such projects; the term "State fish and game department" shall be construed to mean and include any department or division of department of another name, or commission, or official or officials, of a State empowered under its laws to exercise the functions ordinarily exercised by a State fish and game department.

SEC. 3. An amount equal to the revenue accruing during the fiscal year ending June 30, 1939, and each fiscal year thereafter, from the tax imposed by section 610, title IV, of the Revenue Act of 1932 (47 Stat. 169), as heretofore or hereafter extended and amended, on firearms, shells, and cartridges shall be set apart in the Treasury as a special fund to be known as "The Federal aid to wildlife-restoration fund" and is hereby appropriated and made available until expended for the purposes of this act. So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof shall be available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this act which is unexpended or unobligated at the end of the period during which it is available for expenditure on any project shall then be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 4. So much, not to exceed 8 percent, of the revenue covered into said fund in each fiscal year as the Secretary of Agriculture may estimate to be necessary for his expenses in the administration and execution of this act and the Migratory Bird Conservation Act shall be deducted for that purpose, and such sum shall be available therefor until the expiration of the next

succeeding fiscal year, and within 60 days after the close of such fiscal year the Secretary of Agriculture shall apportion such part thereof as remains unexpended by him, if any, and make certificate thereof to the Secretary of the Treasury and to the State fish and game departments on the same basis and in the same manner as is provided as to other amounts authorized by this act to be apportioned among the States for such current fiscal year. The Secretary of Agriculture, after making the aforesaid deduction, shall apportion the remainder of the revenues in said fund for each fiscal year among the several States in the following manner, that is to say, one-half in the ratio which the area of each State bears to the total area of all the States and one-half in the ratio which the number of paid hunting-license holders of each State in the preceding fiscal year, as certified to said Secretary by the State fish and game departments, bears to the total number of paid hunting-license holders of all the States: *Provided*, That the apportionment for any one State shall not exceed the sum of $150,000 annually: *Provided further*, That where the apportionment to any State under this section is less than $15,000 annually, the Secretary of Agriculture may allocate not more than $15,000 of said fund to said State to carry out the purposes of this act when said State certifies to the Secretary of Agriculture that it has set aside not less than $5,000 from its fish and game funds or has made, through its legislature, an appropriation in this amount, for said purposes.

SEC. 5. Within 60 days after the approval of this act the Secretary of Agriculture shall certify to the Secretary of the Treasury and to each State fish and game department the sum which he has estimated to be deducted for administering and executing this act and the Migratory Bird Conservation Act and the sum which he has apportioned to each State for the fiscal year ending June 30, 1939, and on or before February 20 next preceding the commencement of each succeeding fiscal year shall make like certificates for such fiscal year. Any State desiring to avail itself of the benefits of this act shall notify the Secretary of Agriculture to this effect within 60 days after it has received the certification referred to in this section. The sum apportioned to any State which fails to notify the Secretary of Agriculture as herein provided shall be available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.

SEC. 6. Any State desiring to avail itself of the benefits of this act shall by its State fish and game department submit to the Secretary of Agriculture full and detailed statements of any wildlife-restoration project proposed for that State. If the Secretary of Agriculture finds that such project meets with the standards set up by him and approves said project, the State fish and game department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: *Provided, however*, That the Secretary of Agriculture shall approve only such projects as may be substantial in character and design and the expenditure of funds hereby authorized shall be applied only to such approved projects and if otherwise applied they shall be replaced by the State before it may participate in any further apportionment under this act. Items included for engineering, inspection, and unforeseen contingencies in connection with any works to be constructed shall not exceed 10 percent of the cost of such works and shall be paid by the State as a part of its contribution to the total cost of such works. If the Secretary of Agriculture approves the plans, specifications, and estimates for the project, he shall notify the State fish and game department and immediately certify the fact to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon set aside so much of said fund as represents the share of the United States payable under this act on account of such project, which sum so set aside shall not exceed 75 percent of the total estimated cost thereof. No payment of any money apportioned under this act shall be made on any project until such statement of the project and the plans, specifications, and estimates thereof shall have been submitted to and approved by the Secretary of Agriculture.

SEC. 7. When the Secretary of Agriculture shall find that any project approved by him has been completed or, if involving research relating to wildlife, is being conducted, in compliance with said plans and specifications, he shall cause to be paid to the proper authority of said State the amount set aside for said project: *Provided*, That the Secretary of Agriculture may, in his discretion, from time to time, make payments on said project as the same progresses; but these payments, including previous payments, if any, shall not be more than the United States' pro-rata share of the project in conformity with said plans and specifications. Any construction work and labor in each State shall be performed in accordance with its laws and under the direct supervision of the State fish and game department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with rules and regulations made pursuant to this act. The Secretary of Agriculture and the State fish and game department of each State may jointly determine at what times and in what amounts payments, as work progresses, shall be made under this act. Such payments shall be made by the Secretary of the Treasury, on warrants drawn by the Secretary of Agriculture against the said fund to such official or officials, or depository, as may be designated by State fish and game department and authorized under the laws of the State to receive public funds of the State.

SEC. 8. To maintain wildlife restoration projects established under the provisions of this act shall be the duty of the States according to their respective laws.

SEC. 9. Out of the deductions set aside for administering and executing this act and the Migratory Bird Conservation Act, the Secretary of Agriculture is authorized to employ such assistants, clerks, and other persons in the city of Washington and elsewhere, to be taken from the eligible lists of the civil service; to rent or construct buildings outside of the city of Washington; to purchase such supplies, materials, equipment, office fixtures, and apparatus; and to incur such travel and other expenses, including purchase, maintenance, and hire of passenger-carrying motor vehicles, as he may deem necessary for carrying out the purposes of this act.

SEC. 10. The Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act.

SEC. 11. The Secretary of Agriculture shall make an annual report to the Congress of the sum set apart in "The Federal aid to wildlife-restoration fund", giving detailed information as to the projects and expenditures therefor.

SEC. 12. This act shall be in force from the 1st day of July 1938.

With the following committee amendments:

Page 3, line 13, strike out the word "shall" and insert "is hereby authorized to."

In line 15, after the word "hereby", insert "authorized to be."

In line 19, strike out "shall be" and insert "is authorized to be made."

In line 24, strike out "shall then be" and insert "is authorized to be made."

In line 8, page 4, strike out "shall be" and insert "is authorized to be made."

In line 1, page 6, strike out "shall be" and insert "is authorized to be made."

On page 9, beginning in line 8, strike out all of section 12.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LUCAS. Mr. Speaker, the Committee on Agriculture has reported favorably S. 2670, which is the companion bill of H. R. 7681, introduced by the gentleman from Virginia [Mr. ROBERTSON], chairman of the Special Committee on Wildlife.

Prior to the last few years we witnessed a gradual decrease in the duck population of North America, as well as in other phases of wildlife in the lakes and streams of these United States. It is a problem which is due to various causes, the most important ones being drought, flood, soil erosion, and the advance of civilization. Realizing the necessity of doing something to solve the problem of wildlife conservation in this country, sportsmen throughout the Nation and those in governmental positions are now turning their attention to action in lieu of a do-nothing policy.

The bill before us today seeks to aid in the restoration and the maintenance of wildlife through the construction of projects in the various States under a program of cooperation between the Federal Government and the States. Under this bill there is a joint activity of State and Federal agencies. For every State in the Union which passes legislation complying with this act, funds will be allocated to that State on the following basis: One-half in the ratio which the area of each State bears to the total area of all the States and one-half in the ratio which the number of paid hunting-license holders of each State bears to the total number of paid hunting-license holders of all the States.

The funds authorized to be set aside under this bill are not additional taxes levied against the taxpayer. In fact, there are no new taxes at all. The money is derived from the present nuisance tax on firearms, shells, and cartridges, which amounts to about $3,000,000 per year. Eight percent of this sum will be set aside for administrative purposes and the balance of it will be allocated as I have explained.

There is one other feature to which I should probably call your attention, and that is that no State can obtain this money until it passes a law against the diversion of license fees paid by hunters for any other purpose than the administration of the State fish and game department.

My colleagues, when this bill was first considered by the Committee on Agriculture I vigorously opposed its passage because of the unusual powers vested in the Secretary of Agriculture in the control of the project after it had been completed in the State. I saw no reason to change the Federal policy on grants to States; and, having had some

experience with the Biological Survey, an agency of the Department of Agriculture, I had no hesitancy in reaching the very definite conclusion that it was for the best interests of the general welfare of the American people that all State responsibility and State sovereignty possible remain in the States rather than be transferred to some governmental agency in Washington, D. C.

Anyone who cares to examine carefully and cautiously the original bill before us, will find that the power was being transferred from the States to the Federal Government in a manner never dreamed of by the fathers who drafted the Constitution of this country. And, Mr. Speaker, fortunately for the sportsmen, fortunately for the migratory waterfowl, and fortunately for democratic government in this country, the dictatorial and tyrannical power originally written into the bill has been removed, and I am now glad to support the measure, believing it to be a long step in the right direction toward a sound conservation program in this country.

In conclusion, let it be said that I yield to no man in my interest in protecting the migratory waterfowl. I am one of those individuals who want to see the march of wildlife conservation continued, but in carrying it forward I do not subscribe to a tyrannical theory which, in the name of conservation of waterfowl, permits the executive branch of the Government to thrive upon power which rightfully belongs to the States and which was never contemplated by those responsible for the establishment of free and independent government. Under the tenth amendment to the Constitution all the power not specifically granted to the Federal Government is reserved to the States. There is no immediate emergency which justifies the transfer to State sovereignty as was contemplated in the original bill. Certainly every possible vestige of State responsibility should remain in the States.

EXTENSION OF REMARKS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short paragraph from a letter from the American Train Dispatchers' Association.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HOME OWNERS' LOAN CORPORATION

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

THE CONGRESS SHOULD PASS THE ELLENBOGEN H. O. L. C. BILL BEFORE ADJOURNING. IF NOT, A SPECIAL SESSION SHOULD BE CALLED

Mr. ELLENBOGEN. Mr. Speaker, this Congress is still in session. It can and it should stay in session until it passes legislation to relieve the home owners.

HOME-LOAN FORECLOSURES ARE STILL INCREASING

Foreclosures of homes by the H. O. L. C. are still increasing. They have reached a total which must alarm even the most complacent believer of the policies pursued by the Home Owners' Loan Corporation. I am listing below the accumulative total of the foreclosures authorized by the H. O. L. C. together with the amount of money involved:

	Number	Amount
As of Dec. 31, 1935	4,470	$19,689,499
As of Mar. 31, 1936	10,485	46,266,043
As of June 30, 1936	27,651	117,121,222
As of Sept. 30, 1936	51,148	205,035,007
As of Dec. 31, 1936	67,735	270,319,661
As of Mar. 31, 1937	84,385	331,348,872
As of July 31, 1937	105,986	410,679,043

FORECLOSURE OF HOMES DOES NOT HELP THE FINANCES OF THE H. O. L. C.—TO THE CONTRARY IT MEANS INCREASED LOSSES

These foreclosures deprive thousands upon thousands of home owners of their homes, but they do not help the finances of the H. O. L. C. To the contrary, I believe that these foreclosures increase instead of decrease the loss. This is borne out by the fact that as of June 30, 1930, out of 54,085 units of which complete possession had been taken by the H. O. L. C. after foreclosure proceedings, only 29,599 were rented. Thus, about 45 percent of the homes of which the home owners had been dispossessed remained vacant. They not only produce no income for the H. O. L. C. but they have become a constant burden because of the necessary expenditures for taxes, insurance, and maintenance which keep on running.

PASSAGE OF THE ELLENBOGEN BILL WILL SOLVE THIS PROBLEM

The best solution to this problem lies in making the terms of the H. O. L. C. mortgages easier, so that the home owner can pay his obligation and keep his home. By this method home ownership will be preserved and losses to the Government will be avoided.

For this purpose I introduced early at this session H. R. 6092, which reduces the rate of interest on H. O. L. C. mortgages from 5 and 6 percent, now being charged, to 3½ percent and spreads the time for paying the installments of interest and principal over a period of 25 years instead of 10 and 15 years as now provided.

The Committee on Banking and Currency, to whom this bill was referred, has refused to hold a hearing. I have had similar bills pending in the same committee for about 2 years.

DISCHARGE PETITION NO. 26

To get action on H. R. 6092, I introduced House Resolution 266, which makes H. R. 6092 a special order of business. This resolution was referred to the Committee on Rules. Again no action was forthcoming, in spite of the insistent demand of thousands of home owners all over the country. Therefore, I filed discharge petition no. 26, to discharge the Committee on Rules from further consideration of House Resolution 266.

In spite of the endorsement of my bill by leading newspapers and by thousands of home owners from all over the country, the required 218 Members of the House have not yet signed discharge petition no. 26. It is clear that if the Congress insists on adjourning tomorrow evening the required number of signatures will not be obtained and this bill cannot be passed at this session.

I invite the Members of Congress to make a personal investigation of the number of foreclosures in their own home districts and to consider the remedy which I propose. I want to remind them that I propose to retain home ownership and still prevent loss to the Government.

THE ELLENBOGEN BILL, H. R. 6092, WOULD PRESERVE HOME OWNERSHIP AND PROTECT THE GOVERNMENT'S INVESTMENT

A reduction of the interest rate to 3½ percent, which I propose, would still leave a margin of nearly 1 percent to the H. O. L. C., because it pays on its bonds an average rate of interest of only 2.6 percent. To spread the monthly installment payments over a period of 25 years instead of 15 and 10 years, which is the present practice, would make the payments smaller and easier to bear.

These two changes combined would reduce the monthly payments to home owners from $7.92 for every thousand dollars of his mortgage to $5.01 per month per thousand. The vast majority of home owners whose homes have been foreclosed would have been able to meet these smaller payments. These changes in the law represent a constructive approach to the problem.

I WILL DEMAND A SPECIAL SESSION IN ORDER TO PASS THE ELLENBOGEN H. O. L. C. BILL AT THE EARLIEST POSSIBLE MOMENT

If the Congress adjourns tomorrow without taking action to protect the home owners and prevent further mass foreclosures by the H. O. L. C., I will request the President to call the Congress into a special session in order to legislate for the protection of the home owner, to eliminate unnecessary foreclosures and to preserve the homes of our people.

COTTON

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, the continued decline in the price of cotton is causing consternation in the South.

This is the third time within 2 weeks that I have spoken upon this subject, which means so much to the farmers and the business interests generally of the Southern States.

All of the Members from the Southern States have realized the gravity of the situation, and have cooperated actively and aggressively to stabilize the price.

As stated in my last speech, the Secretary of Agriculture has authority and funds are available with which to stabilize the price under legislation heretofore passed by Congress.

A week ago today it was indicated that the price would be stabilized by a 12-cent guaranty and a 10-cent loan under the plan of 1935, which worked so admirably, both for the Government, for the farmers, and for the Nation at large.

In previous speeches I have pointed out with facts and figures the advantage of the 1935 plan, and on August 13 it was indicated that the price would be stabilized by a 12-cent guaranty and a 10-cent loan, and the press carried this news, and the price of cotton immediately advanced about 20 points.

A week has passed now and nothing definite has been done, but we are assured daily that action will be taken within the next few days.

It is now rumored that instead of making the 10-cent loan, as was first indicated, the loan will be only 9 cents, and that payments to the farmers of the difference between the selling price and the 12-cent guaranty would not be made until a year from now.

A few days ago, when the cotton trade learned that the loan would likely be 9 cents instead of 10 cents, it had a demoralizing effect upon the price of cotton and there was another sharp decline, which has continued daily, and cotton has now reached a price of less than 10 cents a pound, a new low having been reached day before yesterday, and the decline continues. The price today is lower than it has been since December 1933.

The Government should immediately announce definitely, and put into effect its plan as first indicated, of a 10-cent loan and a 12-cent guaranty, and the same method should be used as was done in 1935.

The psychology of the 9-cent loan automatically depresses the price, and this loss will not only affect the farmers and the business world generally, but the Government as well. If the loan is 10 cents it will automatically affect the price upward and the Government will be required to spend less money in paying the farmers the difference between the selling price and the 12-cent guaranty. The farmers this year should be paid as they were in 1935, not a year later, as now threatened.

On yesterday there was presented to President Roosevelt a letter signed by a large number of Representatives in Congress from the Southern States, and under consent granted me I insert same herewith:

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.:

We, the undersigned Members of the House of Representatives of the Seventy-fifth Congress, in the interest of the cotton farmers and general recovery, urge—

First. That the cotton loan be 10 cents per pound, and not 9 cents per pound.

Second. That any difference due the farmers on the 12 cents per pound guaranty be paid the farmers this year, and not next year.

Payment this year will enable the cotton farmers and sharecroppers to pay their debts and taxes. It will enable the cotton farmers to employ and pay higher wages to the cotton pickers and workers. It will reduce the cost of relief in the South. This additional purchasing power now will aid general business and national recovery.

W. J. Driver, John L. McClellan, D. D. Terry, Ross A. Collins, S. D. McReynolds, George H. Mahon, Jed Johnson, W. R. Poage, Luther Patrick, A. L. Ford, Newt V. Mills, F. L. Crawford, Stephen Pace, Dan. R. McGehee, J. E. Rankin, Luther A. Johnson, Martin Dies, George W. Johnson, H. K. Claypool, A. L. Bulwinkle, Lex Green, C. A. Fuller, Jere Cooper, Clyde Garrett, Wesley E. Disney, Millard F. Caldwell, Charles L. South, Robert L. Mouton, Albert Thomas, J. J. Mansfield, Wall Doxey, R. E. Thomason, Herron Pearson, Frank Hancock, Jack Nichols, Lyle H. Boren, Sam Massingale, B. Frank Whelchel, E. M. Owen, William M. Colmer, R. L. DeRouen, Robert Ramspeck, Maury Maverick, Charles H. Leavy, Overton Brooks, Don Gingery, J. R. Richards, Walter Chandler, E. E. Cox, John Sparkman, Joe Starnes, Hugh Peterson, Wade Kitchens, Morgan G. Sanders, W. D. McFarlane, Heywood Mahon, J. R. Mitchell, Wilton West, Gardner R. Withrow, Herbert S. Bigelow, Marvin Jones, Orville Zimmerman, Paul Brown, John K. Griffith, Pete Jarman, J. Mark Wilcox, Nat Patton, R. L. Doughton.

This is not a complete list of the southern Members. Many others would have signed if opportunity had been offered, but it was hastily circulated, and a number did not have opportunity to sign same before it was sent to the President. An identical letter signed by 20 Senators was presented to the President yesterday.

Many telegrams are being received by me and other southern Members, and under leave granted to extend my remarks I insert herein two telegrams which are typical of many others received by me and other southern Congressmen, and which express conditions now prevailing in the South.

CORSICANA, TEX., *August 19, 1937.*

LUTHER A. JOHNSON,
Member of Congress, Washington, D. C.:

Will you urge by all means loan of 10 cents on cotton as farmers' credit will be seriously affected now and next spring if loan is for less; also, business will suffer very much? We all appreciate your efforts in aiding agriculture.

B. L. SANDERS.

NORMANGEE, TEX., *August 20, 1937.*

LUTHER A. JOHNSON,
Member of Congress, Washington, D. C.:

Why cotton loans delayed? Market breaking every day. Cotton farmers in distress.

O. YOUNGBLOOD.

I again appeal to and implore our great President and our able Secretary of Agriculture to exercise the authority which they have under the law and at once grant a 10-cent loan and a 12-cent guarantee, using the same effective means and method used in 1935. This will mean the salvation of the South and insure a fair price for this year's crop. The South is just beginning to recover from the awful effects of the depression and all advantage heretofore gained will be lost if the farmers are forced to sell this year's crop at the ridiculously low prices now prevailing, and at the still lower prices which will follow if action is not taken immediately.

I ask unanimous consent to extend my remarks in the RECORD by including several telegrams received concerning the situation in the South.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to proceed for a moment or two to make inquiry of the gentleman from Texas [Mr. RAYBURN].

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS. Will the gentleman from Texas, the majority leader, kindly tell us what the program is for today.

Mr. RAYBURN. Mr. Speaker, in the first place, of course there is a conference report about to be called up by the gentleman from Texas [Mr. JONES] on the sugar matter. The next recognition will be the gentleman from North Carolina [Mr. DOUGHTON] to move to concur in the Senate amendments to the so-called loophole-tax bill. Next, the gentleman from Virginia [Mr. BLAND] will be recognized to move to concur in the Senate amendment to the so-called Panama Canal toll bill. The next in order, as I understand it at this time, are two rules from the Committee on Rules, perhaps three. I understand the gentleman from New York intends to call up the rule on the Hawaiian matter.

Mr. O'CONNOR of New York. That will not come up until tomorrow.

Mr. RAYBURN. Then there will be two. One of them is the so-called reindeer bill, and then there is the helium bill,

If conference reports come in after that, they will be acted upon.

Further, I think the Speaker expects to have the House recess late this afternoon and have an evening session for the consideration of the Private Calendar. There are about 93 bills on that calendar in which a great many people are interested.

Mr. COLLINS. Are we to take up the Private Calendar this afternoon or tonight?

Mr. RAYBURN. This evening, after the dinner hour.

Mr. JONES. Will I have an opportunity to call up Senate Joint Resolution 207, the farm bill?

Mr. RAYBURN. The gentleman from Texas [Mr. JONES] has a Senate resolution with reference to the feeling of Congress about enacting farm legislation at the earliest date possible. In the event conference reports come in, and I understand one has just come in, they will be entirely in the hands of the Speaker. But that is the program as far as I know it.

Mr. SNELL. There is nothing in the offing at present that is going to interfere with adjournment tomorrow, is there?

Mr. RAYBURN. Not that I can conceive of.

SUGAR BILL OF 1937

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic-sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up the conference report upon the sugar bill of 1937 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. CALDWELL. Mr. Speaker, I reserve the right to object in order to make a point of order against the conference report. I have no objection to the statement being read in lieu of the report, but I do not want to lose the opportunity to make the point of order to the report.

Mr. JONES. Mr. Speaker, in order to save time I move to suspend the rules and adopt the conference report on the bill H. R. 7667, the sugar bill of 1937.

The SPEAKER. The gentleman from Texas moves to suspend the rules and adopt the conference report, which the Clerk will report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign ocuntries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, and 6; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "and in order that the regulation of commerce provided for under this Act shall not result in excessive prices to consumers, the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this Act shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole, and the amounts of such additional allowances shall be such that in no event will the amount of the total supply be less than the quantity of sugar required to give consumers of sugar in the continental United States a per capita consumption equal to that of the average of the two year period 1935–1936"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than four thousand nine hundred and thirty-six short tons, raw value, of the quota for Hawaii for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar.

"(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than twenty-one thousand and six short tons, raw value, of the quota for Puerto Rico for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar.

"(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct consumption sugar.

"(d) Not more than eighty thousand two hundred and fourteen short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

"(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

"(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico."

And the Senate agree to the same.

MARVIN JONES,
WALL DOXEY,
J. R. MITCHELL,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

PAT HARRISON,
WILLIAM H. KING,
WALTER F. GEORGE,
PRENTISS M. BROWN,
ROBERT M. LA FOLLETTE, JR.,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendments nos. 1 and 3: Under the House bill (sec. 207) direct-consumption sugar quotas for the various areas specified below (which represented the amount of direct-consumption sugar which could be brought from such areas into continental United States in any calendar year) were fixed as follows:

	Short tons, raw value
Hawaii	29,616
Puerto Rico	126,033
Virgin Islands	0
Philippine Islands	80,214
Cuba	375,000

Senate amendment no. 3 provides the same direct-consumption quotas for the Philippine Islands and for Cuba as in the House bill. The remainder of the amount of direct-consumption sugar needed to meet the requirements of consumers, as determined by the Secretary under section 201 is, under this Senate amendment, allocated by the Secretary to the following areas on the following basis for each calendar year:

Area:	*Percent*
Hawaii	0.4756
Puerto Rico	2.024
Mainland	97.5004

Senate amendment no. 1 makes the necessary technical amendment to section 201 of the bill to give the Secretary the power to make the determinations of the amount of direct-consumption sugar which furnishes the figure upon which the percentages set forth in section 207 are based.

The conference agreement adopts the provision of the House bill except that the restrictions on direct-consumption sugar from Hawaii and Puerto Rico are made applicable to the calendar years 1937, 1938, and 1939 and the first 2 months of 1940. During the first 2 months of 1940 the amount of direct-consumption sugar which may be brought in from Hawaii is limited to 4,936 short tons and from Puerto Rico to 21,006 short tons. This amount is one-sixth of the direct-consumption quotas for the previous years. During the remainder of the year 1940 the amounts of direct-consumption sugar which may be brought in from Hawaii and Puerto Rico are not restricted. The Senate recedes on amendment no. 1.

On amendment no. 2: Under the House bill (sec. 201) the Secretary was required, in order that the regulation of commerce provided for under the bill should not result in excessive prices to consumers, to make such additional allowances as he deems necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available in the bill should not result in average prices to consumers in excess of those necessary to make the production of sugar beets and sugarcane as profitable on the average, per dollar of gross income, as the production of the five principal (measured on the basis of acreage) agricultural cash crops in the United States. Senate amendment no. 2 strikes this standard out and substitutes therefor a provision under which the Secretary, in the regulation of commerce provided for in the bill, may make such additional allowances as he deems necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available shall not result in excessive prices to consumers. The substitute provision also provides that in carrying out such purpose and in making any determination or adjustment, the Secretary shall not cause the price of sugar to be so reduced that the percentage representing the relation between the index of the price of sugar and the index of the average price of all domestic foods will become less than the percentage representing the index relation existing in the period 1932–34, according to Bureau of Labor Statistics. A further limitation provides that the determination of consumption and the total quota supply made available to consumers shall not be less than the quantity of sugar required to give consumers of sugar in the continental United States a per-capita consumption equal to that of the 5-year period 1927–34, inclusive.

The conference agreement provides that in order that the regulation of commerce shall not result in excessive prices to consumers, the Secretary may make such additional allowances as he deems necessary in the amount determined to be needed to meet consumer requirements, so that the supply made available under the bill will not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole, and the amount of the additional allowances shall be such that in no event will the total supply be less than the quantity required to give consumers a per-capita consumption equal to the 2-year average of 1935 and 1936.

On amendments nos. 4, 5, and 6: Amendment no. 4 strikes from the House bill the provision under which, for the purposes of the tax, sugar in liquid form which is to be used in the distillation of alcohol is considered manufactured sugar. Amendment no. 6 requires a refund of tax paid on manufactured sugar or any article manufactured therefrom which is used for the distillation of alcohol. Amendment no. 5 makes a necessary clerical change in a section heading. The House recedes on all these amendments.

MARVIN JONES,
WALL DOXEY,
J. R. MITCHELL,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. CALDWELL. Mr. Speaker, as I stated, I don't want to waive any rights that I have to make a point of order on the conference report.

Mr. JONES. If the House agrees to suspend the rules, that suspends all rules and does away with points or order.

Mr. CALDWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CALDWELL. Am I to understand that if the rules are suspended the point of order will not lie to the conference report?

The SPEAKER. A motion to suspend the rules, if agreed to, suspends all rules. It must be adopted by a two-thirds vote. That would include a point of order against the conference report.

Mr. CALDWELL. Then, Mr. Speaker, if this report actually exceeds the authority of the conferees by including matters neither in the House nor the Senate bill, am I given to understand that the suspending of the rules will prevent the making of a point of order on that account?

The SPEAKER. The motion to suspend the rules, if adopted by a two-thirds vote, waives the right of any Member to make a point of order against the conference report. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. JONES] is recognized for 20 minutes, and the gentleman from Kansas [Mr. HOPE] will be entitled to 20 minutes.

Mr. JONES. Mr. Speaker, there were only about three points of difference between the House and Senate bills. One referred to the so-called Lucas amendment, having to do with blackstrap molasses. That amendment was eliminated in conference. The second had to do with the consumer provision. That was modified to an in-between, a little more specific proposition, but carried largely the support or objects of both the Senate and House provisions, which stipulated the consumer provision in the bill.

The third and most important difference was on portions of section 207, which had to do with the restrictions on refined sugar that may be brought in during the life of the bill, from Puerto Rico and Hawaii, within their respective quotas. Their respective total quotas were not affected, but the amount of refined sugar within those quotas was a vital point at issue.

Most of you, I am sure, are familiar with the situation that arose; that is, the question of whether or not the bill should place any restrictions upon refined sugar coming in from Hawaii and Puerto Rico, in light of the fact that they are both under the American flag. It was contended that there was a matter of principle involved in that question. The conference group agreed to accept the House provision with a limitation. That is, sections (a) and (b) of section 207 limited the amount of refined sugar that might be brought in during the life of the bill in any one year, to the highest amount that was brought in from any of those islands in any year prior to the enactment of the original act. The Senate struck out the entire section, including those provisions. The conference group agreed to take the House provisions with this qualification, that these limitations should apply until March 1, 1940, after which all restrictions are taken off of refined sugar from Hawaii and Puerto Rico during the remaining time of the operation of the bill, which is until December 31, 1940. In other words, for the last 10 months of operations of the bill, as agreed in conference, there will be no limitation on the amount of the refined sugar that may be brought in from Hawaii and Puerto Rico, within their respective total quotas. We had a very difficult subject to work out and did the best we could. I believe that is all I care to submit on the conference report, unless there are some questions.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. MANSFIELD. Is it not a fact that the quotas allowed in the bill is all the sugar they can refine with their present refining equipment in those islands?

Mr. JONES. I am not sure I understood the gentleman.

Mr. MANSFIELD. Those islands cannot refine any more sugar.

Mr. JONES. There is a difference of opinion about that. Of course, I assume that additional facilities could be established, though they were not established even before there were restrictions. However, the question at issue was the principle of equal treatment among all people under the flag. That is, they did not like to have a statement put in the law that forbade them the privilege of manufacturing any part of the sugar which they produce in refined form, and that constituted the issue.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. PETTENGILL. Is the provision in the conference report with reference to that particular subject matter the same as it was when the President wrote his recent letter to Senator HARRISON?

Mr. JONES. No, sir; it is not.

Mr. PETTENGILL. In what respect has it been changed?

Mr. JONES. Of course, the entire Senate amendment about which the President wrote his letter is eliminated. We took the House provision. However, it is in substantially the condition it was when the President made clear his position, except that we establish, effective March 1, 1940, the principle for which he contends. We gave them 2 years and 2 months within which to adjust themselves, and then we establish the principle for which he was contending.

Whether that is satisfactory I cannot say. I was able to clear and would have assurance that it would be all right for the restrictions to run 1 year. That is, the balance of this year and the year 1938; but the question of whether permitting them to run an additional year and 2 months before finally establishing the principle that there would be no restriction is acceptable, I frankly am not able to give the gentleman the answer to that.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. WOODRUFF. As a matter of fact, the conference report provides that during this period leading up to the time when these two units of this great country will be permitted to increase their production of refined sugar, in the case of Hawaii they will be permitted to produce just as much refined sugar any year as they have ever produced?

Mr. JONES. Yes.

Mr. WOODRUFF. I think that is a correct statement.

Mr. JONES. That is a correct statement. The only limitation will be through access to the American mainland market.

Mr. WOODRUFF. But they are given access to the American mainland market for as much of their refined sugar as they have ever brought here.

Mr. JONES. That is a correct statement.

Mr. WOODRUFF. And in the case of Puerto Rico I think there has been only 1 year when that island has produced more refined sugar than she will be permitted to market under this conference agreement. That was some years ago. At no time since has she exceeded the amount of refined sugar that she will be permitted to ship in under this bill.

Mr. JONES. For that reason it seemed to me that it would have very little effect on the sugar situation if we took off all restriction on Hawaiia and Puerto Rico at the end of 1938, and therefore it appeared wise to do that in order to have assurance of a bill. I wanted to take off all the restrictions at the end of 1938. I think it was a mistake not to, because that would have assured a bill. But this was the best we could do and we will just have to take whatever chance there is, but it does finally establish the principle on March 1, 1940, and I hope the conference report may be approved.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield for one further observation?

Mr. JONES. I yield.

Mr. WOODRUFF. I wish to say to the Members that restriction on the production of sugar in continental United States, and particularly in the area in which I live is most irksome to us; and I realize that it is irksome to the other producers outside of continental United States. Nevertheless I think this conference agreement applies equally to all parts of the United States whether continental or offshore; all parts are treated exactly alike; and I may say to the gentleman from Texas that I am well pleased with the action of the House conferees in this connection, and I hope that the conference report will be unanimously agreed to. If it is not agreed to, and if there should be no bill, the great beet-sugar industry, because of the reduction of the tariff on Cuban sugar effected by the President of the United States, will pass out of existence, and as a result our people will pay more for their sugar and the Government will find it necessary to expand its crop-reduction program.

Mr. JONES. I thank the gentleman for his observation. I may say in reference to a restriction of production in our own mainland that I thoroughly agree with his observation. If sugar on the mainland were completely on its own I would say we should not have any control of production or marketing—we do not control production, we control marketing—if there were no artificial stimulus, but sugar has the benefit of the tariff and it has the advantage of the quota and the benefit of the payment system. When you artificially stimulate production, of course, in all fairness you must have some sort of control or the first thing you know you will wake up to find a hothouse plant grown beyond all proportions.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. KENNEY. I realize the difficult task the chairman has had on this bill. The conference report seems to be eminently satisfactory to all parties and gives protection to the labor in my district in New Jersey and other refining districts. I hope the conference report will be adopted.

Mr. THOMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. THOMPSON of Illinois. Will the gentleman tell us what happened to the so-called Lucas amendment covering blackstrap molasses?

Mr. JONES. We had that under discussion but the conferees reached the conclusion, as presented by the other side of the conference group, that probably the price of corn would have to get so slow as to be very unreasonable before it would be affected, and they felt that consideration of that point should be had under different circumstances and under conditions that would permit some effective legislation. They felt that it should properly go into another type of bill. They were, however, interested in the subject.

Mr. THOMPSON of Illinois. I realize that the gentleman has had difficulty in reaching a compromise or any agreement; nevertheless I am still firmly of the opinion that that amendment would have been helpful to the corn farmers of the Middle West.

Mr. JONES. I appreciate the gentleman's position.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. COLMER. The conference report actually exceeds the action of either House.

Mr. JONES. I do not think so, I disagree with the gentleman entirely.

Mr. COLMER. Does the gentleman take the position that the March 1 restriction was sufficiently covered by the House bill or the Senate bill?

Mr. JONES. I certainly do. The House provision, 207, ran for the full life of the bill. The Senate struck it out entirely, so the entire time was within the range of the conference group. While they restored a part of it in subsection (a), and that we could not have modified; the part that was included in subsection (b) of the Senate bill was entirely different from (a) and (b) of the House bill.

Mr. GREEN. After that was stricken out it was no longer a part of the House bill.

Mr. JONES. Exactly; therefore, we could have restored the House provision and could have made it operative for only 3 days but still have been within our rights.

Mr. GREEN. I cannot understand how, within the provisions of either bill, that great latitude obtained.

Mr. JONES. That provision was not in the Senate bill at all. We could, therefore, the Senate having none at all and we having a provision lasting 3 years, restore it and the Senate could agree to it with any alternative they wanted, so long as it did not run for a longer time than that set out in the House bill.

Mr. GREEN. We should have let them vote on it.

Mr. JONES. I understand that four or five gentlemen intended to argue about it. As the plan is to adjourn tomorrow night I make this motion in order that the question may be waived by the House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. McCORMACK. I do not intend to raise the issue or enter into the colloquy between the gentleman from Texas and the gentleman from Florida, but I am not prepared to concede the point of the gentleman from Texas, because the time limit relates to allocation and not to quotas.

Mr. JONES. I hope the gentleman will not enter into a long discussion of this matter.

Mr. McCORMACK. That is not my purpose. I simply wanted to say that as one who took a slight interest in this battle I realize that the gentleman from Texas and his conferees have had a very difficult problem and have handled it

in as eminently fair and practical a manner as they could under the circumstances.

While I would like to have seen the full period of time applied to the refineries, nevertheless, as one who took a slight part at least in the debates on this matter up to the present time, I join with the gentleman in the conference report he has submitted to the House.

Mr. KELLER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. KELLER. I would like to know whether the law as now written makes it certain that Hawaii, Puerto Rico, and the Virgin Islands at the end of 1940 will have the same rights as other people in the United States?

Mr. JONES. Hawaii and Puerto Rico will have the full right to send their sugar into this country in refined form after March 1, 1940.

Mr. KELLER. Do I understand the Virgin Islands are cut off?

Mr. JONES. Unfortunately, the Virgin Islands were not included in the Senate bill. They were forbidden to bring it in under the House bill; therefore, we could not include them. They, however, send in no sugar in refined form, so that is an academic question.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. As one who is very much interested in sugar legislation, may I say I realize the difficult task that confronted these conferees. I want to express my appreciation to them for the eminently satisfactory conclusion they have come to with respect to this bill. I hope the conference report will be adopted and the bill finally signed, which will safeguard the domestic-sugar industry in this country, a very important industry. [Applause.]

Mr. HOOK. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. HOOK. May I make the same comment that the gentleman from Nebraska [Mr. COFFEE] just made?

Mr. JONES. I thank the gentleman.

Mr. Speaker, I reserve the balance of my time.

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, in order to cooperate with the officials of the House I have swallowed my own convictions so many times it is getting to be a habit. The reason I cannot do so in this instance is because I believe a fundamentally vicious principle is involved in this bill. As the gentleman from Texas [Mr. MANSFIELD] mentioned a moment ago, it will not affect the manufacturing interests materially in these possessions now, but, Mr. Speaker, the next thing we are going to have is a bill before the House to either prohibit or put a prohibitive quota on the manufacturers of rum in these islands in competition with our own distilleries, and from then on we are going to have quotas put on these possessions whenever they attempt to develop themselves industrially and interfere with our own industries.

Mr. GREEN. Will the gentleman yield?

Mr. HARLAN. I cannot yield now.

Mr. Speaker, if we do not want these possessions, let us turn them loose, but let us not revert back 150 years in history to the period of colonial exploitation just for political expedience. I would rather have no bill at all than this bill with its vicious, iniquitous, and unjust industrial quota. Some people says it is perfectly fair and all right. The industrial quota in our Territories will be fair and all right when we put it on in the other States and at the same time apply it to our possessions, but when we put it on our possessions and do not apply it to the States, anybody who is willing to acknowledge the facts, it seems to me, must concede that is not fair. It is not American. It is not right and is a precedent, Mr. Speaker, that is going to come back at a future time and we will regret this day.

It will only take one-third of the votes of the Members of this House to defeat this conference report and I appeal to the Members of the House who are interested in preserving our American system of colonial Government to vote against this conference report.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, it has so often been said that legislation is a matter of compromise. I think today we face that issue perhaps as not before in this session. I do not know anything that would go more against the President's wishes in this situation than the failure of a sugar bill; in other words, not have any legislation at all. That would drive control of the entire situation directly into the hands of the so-called Sugar Refining Trust or industry and that is one thing it seems to me the President has been trying to avoid.

We are right near the close of the session. What we do must be done quickly. The floor leader on the Democratic side stated that undoubtedly we will adjourn some time tomorrow. The conferees have had, in my opinion, undue patience. They have brought this conference report back to us and it seems to me it is either accept this proposition or not have a sugar bill at this session of the Congress. Of course, this does not guarantee a bill, but it goes about as far as we can go in the limited time through action of the Senate, the House and the conferees.

So far as I am concerned on the question of sugar, I do not want this Congress to adjourn without a sugar bill being enacted and I hope the President will see that if he vetoes the bill it puts the whole situation in the hands of the seacoast refineries because, as I have stated before, it is immaterial to them whether there is a sugar bill or not except in the absence of any sugar legislation, it is all to their advantage. Apparently that is what the President wants to avoid.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. This legislation, as I see it, is emergency legislation?

Mr. CRAWFORD. Entirely so.

Mr. ANDRESEN of Minnesota. It is legislation to right a wrong. The wrong was committed when the present administration cut the duty on Cuban sugar to 90 cents. Unless this legislation is passed, when the quotas expire in December, this country will be flooded with cheap Cuban sugar which will be put upon the market with a duty of 90 cents. It will drive all of our domestic producers, including those in our possessions, out of business.

Mr. CRAWFORD. In addition, if this bill is vetoed by the President, your sugar market will begin to break immediately in anticipation of what will happen subsequent to January 1, 1938. I do not know anything that could be done which would more nearly destroy the domestic production of sugar than for this bill to fail of passage at this time.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio, because I appreciate his observations.

Mr. HARLAN. If this conference report is defeated in the House the bill can then go back to the Senate for another conference and we can yet bring out a sugar bill. The defeat of the conference report does not necessarily mean the defeat of the whole sugar bill.

Mr. CRAWFORD. How fast must we work, then, in order to attempt to override a veto, in the event this bill is vetoed sometime tomorrow, if we adjourn tomorrow night?

Mr. HARLAN. You have a better chance of getting this bill vetoed if you keep this industrial quota in it than if you strike it out. You can have a sugar bill. If we defeat this conference report we can send it back to the Senate and still get a sugar bill.

Mr. CRAWFORD. Of course, that is a matter of opinion, because none of us knows what the President will do.

Mr. HARLAN. Of course, I am not speaking for the President, myself. I am hoping this House will take its own responsibility on its own shoulders and not push it over on the shoulders of the President.

Mr. CRAWFORD. There has been a great deal of compromise in this bill. Take the situation with reference to the refining restriction disappearing on March 1, 1940. It will take the islands probably a year to get the refining equipment set up. Every Member of this House knows I am very friendly to Puetro Rico and Hawaii, for this has been clearly evidenced, but I hope the Members of the House will see their way clear to compromise somewhat and go along with this situation to the end that we shall not have to repeat next January another sugar fight running over several months.

Mr. HARLAN. Could I impose on the gentleman to yield again?

Mr. CRAWFORD. I am pleased to yield to the gentleman from Ohio.

Mr. HARLAN. The gentleman does not think for a minute that capital will invest in any refining business in Hawaii, Puerto Rico, or the Virgin Islands with this provision pending in the bill, because anyone knows that before the period of the quota expires there will be another bill before this House, backed by the American Sugar Refining Co. and assisted by the beet-sugar bloc, to continue the quota indefinitely.

[Here the gavel fell.]

Mr. DOWELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) One hundred and fifty-five Members are present, not a quorum.

Mr. JONES. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 150]

Allen, Del.	Douglas	Kniffin	Sirovich
Allen, La.	Drewry, Va.	Lambeth	Smith, Maine
Bacon	Eaton	Lemke	Smith, Va.
Bell	Elliott	Lord	Smith, W. Va.
Biermann	Farley	McGrath	Steagall
Bigelow	Ferguson	McGroarty	Sullivan
Binderup	Fernandez	Maas	Sweeney
Buckley, N. Y.	Fish	Meeks	Taylor, Colo.
Burdick	Fitzpatrick	Mills	Taylor, S. C.
Cannon, Wis.	Frey, Pa.	Nelson	Thurston
Carter	Gasque	O'Connell, Mont.	Turner
Cartwright	Gearhart	O'Neal, Ky.	Vinson, Ga.
Celler	Gilchrist	Patman	Wadsworth
Chandler	Goldsborough	Pfeifer	Weaver
Clark, N. C.	Hill, Ala.	Phillips	White, Idaho
Cluett	Hobbs	Quinn	White, Ohio
Coffee, Wash.	Jarman	Reed, N. Y.	Withrow
Cole, N. Y.	Keller	Reilly	Wolcott
Crowe	Kerr	Rich	Wolfenden
Culkin	Kleberg	Scrugham	

The SPEAKER. Three hundred and fifty Members have answered to their names, a quorum.

On motion of Mr. JONES, further proceedings under the call were dispensed with.

Mr. HOPE. Mr. Speaker, I yield 4 minutes to the gentleman from Hawaii [Mr. KING].

Mr. KING. Mr. Speaker, the merits and demerits of this sugar legislation have already been discussed fully on the floor, and I shall not go over the same ground. However, I do want to point out what has happened since the bill was passed by the House and was referred to the other body.

In the Senate committee report this statement was made in reference to the committee's amendment of section 207, which was accepted by the Senate:

> This amendment is intended to meet the difficulty arising out of the discrimination involved in establishing restrictions on receipts of direct-consumption sugars from the domestic areas of Puerto Rico and Hawaii without corresponding restrictions on the mainland.

The amendment then placed quotas on all direct-consumption sugar on a percentage basis, after having admitted that the direct limitations on a tonnage basis embodied in the bill as it passed the House were a discrimination against two domestic areas, two other parts of the United States, Hawaii and Puerto Rico.

I have no doubt the conferees have brought back the very best measure they could possibly get in the discussion between the two Houses, but it is true that the reamendment of section 207 proposed in the conference report places the limitations on Hawaii and Puerto Rico back again on a tonnage basis and attempts to provide a compromise by stating that these limitations will expire automatically before the bill expires. However, you will note that the time of expiration is only 8 months before the bill expires. The limitation is for 2 years and 2 months, and was carefully drawn for that purpose. They would not accept the compromise of the restrictions expiring in 1 year or a year and a half or 2 years, but they made it 2 years and 2 months.

I read from the CONGRESSIONAL RECORD the purpose of the establishment of this particular limitation, and I am referring to the RECORD of August 19, page 9341.

> I want in that connection to say, while I signed the conference report, as did others of the conferees, which makes a differential as to the time the bill shall operate on direct-consumption sugar imported into the United States as contrasted with raw sugars coming into the United States, that it is not because in the future I shall be for leaving the gates wide open and letting refined sugar come in from Puerto Rico or from Hawaii. We fixed the date March 1, 1940, in the hope that when the Congress meets in 1940 it will at least have 2 months during the session of Congress, which will begin in January, to pass legislation that will take care of this situation.

In other words, the limitation of 2 years and 2 months on the restrictions is designed so there may be enacted in January and February of 1940 a continuation of the restrictions enacted by this Congress.

Under the circumstances, Mr. Speaker, it is obvious that this measure as amended is no better than the original section 207 in the bill (H. R. 7667). The restrictions on direct-consumption sugar from Hawaii and Puerto Rico remain in full force and effect, and it is intended that they shall be reenacted into law in the early part of 1940.

For this reason, Mr. Speaker, if I had a vote I would vote against the conference report. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, I want to speak for just 2 minutes on the quota theory. Some Members have objected to the bill because it provides for a quota. Last spring all the sugar producers of the world met in London and signed a quota agreement. They appreciated the fact that the world was producing, and could produce, more sugar than we could consume and that a failure to provide for a quota system meant the ruination of the entire industry.

In 1933 all the growers of sugar in the United States who were interested met here in Washington and they all agreed to a quota system. The beet-sugar people that year produced 1,770,000 tons and they agreed to a quota of 1,550,000 tons. The processors of beets submit to a quota, insofar as refining is concerned, when the beet growers agree to a quota on acreage.

The cotton people of the South are before the Committee on Agriculture, of which I am a member, and have asked the President to make loans on cotton and they have promised next year to submit to a quota on cotton. The corn people of the North want loans on corn and they have come to the Committee on Agriculture and have said to the President if he will make loans on corn this year to keep it from selling at a price that will ruin them, next year they will submit to a quota on corn.

The sugar people are trying to do what every sensible man does and what every sensible manufacturer does. When a manufacturer finds he is producing more goods than the country can consume, he reduces his production.

We are not restricting the refining of sugar in Hawaii and Puerto Rico, but simply retaining it at the point it was when all producers of sugar submitted to a quota. They

can refine, under this bill, as much sugar as they ever refined.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, this bill is very unfair to my State. The State of Florida would be infinitely better off if we had no sugar legislation rather than to accept this sugar bill. The same is true of every sugar-consuming State in this Union. It is false economy to limit the production of any farm commodity in America where we produce only 25 percent of America's consumption.

I appreciate the position of my good friend, the gentleman from Colorado [Mr. CUMMINGS], but corn, wheat, and cotton are exported. We produce more of these products than we consume in America and therefore the same rule does not apply to sugar. We should have unrestricted sugar production in America. This policy of restriction of sugar production cannot and will not endure. I protest any such unfair, unwise legislation. It is false economy and contrary to the best interest of our Nation.

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. LANZETTA].

Mr. LANZETTA. Mr. Speaker, I shall vote against the conference report on bill H. R. 7667 for the reason that the discriminations against American citizens who reside in Puerto Rico, which I complained of during the House debate, have not been removed.

At the time that a conference was requested by the gentleman from Texas, the chairman of the Committee on Agriculture, I objected because I felt that the discriminations against Puerto Rico would not be removed in conference, and that the bill with its limitations and restrictions against Puerto Rico and its citizens should not be enacted into law.

The conferees have brought back to the House for its approval a bill which contains practically the same restrictions and limitations as the bill which we passed originally.

The change in the time limit on the restrictions as to the amount of refined sugar that Puerto Rico can send to the United States, from 3 years as in the original bill to 2 years and 2 months is merely a subterfuge and does not in any way recognize the principle of equal rights, privileges, and immunities for all American citizens, irrespective of where they reside.

If this change in the time limit when the people of Puerto Rico may engage freely in the shipment of refined sugar is intended to pacify them for the abrogation of their rights as American citizens, then let me say to the Members of this House that the American citizens who reside in that island do not intend to barter their rights as American citizens for the material advantages which they gain by this change.

Mr. Speaker, I again repeat that I shall vote against the conference report for the reasons above stated and I trust that the membership of this House will join me in opposing the setting of such a dangerous precedent as is contained in this sugar bill.

The Congress of the United States must not discriminate against the American citizens who reside in Puerto Rico.

Mr. HOPE. Mr. Speaker, I hope this conference report will be adopted, and that this bill will become a law. It is true that there is possibly no single interest involved in the sugar industry—and there are a great many different and conflicting interests—which is entirely satisfied. In the very nature of things it was impossible to reconcile and satisfy all of the various interests. I do not believe that during the time I have been a Member of Congress I have known of any measure in the consideration of which I participated either in committee or in the House, which involved as much difficulty as this sugar question. I believe the conferees have gotten together on as fair a basis as can be had. It is a matter of great importance to the domestic sugar industry in this country that the bill become a law at this time. It is also a matter of interest I think to the consumers of sugar in this country, because this bill is drawn not only in the interest of the producer, but it has definite provisions in it for the benefit and protection of the consumer.

I shall not enter into a discussion of the questions that were involved and considered by the conferees. The chairman of the committee has already very ably pointed out those differences and how they were reconciled.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Yes.

Mr. DONDERO. We were told when this bill was before the House for consideration that the President would veto it if the quota restrictions were left in it. The bill now comes back with a 3-year restriction. Is it not about the best bill that we can get in this session of Congress, and unless we adopt the conference report we may not have any sugar bill at all.

Mr. HOPE. I am strongly of the opinion that if we do not adopt this conference report we are going to end the session of Congress without any sugar legislation.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Yes.

Mr. LANZETTA. In view of the President's statement, does not the gentleman think this bill will be vetoed?

Mr. HOPE. I have no opinion as to what may be in the President's mind with regard to this legislation. This bill meets at least in part the objections the President had voiced in connection with sugar legislation.

Mr. LANZETTA. Does not the gentleman think that practically the same discriminations which we complained of in the House bill are now in the present bill that the conferees have agreed to?

Mr. HOPE. No. I think there is recognition in this bill of the principle for which the gentleman has been contending. It is true that it is deferred, but still it is a recognition of the principle. The gentleman knows my position in the matter. He knows that I am in accord with his views on that particular question, and I say to him that I think this is the best possible bill that can be gotten at this time. I further think that this legislation is a matter of such great importance to the sugar industry in Puerto Rico, in Hawaii, and continental United States that all of us should support this conference report.

I do not want to let this occasion pass, Mr. Speaker, without saying that all of those who are interested in sugar legislation owe a deep debt of gratitude to the able and distinguished chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], for the work that he has done during the several months this measure has been under consideration in Congress. I am sure it is the judgment of everyone who has followed this legislation closely that had it not been for the untiring efforts of the chairman of the Committee on Agriculture we would not have had a sugar bill at this session of Congress. [Applause.]

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Yes.

Mr. HOUSTON. It looks now as if we were not going to have any labor bill or any farm bill at this session of Congress. Would it not be better to defer this bill until the next session of Congress? I have not any refinery in my district, I have no beets, I have no cane, I have nothing but consumers and, if this bill becomes a law, naturally it will increase the price of sugar to some of the constituents in my district.

Mr. HOPE. I disagree with the gentleman. I do not think it will increase the price of sugar to the consumer. The Jones-Costigan Act did not increase prices to the consumer, and the present bill contains even stronger provisions for consumer protection.

Mr. HOUSTON. It appears to me with all this controversy it would be better to go over until the next session, when we would get a more satisfactory bill.

Mr. HOPE. We would not get any better bill in the next session than we are getting right now, and in the meantime the domestic sugar industry in this country will suffer materially if we do not pass a bill at this time.

Mr. HOUSTON. Does the gentleman mean the sugar trust?

Mr. HOPE. I mean the farmers who produce sugar beets and sugarcane.

In view of the thorough consideration which this legislation has received during the last several months it hardly seems necessary to go into any further discussion of its purposes and effects at this time. However, I think it might be helpful for me to conclude my remarks by pointing out what I believe is generally agreed to be the purpose and intent of Congress in passing this legislation.

First. That through administration of quotas sugar prices may be anticipated which will be fair to producers, consumers, and processors, and at the same time maintain the domestic sugar industry.

Second. That all producers shall receive adjustment payments on their 1937 crop and that all producers in subsequent years who comply with reasonable and sensible farm practices shall receive adjustment payments and that through these adjustment payments which are to go to all sugar producers of the United States, the act is expected to restore and maintain the purchasing power of sugar farmers and laborers sufficient to enable them to maintain a decent, American standard of living.

Third. That Congress does not anticipate or intend that a burdensome regimentation of either producers, laborers, or processors should be brought about through the administration of this act, but that the act should be administered as liberally as its terms will permit.

Fourth. That it is the definite intention that the sugar program shall be kept and administered separately from any other regulatory agricultural program, because the production of sugar is inherently different from other agricultural crops.

Fifth. That while the Agricultural Conservation Act is a beneficial and worthy piece of national legislation, the Sugar Act of 1937 in its terms and in its proper administration should be divorced from the agricultural-conservation program except as to regulations mentioned above, and the payments made under this act should have no bearing on or connection with the payments made under the agricultural-conservation program to sugar-producing farmers.

The SPEAKER. The time of the gentleman from Kansas has expired. All time has expired. The question is, Shall the rules be suspended and the conference report agreed to?

The question was taken.

Mr. LANZETTA. Mr. Speaker, I demand a division.

Mr. PETTENGILL. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Indiana demands the yeas and nays. As many as favor taking the vote by the yeas and nays will rise and stand until counted. [After counting.] Twelve Members have risen, not a sufficient number. The yeas and nays are refused. The gentleman from New York [Mr. LANZETTA] demands a division.

The House divided and there were—ayes 198, noes 23.

So, two-thirds having voted in favor thereof, the rules were suspended and the conference report was agreed to.

A motion to reconsider the vote was laid on the table.

TAX EVASION AND AVOIDANCE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8234) to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 3, line 17, after royalties", insert "other than mineral oil, or gas royalties."

Page 5, after line 14, insert:

"(h) Mineral, oil or gas royalties: Mineral, oil, or gas royalties, unless (1) constituting 50 percent or more of the gross income, and (2) the deductions allowable under section 23 (a) (relating to expenses) other than compensation for personal services rendered by shareholders, constitute 15 percent or more of the gross income."

Page 9, strike out lines 1 to 4, inclusive, and insert:

"(b) Amounts used or irrevocably set aside to pay or to retire indebtedness of any kind incurred prior to January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness."

Page 42, strike out lines 1 to 9, inclusive, and insert:

"(a) Credits of estate or trust—

"(1) For the purpose of the normal tax and the surtax an estate or trust shall be allowed the same personal exemption as is allowed to a single person under section 25 (b) (1), except that no exemption shall be allowed a trust if the trust instrument requires or permits the accumulation of any portion of the income of the trust and there is not distributed an amount equal to the net income. For the purposes of this paragraph the term 'net income' does not include amounts included in gross income which, under the law of the jurisdiction under which the trust is administered, cannot (even if permitted or required by the trust instrument to be considered as income) be considered as income and are not distributable.

"(2) If no part of the income of the estate or trust is included in computing the net income of any legatee, heir, or beneficiary, then the estate or trust shall be allowed the same credits against net income for interest as are allowed by section 25 (a)."

Page 43, strike out lines 7 to 21, inclusive, and insert:

"(4) (A) Every estate, and every trust entitled to the personal exemption allowed by section 163 (a) (1), the net income of which for the taxable year is $1,000 or over.

"(B) Every trust, not entitled to a personal exemption under section 163 (a) (1), which has a net income for the taxable year.

"(5) Every estate or trust the gross income of which for the taxable year is $5,000 or over, regardless of the amount of the net income;

"(6) Every estate or trust of which any beneficiary is a nonresident alien; and

"(7) Regardless of the amount of the gross or net income, every trust, though having no net income, which would have a net income if distributions had not been made which under the terms of the trust instrument were in the discretion of the trustee or conditioned upon a contingency; but subject to such conditions, limitations, and exceptions and under such regulations as may be prescribed by the Commissioner, with the approval of the Secretary, a fiduciary required by this paragraph to file a return may be exempted from the requirement of filing such return."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

WASHINGTON AIRPORT

The SPEAKER. The Chair lays before the House the following request from the Senate of the United States:

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
August 20, 1937.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the message of the Senate of August 16 requesting the House to return to the Senate the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, together with Senate engrossed amendments thereto.

The SPEAKER. Without objection, the Senate request will be granted.

There was no objection.

THE PRIVATE CALENDAR

The SPEAKER. The Chair thinks it is proper at this time to make an announcement for the information of all Members who may be interested.

It is presumed that we will work rather late in the afternoon today, and then the majority leader will make a motion to recess until 7:30 or 8 o'clock tonight. The Speaker has heretofore been given authority to set down an hour for the calling of individual bills on the Private Calendar. At the hour indicated in the motion to recess the Members are notified that the Private Calendar will be called tonight.

THE CONSENT CALENDAR

Mr. O'CONNOR of New York. Mr. Speaker, may I say the majority leader has in mind asking unanimous consent that after consideration of the Private Calendar tonight, the Consent Calendar may be taken up just as to Senate bills or House bills where there is a similar Senate bill on the Speaker's table. There are a total of 20 such bills on the Consent Calendar.

Mr. SNELL. It is not the intention to start and go through the whole calendar, is it?

Mr. O'CONNOR of New York. Oh, no; just Senate bills or House bills where there is a similar Senate bill on the Speaker's table.

The SPEAKER. Does the gentleman from New York ask unanimous consent that those bills may be in order?

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that at the conclusion of the call of the Private Calendar tonight, it shall be in order to take up on the Consent Calendar, Senate bills and House bills where there is an identical Senate bill on the Speaker's table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Speaker, reserving the right to object, would that include any bill that is not regularly on the Consent Calendar?

The SPEAKER. Only bills that are regularly on the Consent Calendar, under the conditions named by the gentleman from New York. The Speaker will have the right to recognize Members to call up such bills. Is there objection to the request?

Mr. RICH. Reserving the right to object, then no individual who has a bill of his own will be permitted to bring it before the House from now on. Is that the understanding?

The SPEAKER. The Chair has only stated the request of the gentleman from New York [Mr. O'CONNOR]. Of course, it only includes those bills that are covered by the request—bills on the Consent Calendar and subject under the rules, to be brought up.

Mr. RICH. They will only be permitted to come up tonight?

The SPEAKER. By unanimous consent.

Is there objection to the request of the gentleman from New York?

There was no objection.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5417) to provide for the measurement of vessels using the Panama Canal, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 1, after "tonnage", insert "*Provided*, That the basic rules of measurement shall not be changed except after public hearing and 6 months' public notice of such change."

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The Senate amendment was agreed to and a motion to reconsider was laid on the table.

THE HOUSING BILL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file a conference report and statement on the housing bill.

The SPEAKER. Is there objection?

There was no objection.

THE REINDEER INDUSTRY IN ALASKA

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 317.

The Clerk read as follows:

House Resolution 317

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1722, an act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Territories, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

The SPEAKER. The gentleman from Massachusetts is recognized for 30 minutes and the gentleman from New York is recognized for 30 minutes.

Mr. O'CONNOR of New York. Mr. Speaker, this rule makes in order the consideration of a bill which has for its purpose to take care of the reindeer in Alaska for the natives and to prevent outsiders for commercial or other reasons interfering with the reindeer to the detriment of the natives.

The reindeer is the only animal that can graze anywhere in Alaska. It is absolutely necessary from the Government standpoint to protect them.

Mr. Speaker, I now yield 5 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Speaker, when the United States took over Alaska in 1867, the Eskimos inhabiting the Arctic and the Bering Sea regions of Alaska had a comfortable and sufficient economy. They are a very honest, kindly, simple people—they still are—hospitable, generous, and some of the older ones take not too much thought for the future. With the advent of the white man the usual thing happened. When the white man came in contact with the natives the white man almost destroyed the entire native food supply that had theretofore been enjoyed by the Eskimos of the Arctic, the Bering Sea, and the Aleutian Islands regions. The natives were reduced to absolute destitution and but for the further action of some very charitable and good men, and but for the action of the Government I suppose that we would not have 1,000 Eskimos alive today. But a Presbyterian missionary, Dr. Sheldon Jackson, conceived the idea of bringing reindeer from Siberia to provide the supply of food and clothing for the natives. Between the years 1890 and 1902 about 1,280 reindeer were brought across Bering Sea and landed in Alaska. They have now multiplied until according to the report of the Department of the Interior there are about 600,000 reindeer in northern and western Alaska. These reindeer were brought over principally, primarily, and almost entirely for the benefit of the natives.

With the expansion of the herds the usual thing happened. Again the white man entered in. This time he determined that the reindeer was a resource that ought to belong to the white man. So, regardless of the effect upon the natives the white man acquired deer until they now claim to have perhaps one-third of all the reindeer in Alaska. The herds have become inextricably intermingled until it is difficult for any white man or any native to tell which are his deer. Order has practically disappeared on the reindeer range, and unless some action is taken and taken promptly the Eskimos of Alaska before long will be reduced to the condition that they were in when the reindeer were brought in.

In addition to other things there has been mismanagement and very serious mistakes made in administration. Up until 1925 under the leadership of an excellent administrator and a high-minded self-sacrificing man, William Thomas Lopp, the Eskimos were taught and trained in the herding of reindeer; but along about 1923 when the white men's herds increased, the Government officials were persuaded by the white owners that there was no use herding the reindeer, but that they should be turned out on the range. That was very fine for the white owners, and it was very bad for the natives.

The pending bill proposes to take a few steps backward and to purchase the deer that are owned by others than natives and to give them to the natives to be kept by the natives in perpetuity. The places where reindeer now graze are all in the northern third of Alaska, above the Arctic Circle, in the Seward Peninsula, to which I am pointing now on the map which you see before you, and also in the Kuskokwin region. There are some reindeer in the region adjacent to the shores of the Bering Sea. Reindeer can graze in almost any part of Alaska. There is an erroneous

idea, however, that reindeer can live only where the peculiar lichen grows that is called reindeer moss, but this is not true. A reindeer will not eat reindeer moss if he can get anything else to eat; but, fortunately for the grazing in the Arctic regions, food that can be obtained in the northern third of Alaska in the winter is this reindeer moss, which grows about one-eighth to one-quarter of an inch a year.

Mr. Speaker, anyone who has taken the trouble to read this bill and the report upon it will readily grasp just what is sought to be done by the bill. The purpose of the bill is to purchase all of the reindeer of Alaska, now owned by others than natives, and to distribute the deer so purchased among the natives, or that the Government hold the deer in trust for the use and benefit of the natives; and that thereafter the reindeer in Alaska be reserved as to ownership and grazing for the natives alone, so that all others than natives will be excluded from the reindeer business or industry; and that the natives be aided in carrying on their reindeer industry or business in all of its branches so as to make it a complete and self-sustaining business.

We are now seeking to do the thing that should have been done when reindeer were first brought to Alaska. From the very beginning the reindeer should have been reserved for the use or benefit of the natives and no one but natives should ever have been permitted to own or graze a reindeer in the Territory.

We are seeking by this bill to establish a reindeer business in all of its branches, of the natives, for the natives, and also by the natives, except for such assistance which must, in the beginning at least, be given to the natives by the Government through the Secretary of the Interior.

In order to buy the deer and such equipment as may be useful and necessary for carrying on a native reindeer industry it is possible that some part of the purchase price will be paid to persons who are not deserving of any favor or bounty from the Government, but if we wish to buy the reindeer and other appurtenant property owned by white men it is necessary to pay a fair purchase price. I am confident that no more than a fair price will be paid for any property purchased.

Mr. Speaker, the bill before us is not entirely in the form in which I desire it. I introduced in the House the original reindeer bill, H. R. 5126. In that bill was incorporated my own views as to the kind of a measure that should be enacted. In that bill I provided for a limitation of $3 per head as the average price to be paid for the deer and I further provided that all reindeer purchased must be actually counted in corrals or through chutes or in some other effective manner. These provisions were opposed by the Department upon the ground that compliance with them was impracticable, and in harmony with the views of the Department, those provisions were stricken from the bill.

My bill further provided the time limitation of 1 year for the purchase of the deer and other property, unless the same should be purchased through an exercise of the power of eminent domain. The Department opposed that provision as impracticable and, therefore, that provision was also stricken out of the bill.

The bill which I introduced further contained a detailed plan whereby rules and regulations were to be made and provided that they should first be worked out by the natives themselves, and then submitted to the Secretary of the Interior. This plan is, in my judgment, a sane and sensible one, for the natives themselves know more about reindeer and their grazing and herding and everything else affecting them than any white man, because they have lived with reindeer for many, many years. For the life of me, I am unable to see any objection to that provision. But the Department objected to it, and so that, too, has been stricken out of the original bill.

At the proper time, Mr. Speaker, I intend to offer and to urge an amendment to the bill as it now stands, requiring the Secretary to confer with and consult the natives before making any rules and regulations concerning reindeer or the reindeer range, and I hope that my amendment will be agreed to by the House.

In a letter dated August 13 addressed to the chairman of the Territories Committee, Mr. GREEN, the Acting Secretary of the Interior says in substance that it is the intention of the Department to consult the natives in matters of reindeer management or interest, and that, as under the operation of the Taylor Grazing Act, the first approach to administration will be through conferences with the natives. That letter is so important that I shall ask leave to insert it in the RECORD at this point. It is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, August 13, 1937.

Hon. LEX GREEN,
Chairman, Committee on Territories,
House of Representatives.

MY DEAR MR. GREEN: Further reference is made to my report of May 17 on H. R. 5126, commonly known as the reindeer bill. Section 11 of the bill as written provided that reindeer owners, by districts, should draw up and adopt rules and regulations governing the use of the range and other phases of the reindeer industry. These, when approved by the Secretary of the Interior, would have the effect of law.

In commenting upon this section of the bill I stated in part:

"Section 11 as written outlines a most acceptable method for the formulation of the rules and regulations and for the administration of many matters incident to the supervision of the reindeer industry or business. In any case it is one which will be employed as far as possible in the reindeer work of the Department. It is not, however, thought advisable to include such administrative details in a law—details which conceivably should be changed from time to time as experience might dictate. It would seem preferable to reserve these for the rules and regulations."

The Department's report suggested as an amendment:

"The Secretary of the Interior is hereby authorized to promulgate such rules and regulations as, in his judgment, are necessary to carry into effect the provisions of this act."

In connection with the consideration of S. 1722, companion bill to H. R. 5126 now before the House, some fear has been expressed that in proposing this amendment, the way was being prepared for an autocratic rule of Eskimo reindeer affairs. Nothing could have been farther from my intention. I subscribe most heartily to the tone and philosophy of the bill forcibly and concretely expressed in the provision of section 8 which authorizes the Secretary of the Interior to transfer the powers conferred upon him to organizations of natives. I know of no legislation more liberal.

As a matter of fairness the Department would expect to consult native owners, associations, or villages in matters of reindeer management or interest and by their aid to develop a reindeer program which would both assure the security of the industry and recognize the experience and equities of the owners. The situation which will face us, should the reindeer bill be enacted, will be similar to those presented by the Taylor Grazing Act, and consultation with owners was the first approach the Department made in considering the problems incident to its administration. I do not know of any reason for abandoning this method when making those adjustments which the enactment of the reindeer legislation would require.

My recommendation for amendment as above stated, therefore, was made not to limit the part which native interests should have in the development and maintenance of a reindeer program, but was made in an effort to provide what I consider to be necessary flexibility in the bill for the organization and management of such a program.

Sincerely yours,

CHARLES WEST,
Acting Secretary of the Interior.

It is my intention also, Mr. Speaker, to offer an amendment requiring the Secretary, whenever in his judgment it is practicable and to the best interest of the natives, to appoint natives to supervisory positions in the reindeer industry or business. Surely, no one can have any objection to that, for if this venture is to succeed at all, the natives must be schooled and trained to carry on the business ultimately by themselves and without any but the most general supervision.

The third amendment which I intend to offer, and which I hope will be adopted by the House, is one which will provide that the bill shall not go into effect at all, unless and until at least $1,000,000 of the amount authorized has been appropriated and is available. The purpose of this amendment lies in the fact that the bill now before us necessarily carries an authorization for an appropriation of $2,000,000, but does not make an appropriation of any amount. The bill is valueless unless a substantial appropriation is made and the deer owned by others than natives are purchased.

As I said in the report, unless this is done the bill may as well be thrown out the window. It is entirely frivolous to pass this bill, unless money is appropriated to purchase the non-native-owned deer and also to aid the natives in carrying on their business and in establishing a market for the surplus deer. What I fear is that even after the bill passes the appropriation may not be made and so the last end may be just as bad as the beginning. Moreover, Mr. Chairman, I am apprehensive about the power given for the control of the range and for making rules and regulations. If only natives are involved, the rules and regulations must ultimately redound to the benefit of the natives, but if white men own deer we will have the old difficulty which has always existed when white men come into conflict, and when as we know from experience the natives always get the worst of it.

The purposes and objects of this measure are admirable. Those purposes and objects embrace only a permanent and lasting benefit to the natives of Alaska. The purchase of the deer will enable the Government to give plenty of deer to all of the natives in the Territory, who need deer and can use them.

For many years the people of the Aleutian Islands have requested reindeer, and later the natives of Metlakahtla have asked for deer. They can be used profitably in many parts of Alaska where no reindeer exist at present.

The bill, if enacted, is not self-administrative. In order to obtain the contemplated benefits by the bill, it will be necessary to have good administration. During past years we have had good administration at times. I have already mentioned the administration under the supervision of Mr. Lopp, who was removed from office because, in my opinion, he was too active in protecting the rights of the natives. Later we had another superintendent of the reindeer service in Alaska, Mr. Ben B. Mozee, who was equally zealous in looking after the rights of the natives, but he, too, was removed from office in 1931 or 1932.

At the present time I believe that 90 percent, and perhaps more, of the natives of Alaska would like to have Mr. Mozee put in charge of the reindeer service, and I have earnestly requested it. But he has not been reemployed. He should be put on the job tomorrow, for he is one man who is capable of making the administration of the reindeer service, particularly if this bill is enacted, an outstanding success. Mr. Mozee has the confidence of the natives, and he has the confidence, as well, of most of the people who have an intimate knowledge of the reindeer industry. His appointment to a position of high administrative authority under this bill, if it be passed by the House today, would, in my opinion, insure a harmonious and satisfactory as well as efficient administration of the Government's program, and would bring comfort and confidence to every Eskimo in northwestern Alaska.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 5 additional minutes to the Delegate from Alaska.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. MARTIN of Massachusetts. Can the gentleman inform the House who owns these reindeer, who will get this $2,000,000?

Mr. DIMOND. About two-thirds of the reindeer, and this is only an estimate, are owned now by the natives. The other third are owned by white men, but their herds are scattered in various parts of the Territory.

Mr. MARTIN of Massachusetts. Who is going to get the money?

Mr. DIMOND. The white men who own the deer are going to get the money if the money is appropriated and the deer are purchased.

Mr. MARTIN of Massachusetts. Are they residents of Alaska or do they live in the United States?

Mr. DIMOND. Many of them are residents of Alaska. A large number of reindeer are owned by a corporation. I suppose a good many of the stockholders in that corporation reside in the United States.

Mr. MARTIN of Massachusetts. What is the name of the corporation.

Mr. DIMOND. It is called the Northwestern Livestock Co.

Mr. MARTIN of Massachusetts. That company was organized I presume to go into the reindeer business for profit.

Mr. DIMOND. Yes.

Mr. MARTIN of Massachusetts. Probably it has not had very much success?

Mr. DIMOND. In my own opinion it has been a flat failure financially.

Mr. MARTIN of Massachusetts. Instead of this being a relief measure, it is a proposition to bail out some big corporation that has lost money?

Mr. DIMOND. It is not. If this were a proposition to give money to any white men who had made a bad investment, I would advise every Member of the House to vote against it. As one of the incidents of this bill, unless we want to indulge in some kind of confiscation, to which we have never yet resorted in this country, in order to help the natives it is necessary to purchase these deer that are owned by the white men and distribute them among the natives and forever forbid, through the control of the range, white men from going into the business so that we will never have to go back and do this job all over again.

To pursue the question asked by the gentleman, the Government does not owe a cent to the white men. They have had all the advantages. But the Government does owe something to the natives. This is a scientific, statesmanlike way to help the natives.

Mr. MARTIN of Massachusetts. To go a little further, is it not pretty hard to identify the ownership of these animals?

Mr. DIMOND. Yes.

Mr. MARTIN of Massachusetts. How are you going to identify the animals in order to pay for them?

Mr. DIMOND. That is going to be difficult, but it may be estimated perhaps with a fair degree of accuracy. In the bill which I originally drew I had another provision, requiring them all to be put through chutes or corrals and counted, but the Department said it was impossible of compliance, and the committee rejected it. Now we are confronted with the provision whereby the Department, or the judge, if the thing is passed on by the court, will simply have to round up such deer as can be corralled, look at the marks upon them, then determine as best as can be determined who owns the other deer that are not marked.

Mr. MANSFIELD. Do they have brands?

Mr. DIMOND. Oh, yes; they are earmarked. They all ought to be earmarked; but unfortunately, owing to the change of administration that took place along about 1925, there has not been adequate herding in recent years, and on account of the infiltration of the white man's deer with the natives' deer the natives have become discouraged. They do not want to spend their time herding white men's deer. There is only one solution, and this is the solution, in my judgment.

Mr. BURDICK. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from North Dakota.

Mr. BURDICK. If these reindeer are needed for the natives, it would not make any difference of whom you bought them as long as the price is right?

Mr. DIMOND. No; it would not make any difference.

Mr. CRAWFORD. Will the gentleman yield for a friendly question?

Mr. DIMOND. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman really believe that we can in the future enact legislation which will prevent a white man from owning and operating a herd of reindeer in Alaska?

Mr. DIMOND. The categorical answer to the question is "yes", because 99.8 percent of all of the land in Alaska, and a little more, perhaps, still belongs to the United States Government, and the Government has full right of control of all the range.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 5 additional minutes to the gentleman.

Mr. DIMOND. Mr. Speaker, if this bill passes, the Government can control the range so that the provision of the bill forbidding white men to go back on the range can be lawfully enforced without any infringement of the Constitution.

Mr. CRAWFORD. If this corporation, which I understand was organized for profit, is going through a period of financial failure through its own lack of management and judgment of the factors involved and, being financially washed up, why should we not let that situation continue and let the investors take the loss, as we do here in the United States; and then, if the competition between the white men and Eskimos cannot be continued, the white man has to retire.

Mr. DIMOND. To answer that, the white man does not retire in case of failure of the white man's corporation. Even if this corporation goes bankrupt and its assets are sold, somebody is going to own them. Who is going to own them? Why, another white man unless the Government steps in, and we have the whole thing to do over again. In the meantime, valuable years are lost. This is the time to do it.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. The Government has been in the Santa Claus business pretty much of late years. Can we not retain a few for our own use?

Mr. GREEN. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Florida.

Mr. GREEN. In connection with the purchase of property, whether a company or an individual has lost money or made money does not enter into this picture. Only a reasonable price will be expended by the Department for the purchase of any property that may be purchased by the Government for the natives. In other words, if a man happens to have $25 in a reindeer, counting his loss, and the reindeer is worth only $3, that is all the Government will pay. So there is not any possibility of the Government paying more for the property than it is worth today?

Mr. DIMOND. That is quite right.

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. What, in the gentleman's opinion, would happen to this company if the Government does not come forward with some such action as provided by this bill?

Mr. DIMOND. To answer the gentleman, I have not the slightest idea. I do not know the details of their finances. So far as I know, and I think I am correct in this, the operation of the Northwestern Live Stock Co. has not been a financial success.

Mr. WIGGLESWORTH. In other words, the gentleman is in doubt as to whether the company can continue to operate unless Uncle Sam extends this helping hand at the present time?

Mr. DIMOND. I cannot answer that, but I know somebody will try to continue to operate unless the Government steps in and tries to take care of the natives. As long as somebody tries to operate, we will have the same condition of chaos that exists in northwestern Alaska with respect to the reindeer, and the Eskimos will lose whatever confidence they now have in the Government.

Mr. COLDEN. What is the number of Eskimos who are dependent upon the reindeer for subsistence?

Mr. DIMOND. There are probably 14,000 Eskimos in the northern part of Alaska and down along the Bering Sea. There are about 18,000 Eskimos in all of Alaska. They inhabit the Arctic regions and the Bering Sea regions as well as the Alaska Peninsula regions.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Michigan.

Mr. MICHENER. Where are these reindeer going to be marketed after we buy them from their present owners and give them to the natives?

Mr. DIMOND. The surplus must be marketed principally in the United States, but I wish to assure the gentleman that the price at which the reindeer meat can be laid down in the United States will be so high the meat will not come into competition with beef and pork.

May I point out also in this connection that every dollar the Eskimo gets he spends for supplies brought in from the United States. If the Eskimo is able to market some reindeer in the United States he is going to take the money he receives for them and spend it for lard, pork, ham, bacon, clothes, shoes, and other things which he buys from the United States.

This is a digression, but I may say that we recently made an agreement with Russia and had to make sacrifices to get their promise to take $40,000,000 of our exports, yet Alaska buys approximately $35,000,000 worth of goods yearly from the United States, and you do not have to do anything to get this business.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman from Alaska 2 additional minutes.

Mr. MICHENER. Back of this whole thing is the question of market. This bill would not be here today if the question of market were not involved, because the white owners, the Lowman interests, started a venture which has failed because there is no market. There are too many deer. It is impossible to produce reindeer meat in Alaska and sell it anywhere on earth to compete profitably. If this be true, we are going to give the Lowman interests $2,000,000 to take care of their failure; and when we get through we are going to have these hundreds of thousands of deer—increasing every minute—owned by the Eskimos, with the Eskimos supervised and taken care of by the Government. Therefore, as a matter of fact, the Government is going to go into the reindeer business. I am wondering if the Government will be bringing in this reindeer meat and placing it on the market in this country to compete with the surplus of livestock we already have. Only those who have been up to Alaska and have seen this thing can realize it.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Ohio.

Mr. HARLAN. I just wanted to ask the gentleman if he had ever eaten any reindeer meat.

Mr. MICHENER. Yes; I have eaten it.

The people who started this venture, the Lowman interests, thought the meat would sell. They started on that theory to raise reindeer and sell them as a meat product, but people will not buy the meat. So the Lowman interests have all these reindeer, which are increasing in number, and the venture is a failure. Now they are wanting good, beneficent Uncle Sam to come in and take the burden off their hands and give the deer to the Eskimos; but when the Eskimos get the deer they cannot eat them. They must be marketed by someone. I have been up there and seen these reindeer, and there are literally thousands of them, and they are increasing and increasing and increasing.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, it is a mighty fine thing to be a Santa Claus, but Santa Claus should come only on Christmas Eve. We have been a pretty good Santa Claus to the citizens of Alaska. We have also been a good Santa Claus to the Eskimos of Alaska. When we had the Interior Department appropriation bill up before the House, and when the Delegate from Alaska [Mr. DIMOND] was before the committee, he made a special request to take care of the Eskimos of Alaska. In that appropriation bill we gave $33,500 to the Reindeer Service in Alaska. They requested that we increase the amount this year by $5,000. We made an increase in the Interior Department appropriation bill in order that we might furnish reindeer enough

to take care of the Eskimos in Alaska, and I thought we had done so, according to the request of the Department.

Let us see now what this bill actually does. A private corporation had been formed in Alaska. This bill provides for the purchase of cold-storage plants, an abattoir, a system of corrals for these reindeer, and a lot of camps and camping equipment. The bill also provides, and this is in accordance with the statement of a representative of this corporation himself, for the purchase of the corporation in which is included 250,000 reindeer. This is what he told me. I asked what the value of these reindeer is, and he said $3 apiece. Three dollars times 250,000 is $750,000. You are going to pay $750,000 for reindeer, and you are going to furnish $1,250,000 to buy up a lot of this equipment and put the Government in the slaughterhouse business. This is what you are going to do.

Mr. BEVERLY M. VINCENT. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Kentucky.

Mr. BEVERLY M. VINCENT. As I understand the bill, this is not for the Eskimos alone but applies to any native of Alaska. I refer the gentleman to section 8, which reads as follows:

> The Secretary of the Interior is authorized to distribute the reindeer and other property acquired by the United States under this act among the Eskimos or other natives of Alaska.

Mr. RICH. Sure; anything we do for the people up there is for the Eskimos and for the people of Alaska. However, I think Uncle Sam has been a mighty good Santa Claus to the people of Alaska all through the years, and I say this not only because of this bill. Uncle Sam has furnished them with reindeer and has been doing it annually.

Mr. CREAL. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. CREAL. The gentleman spoke of Santa Claus and the reindeer. Does the gentleman have any information about whether or not the eight reindeer that Santa Claus drives will be provided for under this bill?

Mr. RICH. If you pass this bill you are furnishing the eight reindeer to be the means of providing 250,000 more reindeer up there for the Eskimos, as well as the other individuals in Alaska. This is in addition to the care and attention given these people in the Interior Department appropriation bill.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. McFARLANE. It has been recognized throughout the ages that the reindeer is the animal that carries the message of good cheer to the boys and girls and men and women, and do I understand the gentleman to be taking the position here that he does not believe in Santa Claus spreading a little good cheer to these people in Alaska who have cared for these animals down through the ages? [Laughter.]

Mr. RICH. Under the Interior Department appropriation bill the Congress has furnished the people of Alaska and the Eskimos what they have requested, and never was there a thought of saying that we were going to be called upon to furnish 750,000 more reindeer up there. We will have more reindeer, times over, than there are Eskimos and natives in Alaska.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. TABER. Does the gentleman suppose that butchered reindeer sent down here would be any good to Santa Claus?

Mr. RICH. It certainly would not be any good to the people of Alaska, and not much to the people of the States.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Have any reliable figures been presented showing the amount of actual cash investment in this undertaking in the way of fixed equipment, cabins, corrals, and so forth?

Mr. RICH. The list as given me shows $750,000 for reindeer and $1,250,000 for five cold-storage plants, an abattoir, a corral system, cabins, and other equipment. No itemized inventory has been submitted that I know of.

Mr. CRAWFORD. That is the price to be paid?

Mr. RICH. Yes; there is no inventory of this matter. Nobody knows actually what they are buying; and, in addition to this, what do these Eskimos in Alaska need all this equipment for? They have never had it before, and they would not know how to use it, and I am sure would not want it.

Mr. CRAWFORD. Does the gentleman know anything about what this company was capitalized for—in other words, are we handing them a 200-percent cash dividend by this purchase?

Mr. RICH. Let me say to the gentleman that if there had been any thought of this matter coming before the Interior Department subcommittee on appropriations, we would have made an investigation of it, but it comes in here as a surprise measure. Not a soul has ever mentioned it to the members of our subcommittee. There is not a member of the subcommittee on the Interior appropriation bill who will stand up here and say that one word was ever uttered before the committee about this purchase, and even the gentleman from Alaska [Mr. DIMOND] cannot show us one word that was said in the hearings in reference to purchasing additional reindeer for the people of Alaska during this session of the Congress.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield right there?

Mr. RICH. Yes.

Mr. O'CONNOR of New York. This is an authorization bill, and you must have the authorization first.

Mr. RICH. Yes; you are going to get an authorization, but as Members of Congress we know that if you allow this bill to pass, then you are going to come in here for the $2,000,000, and how many Members on this side of the House, or how many Members on that side of the House know where there is $2,000,000 in our Treasury today to be wasted in this manner? The most serious thing confronting this Nation is how you are going to take care of the Treasury, and if you authorize this appropriation then you are going to be asked to furnish the money, and how are you going to do it. Where are you going to get the money? You have got to go back to the taxpayers of your districts and ask them to furnish the money when it is not needed in Alaska.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. MICHENER. Leaving out the question of where we are going to get the money for the moment, if this bill goes through and if we buy these reindeer from this corporation, we will also be buying processing plants, slaughterhouses, and other agencies to reduce the reindeer to meat and then market the meat. After we have done this, then we must follow it up by putting the Department of the Interior into the business of slaughtering and marketing these things in this country in competition with our own business interests.

Mr. RICH. Yes; the gentleman is correct.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for another question?

Mr. RICH. I yield.

Mr. CRAWFORD. Does the gentleman agree with the philosophy that has been expounded by the Delegate from Alaska that these reindeer should be held exclusively for the Eskimos?

Mr. RICH. In view of the testimony given by the Delegate from Alaska before our subcommittee, it surprises me to know that the Delegate from Alaska would come in here and want the Government to spend this $2,000,000 for these reindeer and for this equipment. It seems to me if he had had this in mind when he came before the subcommittee on the Interior Department appropriation bill, he certainly would have said something about it. I am not questioning his motives, but for the life of me I cannot understand, after we have tried to do what the gentleman wanted us to do in taking care of the Eskimos in Alaska, why he should now ask that the Government go into this kind of business, why we should buy all these stock pens and these abattoirs and

a number of camp sites, together with a number of stables, when all this is certainly not necessary for the protection of the Eskimo, and, certainly, the meat that we are going to get from the 750,000 reindeer will not be needed this year. The proposition is not needed for Eskimos. It is a Santa Clause bill for this corporation.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman from Pennsylvania 1 minute more.

Mr. CRAWFORD. Mr. Speaker, if these ranges are to be preserved entirely for the Eskimo for grazing and ownership, will we not eventually be forced to pay a price, of one sum or another, to those from whom we gather the rights and thereby retire them from the field? That is the reason I asked the question awhile ago whether the gentleman is in favor of holding this range for the benefit of the Eskimo.

Mr. RICH. The land is public land. The Eskimos can raise their reindeer on it as well as the other people, and there is no necessity under the law for us to come in here and buy up these 750,000 reindeer now, because there is a lot of reindeer there, as the Delegate from Alaska [Mr. DIMOND] says, and they do not know who is whose. The Secretary of the Interior now has jurisdiction of the lands.

Mr. CRAWFORD. If we ever decide to retire everybody from the field except the Eskimo, when we have reached that decision, let us determine what we are to pay these people for their assets.

Mr. RICH. The gentleman would not prohibit the people of Alaska from raising reindeer for the benefit of themselves as well as for the Eskimo?

Mr. CRAWFORD. No.

Mr. RICH. We want to give it to all the people of Alaska. Treat everybody in Alaska alike, that is my principal to follow in Alaska, as well as the States.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to proceed out of order for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Speaker, I have requested this time to call to the attention of the distinguished Members of this body a situation which is of paramount importance to the people of this Nation, and particularly to the investors of America.

Canada, our friendly neighbor on the north, is confronted with a debt burden which is both critical and topheavy. In this connection I quote from a news dispatch found in the Montreal Gazette of Tuesday, June 15, 1937, in which Captain Innes, chairman of the Commercial Bureau of Canada, is quoted as saying:

> It is the opinion of the bureau, after years of study, that Canada is today the most costly governed and the most overgoverned nation in the world. Our population is less than 11,000,000 and the cost of government in 1935 was slightly over a billion dollars.

The captain continues by saying:

> Our total public debt now exceeds $7,000,000,000, which is equivalent to $3,500 for every householder in Canada.

It is my sincere opinion and profound conviction that the Canadian Dominion debt of more than $4,000,000,000, which increases to over $7,000,000,000 if other public obligations are considered, and which must be supported, maintained, and paid off by only 11,000,000 people, will collapse of its own weight. I believe that it is the purpose of our good friends to transfer as much of this debt as is possible to American investors before their debt bubble bursts.

Therefore, on May 7 I introduced H. R. 7090, which has for its primary purpose the prohibition of further financing in this country by foreign governments which are possessions, subdivisions, or parts of the general government of those nations which are in default of their debts to us. In other words, this bill contemplates that the provisions of the Johnson Act shall apply specifically to the Dominion of Canada as a part of the British Empire.

A companion bill, S. 1845, has been introduced in the Senate by Hon. ALLEN J. ELLENDER, of Louisiana. His remarks of January contained in the CONGRESSIONAL RECORD are very pertinent to the situation which now exists, namely, the recent and projected financing plans of our good neighbor on the north. This bill was introduced and I ask for its immediate consideration and passage for two broad and general reasons:

First. Canada has borrowed through its Dominion and Provincial governments, and will continue to borrow from the investors of this country, large amounts of money to finance those deficits of her socialized railroads and ports which are competitive with our transportation industries and which, because of this competition, continue to throw American labor on relief rolls which must be supported by the taxpayers of this Nation.

Second. Because of coolness which has been developing in United Kingdom money markets toward further Canadian financing, it appears that our friendly neighbor is turning longing eyes toward American investors in order that her top-heavy Dominion debt as well as the provincial obligations which the Dominion may gradually have to assume, shall be transferred to us, a Nation which has been so disastrously a financial Santa Claus for foreign loans through the persuasion and financial domination of international banking interests. This possible transfer of Canadian debt to the United States may very well be a step toward the odious repatriation formula of scaling down governmental externally held debts which has already been experienced by the American investor in the cases of Germany, Newfoundland and the defaults of Great Britain, France, and other nations too numerous to mention.

With your permission, in support of my first contention, I shall discuss circumstances which may appear to be purely local. However, the terrible example found in my own city of Portland, Maine, is an outstanding illustration of the type of international discrimination against one of our own States which is being financed by our own citizens through Canadian investments.

I believe that the deplorable conditions existing today on our waterfront in Portland are due primarily and almost wholly to Canadian nationalistic and British imperialistic trade and transportation discriminations. I also believe that if we force Canada to stand on her own financial feet that her taxpayers will soon demand a change of policy in her now socialized and nationalized transportation activities.

A quarter of a century ago Portland, with a port second to none on the Atlantic seaboard in natural and geographic advantages, was teeming and bustling with maritime activity. For years our port had been the natural economic Atlantic transshipment port for the trade of Montreal and midwestern America and Canada. This was true even in the days of the oxcart, when the trails between Portland and Montreal were utilized for the transportation of commodities from tidewater in Portland to the consumers in Montreal and other points along the route.

The Grand Trunk Railroad, the now Government owned and operated Canadian National Railway, had its Atlantic terminus in our port with grain elevators and modern efficient wharves and warehouses. Imports, exports, and passenger travel made our water front a veritable beehive of industry. Longshoremen by the hundreds were able to earn a decent annual income, rear families, pay their bills, and contribute to productive activity. Stevedores and wholesale houses likewise profited because of this great industry of trans-Atlantic shipments. The retail stores of our city were locally owned and operated, extending to the workers of the water front an opportunity of turning over their wage dollars in our own city and State. From a local point of view, this healthy situation of a locality existing and prospering because of productive activity on our wharves was dependent upon Canada continuing Portland as her Atlantic transshipment port.

But today what a contrast! Our water front resembles a ghost picture of its former self. The Canadian-owned grain elevators and rotting wharves, which, by the way, occupy a

large portion of our most desirable deep-water frontage, constitute a picture of deserted desolation.

The former busy Grand Trunk Railroad terminal and Canadian trans-Atlantic terminal is now covered with weeds and grass. This really constitutes a fire hazard and menace to our city. A few caretakers and railroad employees on C. N. R. pay rolls are all that remain of a former gold mine of purchasing power for the merchants of Portland and to outlying areas throughout the city.

To what can we attribute this present contrast of abandonment with the former condition of industrial life and activity? The fundamental cause for this deterioration has been well discussed in an editorial appearing in the issue of September 26, 1925, of the Portland Press Herald, which reads as follows:

MR. MEIGHEN'S IDEA

Very frank was Arthur Meighen, the Canadian conservative leader, in his discussion of Portland's relations to the Canadian National Railways. Mr. Meighen, in a speech at St. John, expressed the opinion that the Dominion should keep its terminals here and not sell them—as the Government had offered to do—with a view of blocking all competition on the part of Portland with the ports of the maritime provinces. He feared that if the Maine terminals were placed in the hands of private interests "there would be a bitter struggle for business offerings", and he intimated that the private company might make it very interesting for the Canadian ports. In other words, he would have Canada retain possession of the terminals in this city, not to use them, but to prevent anyone else using them. He would "dry up Portland" now, as he very graphically expressed it, but for the effect this process might have upon Canadian trade.

It is no secret that the Portland terminals are already "dried up" so far as the management of the Canadian National Railways can accomplish that purpose. The only use that is made of them is what the managers are compelled to make. The Atlantic & St. Lawrence Railroad is a local line now, and but little more. How long this state of affairs can continue—how long the Canadian Government can keep these great properties idle, for the sake of winning political favor with the ports of St. John and Halifax, will be for the future to determine. It is a tremendously expensive proposition for which the taxpayers of all the Dominion are paying. Not only that, but it is uneconomic, and the Canadian shippers are paying the cost of it. Mr. Meighen admits as much, in expressing fear of the adverse effect the closing of the port here will have upon Canadian trade. The cost of shipping freight from Montreal to St. John and Halifax is vastly greater than sending it to Portland. This cost must be paid either in the form of taxes or by the shippers. One or the other or both must assume the burden. If the shippers are made to pay, the cost must prove a serious handicap to them in meeting competition which they must contend against in the European markets. The taxpayers of Quebec, Ontario, and the Northwest may be willing to settle interminably for the sake of diverting traffic to St. John and Halifax, but if they prove to be, they will be different from taxpayers elsewhere.

As for the Canadian National holding to their properties here in order to prevent their use by others, Portland and the State of Maine may have something to say about that. The Canadian Government is powerful, but it has no authority to place an embargo on the port of Portland.

I agree quite fully with the sentiments expressed in the above recorded editorial because I feel most strongly that this picture of demoralization of the largest city of Maine has resulted from premeditated and planned foreign port and railroad competition. This action on the part of Canada was only natural and I do not complain of what she has done but I do object vigorously to the proposition where Maine and the United States have apathetically permitted a foreign nation aided and abetted by her mother country, Great Britain, to finance in our own country such a ruinous result to our own welfare.

At the present time American investors hold nearly $2,000,000,000 worth of Canadian bonds. At the present time some $400,000 worth of these are in default of their interest and I note from recent newspaper releases that the Province of Alberta has already defaulted its bond maturities due on June 1, 1937.

Many of these bonds are held in New England by individuals and institutions and this default will have a further depressing effect upon the market quotations which are now in the low sixties due to the previous action of the province in offering half payment of interest on their coupon rate.

American citizens already have had experience with defaulting Great Britain. American investors already have experienced losses and discriminating bond conversions on the part of Newfoundland, another integral part of the British Empire. It is unnecessary in this comparatively brief discourse to accumulate further evidence as to the stake which American investors have in the foreign holdings of Canadian securities. But it is interesting, in my opinion, to survey the part which is being played by railroads and ports of Canada competitive with United States industries in the accumulation of deficits which are being continually financed through the credit facilities of the Canadian Government in America. With respect to the contribution which the Canadian National Railway, which is Government owned and operated, is making to the Canadian National Government debt, I quote from an editorial appearing in the Montreal Gazette March 24, 1937:

It has been estimated that three-fourths of the combined debt of the Government and the Canadian National Railways to the public is more or less directly attributed to the Government's entry into the railway business.

To support my contention that a large portion of this railway deficit is financed in America, I quote from an article appearing in the Halifax Herald of April 12, 1935:

Talk about the people of Canada owning the Canadian National Railway, why the very rolling stock on it, or a very large proportion of it at least, is owned in the United States. True it was built in Canada, but the money to pay for it was borrowed across the line, and the bonds are over there on which interest is being paid.

As a further illustration of the interest which American investors have in the subsidized port activities of Canada, I quote from an advertisement by the brokerage concern of Wood, Gundy & Co., Ltd., 360 St. James Street, Montreal:

St. John Dry Dock and Shipbuilding Co., Ltd., first mortgage, 4 percent bonds, due July 5, 1957, fully secured by Dominion of Canada subsidy; * * * Government of the Dominion of Canada is unconditionally bound throughout the life of the bonds to make subsidy payments to the trustee for the holders of the bonds sufficient to pay principal and interest when due.

These are only isolated instances of the financial activities which are being carried on through the participation of the American public in a scheme of socialized transportation both from a railroad and port standpoint.

Please bear in mind that these American dollars are helping to subsidize the direct competition of Canadian nationalistic policies at the expense of American transportation systems and port activities which, because of the lack of trans-Atlantic shipping, is causing our relief rolls to be swollen with unemployed water-front workers. Thus with one hand we feed our neighbors and with the other tax ourselves to support our own people on nonproductive Government projects, brought about because of the very competition which we finance.

Also bear in mind that the stake of United States citizens in our own railroads with which these Canadian-owned transportation activities are in competition is very nearly a half billion dollars.

It has been brought to my attention, Mr. Speaker and gentlemen, that the attitude of the Government officials here in the United States, and the opinion regarding this problem in my own State, developed through newspaper policy, has been one of fear and timidity because of the potential possibility of reprisals by the Canadian Government if we take militant and progressive steps to protect our own welfare. In this regard, let me call to your attention certain Canadian press stories which illustrate the militant and progressive attitude of Canada and Great Britain, when there is any semblance of the possibility of United States citizens participating in transportation activity in Canada, which I have previously stated, is being materially financed by our own banks and individual investors. In this connection, this story appeared in the Montreal Gazette of January 26, 1937:

The British Government has "apparently cracked down" on the shipment to the United Kingdom under the 6-cent wheat preference of Canadian grain that has been stored in United States elevators. * * * At one time American and Canadian grain shippers made free use of each other's elevators, but this ruling will still further decrease the small amount of Canadian wheat now stored in United States ports.

Let me quote further regarding this particular point from the Telegraph Journal, of St. John, on March 4, 1935. An editorial in this issue of the paper speaking of the C. N. R. and Canadian ports reads as follows:

It is about time somebody in authority took to task those officials of the Canadian National Railways who have been carrying on the business of the company in such a way as to affect detrimentally Canadian national ports * * *. A portion, therefore, is being diverted to Portland, which was the western terminus of the Grand Trunk Railway before Canadians adopted the present general policy of shipping their own goods through their own ports and giving the maximum of employment to Canadian railwaymen and Canadian port workers. Here is a railway which to all intents and purposes is a department of Dominion government which persists in discriminating against the port of St. John, as a national port at the expense of the taxpayers and workers of this country. Somebody should be made to answer for this and to take such steps as will prevent its continuation.

As further evidence of this militant position which I personally admire and which we of Portland, Maine, and the United States need to copy, there is found a newspaper story appearing in the St. John Telegraph Journal of March 29, 1935:

Spurred on by the success that greeted its demands for an investigation into the drydocking of two Canadian national steamships in New York, the St. John Board of Trade yesterday asked for an investigation into the use of Portland, Maine, by the Canadian National Railways for the export of 2,000 tons of newsprint to Australia.

In this connection again let me quote for you the headline appearing in a Canadian newspaper dated March 22, 1935, which reads as follows:

Repair of Canadian national ships in New York is called "outrage." Commons hears vigorous protests.

On March 25, 1935, the same newspaper carried an editorial which reads in part as follows:

It is just as serious a matter to give employment to foreign railway employees and foreign port workers in Portland, Maine, in the handling of Canadian exports as it is to give work to foreign dry dock employees in connection with the repairing of Canadian ships. * * * Apparently here are officers of a Canadian institution who cannot see the logic of forcing Canadian trade outward as well as inward through Canadian ports. It is about time there was a complete investigation into the attitude of Canadian national officials toward Canadian ports.

Such instances could be cited time and time again emphasizing this militant and progressive attitude of Canada without thought of the reprisals so feared by our own people in respect to the adoption of a similar attitude. But many of us in Maine believe that the time has come for positive and aggressive action in the place of the apathetic practice of pussyfooting which has permitted the loss of this great maritime industry in the port of Portland through the past 15 years.

I do not blame the good neighbors on the north for their policy. On the contrary, I commend them for continually fighting and demanding recognition of their own workmen and industries. However, I do object and object strenuously to a further continuance of United States financing of the deficits of the Canadian National Railways and Canadian ports through the sales of Canadian Government bonds in our markets. These deficits are piled up yearly because of the uneconomic use of seaports hundreds of miles farther away from Montreal and the Midwest than are available ports in America, which were formerly used by Canada on a sound economic basis. Americans should not be permitted in my opinion to finance their own destructive competitions which will eventually blow the Canadian debt bubble to over-expanded limits. Such a course can only lead to disaster for American investors.

I beg your further indulgence while I call to your attention the present financial dilemma in which the Canadian Dominion Government finds itself. This story can be well told as a basis for my second contention of support of House Resolution 7090, namely, that because of coolness developing in the money markets of the United Kingdom toward further Canadian financing, it appears that Canadian financiers are casting their eyes longingly toward America for a refunding of her bond issues and for a source of new money necessary to support the defaulting provinces and continuing railroad deficits. In this connection I quote from an editorial appearing less than 2 weeks ago in the Montreal Gazette, entitled "Canada's Credit—Past and Future:"

It is impossible to overstress the gravity of a statement made * * * with reference to the injury which the public credit of Canada has sustained in the money market of the United Kingdom. * * * The present situation in regard to Canadian credit in London is exceedingly difficult. * * * There is no reason at all to question the statement that the Hepburns, McGeers, and others have been instrumental in shaking the foundations of Canadian credit in the United Kingdom, but these brokers, and the British investors as a whole, have had other things to disturb them and to weaken their confidence in Canada. It is idle to suppose that they have been impressed otherwise than unfavorably by the condition of the federal finances themselves and by the policy which the Canadian Government and Parliament have recently pursued in regard to Canadian Government in business. * * * Nor are the tremendous losses which the country is sustaining annually in absorbing the deficits of the publicly owned railway system a matter of indifference to the British investor.

This Mr. Hepburn, Premier of Ontario, who is referred to in this quotation as being effective in helping to break down Canadian credit in the United Kingdom, is the same gentleman who has so recently taken the attitude that American labor in its organization efforts is being influenced by racketeers and subversive leadership.

With respect to the additional load which is being thrown on Canadian Dominion debt by the increasing need to assist in provincial financing, I quote from the New York Times of April 9, 1935:

In the last 2 or 3 years the Federal Government has been obliged to advance some $38,000,000 to the four Western Provinces to assist them in meeting their due payments of principal and interest on bond issues, most of the money going to holders in the United States. * * * Without the aid of the Dominion Treasury it is quite possible some Provincial bonds would have defaulted in New York and this could not be permitted to happen because it could not be certain that American investors would make any fine distinction between bonds of a Province and bonds of the Dominion of which the Province forms a part.

In this connection it is interesting to note that the present Alberta default apparently is not being cushioned by the Canadian Dominion Government, although the holders of these bonds without doubt are in many cases unfortunate American investors who have trusted in what is commonly supposed to be the solidity of Canadian financial affairs. As we project our thought into the possible future situation, so far as American bondholders of Canadian securities are concerned, it is interesting to check the situation which confronts the Province of New Brunswick as of its last fiscal year. I quote from the Montreal Gazette of January 27, 1937, namely, "New Brunswick finished the fiscal year 1936 with a deficit of $424,969—the seventh in a row."

This will throw an additional burden upon the Canadian national financial picture. As to what has happened in the past with regard to integral parts of the British Empire, it is interesting to know the debt-conversion plan of Newfoundland. The Montreal Gazette of November 23, 1935, carried this story:

Newfoundland plan attacked. * * * Discrimination against United States bondholders is charged. * * * New York has every right to complain of this gross discrimination in favor of the British bondholders and we may be sure that New York will. * * * It is not likely that New York bondholders can obtain redress unless they persuade the United States Government to protest officially as the British Government has just done on behalf of holders of German bonds here.

I could multiply the recent financial development many times with the one thought in mind that you gentlemen must be convinced of the seriousness of this problem. I feel that in some way we must check the possibilities of further Canadian financing in this country in order that United States investors may be protected and in order that American dollars may not be used by foreign governments to subsidize competition to American industries. As to the future plans of Canadian financiers, it is pertinent to quote from the Montreal Gazette of February 17, 1937:

The Dominion Government is anxious to avoid further defaults on the part of the western Provinces, fearing that the effect would be serious impairment of Canadian credit in New York, where

Dominion Government refunding operations on a maturity of $236,000,000 must be undertaken this autumn.

This particular wish and desire on the part of the Canadian Dominion Government has apparently not been carried out with respect to the recent default of the Province of Alberta within the past few days. In my opinion this is but a forerunner of the serious defaults which are indicated for the future. It is my frank and sincere desire to protect American bondholders of Canadian securities against any further defaults, as well as against any possible repatriation policy, such as we have already experienced in the outstanding example of Germany. Certainly you and I, as Members of this United States Congress, wish to protect in every way we can the interests of our own people, and, furthermore, we do not wish to be a party, I know, to a further subsidizing of foreign transportation systems by our own people. In conclusion, I summarize as follows:

First. According to statements by her leading citizens, both statesmen and economists, Canadian debt is top-heavy and critical. I believe it is contemplated that this debt load shall be transferred under British example so far as possible to American investors, directly and indirectly.

Second. The socialized transportation system of Canada, both railroad and maritime, has contributed, and is contributing, heavily to the Government debt load. This procedure of piling up tremendous deficits is being occasioned to a material degree by the nationalizing policy of Canada practically prohibiting the use of economic American ports for the transshipment of British trans-Atlantic traffic.

Third. American investors are materially aiding in subsidizing this uneconomic practice when they purchase Canadian Government bonds in our own markets; in addition, these same investors are paying taxes to support American labor thrown on relief rolls because of their very support of these foreign policies.

So, gentlemen, I close these remarks with the one plea that we begin to think and act in terms of protection for the American investing public, the American laborer, and the American citizen in general. This policy can be carried out at least in one fundamental way, by refusing Canada, as a part of defaulting Great Britain, the right to compete and continue further financing here in America. To this end let us enact H. R. 7090 into law. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, this question is not a new one. A year or two ago when I was a member of the Subcommittee on Appropriations for the Interior Department, the matter was presented in some detail before that committee. Speaking in large measure from memory, I believe that it has been our consistent policy from the outset to bring about the result that we are ostensibly trying to achieve through the bill before us at this time. If I am not mistaken, over a period of a good many years the United States has striven to develop the reindeer industry for the benefit of the natives of Alaska, and for their benefit alone. We have not succeeded, however, in accomplishing that result. Other interests have come into the picture and have acquired reindeer, in spite of the policy of Uncle Sam, and today we are asked to authorize an appropriation of $2,000,000 to bring about the result we have tried to accomplish without success over this period of years, by bailing out, as I see it, the Loman interests and perhaps other interests that have acquired reindeer in opposition to our consistent national policy, and in certain instances, I think, under conditions which have raised a real question as to the legality of the acquisition, we are asked to make this large appropriation in the face of an adverse recommendation by the Bureau of the Budget and with no assurance whatsoever that history will not repeat itself.

May I call the attention of my colleagues to the fact that this bill would authorize an appropriation of $2,000,000. About a year ago when the subject was before the Committee on Appropriations, the supervisor of Alaskan affairs, Mr. Gordon, testified that the best estimate that could be made, and I emphasize the word estimate for no accurate count has been made, was to the effect that there were about 500,000 reindeer in all in Alaska, and that of that total perhaps 20 percent were in the hands of nonnatives. He also testified that a fair value per head at that time was about $2. In other words, for 100,000 reindeer at $2 a head, we are about to authorize an appropriation, not of $200,000, but of $2,000,000. Exactly what the balance is to cover I do not know.

I call attention also to the hearings before the Subcommittee on Appropriations for the Interior Department for the year 1937, at page 516. Note carefully the following quotation from Mr. Gordon, the Supervisor of Alaskan Affairs. Speaking of the offer leading to this legislation, an offer made on behalf of the Loman interests, by Mr. A. J. Baldwin, he testified as follows:

In making the offer to the Department of the Interior, Mr. Baldwin explained that it was made not upon the basis of the actual property involved, which, in his opinion, was worth considerably more than the sum of the offer—it was also made upon the basis of the amount that would be necessary for the livestock corporation to expend in liquidation of the corporation—that, in order to sell these assets, it would be necessary for them to do several things, the principal ones of which are:

First, to buy and satisfy a group of minority stockholders that had never been bought out during the history of the company; and that it would be necessary for them to satisfy the creditors of the Northwestern Livestock Corporation.

I cite this testimony as indicating definitely that as a part of this plan we are called upon to bail out these Lowman interests and take care of minority stockholders and creditors as well.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the funny thing about this rule is that no one has given us any reason whatever why this bill should be passed; what situation it seeks to deal with or what the bill does or what they propose to do with the $2,000,000 if they get their fingers on it. All we know about it, frankly, is what the gentleman from Pennsylvania and the gentleman from Massachusetts have told us about the reindeer situation and about the situation which they understand exists with reference to what is to be done with the money.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. O'CONNOR of New York. The Delegate from Alaska spoke for 16 minutes.

Mr. TABER. But he did not tell us how many reindeer there were up there, what the situation was with reference to the reindeer, what situation there was with reference to the natives that it was proposed to correct by this bill, or anything of that character. So that we have no picture whatever before the House as to what it is all about.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. Has the gentleman in his research found anything at all which shows the financial structure of this company, the cost of its assets, the money invested in these different types of equipment, the amount of liquidated dividends that could probably be given to the stockholders? I listened very carefully and the Delegate from Alaska did not inform us with respect thereto.

Mr. TABER. All I can tell is a little bit about the situation. Mr. Gordon, head of the Reindeer Service in the Interior Department, brought up a proposal with reference to these reindeer before the Appropriations Committee in December 1935 or January 1936. He stated at that time that the first reindeer purchases by whites were secured by Lowman & Co. in 1914 from a Lapp by the name of Alfred Nalima. In the contract which the United States Government signed with the Lapp herders or drivers that were to come to this country was included a clause that after the period when the contract terminated, they could take their

pay in either of two ways, in money or deer. The Lapps being primarily deer men often took their pay in deer, so that Alfred Nalima secured his deer from the United States Government because of his service to the United States Government and to the natives, and he then in turn disposed of them.

Mr. ZIONCHECK. How many deer did they acquire at that time from Alfred Nalima?

Mr. GORDON. I am afraid I cannot inform you without reference to the figures, but, as I recall it, it was in the neighborhood of 1,200.

Now, that was about 1914. I do not know how many reindeer this particular outfit has at the present time, but if they are going to pay $750,000, or whatever figure it was that the gentleman from Pennsylvania gave us, that he understood was set up to be used out of the $2,000,000, for 1,200 reindeer, and what increase there might be, with killing off a large number for marketing purposes in between, I would say that at $2 a head it was a powerfully big price.

Mr. THOMAS of New Jersey. Will the gentleman yield?

Mr. TABER. I yield.

Mr. THOMAS of New Jersey. I do not know whether anything has been said about the population of Alaska, but according to the last census the population was just under 60,000. If you divide 60,000 into $2,000,000, it makes about $35 for every person in Alaska. Consequently I would say it is a case of bringing Santa Claus to the reindeer, instead of bringing the reindeer to Santa Claus. [Laughter.]

Mr. TABER. I am inclined to think there is a good deal to that idea.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. Yes; I yield.

Mr. CRAWFORD. If Congress should decide to preserve these reindeer for the Eskimos and drive out private interests, would we have authority to bring condemnation proceedings and arrive at the value of the property to be paid for?

Mr. TABER. I think we have the power under the right of eminent domain to take any property as long as we pay its fair value for it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back 3 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield back the balance of the time, 3 minutes, to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Speaker, it is always pertinent when you have an appropriation to make to see whether there is not some other purpose for which you could use the same money and get more results. Some 10 or 12 times this spring I have received letters, and doubtless all of the boys from the rural areas have, which said that the lone mule had died and this family had no other means of procuring a mule to finish the crop. Occasionally the lone cow had died and there were no other means of getting a cow.

Two million dollars for second-hand mules, such as they use on some of the hillsides of Kentucky in the tobacco crop, would get 50,000 at $40 apiece. It would get the same number of cows. Fifty thousand families! Charity begins at home.

Suppose this proposition were double-barreled—you never have legislation in that form—suppose the question put to you were whether or not these relief families should have $2,000,000 for the purchase of cows in families where they had lost the sole cow or the sole mule, or whether it should be spent on 18,000 Eskimo Indians. I have an idea you boys from the farm belt would not vote for the Eskimo Indians and go back and ask your families who have lost a mule or a cow to support you.

I understood the gentleman to say there were only 18,000 Eskimo Indians. Stop and think what this same money will do—where charity begins—for 50,000 American citizens. For this reason I am going to be against this bill.

Mr. BEVERLY M. VINCENT. Mr. Speaker, will the gentleman yield?

Mr. CREAL. I yield.

Mr. BEVERLY M. VINCENT. Is not the Government already furnishing education and support to these Eskimos?

Mr. CREAL. Yes; and will continue to after buying these reindeer. That will not make any difference.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. CREAL. I yield.

Mr. O'CONNOR of New York. The gentleman realizes, I hope, that Alaska is a part of our country.

Mr. CREAL. Yes; but they are not quite as close to us as these boys.

Mr. O'CONNOR of New York. They are part of us. The gentleman would not want to let them starve to death.

Mr. CREAL. They have been living for these thousands of years and have not starved. Our people are starving.

Mr. O'CONNOR of New York. Two million dollars would provide only $100 a funeral.

The SPEAKER. The time of the gentleman from Kentucky has expired. All time has expired.

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

VETO MESSAGE—MARINE HOSPITAL, FLORIDA (H. DOC. NO. 364)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am withholding my approval of H. R. 4716, authorizing the construction and equipment of a marine hospital in the State of Florida.

It is true that, while there is at the present time a marine hospital at Key West, in the State of Florida, this hospital is old and not in a good state of repair. I recognize that a new marine hospital will have to be erected soon, but there is no emergency need at the present moment.

Therefore, because I am seeking to curtail expenditures, I am forced to disapprove many items which are desirable but not of a pressing nature. Such a hospital falls into this category.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 20, 1937.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. BLAND. Mr. Speaker, I move that the bill and the veto message be referred to the Committee on Merchant Marine and Fisheries and ordered to be printed.

The motion was agreed to.

VETO MESSAGE—GEORGE R. BROWN (H. DOC. NO. 363)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4156, "An act for the relief of George R. Brown."

This bill authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to George R. Brown, a former second lieutenant, the sum of $698.90, in full settlement of all claims against the Government of the United States for pay from the date of his alleged discharge and last receipt of pay, August 9, 1917, to the alleged date of the receipt of notification of his discharge on January 7, 1918.

The evidence in this case shows that the claimant accepted his discharge from the Army as of August 8, 1917; that he then returned to his home and engaged in private business; and that he performed no duty as an officer of the Army during any portion of the period for which the pending measure would compensate him.

I cannot feel that, in the face of this evidence, I would be justified in approving this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 20, 1937.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the veto message of the President, together with the bill, be referred to the Committee on Claims and ordered printed.

The motion was agreed to.

THE REINDEER INDUSTRY OF ALASKA

Mr. GREEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1722) to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to incourage and develop native activity in all branches of the reindeer industry; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1722, with Mr. GREENWOOD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GREEN. Mr. Chairman, I yield 5 minutes to myself.

Mr. Chairman, I was somewhat surprised at the unusual fear expressed by some of our colleagues as to what might be the result if this bill were enacted into law. The statement that the reindeer business could grow into millions, interfere with the meat-producing business, and crowd out the beef and pork producers of our country is far beyond the usual limits to which the flight of imagination goes.

This bill has for its purpose to permit the Department of the Interior to purchase the claims which are now held by white men to reindeer in the Territory of Alaska. It happens that several white owners and white-owner corporations have gone into the reindeer business in Alaska. There is a clash between the whites and the Eskimos over reindeer.

As is usually the case in a clash between white men and Indians, the Indian has received, and we believe is receiving, the worst end of the bargain. The better range is taken up by the white man and his reindeer, and the poor Eskimo is pushed on up farther toward the North Pole and out into the Pacific Ocean; in fact, he is hardly able to operate his little reindeer business, and produce his needs for food and clothing. Reindeer moss or food grows only about one-eighth of an inch each year. When reindeer run over the range, whether they eat the moss or not it is trampled down and destroyed. This is what has happened to a large portion of the range which is supposed to be in the possession of the native owners. The Eskimos' herd is depleted because his range has been destroyed to a large extent.

He practically has no market for the reindeer he can produce because of the fact the white owner has beaten down the price of the meat that he sells. If we pass this bill, the result we hope will be, and I think it will be, that as the white Alaskan reindeer owner vanishes from Alaska the native owner and the native Eskimo will be enabled to survive without the Federal Government having to contribute to his existence. In other words, it will save in the future expenditures the Government will have to make for the relief of the Eskimos in Alaska.

It is true the bill carries an appropriation of $2,000,000. I do not know how much of this money will be used, but I know none of it will be used except such amount as is necessary to buy out the white man's claim. I do not know how many reindeer there are now in Alaska. I have information to the effect that there are some five or six hundred thousand head up there.

Mr. ENGLEBRIGHT. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. ENGLEBRIGHT. The grazing of the native herds and the white man's herds has not been successful in the locality as far as range management is concerned; so that, as the gentleman has stated, the range management for the natives is being crowded out, and the native and white man's herds being grazed in the same locality has been unsuccessful?

Mr. GREEN. Obviously.

Mr. ENGLEBRIGHT. That is one of the objects of the bill. Ultimately we may lose both the white and native herds unless we pass this bill?

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, what the gentleman has just stated is true. Unless the range is protected it is going to be practically destroyed. The main food of the Eskimo is reindeer meat. Of course, he wants other meat and he wants other things which he can get from this country, and when he is enabled to do so he buys those things. But he has to fall back on the reindeer for his food supply and for practically all of his clothing.

The purpose of this bill is to try to help him survive in his native way, in his native land, without being destroyed by the white encroachment. The money that will be appropriated under this bill will be expended judiciously and the Federal Government will have control, either directly or indirectly, of every reindeer that is bought under the provisions of this bill. I may say the Federal Government did the same thing in helping the natives so far as the fishing industry is concerned. It has protected the natives in their fishing rights. We are doing all we can, you and I as Members of Congress, to enable the natives of Alaska to survive at a minimum expense to the Federal Government and that is the purpose of the pending resolution.

Mr. KNUTSON. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Some years ago we had to take over the control of the seal industry up there in order to prevent the seals from being exterminated.

Mr. GREEN. Yes.

Mr. KNUTSON. It is a matter of fact that where these reindeer graze unless there is intelligent control the range is ruined?

Mr. GREEN. That is true.

Mr. KNUTSON. From overcropping, and it takes from 15 to 20 years for a new crop of moss to develop?

Mr. GREEN. It grows at the rate of one-eighth of an inch a year.

Mr. KNUTSON. It takes 18 years on an average for a new crop to grow. Unless there is intelligent control of the grazing up there, and it can only be done through the Government, the result will be that we are going to have a permanent relief problem on our hands when the reindeer become exterminated through lack of food?

Mr. GREEN. Exactly; and the reindeer cannot be controlled and protected as long as you have a clash between the native and white owner.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I was interested in the statement that there were several white owners of reindeer in Alaska.

Mr. GREEN. Yes.

Mr. JOHNSON of Oklahoma. I wonder if the gentleman would be good enough to place in the RECORD the names of some of the outstanding owners of reindeer in Alaska and if he will also tell the Committee about how many white owners have the bulk of the reindeer in Alaska?

Mr. GREEN. I will try to supply that information.

Mr. JOHNSON of Oklahoma. Is it not true the Lomen interests own a large portion of the white-owned reindeer in Alaska?

Mr. GREEN. That is my understanding.

Mr. JOHNSON of Oklahoma. Is there any truth in the rumor that they now have a white elephant on their hands and would like to get rid of it?

Mr. GREEN. No; I could not admit that, because I think the gentleman is mistaken. I know of no disposition to unload on the Government the investment of any person. I know that under the provisions of this bill the white owners

will sell to the Government. On the other hand, the Federal Government is protected through the officials of the Interior Department, who will pay only a reasonable price, presumably $3 a head or less, for all deer purchased.

Mr. JOHNSON of Oklahoma. Does the gentleman not know that Mr. Lowman appeared before a certain committee a few years ago, at which time it was suggested that our Government take over his failing reindeer business?

Mr. GREEN. I did not know that. However, I do know the purposes of this bill.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I know the purpose of this bill is to try to protect the native owner in Alaska in order that he may survive without Federal assistance.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. May I ask the chairman of the committee if he does not know that Senator THOMAS of Oklahoma made a thorough investigation, and it was he who made the recommendation that this be done?

Mr. GREEN. I am pleased to have that contribution.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. As I understand, a committee from the Senate investigated this project in Alaska and a group from the Department of the Interior investigated and approved it. This bill also has the approval of the President and of the Secretary of the Interior, and is in conformity with the financial program of the Budget.

Mr. GREEN. And in that connection, I do not believe there was any opposition to the bill in our committee.

I will not go further into this matter because the gentleman from Alaska will explain it further. I do commend it to the Members of the House as a meritorious bill and in the interest of economy. I hope there will be no opposition to the passage of this measure. Its motives are of the best. It is for the purpose of protecting the native Eskimo of Alaska in his own rights there, that the white man may not continue to encroach upon him and shove him to the North Pole and into the Pacific Ocean.

[Applause.]

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I should like to use my time to ask the chairman of the committee one or two questions.

As I recall, a month or so ago, at least, this bill did not have the approval of the Budget. Has the situation changed in any way?

Mr. GREEN. Not that I know of, I may say to the gentleman.

Mr. ANDREWS. In other words, the bill does not have the approval of the Budget?

Mr. GREEN. I am not advised on that. I am not sure the Budget has approved it. I am not sure whether it has or has not approved it.

Mr. ANDREWS. Is it not true that the Budget definitely opposed the bill in the committee? Does any majority member of the committee have any information to the contrary?

Mr. DIMOND. I may say that the gentleman is quite correct in his assumption that the bill does not have the approval of the Bureau of the Budget.

Mr. ANDREWS. As I recall, the Department of the Interior has an idea of setting up some sort of cooperative associations under which we would develop groups of reindeer owners. These would be sort of ringleaders, and I believe they would be under the pay of the Department of the Interior. Am I correct in my understanding?

Mr. GREEN. The Department of the Interior would administer the bill and pay out the claim. Then the claim would be owned by the Government for distribution through the Department of the Interior to the natives.

Mr. ANDREWS. That would involve new employees of the Department of the Interior who would be charged with the administration of the various cooperatives?

Mr. GREEN. It is possible they would have to have a few employees to administer it.

Mr. ANDREWS. Then they would be an expense to the Government each year thereafter, the extent of which the Department itself cannot accurately estimate.

Mr. GREEN. The gentleman could not hope to administer any bill without employing somebody. This will save the Government money in the long run.

Mr. ANDREWS. I thank the gentleman.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is my judgment this measure should be adopted. When we took over the Territory of Alaska in 1867 we assumed certain obligations. While a preceding speaker spoke of doing something for the people nearer home, I cannot forget that the Eskimos up there live under the Stars and Stripes just as we do. We have done very little for the Alaskan Eskimo.

Before reindeer were introduced into the Territory a succession of famines swept over the Eskimo country, and it was for the purpose of putting an end to such a deplorable condition that the reindeer were brought into the Territory. As a result, the Eskimos of Alaska now have a dependable food supply. If this supply is destroyed, it will necessitate the constant extension of relief by the Federal Government to those unfortunate people. Conditions cannot go on as they are at the present time because of climatic conditions which prevail in that section of the United States. Owing to the peculiar growing conditions in the territory occupied by the Eskimos, it is absolutely necessary that we have intelligent regulation of grazing. As has been stated by a preceding speaker, I think the chairman of the committee, but one-eighth of an inch of moss gross annually. Where the range is once destroyed through overgrazing, it takes 18 to 20 years to restore it. This means that the entire area which is overgrazed becomes a desolate waste incapable of sustaining human life.

This bill carries an appropriation of something like $2,000,000. We do not know that the $2,000,000 is going to be required, but at 5 percent this is $100,000 a year. If an unfortunate condition should arise in Alaska as the result of the failure of Congress to act, and it should become necessary for the Federal Government to establish a permanent policy of relief in Alaska as a result thereof, how far would $100,000 a year go toward supporting 18,000 human beings? Seven times that amount would be required, and those unfortunate people would be a permanent charge upon the Federal Treasury.

The gentleman from New York fears that the cost of administration, which, of course, would be a permanent charge upon the Government, would be excessively high. I have read about the reindeer business. I think five or six men transported many thousand deer from Alaska clear up into the Mackenzie River country. They completed their trip only a few weeks ago.

Mr. COLLINS. Six thousand.

Mr. KNUTSON. Perhaps my figures are off, and I am pleased to be corrected. Anyway, I am satisfied that 6 or 10 people can administer this law and see that the interests of the Eskimos are protected and that the range on which these reindeer graze is protected for the future.

Personally, I think this is a mighty good bargain for the Government. I do not know what part of the $2,000,000 is going to be required, but I think that we can trust the Department of the Interior to see to it that the Government gets value received.

When the time comes to vote on this proposition, do not overlook the fact that by passing this measure we are obviating the necessity of creating a permanent relief problem in Alaska for the future, and doing so at a cost of less than $100,000 a year. Do not think of this amount as $2,000,000; think of it as the interest on $2,000,000. The

Government can get all the money it wants for 3 percent or 3½ percent; so, as a matter of fact, it would be only about $60,000. By spending $60,000 a year we are insuring a permanent food supply to 18,000 people who live under the American flag. I call that good business, no matter from what angle viewed.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. MILLS].

Mr. MILLS. Mr. Chairman, when this bill first came to the committee I went into the committee with the full intention of opposing this legislation, but after I made a study of the savings to the Federal Government, I decided it would be an act of economy on the part of the Government, inasmuch as we now have the Eskimos on the relief rolls.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. MILLS. Yes; I will be pleased to yield.

Mr. TABER. Did the gentlemen of the committee make any study of the number of reindeer that would be affected by this move?

Mr. MILLS. Yes.

Mr. TABER. How many?

Mr. MILLS. Approximately 350,000.

Mr. TABER. They belong to whom?

Mr. MILLS. They belong to various people.

Mr. TABER. How many belong to the white people?

Mr. MILLS. I cannot answer that question definitely, but there are not very many.

Mr. TABER. Not more than fifty or sixty thousand belong to the whites?

Mr. MILLS. The gentleman is about correct.

Mr. TABER. And they are worth about $3 a head?

Mr. MILLS. It was brought out in the testimony that they were worth about $3.

Mr. TABER. That would mean about $175,000, using liberal figures.

Mr. MILLS. Yes.

Mr. TABER. I cannot understand why they need any very expensive abattoir system or cold-storage system to take care of that number of reindeer. I wonder if the gentleman would not be in favor of reducing the authorization in this bill to about $300,000.

Mr. MILLS. I may say to the gentleman that we are not only purchasing approximately 350,000 reindeer, but all the equipment that the people up there now own.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, this bill comes before us as a surprise measure. I feel that very few of the men in the House, and certainly hardly anyone on this side of the aisle, knew that it would be presented in the closing hours of this session. Many of us over here wish we might have known that the bill was coming in because, had we known it, we probably would have resorted to some authorities to secure information about it.

Probably some of us might have inquired about the opinion of the Liberty League or some might have inquired of the National Manufacturers Association, and then others of us might have had resort to a man who, in the last few days, has been held before the Nation as an authority. I confess that I have had recourse to Lord Macaulay and I tried in the very limited time at my command to see what Lord Macaulay had to say on the deer question. I searched from cover to cover and I could not find that Lord Macaulay had a thing to say about deer, deer of any kind, and it seems to me that before the committee that is sponsoring this measure should press this measure, it certainly should have had as a sustaining authority the opinion of Lord Macaulay on this subject.

Many of us on this side are rather interested in Lord Macaulay's opinion. We want to know, in other words, whether Lord Macaulay thought as much of deer as he does of democracy, and from what we have heard during the last few days, apparently, he did not think much of democracy. If he did not think much of democracy, maybe he did not think much about deer, and I wish you men over there would give us the benefit of any citations or any reference or any quotation you may have as to where Lord Macaulay stands on this subject. This is a mighty important thing. You need not have recourse to what your able majority leader might have to say on this subject; do not ask what any of the Cabinet men might have to say on this subject; do not go into the rock-ribbed South and ask what those splendid men of the South think about deer, but go after Lord Macaulay and see whether Lord Macaulay really is in favor of deer. If he is for it, then, bless your hearts, you ought to be for it. If Lord Macaulay is against it, then you should be against it. Lord Macaulay should mean much to everyone of you as you contemplate the prominent place he occupied in the recent Virginia Dare celebration.

In view of the limited time at my command to examine Lord Macaulay on the subject, I turned to another quotation and I call the attention of my beloved brethren on the Democratic side to this question. On page 7 of the report you will find that the statement is made that this program of deer, deer selling, deer corraling, deer pulling, and all kind of deering is not in accord with the financial program of the President.

Now, that is a bold statement for the Secretary of the Interior to make, because it is predicated on the assumption that we have a financial program, and really I would like to know from the proponents of this deer proposition what the financial program is. As we think of financial programs and dears we instinctively think of courtship, of wooing, of embraces. My, what a flood of memories crowd in on us. But all of us remember that dears came first and financial programs second in those days. As we thought of what dear might want, financial programs were relegated to the background. Is this another courtship period? These proponents of this deer-selling, deer-branding, deer-trading program should muster courage and tell us what the financial program of this administration really is. It reminds me a lot of what we called in the old days "a lark", a wild orgy, a riotous time, when a policy of reckless abandon prevailed. Dears were present on some of those occasions. Spend till you are broke was the slogan. That seems to be the policy today of the present administration.

Mr. SHORT. Mr. Chairman, will the gentleman yield.

Mr. DITTER. Your policy, the New Deal policy, seems to be just that—spend as much as you can, save as little as possible, nothing if it can be avoided. Deer and spending joined together.

Mr. SHORT. Of course, I am sure the gentleman from Pennsylvania must realize that Santa Claus must have reindeer.

Mr. DITTER. Oh, I appreciate the observation and suggestion and that gives me another thought. In other words, what we are going to do now is not only to have Santa Claus but we are going to provide the reindeer as well. And all this in spite of what our friend, that renowned authority, Lord Macaulay, might have to say on the subject.

Now, Mr. Chairman, to be serious for a moment, I do hope you gentlemen on the other side will reject this measure. This is the most impractical thing that has ever been suggested from Alaska. Read the hearings on every Interior Department appropriation bill, and you will find that the Interior Department itself admits that it is almost impossible to know who own the deer that are roaming around Alaska; that the deer is a migratory animal, and that during the course of its roaming there is practically no means by which they may be identified, so far as ownership is concerned. That means one more thing, and that is that when it comes to paying the bill for this purchase, for this program you are presently bringing in, you will not know whom to pay, so far as ownership is concerned. Well, that is nothing unusual for this administration. Dear knows, you have been paying a lot of people during the last 4 years and they do not know why they are getting the money and you do not know why you are giving the money

to them, so that probably this is in line with the policy of the administration, in line with the financial program of the last few years.

This measure should be rejected. It simply means the authority to draw out of the pockets of the taxpayers another $2,000,000 to hand over to some dear souls. It is a dear thing to do. But it is a mighty dear thing to continually drain the earnings and savings of the taxpayers, the working people, by such a measure. It means liquidating some men who went into the deer business in Alaska and want Uncle Sam to pay them off at this time. There are a lot of dear people here in the States who have never seen deer but who have some dear project on their hands they would like to have Uncle Sam liquidate for them.

We have a duty here today that requires us to forget our dear deer in Alaska and think about some dear people at home. I am concerned about their interests. Two million dollars will look good on the right side of the ledger to help offset some of this New Deal spending, so I plead with you to follow the President in this matter. Irrespective of the silence of Lord Macaulay on the subject, in spite of the failure of Lord Macaulay to tell us anything very substantial about deer or dears, I urge you to follow the advice of the President in this case. Here is one instance that I recommend his counsel to you, in the hope that a financial program, as yet undisclosed, may ultimately be revealed to us, Lord Macaulay to the contrary notwithstanding, and that when revealed the financial program will be an about face from the program of spending, borrowing, and wasting of the last 4 years.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GREEN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, I am sorry that during my lifetime I was not able to get acquainted with the famous Lord Macaulay; but I do know this, with all due deference to my distinguished colleague from Pennsylvania [Mr. DITTER], that whenever a man is at a loss for anything logical to say upon a question, he endeavors to reduce it to an absurdity. Let us look at this matter in a cold and practical light. We have the Eskimos in Alaska on our hands. They are human beings. Somehow or other they must live. They have come into this world and they are a part of the wards of this Nation. The gentleman from Pennsylvania [Mr. DITTER] may refer to Santa Claus as much as he pleases, but the United States of America owes the Eskimos the same debt that it owes any other ward of the Nation.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I have not the time. They owe the same debt to the Eskimos that they owe to any other helpless people of this Nation, and therefore we owe it to them to furnish them with a means of subsistence. The game supply and the other natural food supply of the Eskimos has been depleted. Therefore the least this Nation can do is to substitute for the natural food of the Eskimos these semidomesticated animals and enable them to have their own herds and make a living thereby. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am still trying to find out what this bill is all about. The gentleman from Rhode Island [Mr. O'CONNELL] suggests that I should read the bill. I have read the bill. And if I did not think the Clerk is going to read it a little later, I would read it to the gentleman. I hope the gentleman will try to read it before the time comes for the bill's consideration. As I understand it, there are about 60,000 reindeer in private ownership in Alaska. That is what one of the gentlemen on the committee told us.

Mr. COLLINS. About 350,000.

Mr. TABER. The information that came from a member of the committee was about 50,000 to 60,000. There was a statement on the part of a representative of the Interior Department in the hearings 2 years ago that perhaps one-fifth of 500,000, or 100,000, might be in private ownership.

Mr. COLLINS. I just telephoned Mr. Burlew of the Interior Department and was advised that there are between five and seven hundred thousand deer in Alaska, and that there are between 200,000 and 350,000 of them in private ownership. This bill proposes not only the purchase of the reindeer but other property and rights in private ownership. The property of Mr. Baldwin, deceased, is being given to the Department.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SNELL. I have been given to understand that these grazing rights are on Government lands. Why does the Government have to pay for grazing rights on its own property?

Mr. COLLINS. I was just told that the best grazing rights in Alaska are in private ownership.

Mr. SNELL. I was told by a member of the committee that practically all of it belonged to the Government.

Mr. COLLINS. I was just told over the telephone a few moments ago that the best grazing rights are in private ownership or under private control.

Mr. SNELL. The gentleman from Alaska [Mr. DIMOND] is here, and he ought to know. Let us find out.

Mr. TABER. I do not believe they can answer it.

Mr. COLLINS. I have answered it.

Mr. SNELL. I would like to ask the gentleman from Alaska to answer that.

Mr. TABER. Very well; I yield.

Mr. DIMOND. In answer to the question propounded by the gentleman from New York, to the best of my knowledge and belief, none of the grazing rights of reindeer grazing grounds in Alaska is in private ownership, in the ordinary way in which we understand ownership. It is true that the private owners of deer have grazed their deer on the public domain, but I do not consider they have any right of ownership to the range and they have not any leases that I have ever heard of.

Mr. TABER. That is about what I understood.

Now, Mr. Chairman, I want to call attention to the testimony of a man who is supposed to know something about this deer business, Mr. Gordon, who is head of the Reindeer Service in Alaska. What Mr. Gordon said before the Committee on Appropriations in December 1935 is this:

> There has never been any accurate count of the deer, but we understand there are in the neighborhood of 550,000, and about 20 percent of them are supposed of to be private ownership.

Now, I understand from what I believe to be reliable authority that the earmarked deer—that is, the ones that have had their ears clipped—total something like 60,000 and that the figure that the gentleman from the committee gave me is correct, according to the information I have from a private source, as to the number of earmarked deer. Those are probably about all that they can round up under this settlement and be able to actually prove belong to them.

Now, already they are in the business, through the superintendent of the Deer Service in Alaska, of taking care of the natives on this thing. For instance, they take care of the 26 native companies up there and look after their bookkeeping and accounting. Then there is a cold-storage outfit on the *North Star*, the ship that goes up there, that carries the natives' reindeer meat down where it can be marketed when there is a market for it. The gist of this thing was told by the Delegate from Alaska [Mr. DIMOND] when he was on the floor. These people bought 1,200 reindeer back in 1914. Their operation has not been profitable. We do not have a fair appraisal submitted to the House by the committee showing the number of deer, anywhere near their value, the value of the plants for the purpose of sale, and that is all they are worth, because it is not a going, profitable concern; nor any reason why we should buy them, because already we have had testimony before the Interior Department Appropriations Committee that the Government is now, through Mr. Gordon, taking care of that marketing proposition for the natives and getting the meat down on the *North Star* in its refrigerated compartments.

Now, I wonder why it is that we have to consider such a bill as this. I wonder why it is that we should in any way have such a thing brought before us at this date in the session. I am willing to have bills brought before us that are absolutely necessary and for the passage of which there is a fair and intelligent reason given, but I am sorry in this particular case every bit of information we have obtained upon the bill we have had to obtain by pulling teeth. Instead of information being given by the committee, we had to pull teeth every time we got anything. I do not think that is a fair thing to expect of the House.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. GREEN. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, I have always taken a very keen interest in Alaska, because from a modern military standpoint it is the one place in our country of greatest importance. Furthermore, Alaska has poured into the Treasury of the United States millions of dollars. It is one of our Territories that has been profitable to us financially. Naturally, therefore, I am interested in this bill. Reindeer furnishes both the food and the clothing for the Eskimos. Officials of the Interior Department have advised me that there are between 500,000 and 700,000 reindeer in Alaska; that between 200,000 and 350,000 of these reindeer are in private ownership. I have also been advised that the best grazing rights in Alaska are in private ownership or under private control.

Mr. SNELL. Will the gentleman yield there?

Mr. COLLINS. I am sorry. I only have 3 minutes.

Mr. SNELL. You have touched on an important subject, and I think it ought to be cleared up.

Mr. COLLINS. If I had more time, I would be delighted to yield, because I have great respect and admiration for the gentleman from New York.

I also understand that certain packing plants, refrigeration plants, abbatoirs, and other activities must be purchased or built in order to render reindeer suitable for food and clothing for the Esquimo. If this bill passes inspectors from the Interior Department will go to Alaska and ascertain the value of the property in private ownership and when this investigation is made the Committee on Appropriations will be asked to appropriate only the amount fixed as proper and reasonable.

Mr. Ickes, of the Interior Department, is a conscientious public officer and will pay for this property no more than its real value. This is his past record. We can always trust him to safeguard the public interest.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, as a member of the Committee on Territories I have listened to all the evidence given in connection with this bill. The best informative testimony we heard as to the number of reindeer in Alaska was that there were somewhere between 600,000 and 700,000, about one-third of them being in private ownership. We also had testimony to the effect that these reindeer were raised largely on moss that grows less than one-quarter of an inch a year.

There is absolutely no regulation of the range at this time in Alaska and unless something is done to regulate it, to limit the herds of reindeer to a number that can properly be grazed, it is only a question of time when that is going to happen in Alaska which has happened to the great ranges of the West. I have some knowledge of the western ranges and I know what they suffered as a result of being overgrazed. That is what is taking place in Alaska.

This bill authorizes the appropriation of not to exceed $2,000,000 for the purchase not only of reindeer but of the equipment necessary to carry on that industry. Only so much of this amount will be used as is necessary.

There are between 18,000 and 20,000 Eskimos. For administrative purposes they are classified as Indians.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. BEITER. I am going to vote for the bill, but to clear up a matter that is in my mind, we purchased Alaska in 1867. Have the deer increased in numbers since that time or have they decreased?

Mr. DEMPSEY. About 1,200 deer were brought into Alaska somewhere about 1900. That was the total number there at that time. There are today around 700,000, and they are increasing very rapidly.

Mr. BEITER. I can understand, then, why the grazing is becoming depleted.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. MAGNUSON. I asked the gentleman to yield merely to point out to the gentlemen on the other side of the aisle who seem so confused about the bill that there is ample precedent for this type of legislation. The Canadian Government has passed legislation similar to this. They faced a similar situation in the case of the natives at the mouth of the Mackenzie River. They went over into Alaska and purchased from the private corporation, the Loman Brothers, a great herd of these reindeer, believing it offered the only solution to the native starvation problem at the mouth of the Mackenzie River. You all probably know and have read of the famous trek of Andrew Barr and his reindeer. Canada believed this to be a solution of the problem. So we have a precedent for such action.

Mr. DEMPSEY. In addition to listening to the testimony before our committee, I consulted two of the Senators who made a trip to Alaska to investigate this very activity and the conditions surrounding it. I refer to the senior Senator from North Dakota, Senator FRAZIER, and to the senior Senator from Oklahoma, Senator THOMAS. I do not believe there are two greater authorities on Indians and Indian affairs in the United States. They strongly advocated the passage of this measure. If we do not pass this bill, it means that we shall simply have to take care of some 18,000 or 20,000 Eskimos, or Indians, as they are classified.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. KNUTSON. Was it not as a result of their investigation last summer that this bill was introduced in the Senate and passed by that body?

Mr. DEMPSEY. Yes.

Mr. THOMASON of Texas. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. THOMASON of Texas. I have great respect for the judgment of the gentleman from New Mexico and usually vote with him. The gentleman from Oklahoma [Mr. JOHNSON] raised a question, which was also alluded to by the gentleman from New York [Mr. TABER], as to whether or not a group of private owners were not about to unload these deer and all this property onto the Government. Whether this be true or not I do not know, but I certainly think it ought to be explained.

Mr. DEMPSEY. I can assure the gentleman that he has the wrong thought in mind; and I was present at every meeting of the Committee on the Territories.

Mr. THOMASON of Texas. It is not a matter of my belief; it is a matter that the gentleman from Oklahoma referred to, a reference which I think ought to be explained. I have an open mind on the bill, but the insinuation has been made that we are about to buy a white elephant from some corporation, and the facts should be given us.

Mr. DEMPSEY. The gentleman from Oklahoma is in error; that is not the fact. [Applause.]

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the Committee on Territories of the House considered the problems connected with this legislation with a great deal of caution. The main question of consideration before the committee was the protection of the Eskimos of

Alaska in their main source of food supply. The reindeer to the Eskimo of Alaska is an important element in their domestic welfare. The deer supply food, clothing, and many other necessities pertaining to the life of the native. The subject under consideration is largely one of range management so as to make available the reindeer for the natives of the Territory of Alaska. As the members of the House undoubtedly know, the coming of the white man to the western and northwestern part of Alaska brought trouble and much disaster to the natives. The source of food supply both by sea and land was materially depleted and in many localities practically exterminated. About the year 1890 the Eskimos, for the reasons mentioned, were faced with starvation and in order to save them 1,280 reindeer were imported from Siberia, between the years 1892 and 1902. Western Alaska proved a good environment for reindeer and at the present time the number is in the neighborhood of 600,000. That portion of Alaska in which the Eskimo settlements are located is in the environment most applicable as a range for the deer. Grazing in the locality is only suitable for reindeer which is the only substantial source of livelihood for the natives. Reindeer, with the exception of the native caribou, is the only animal that is able to survive on the lichens or reindeer moss found in such climates. Some 15,000 coastal-dwelling Eskimos live in this portion of Alaska which is suitable for the propagation of the reindeer.

The security of the Eskimo and his dependency upon the reindeer is threatened by nonnative ownership of deer and by nonnative occupation and control of the range. In the year 1914 white men first entered the reindeer business and at the present time approximately one-third of the reindeer in Alaska is owned by others than natives and on ranges important to the Eskimos the percentage is higher. Those ranges which are most attractive to nonnative owners invariably coincide or overlap ranges essential to the welfare of the native Eskimo. It is absolutely necessary that the Eskimos graze their herds of reindeer within a reasonable distance of their settlements. I have been advised that from 30 to 60 acres of grazing land are required for 1 deer and therefore a controversy of interests between native and white deer raisers on the same range results in overgrazing. Once a range is depleted of its forage it takes from 15 to 40 years to make it again productive of reindeer moss. Many places near the coast the reindeer moss has disappeared.

When the reindeer was first introduced into Alaska the herds doubled in size in 3 years, but at the present time, through overgrazing, the increase has been greatly reduced. Bitter conflicts between Eskimo and white reindeer owners have grown out of the mixing of herds, and these conflicts threatened irreparable damage to the entire future life of the Eskimo. The Committee on the Territories, after serious consideration and deliberation pertaining to the problem, with the welfare of the Eskimo of Alaska as their chief objective, arrived at the conclusion that only one solution was practicable, and that solution is set out in the bill under consideration for the purchase by the Government of all non-native-owned reindeer and such reindeer range equipment as may be useful and the distribution of the same among the Eskimo or the holding of such reindeer and other property by the Government in trust for the use of the natives. With the permanent elimination on the nonnative owners the problem should be comparatively simple, for then the deer can be distributed and ranges allocated in a manner satisfactory to the Eskimo.

The natives of Alaska, including the Eskimo, are held to have practically the same status as the Indians of the United States. The Federal Government has recognized this responsibility. It is likewise the responsibility of the Federal Government to protect and look after the social and future economic welfare of these natives.

As to whether or not $2,000,000 is the amount that will be required, I am not prepared to state. It appears from the best testimony that the committee could obtain, as heretofore stated, that there are approximately 600,000 reindeer, of which about one-third is in private ownership.

Mr. MILLARD. Will the gentleman yield?

Mr. ENGLEBRIGHT. I yield to the gentleman from New York.

Mr. MILLARD. How did the gentleman determine that? The Delegate from Alaska said there was no way of determining that.

Mr. ENGLEBRIGHT. That is based upon the best estimate and testimony we have.

In order to establish the economic security and relieve the great distress of the Eskimo localities dependent upon the raising and use of reindeer and the sale of surplus reindeer, I am of the firm opinion that it will be necessary to purchase the non-native-owned reindeer and such reindeer range and equipment and give the Secretary of the Interior sufficient authority in the operation of the reindeer industry to administer it to the best interest of the natives of Alaska.

I believe that it is important that this legislation be passed and that the amount set out in the bill be given to the Interior Department in order that the Eskimo of Alaska may be adequately protected in this industry, in which both their social and future economic welfare largely depends.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I yield the balance of the time to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, this is not a surprise bill. A similar bill was before the Congress at the last session, and I distinctly recall a considerable discussion of the subject took place before a subcommittee of the Appropriations Committee having charge of the Interior Department appropriation bill when it had under consideration the appropriation for the fiscal year 1937. Extensive hearings were had upon this bill by the Committee on Territories, and that committee fully and adequately considered the matter.

The question arises as to how we are going to determine what deer are to be bought and how many there are. In spite of the conflicting estimates that have been made, Mr. Chairman, to the best of my knowledge, the number of deer in private ownership amounts to approximately 200,000. It is true they are not all marked. It is impossible to corral every deer in Alaska. But, in considering this matter I rely upon the known integrity and the outstanding ability of the Secretary of the Interior. I rely upon the fact known to every man in this House that the Secretary of the Interior is not going to give any man $1 of Government funds for any property that the man is not entitled to. Estimates may be made as to the number of deer to be bought, but anyone who knows Secretary Ickes realizes he is not going to give away Government money to any man who is not entitled to it. We might as well put that out of our mind entirely, because there is not anything to it. It is a kind of a smoke screen. The purchase of the deer is one of the difficulties that must be encountered, but it is a difficulty that can be overcome.

Mr. BEVERLY M. VINCENT. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Kentucky.

Mr. BEVERLY M. VINCENT. Is it the purpose of this appropriation to buy reindeer, or is it the purpose to buy cold-storage houses and equipment?

Mr. DIMOND. The purpose of the bill is to buy not only reindeer but such cold-storage houses, corrals, and other equipment as will be necessary for the use of the natives in carrying out this industry. We all know that the Secretary of the Interior does not intend to go out and buy up everything in sight, whether it is useful or valuable or not. I believe we may rely upon the good sense and the business acumen, as well as the integrity, of the Secretary of the Interior, in whom I have the utmost confidence.

Mr. MILLS. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Louisiana.

Mr. MILLS. Is it not a fact if we purchase these reindeer it is similar to resettlement projects in the United States.

Mr. DIMOND. Yes, indeed, and I thank the gentleman for the contribution.

Mr. Chairman, it is stated that charity begins at home. It does. We passed a bill the other day that will require ultimately hundreds of millions of dollars for a farm-tenancy program. That was a good bill. You passed another bill

which will take hundreds and hundreds of millions of dollars for housing, largely in the great cities of the country, which was also a good bill.

Mr. Chairman, I wish the Members knew these people up there in Alaska as I know them. They are citizens of the United States just as we are citizens of the United States. They are human beings. In the sight of God and man, I believe they are just as good, just as upright, and just as generous, and as much animated with a spirit of the good Samaritan as any Member who sits in either House of Congress. [Applause.] They are wonderful people. They are scattered all over a territory which contains thousands of square miles. I am not coming in here to ask you to take care of them today or tomorrow. I am asking you to assist them in setting up a system which will enable them to take care of themselves and their children for the next hundred years. It is the wise and far-seeing thing to do. We are not just appropriating money to buy food for them. We are setting up a business establishment that they can operate and their children can operate after them.

Mr. Chairman, I am asking the Congress to do now the thing that should have been done in 1890 when the deer were brought to Alaska in the first place, and it would not have cost a cent then.

Mr. Chairman, it has been intimated that this is a grab of some kind, and that we are going to pay the Lomens a lot of money, and that there is something wrong with this bill. It is the last thing in my mind to give Government money to anybody who does not deserve it. For me there is irony in all this, for if this bill is passed and if the deer are bought, the money in part at least will go to these very men of the Lomen corporations who spent money in the last election in an effort to defeat me, and if they get money from this bill, and if I am a candidate in the next election, they will probably spend more money in the next election to try to defeat me. My own selfish interests would lead me to oppose the bill, but my duty to the native citizens compels me to support it.

Mr. Chairman, we are doing this for the natives of Alaska and I hope nobody will be influenced by the fact that in helping the natives it is necessary to give money in the form of a purchase price for property that belongs to somebody else. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Illinois.

Mr. SABATH. The gentleman is satisfied this legislation will safeguard the interests of these 18,000 Eskimos to such an extent it will not be necessary for the Government to feed them or provide for them in the future?

Mr. DIMOND. I am satisfied this is going to be of marked help to the Eskimos and other Alaska natives, and that we will never have to come back here again and ask any relief for the natives who participate in the reindeer industry. May I repeat: This bill is for the benefit of the natives of Alaska, not for the benefit of the Lomens or other white men. We owe the white men nothing. We are under strong moral obligations to help the natives when they need help. They are deserving of aid in their endeavor to establish a self-sustaining business or industry. If you knew them as I know them, you would not hesitate; you would pass the bill and make the appropriation. Of course, I realize that much—in fact everything—depends upon good and wise administration. It is not enough that the administrative officials intend well. They must do the right thing in the right way. The bill is not perfect, but it contains much that is good and I am hopeful this House will see fit to adopt amendments which I shall offer later, and which will bring it nearer to perfection. The natives can run this business if they have a fair start and a fair opportunity. That is all they need. This manner of helping people is a thousand times better than relief, for by this method you are helping them to help themselves. I wish that we had before us the bill as I introduced it in the House, but I suppose that no Member of Congress ever secures the passage of a bill in the precise form in which he desires it, for men disagree upon questions of policy and matters of form, and upon everything else. I am compelled to take the best bill I can get, and this bill contains so much good that I earnestly urge your support of it, and that you support the amendments which I shall offer a little later.

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That a necessity for providing means of subsistence for the Eskimos and other natives of Alaska is hereby declared to exist. It is also declared to be the policy of Congress, and the purpose of this act, to establish and maintain for the said natives of Alaska a self-sustaining economy by acquiring and organizing for and on behalf of said natives a reindeer industry or business, by encouraging and developing native activity and responsibility in all branches of the said industry or business, and by preserving the native character of the said industry or business thus established.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was very much interested in the remarks just made by the very able Delegate from Alaska. The gentleman stated there are approximately 18,000 Eskimos, and that under this bill we are to buy several hundred thousand reindeer to make these Eskimos prosperous, so they will not need further assistance from the United States. I tell you the United States Government can support out of the Treasury of the United States all these Eskimos in Alaska much more cheaply than it can hope to do by engaging in this new industry.

Remember, if this bill goes through and they get the money from the Committee on Appropriations, the Federal Government is going to take over the reindeer industry in Alaska. We are going to open up slaughterhouses, we are going to have cold-storage plants, we are going to have cold-storage ships, we are going to have to prepare and process meat, we are going to have to find a market, we are going to have to herd the reindeer, and we are going to have to look after them. The taxpayers must pay for all of this.

You can say, "Why, the Eskimos are going to do this." Well, I have been up there, and some of you have, and I should like to see an Eskimo doing anything other than what he is doing now. He may be able to herd these reindeer if he is told how, but he is not going to process them, he is not going to operate the plants. The cost is going to fall on this Government. Another army of employees and agents will go on the pay roll. We are setting up in Alaska an industry which, if it does succeed, must replace just so much of the products of the farm in the United States.

Why, you cattlemen, you men of the southwestern country, like my good friend the gentleman from New Mexico, whom I respect and whom I generally follow, and who is on this committee, think of what this bill means. What are the gentleman's cattlemen going to do when the United States Government of its own volition and with the taxpayers' money sets up a reindeer industry in Alaska to grow reindeer, process reindeer, and bring reindeer meat to take the place of meat in the United States?

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. In just a minute, when I am through. I appreciate that the gentleman from New Mexico [Mr. DEMPSEY] is one of the leaders in Congress who is always fighting for the interests of the cattle raisers, and I feel sure that he is opposed to any legislation that is not beneficial to the cattlemen of the Southwest. This reindeer meat will not be purchased and therefore it will not compete in the end, consequently the Government must lose.

The Government will sell the reindeer meat in the United States in competition with the products we grow here. If the reindeer industry had been profitable, this bill would not be here. The corporation owned by the Lowman interests entered upon this venture because it looked as if it would make money, and the venture partly succeeded. It succeeded to the extent that it was determined that you can grow reindeer on the moss up there in Alaska and the reindeer increase like rabbits. There are so many of them they do not know what to do with them. When it comes to getting a financial return from the reindeer, however, they find they cannot sell the meat. It cannot be sold in

competition with American meat. So the venture is a financial failure, and it being a failure, they want the United States Government to take it over, as is usual, and to operate the failure in the name of caring for these poor Eskimos up there—18,000 of them. If the Eskimos are hungry and if they need assistance, they are citizens and let us have the courage to give them assistance; but let us not subsidize a commercial venture when we know that even if we gave the reindeer to these people and if they could process the reindeer themselves they could not operate more economically and more efficiently than has the Lowman interests. This is a bill to sell a bankrupt industry to Uncle Sam. The Eskimo is not the main consideration.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I read this bill a few moments ago, and have been thinking seriously about two particular paragraphs in the bill. You are attempting to help these natives, but they cannot operate without these corrals and slaughterhouses and, unless they are incorporated in some way or some large associations formed. We have had experience in granting to natives certain rights and leases to enable them to carry on. They have had to organize and issue stock to their members. You have endeavored in this bill to say that a native cannot transfer, devise, or dispose his stock to any person or corporation except to a native or a native corporation. Of course you have tried in every way to keep the native idea in the bill.

Are these Eskimos so able that they can carry on a business of this character? We have found that even our own people, who have been granted exclusive rights, have been forced to submit and subject themselves to outside control, which, by lease or agreements which overcame the law, and have actually secured control of said business and taken the profits.

Mr. MILLS. Mr. Chairman, the gentleman hardly ever speaks, and it seems to me the Committee should maintain better order.

Mr. GIFFORD. The gentleman hardly ever speaks! I wish I could look into the gentleman's mind and know exactly what he intended to convey by that remark. I do not know him well enough to judge him. If I can be helpful to the bill, I should keep on speaking. I am simply trying to express a thought which is running through my mind, for I am hopeful that we may safeguard this industry for the natives of Alaska.

The Delegate from Alaska states that the housing bill is good, the farm tenancy bill is good, and I presume he feels that the Treasury is inexhaustible. But we have no money to pay for such things.

I hope these few Eskimos in Alaska will prove able to justify this expenditure. Probably only a few of them will be successful in making it a successful business venture. But we should be watchful, despite the confidence placed in the Secretary of the Interior by the Delegate from Alaska, that outsiders, after they sell to the Government, do not find a way to creep in and control and take the profits from the stock ownership of these natives. If this does not occur, it will be something different from what has been experienced with the natives on the soil of the United States itself, from my own observation.

Mr. DIMOND. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. DIMOND. May I invite the gentleman's attention to the provisions of the bill which, in my judgment, which is not so important, but also in the judgment of people who are skilled in the interpretation of statutes, will prevent that.

Mr. GIFFORD. I have read that provision carefully twice, and it has aroused my interest and suspicion.

I must close by saying that while I do not know how large these families may be, I do think $2,000,000 for 17,000 or 18,000 people is quite large, especially when only a small proportion of the heads of these families are going to make a success of the business. I am wondering if some sort of pension could not be granted each family so there would be some certainty about taking care of these Eskimos, and would not that be much cheaper in the end than following this method of forcing them into business? How many times have I declared that there are many persons, even among our own people, who cannot somehow successfully carry on, no matter how much you may try to help them by setting them up in actual business. Many people simply cannot do business. We certainly can and should ameliorate their condition, but we should move slowly in this matter of actual capital grants for such experimentation.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

SEC. 2. The Secretary of the Interior is hereby authorized and directed, to acquire, in the name of the United States, by purchase or other lawful means, including exercise of the power of eminent domain, for and on behalf of the Eskimos and other natives of Alaska, reindeer, reindeer-range equipment, abattoirs, cold-storage plants, warehouses, and other property, real or personal, the acquisition of which he determines to be necessary to the effectuation of the purposes of this act. Any condemnation proceedings undertaken by virtue of the authority granted in this section shall conform, as nearly as may be, to the procedure provided for the condemnation of real estate by the act of August 1, 1888 (ch. 728), or to that provided by the act of February 26, 1931 (ch. 307).

With the following committee amendment:

Page 2, line 17, strike out the period, insert a colon and the following: "*Provided*, That nothing herein contained shall authorize the Secretary of the Interior to consolidate native-owned herds of reindeer with herds owned by others than natives prior to the purchase or acquisition of such herds of others than natives."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. All persons, other than natives of Alaska, who upon the date of this enactment claim title to any Alaskan reindeer shall, within 1 year after the date of this enactment, file in Alaska, with the duly authorized agent or agents of the Secretary of the Interior, declarations of their ownership. Similar declarations concerning Alaskan reindeer acquired by any person not a native of Alaska by purchase or by gift at any time after the date of this enactment shall be filed as aforesaid within 30 days after the date of such acquisition. Records of all declarations thus filed shall be made and kept open to public inspection in Alaska. If any owner of Alaskan reindeer, to whom the foregoing provisions of this section are applicable, shall fail to file the required declaration within the stated period, he shall be barred thereafter from asserting his claim of title.

SEC. 4. The Secretary of the Interior is hereby authorized to receive, in the name of the United States, for and on behalf of said natives of Alaska, gifts made for the purposes of this act.

SEC. 5. The Secretary of the Interior is hereby authorized to receive and expend, for the purposes of this act, properly authorized loans, grants, or allocations made to him for said purposes by Federal agencies.

SEC. 6. Except as herein otherwise specially provided, none of the moneys collected or received by the Secretary of the Interior in his administration of this act shall be paid into the Treasury, but all such moneys shall constitute a revolving fund to be administered by the Secretary of the Interior for the purposes of this act.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with down to section 12, on page 12.

Mr. TABER. Mr. Chairman, reserving the right to object, I was seeking recognition in order to move to strike out section 6 at this time, and I do not want to be precluded from offering the amendment which I am afraid would happen if I agreed to the request.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 3, line 20, strike out all of section 6.

Mr. TABER. Mr. Chairman, I am offering this amendment to strike out the section relating to revolving funds.

I do not think we ought to provide a revolving fund. I think the Secretary of the Interior ought to come in, under the regular Interior appropriation bill, and justify his appropriation.

I do want to say one other thing now with reference to the bill. It appears that every bit of this grazing land is in Government ownership. This is the statement of the Delegate from Alaska. It is under Government control, and everything that is needed to do to maintain this grazing land for the Eskimo is for the Government, by law or otherwise, to establish a regulation so that only the Eskimo can have this privilege. There is not any sense at all in going through all this rigmarole and spending all this money to accomplish something that can be done in a very simple way.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. It occurs to me that under the language of section 6 there will be no occasion for the Committee on Appropriations to pass upon these expenditures because this section provides that the rents, and so forth, shall go to the Interior Department and may be used to pay these expenses.

Mr. TABER. That is correct; without the Appropriations Committee or the Congress having anything to say about it or knowing how the money is used.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. SNELL. If we do this to help out the Eskimos and the natives, why not buy the reindeer, give them to the Eskimos or the natives, and let them use Government property, and end it there?

Mr. TABER. That would be better than to have this rigmarole going on, because they have now, according to the testimony, a method of marketing all the stuff there is any demand for.

Mr. DIMOND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the adoption of the amendment proposed by the gentleman from New York would practically emasculate the bill. The amendment would destroy, in a measure, the very foundations of the plan which is sought to be followed by the passage of the bill.

I point to a precedent for this, and that precedent lies in the operation of the Alaska Railroad. How could the Alaska Railroad be operated if every dollar paid in for fares or for freight went into the Treasury and then two or three or four times a year it would be necessary to get an appropriation from Congress to get any money?

Mr. Chairman, I understand that some Members are opposed to the bill, and of course in order to defeat it or to render it useless, it would be a part of their plan to tear it apart one piece at a time, so that in the end, if we did pass the bill, we would have nothing. This is a vital and important part of the bill, because the money that comes in would be available to be used over and over, so that it would not be necessary to come to Congress every few months to get additional funds. This is the scientific way to do it, the businesslike way to do it, the way any corporation or good businessman would do it. He would keep his money where he could use it from time to time as needed.

Mr. DEMPSEY. And if this amendment were agreed to, would it be possible for the Secretary of the Interior to perform under the bill at all?

Mr. DIMOND. To answer the gentleman's question I should say that the only thing it would do would be to kill the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 16, noes 70.

So the amendment was rejected.

The Clerk read as follows:

SEC. 7. The Secretary of the Interior is authorized and directed to organize and manage the reindeer industry or business provided for by this act in such manner as to establish and maintain for said natives of Alaska a complete and self-sustaining economy and to encourage and develop the activity and responsibility of said natives in all branches of said industry or business.

Mr. GIFFORD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 4, line 2, strike out the words "and directed"; and in lines 3, 4, and 5, strike out the words "to establish and maintain for said natives of Alaska a complete and."

Mr. GREEN. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I have already called attention to the possible failure of results contemplated in section 8, and I cannot let the opportunity pass without calling attention to the language in section 7, which I will attempt to amend by striking out. The Secretary of the Interior is absolutely instructed to do an impossible thing. To establish and maintain a complete and self-sustaining economy. He must build these slaughter houses and corrals, of course, because the natives must have these necessities, but to order him to spend any amount of money to bring about a complete and self-sustaining economy among people where it is undoubtedly impossible of such accomplishment, is really a declaration that I cannot believe gentlemen on the majority side would wish to remain in the bill. Is it not enough to authorize him to do all things necessary to attempt the bringing about of this economy? To instruct him to carry on until he forces them to maintain such a complete economy seems to me beyond all reason.

Mr. PETTENGILL. Mr. Chairman, I move to strike out the last word. I know little about this particular bill, but it is very evident that it is just another step toward state socialism and paternalism in government. Before we vote on it I rise to call attention to the fiscal situation of the United States Government. The day is soon coming when we will have to pay very serious attention to expenditures out of the Federal Treasury. The late Senator Robinson in one of the last speeches he made said that it may strike some people as humorous to refer to the deficit in the United States Treasury but that he was unable to see anything funny about it.

Only today we have received a veto message from the President of the United States declining to build a marine hospital for sick and disabled sailors and ex-service men of the United States. The reason he gave was the condition of the Treasury. The President has indicated, Mr. Eccles of the Federal Reserve Board has indicated, and Mr. Morgenthau has indicated that in their opinion the day has come when we have got to stop spending these millions of dollars. If we cannot afford to build a hospital for the sick and disabled soldiers and sailors, I doubt whether we should go into this business of paternalism up at the North Pole. The President had hoped to come within $400,000,000 of balancing the Budget this year. A month and a half of this fiscal year has passed, and we are rapidly approaching that amount of deficit now. We have gone into the red over $100,000,000 more since the 1st of last July than we did for the same period a year ago. We are going into the red now at the rate of $4,500 a minute in the eighth year of consecutive deficits in this Government. The public debt exceeds $37,000,000,000 at this time and is still increasing nearly $5,000 a minute. If the President will show an inflexible position to bring the Budget into actual balance, he is going to have full support from me now and during the next session of Congress. It is time to stop spending these millions of dollars on paternalism and state socialism. We must begin to live within our income. Disaster threatens if we do not. We cannot expect our children to pay for runing their government and ours besides. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the bill under consideration is one of the most constructive and humane pieces of legislation that the Congress can pass in relation to our native wards of Alaska. I agree, as a general rule, with the remarks of the distinguished gentleman from Indiana [Mr. PETTENGILL], who just preceded me, but we are considering the natives of Alaska, which is a Territory of our country, with reference to whom we have a special responsibility. Certainly none of us want to see conditions exist in Alaska that have existed with reference to the American Indians. A disgrace in the pages of American history has been the manner in which we have in the past allowed the American Indian, a ward of our country, to be capitalized and exploited.

The Alaskan native is in the same situation. They are wards of the Federal Government. The purpose of this bill is to protect our wards in Alaska and to prevent the scandalous situation existing in the future with reference to Alaska that the pages of American history are filled with in relation to the American Indian.

I hope this bill passes as recommended by the committee. It has been well thought out. The report of the committee is a powerful document.

I rose particularly to give some information to the gentleman from New York [Mr. TABER], who asked a very pertinent question earlier in the debate about the corporation that is involved.

I have made some inquiries and tried to get some information about it for my own benefit in voting upon any amendments that might be offered to the bill in connection with that corporation. I have been informed that some years ago the two Baldwin brothers of New York went up to Alaska and became interested in trying to assist the Alaskan natives by developing a business up there in connection with the raising of reindeer and in connection with the grazing and other activities related thereto. The information I got is that they made an investment of about two and one-half million dollars. One of the brothers died 3 or 4 years ago. The other brother is living. That brother wants to liquidate the corporation and cooperate with the Government, if this bill passes. All he is seeking, as I understand, is enough to pay off the debts of the corporation. He is willing to give his interest, approximately $900,000, to the Government. For the past several months the Government has had auditors going over the books of the corporation and they have also had appraisers up there.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. REECE of Tennessee. More than a year ago he made a proposition to the Government to give his entire stock to the Government if he would accept it.

Mr. McCORMACK. I understand the gentleman is going to give his interest to the Government today. That was told to me less than 15 minutes ago by a reliable authority. However, the gentleman cannot give what he does not own. He cannot give the interest of the other stockholders. He cannot give the interest of creditors. The Department will make the best bargain possible, and with the sterling honesty of Secretary Ickes we can be assured that the Governments interests will be protected. The Appropriations Committee must look into it and they must make the appropriation after the Bureau of the Budget has also done so. That, in my opinion, is a satisfactory explanation of the involvement of the corporation in this bill.

The bill is a humane bill and I hope it will pass.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired. All time has expired.

Mr. GIFFORD. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

There being no objection the Clerk again reported the Gifford amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. GREEN. Mr. Chairman, I ask unanimous consent at this time that the bill be considered as read down to section 12.

Mr. RICH. Mr. Chairman, I object.

The Clerk read as follows:

SEC. 8. The Secretary of the Interior is authorized to distribute the reindeer and other property acquired by the United States under this act among the Eskimos or other natives of Alaska, or to corporations, associations, or organizations of said natives, either in the form of gifts or under such conditions as the Secretary of the Interior may prescribe, and to execute and deliver appropriate instruments of title, or to hold and use the same in trust for the use and benefit of said natives, with a view of effecting the widest possible distribution of such reindeer and other property among those natives of Alaska who are in need thereof and who can make proper use of the same. The Secretary of the Interior may from time to time, in such manner as he determines to be proper for effectuating the purposes of this act, distribute among those of said natives, or corporations, associations, or other organizations of said natives, who are engaged in said industry or business or for whose subsistence reindeer are necessary, whatever profits may be earned by that part of the industry or business which is owned by the United States and which may, in the judgment of the Secretary of the Interior, be distributed in accordance with sound business practice.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

Mr. RICH. I object.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RICH] is recognized for 5 minutes.

Mr. RICH. Mr. Chairman, the reason I objected was because I thought there was going to be an amendment offered and I would not get an opportunity to make a few timely remarks.

I want to call attention to the statement made by the gentleman from Indiana [Mr. PETTENGILL] a few moments ago with reference to the statement of the President in regard to economy. It seems to be forgotten, however. The gentleman from Indiana [Mr. PETTENGILL] told you, and told you truthfully, that the amount of expenses this year over and above what it was last year is about $5,000 a minute. This is a bad, bad situation and must be remedied at once. I want to call your attention to a statement made by the Secretary of the Interior in this report, in the last paragraph:

The Acting Director of the Bureau of the Budget on May 1 informs me that the proposed legislation, either in its present form or if amended as suggested in this report, would not be in accord with the financial program of the President.

Now, if this bill as it is before you this afternoon, as given to you by the Secretary of the Interior, is not in accordance with the views of the President of the United States, if you are going to permit this Santa Claus bill to be put into law this afternoon when you are going $5,000 a minute into debt faster than you did a year ago, and last year you went into the red over $3,000,000,000, where are you going to get the money? Oh, Members of Congress, you talk economy and probably will talk economy to your constituents back home, but they should not be fooled and can look up your record for voting on these enormous expenses at this session of Congress. Why we have appropriated over $9,000,000,000 already at this session and next year you remember this: You will have a deficit of $2,000,000,000 notwithstanding the fact the President promised the country a balanced Budget. It was only another of his promises—it will never happen.

The gentleman from Missouri [Mr. COCHRAN] certainly recognizes this fact, and I hope that the other Members of this Congress will soon come to the conclusion that this is only a Santa Claus bill for this corporation. It should be voted down, and at least save $2,000,000.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I move that debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 9. The Secretary of the Interior is hereby authorized to grant, in his discretion and subject to such terms as he may impose, to any corporations, associations, or other organizations of said natives any or all of the powers relating to the administration of the reindeer industry or business herein provided for, upon a finding by him as to each grant that it is in the interests of the said natives of Alaska and will serve the purposes of this act.

SEC. 10. Live reindeer in Alaska, and the increase thereof, acquired by the Secretary of the Interior pursuant to this act, and live reindeer in Alaska, and the increase thereof, owned by the said natives of Alaska or corporations, associations, or other organizations of said natives, however acquired, shall not be sold or transferred, by descent, devise, or in any other manner whatsoever, to anyone other than the said natives of Alaska, the United States for and on behalf of said natives, or corporations, associations, or other organizations of said natives, except with the consent in writing of the Secretary of the Interior or his duly authorized agent, stating that such consent is given upon the condition that the reindeer, and any increase thereof, sold or otherwise transferred with said consent, shall either be butchered in the Territory of Alaska within 30 days or shipped out of said Territory and never brought back alive into said Territory. Sales or other transfers of said reindeer, if made without the consent in writing herein required, or, although made with said consent, if followed by failure to comply with the condition therein required, shall be null and void, and shall not pass any title to or right to possession of any reindeer or increase thereof. No stock or other interest in any corporation, association, or other organization of said natives, engaged in or organized for the purpose of engaging in the reindeer industry or business, shall be transferred, by descent, devise, or in any other manner whatsoever, to anyone other than said natives of Alaska, the United States for and on behalf of said natives, or corporations, associations, or other organizations of said natives. Any willful violation of the provisions of this section of this act by any vendee or other transferee shall be punishable by a fine of not more than $500: *Provided*, That no title to any reindeer, or reindeer products, owned by the United States for and on behalf of the said natives of Alaska, nor any title to reindeer, or reindeer products, owned by any of said natives or said corporations, associations, or other organizations of said natives, nor any stock or other interest in said corporations, associations, or other organizations of said natives, shall be transferred by descent, devise, or in any other manner whatsoever, except pursuant to regulations promulgated by the Secretary of the Interior for the purposes of preserving the native character of the reindeer industry or business in Alaska and effectuating the other purposes of this act: *Provided further*, That nothing herein contained shall prevent any native of Alaska who owns reindeer or any interest therein through stock ownership, or otherwise, in any corporation or association or other organization owning reindeer, from transferring his reindeer, or any interest therein, to his children or other native relatives by gift, sale, devise, or bequest, or prevent the same from being so transferred or passed by descent.

SEC. 11. "Reindeer" as used in this act shall be understood to include reindeer and such caribou as have been introduced into animal husbandry or have actually joined reindeer herds, and the increase thereof.

Mr. BEVERLY M. VINCENT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this bill on fundamental principles. I live in the Ohio and Mississippi Valley that was flooded. I cannot understand why this Congress would make a gift to the Eskimos in Alaska when there is no provision in the law whereby a farmer in the flooded area of the United States, or a "dust bowl", can receive even a cow or a mule from the National Government.

They said to me when I went down to the Government departments for aid after my people had had all their property destroyed, their cattle and their mules—the last mule drowned: They said to me, "All we can do for you is to lend you money." That is what they say to you of the "dust bowl" when the last cow has died: "All we can do is to lend you money."

There is no provision in our law whereby the Government can make outright grants to the citizens of this Nation, and, of course, we should give special grants to the Eskimos.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BEVERLY M. VINCENT. I yield.

Mr. RICH. The gentleman is well aware of the fact that in the Interior Department appropriation bill we gave the Eskimos of Alaska everything they requested.

Mr. BEVERLY M. VINCENT. I understand we provide schools for these people. I am sympathetic with these people, I want to take care of them; but I do not want to give them more than we give to our own citizens here in the United States, and I am not going to support any measure that carries a provision of this kind.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BEVERLY M. VINCENT. I yield.

Mr. COCHRAN. I doubt whether there is a Member of Congress who has not received in the last few days telegrams telling them that the young men of this country who have been assisted by the National Youth Administration will not receive the assistance this year that they received last year to complete their education due to the fact that the appropriation was reduced. If we have $2,000,000 to spare, would it not be better to apply it toward educating the youth of this country rather than for this purpose?

Mr. BEVERLY M. VINCENT. Why, certainly. This bill provides that we give to these Eskimos this money; not only that, but you are putting the Government into the cold-storage business in Alaska, buying a plant from a corporation that is bankrupt. I say that it is fundamentally wrong to give a grant to these people without any obligation on their part at all, because we do not do it for our own people in the United States.

Mr. Chairman, I submit that we are going a long, long way if we appropriate $2,000,000 and give it to these people. For God's sake, do not put the Government in business in Alaska, where we will have to support it during all the years to come. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that all debate on this section close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, to begin with, I admit that I do not know a great deal about this particular piece of legislation, for I have just given it casual study since I came on the floor; but I thought that I learned some 35 years ago that there was no Santa Claus. I have, however, about come to the conclusion now, after listening to the proponents of this bill, that I was entirely in error and that there is a Santa Claus after all. This bill has been properly named "the Santa Claus bill." Uncle Sam has become Santa Claus and will furnish reindeer to the Eskimos.

I know it is a fine thing for the Government to buy $2,000,000 worth of reindeer and give them to the Eskimos or somebody else. It is very Utopian. It might be a fine thing for the Government to go down in the South Seas, catch all the turtles and turn them over to the Filipinos or somebody else. It might be a fine thing for the Government to go out into the Rocky Mountains, catch all the wild billy goats and turn them over to somebody who needed them. But since the precarious condition of the United States Treasury has been pointed out so recently on the floor of this House, I do not see how we are going to support this legislation.

If you set this precedent another proposition will be brought in to you, and so on it will go.

I do not know what is back of this. I am not charging that anything is back of it. It is being rumored about on the floor that some private industry went into this business, did not make a success of it, and now they want to sell these reindeer to the Government. I do not know whether that is true or not, but I do know that under section 7 of this bill it is proposed to put the United States Government in the reindeer business. You will set up another department filled with high-salaried employees. The reindeer bureau will be set up here in Washington and you will be paying for it for the next 150 years.

Mr. Chairman, I hope that this bill will be defeated. It is ludicrous; it is wrong.

By unanimous consent, the pro-forma amendment was withdrawn.

The Clerk read as follows:

SEC. 12. The Secretary of the Interior is hereby authorized to promulgate such rules and regulations as, in his judgment, are necessary to carry into effect the provisions of this act.

Mr. DIMOND. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 7, line 21, after the period, insert the following:

"Prior to the promulgation of any such rules and regulations the Secretary of the Interior shall endeavor to ascertain the views of the natives of Alaska who may be affected thereby as to the nature of the rules and regulations desirable for making effective the provisions of this act, and to that end the Secretary of the Interior is authorized to divide those parts of the Territory of Alaska used in carrying on the reindeer industry into reindeer districts, having regard to the convenience of those engaged in the industry; and thereupon and from time to time thereafter as often as the Secretary of the Interior may deem it necessary, the Secretary may with respect to each of said districts call a district meeting of those natives residing in the district who own reindeer located in the district, and at such meeting or meetings the said natives may draw up and adopt by majority vote of the native owners present and voting, proposed rules and regulations for such district, or revisions thereof, or amendments thereto, relative to grazing and use of the range as well as to round-ups, marking, butchering, shipping, packing, storage, and sale. The proposed rules and regulations, or revisions thereof, or amendments thereto, so agreed upon by the native reindeer owners for such district shall be forwarded to the Secretary of the Interior for his consideration, and upon approval thereof by the Secretary of the Interior may be incorporated in the rules and regulations effective in the district where applicable. Each district meeting shall be presided over by the local representative of the Secretary of the Interior if there be one, otherwise by a native reindeer owner selected by the other owners attending the meeting."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is not germane. This is a bill to give the Government and the Secretary of the Interior a certain layout. The amendment proposes to have a sort of a code, or something of that character, with reference to the management of individual Indians' or Eskimos' affairs in connection with this reindeer operation. The amendment is not germane to the bill.

Mr. DIMOND. Mr. Chairman, I submit that the amendment is germane. Section 12 provides that—

The Secretary of the Interior is hereby authorized to promulgate such rules and regulations as, in his judgment, are necessary to carry into effect the provisions of this act.

The proposed amendment merely provides that prior to the making and promulgation of such rules and regulations, the Secretary of the Interior shall consult with the natives affected and endeavor to ascertain their wishes. It does not take away any power conferred by the act upon the Secretary of the Interior. It is intensely and intimately related to the provisions of section 12.

The CHAIRMAN. The Chair is ready to rule.

Section 12 of the bill reads:

The Secretary of the Interior is hereby authorized to promulgate such rules and regulations as, in his judgment, are necessary to carry into effect the provisions of this act.

The Chair is of the opinion that the amendment offered by the Delegate from Alaska [Mr. DIMOND] is germane, and therefore the point of order is overruled.

Mr. DEMPSEY. Mr. Chairman, I rise in opposition to the amendment.

May I say to the Members of the House this amendment was offered in committee and it was voted down. We are placing a responsibility, if this bill becomes law, on the Secretary of the Interior to do certain things. If this amendment is agreed to you are tying him up so that he cannot organize or execute this order without consulting with about everybody in the Territory of Alaska. I think it was unanimously felt by the committee that the amendment should not be agreed to and I oppose it for that reason.

Mr. ENGLEBRIGHT. Will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from California.

Mr. ENGLEBRIGHT. The committee felt this would be contrary to the purposes of the bill and would tie the hands of the Secretary of the Interior, making it impossible for him to do the very thing that we want him to do under this act?

Mr. DEMPSEY. Absolutely.

Mr. DIMOND. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I believe some of the Members are under a misapprehension as to the scope of the section. I have in my hand copy of a letter addressed to the chairman of the committee from the Acting Secretary of the Interior, in which, it is true, the Acting Secretary opposes having placed in the bill substantially the thing that I seek to accomplish by the amendment I have offered, but he says that he intends to do this thing, anyhow. That is, he intends to consult the natives before making and promulgating the rules and regulations.

Mr. Chairman, after all, these people ought to be consulted before rules and regulations are made up. There is nothing unfair in that. All we seek to do is to require the Secretary, before he makes rules and regulations, to consult with the Eskimos or the organizations of Eskimos and determine what they want in the way of rules and regulations. At the end of that time he may make such rules and regulations as he thinks are proper. This is in line with democratic government everywhere. These people are intelligent. Let us trust them.

I am seeking to provide by law in this amendment precisely what the Secretary says he is going to do, anyhow. It is true I have the utmost confidence in Secretary Ickes; but, after all, he will not occupy that office forever, and I want to have some assurance that rules and regulations will not be adopted and put in force on people 5,000 miles from Washington before they know anything about it or have an opportunity to say what should be done. They ought to be consulted first, and in the bill I introduced that was provided; that is to say, the natives were given an opportunity to meet and draw up rules and regulations to be submitted to the Secretary. That is what ought to be done, and why should anyone oppose it?

Mr. GREEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call the attention of the House to the fact that the Committee turned this amendment down. The amendment reads in part as follows:

And at such meeting or meetings the said natives may draw up and adopt by majority vote of the native owners present and voting, proposed rules and regulations for such district, or revision thereof, or amendments thereto, relative to grazing and the use of the range as well as to round-up, marking, butchering, shipping, packing, storage, and sale.

If you will read section 13 of the bill you will find that section 13 gives the Secretary the power to regulate and control all round-ups, handlings, marking, and butcherings of reindeer upon said public land. The power given to the Secretary covers the gentleman's amendment. The only difference is that they do not go out and have these meetings and permit the Eskimos to do the things which the Secretary should have the power to do.

Mr. Chairman, I hope the Committee votes down the amendment.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. DIMOND].

The amendment was rejected.

Mr. DIMOND. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 7, after line 21, insert a new section to be known as section 13, to read as follows:

"SEC. 13. Whenever, in his judgment, it is practicable and to the best interests of the natives the Secretary shall appoint natives to the supervisory and other positions in the administration of such reindeer industry or business."

And renumber following sections consecutively.

Mr. GREEN. There is no objection to this amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. DIMOND].

The amendment was agreed to.

The Clerk read as follows:

SEC. 13. In order to coordinate with the use of public lands in Alaska for grazing reindeer with the purposes of this act, the Secretary of the Interior is hereby authorized to regulate the

grazing of reindeer upon said lands. He may, in his discretion, define reindeer ranges and regulate the use thereof for grazing reindeer; issue grazing permits; regulate and control all round-ups, handlings, marking, and butcherings of reindeer upon said public lands; and may issue rules and regulations to carry into effect the provisions of this section of this act. Any person who willfully violates any of the rules and regulations promulgated for the purpose of carrying into effect the provisions of this section of this act shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by imprisonment for not more than 1 year or by a fine of not more than $500.

SEC. 14. The Secretary of the Interior is hereby authorized to fix fees to be paid by owners of reindeer for such grazing permits as may be required and issued in the administration of the preceding section of this act. All money received on account of such fees shall be administered as provided in section 6 of this act.

SEC. 15. The term "natives of Alaska" as used herein shall be deemed to mean the native Indians, Eskimos, and Aleuts of whole or part blood inhabiting Alaska at the time of the Treaty of Cession of Alaska to the United States and their descendants of whole or part blood, together with the Indians and Eskimos who, since the year 1867 and prior to the enactment hereof, have migrated into Alaska from the Dominion of Canada, and their descendants of the whole or part blood.

SEC. 16. All of the power and authority exercised by the Secretary of the Interior hereunder shall be so exercised through the Commissioner of Indian Affairs and the latter shall have general supervision of all matters concerning the reindeer industry in Alaska, subject always to the control and direction of the Secretary of the Interior, in order that, for the benefit and welfare of the natives of Alaska, the administration of this act shall be correlated with the administration of the laws relating to the education, medical relief, and health of the natives of Alaska.

SEC. 17. The sum of $2,000,000 is hereby authorized to be appropriated for the use of the Secretary of the Interior in carrying out the provisions of this act.

SEC. 18. All acts of Congress or parts thereof which are inconsistent with the provisions of this act are hereby repealed.

Mr. GREEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the remainder of the bill may be considered as read.

Mr. RICH. Mr. Chairman, reserving the right to object, it seems to me that if this bill is important enough to be brought in here to take up the time of the House on the closing day, and there is no more important business than this to be brought up, enough time should be taken to read the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 8, beginning with line 12, strike out all of section 14.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 8, line 18, after the abbreviation "Sec.", strike out "15" and insert "14."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, after line 2, strike out all of section 16.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Renumber sections 17 and 18 as sections 16 and 17.

The committee amendment was agreed to.

Mr. DIMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 9, after line 15, insert a new section, to be known as section 17 and to read as follows:

"SEC. 17. This act shall take effect only when the sum of at least $1,000,000 of the appropriation herein authorized shall have been made and shall be available for expenditure to carry into effect the provisions of this act."

Mr. DIMOND. Mr. Chairman, I offer section 17 because all the good that can be accomplished by this bill lies in the proposal to eliminate forever the conflict which has existed and now exists between the native reindeer owners and those owners who are not natives. I propose by this amendment that the act shall take effect only when the sum of at least $1,000,000 of the appropriation authorized shall have been appropriated and be available for expenditure.

I have stated often and I state again that unless we proceed to buy up the reindeer owned by the white men and make this a proposition for the natives alone we do not want and we do not need any legislation. In proposing this section I want to prevent the possibility that the bill will be passed and that years and years may elapse before we ever get any appropriation, if we do get one finally. This amendment does not do a bit of harm, because until the appropriation is made the bill does not take effect, and that is all there is to it. I do not insist on the full appropriation of $2,000,000 immediately because I realize Congress seldom makes an appropriation at one time of the full amount authorized, believing it may be better to make the appropriation a part at a time.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. In other words, if the Committee on Appropriations should decide that $500,000 is enough for the first year in order to start this proposition, the act would not go into effect. Is this what the gentleman means?

Mr. DIMOND. The gentleman is correct. I know that $500,000 is not enough, so what is the use of kidding ourselves about this thing? If we are going to do this job, let us do it right. I appeal to the House to support my amendment, which is reasonable and for the benefit of the natives.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DEMPSEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was submitted to the committee when we were considering the bill, and we voted it down for the reason that one of the most important things in connection with the entire bill is the control of the range of Alaska. Whether or not the Federal Government purchases the reindeer for the natives, it is important that the Federal Government put into effect immediately a range survey and control in Alaska; otherwise, in a short time there will be no grazing for what reindeer are there now.

I ask that the amendment be voted down, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. DIMOND].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GREENWOOD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1722) to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy, to encourage and develop native activity in all branches of the reindeer industry, and for other purposes, pursuant to House Resolution 317, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. GREEN and Mr. HARLAN) there were—ayes 109, noes 51.

Mr. TABER. Mr. Speaker, I object to the vote on the ground a quorum was not present.

The SPEAKER. The Chair will again count. [After counting.] Two hundred and twenty-four Members are present, a quorum.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed, and a motion to reconsider was laid on the table.

INSPECTION OF SOLDIERS' HOSPITALS AND OTHER VETERANS' ADMINISTRATION FACILITIES

Mr. RANKIN. Mr. Speaker, I send to the Clerk's desk a resolution (H. Res. 325) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 325

Resolved, That the Committee on World War Veterans' Legislation, or any subcommittee thereof which its chairman may appoint, be, and they are hereby, empowered to make a comprehensive survey and inspection of soldiers' hospitals and other Veterans' Administration facilities, including any hospital with which the Government has a contract for ex-service men of any war in which the United States was engaged. This shall include the national military homes for disabled volunteer soldiers. The management, administration, personnel of such institutions, and treatment of the veterans therein shall be included in such survey and investigation.

Said committee shall make a report of its findings to the House not later than January 3, 1938, accompanied by such recommendations in the form of a bill or otherwise as it may deem necessary.

Said committee or subcommittees are empowered to sit during the sessions of Congress or during the recess between sessions of Congress, and to incur necessary expenses for transportation and subsistence and for clerical and stenographic services, which shall be paid out of the contingent fund of the House upon vouchers signed by the chairman thereof and approved by the Committee on Accounts.

Mr. TABER, Mrs. ROGERS of Massachusetts, and Mr. SACKS rose.

Mr. TABER. Mr. Speaker, I reserve the right to object. We have been passing a bill here that smells to high heaven, and I do not know but what this resolution could go far enough so that it might also.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ROGERS of Massachusetts. I hope the gentleman will not object. I think this resolution will serve a very useful purpose. The veterans in the hospitals are very anxious to have the Members of Congress protect their interests. This gives them an opportunity to tell about the kind of care they have and the kind of care they need and we can see at first hand what further hospital facilities are needed. It will cost very little and will do a great deal of good.

Mr. RANKIN. Mr. Speaker, will the gentleman from New York yield?

Mr. TABER. Yes.

Mr. RANKIN. Let me say to the gentleman from New York that I am following a precedent set by Hon. Royal Johnson when he was chairman of this committee. In 1924 a resolution of this kind was passed and such an inspection was made. There has been no such inspection since that time and it is deemed necessary, not only on the part of the members of the committee, but on the part of the Veterans Administration that the various members of this committee visit these homes and hospitals and make this inspection and report back to the Congress.

Since the time of the last inspection, I believe we have spent $72,000,000 on these hospitals. We cannot all visit them, the entire committee could not visit them, and it is my intention, if the resolution passes, to appoint each member a committee of one to visit the hospitals near him in order that the Congress may have a report on the hospitals when we reconvene.

Mr. SACKS. Mr. Speaker, reserving the right to object, I want to call the attention of the gentleman from Mississippi to the fact that although I am in sympathy——

Mr. RANKIN. Mr. Speaker, the matter the gentleman is going to discuss has nothing to do with the bill.

Mr. SACKS. I am discussing the bill and I want to ask the gentleman a question. Although I am in sympathy with the legislation for those who fought in the war, I also would like to know whether the gentleman is in sympathy with legislation to help those who stayed at home and need it now, the working men and women of this country who need help right now.

Mr. RANKIN. I have done my best to protect the working people from the gentleman from Pennsylvania for the last few months, Mr. Speaker, and I shall be pleased to continue to do so. [Laughter.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not object, I want to remind the gentleman of the work done by a subcommittee he appointed a few years ago to inspect hospitals and certain guardianship matters by which a great deal of money was recovered for the veterans, and I believe $3,000 of the money appropriated for the inspection was not used and was returned to the Treasury of the United States.

Mr. RANKIN. Yes; and, Mr. Speaker, let me say to the Members of the House, in my opinion this will save the Government a great deal of money in the years to come, and I do not see how we can afford to go ahead and spend all this money on these hospitals without some Members visiting them and making an inspection.

Mr. TABER. Mr. Speaker, will the gentleman answer a question?

Mr. RANKIN. Yes.

Mr. TABER. How much money will this investigation cost?

Mr. RANKIN. I do not know exactly, but I told the chairman of the Committee on Accounts this morning it would not cost over $10,000, and I do not think it will cost over $5,000.

Let me say to the gentleman from New York that since I have been chairman of the Veterans' Committee I have seen to it that the committee did not waste money in overhead expenditures, and the committee has gone along with me and we have not wasted the Government's money. I am going to ask that the members who are appointed hold their expenses down to a minimum. This is not a junketing trip, but simply what we consider a necessary inspection of these various hospitals.

Mr. TABER. Does the gentleman think he can keep it down to $5,000?

Mr. RANKIN. I hope so.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mrs. ROGERS of Massachusetts. Reserving the right to object, may I ask a question?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object——

Mr. RAYBURN. Mr. Speaker, I make the point of order that the regular order has been demanded.

The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7646) entitled "An act to amend an act entitled 'An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes', approved June 22, 1936."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate nos. 1 and 6 to the foregoing bill.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 537. An act to provide suitable accommodations for the district court of the United States at Glasgow, Mont.; and

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7618. An act relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8245) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes", requests a conference with the House thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. BYRNES, and Mr. HALE to be the conferees on the part of the Senate.

FARM LEGISLATION

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Joint Resolution 207, expressing the views of the Congress as to the program for relief and benefit of agriculture.

The SPEAKER. The gentleman from Texas asks unanimous consent for the present consideration of Senate Joint Resolution 207, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 207

Resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture

Whereas the whole Nation suffers when agriculture is depressed; and

Whereas the Nation has felt and still feels the unfavorable economic consequences of two different kinds of misfortune in agriculture; and

Whereas the first of these misfortunes was the ruinous decline in farm prices from 1929 to 1932; and

Whereas the second kind of misfortune was the drought of 1934, followed by the drought of 1936; and

Whereas a permanent farm program should (a) provide not only for soil conservation but also for developing and improving the crop-adjustment methods of the Agricultural Adjustment Act, (b) protect agriculture and consumers against the consequences of drought, and (c) safeguard farmers and the business of the Nation against the consequences of farm-price decline; and

Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles:

(1) That farmers are entitled to their fair share of the national income;

(2) That consumers should be afforded protection against the consequences of drought, floods, and pestilences causing abnormally high prices by storage of reserve supplies of big crop years for use in time of crop failure;

(3) That if consumers are given the protection of such an ever-normal granary plan, farmers should be safeguarded against undue price declines by a system of loans supplementing their national soil-conservation program; and

(4) That control of agricultural surpluses above the ever-normal granary supply is necessary to safeguard the Nation's investment in loans and to protect farmers against a price collapse due to bumper yields resulting in production beyond all domestic and foreign need: Now, therefore, be it

Resolved, etc., That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. As I listened to this general essay that was read by the Clerk I cannot see that there is anything specially that I should object to, but it would seem to me that there would be just as much sense in bringing in a resolution here and solemnly resolving that a majority of the House of Representatives believed in the Ten Commandments as it is to bring in this kind of a resolution. I ask the gentleman from Texas [Mr. JONES] what is the purpose of bringing in this kind of a resolution?

Mr. JONES. Mr. Speaker, if it is no more objectionable than the Ten Commandments, there should not be any objection to passing it.

Mr. SNELL. But there ought to be some reason for it.

Mr. JONES. It declares the purpose of the Congress in effect to take up general farm legislation in the early part of the next session of Congress.

Mr. SNELL. Has there been anyone on the floor of the House who has said that he is not interested in the general welfare of the farmer, and that he is not willing to take up legislation at any time the Agricultural Committee sees fit to propose it to Congress?

Mr. JONES. I do not think I have known of anyone doing that.

Mr. SNELL. Then what is the object of taking this up now? There is something back of it, and I would like to know what it is.

Mr. JONES. I can see no objection to it. I may state to the gentleman that there are certain provisions of the present law that authorize the making of loans on any of the farm commodities when conditions reach a point where those loans seem necessary. It is thought by a great many that the making of loans on various farm commodities without some provision for the control of surpluses might involve the Government in great loss. It is thought that some sort of control over surpluses when they reach an undue stage should be formulated, some additional legislation; and it is to express the purpose of Congress to enact reasonable legislation along these lines that it is offered, with the thought that it might cause those who have the administration of the feature to which I have referred to feel they can be justified in making the loan.

Mr. SNELL. I think the gentleman is of the same opinion that I am, that this is nothing but an alibi for the purpose of soft-soaping the farmers to make them think that sometime they are going to get something, and an excuse of the present administration for not doing anything for the American farmer.

Mr. JONES. Imagine the gentleman from New York making that statement when the debacle of 1932 should be fresh in his memory. And I say to the gentleman that I never try to soft-soap the farmer.

Mr. SNELL. If that is not expressed in this resolution and what the gentleman has said, then I do not understand the meaning of language.

Mr. JONES. As long as the gentleman has gone into that field, let me ask the gentleman if he thinks that indiscriminate loans should be made on farm commodities that run into the millions of dollars in value without some control of production or of marketing or some method of controlling overproduction being made?

Mr. SNELL. I have never advocated indiscriminate loans anywhere at any time, and the gentleman has been in control of the Agricultural Committee for 8 years, I think it is, and he is trying to alibi his lack of definite legislation. How much more does the gentleman know about it now than he did before? To me this is just a lame excuse for not doing anything for the farmer.

Mr. JONES. I do not claim to know all about this subject. There may be some who do. The farmer from Potsdam may know a lot more than I do. But this administration has done much for the farmer and it needs no alibi.

Mr. SNELL. We know that the dairy farmers of our country have not received anything from this administration but to sell their milk for low prices and pay high prices for grain.

Mr. JONES. And I say to the gentleman that this administration has done a good deal for the dairy farmer and that dairying conditions are much better than they were when the party with which the gentleman is affiliated was in power.

Mr. SNELL. That is not true. That is not a true condition of the dairy farmer today. The dairy farmer of the United States at this moment is in a worse economic condition than he has been at any time in my memory.

Mr. JONES. But the price of the dairy products are much higher than they were under a former administration.

Mr. SNELL. I am talking about the economic condition of the dairy farmer today, and I know it has never been more hopeless in recent years.

Mr. JONES. They are 75 percent higher. If the gentleman will take a poll of the dairy farmers today, he will find that not 2 percent would want to go back to the dark days of the administration of the gentleman's party.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. BOILEAU. Mr. Speaker, I object.

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 207 as amended, which I send to the desk and ask to have read.

The SPEAKER. The Clerk will report the resolution as amended.

The Clerk read as follows:

Senate Joint Resolution 207

Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture

Whereas the whole Nation suffers when agriculture is depressed; and

Whereas the Nation has felt and still feels the unfavorable economic consequences of two different kinds of misfortune in agriculture; and

Whereas the first of these misfortunes was the ruinous decline in farm prices from 1929 to 1932; and

Whereas the second kind of misfortune was the drought of 1934 followed by the drought of 1936; and

Whereas a permanent farm program should (a) provide not only for soil conservation but also for developing and improving the crop-adjustment methods of the Agricultural Adjustment Act, (b) protect agriculture and consumers against the consequences of drought, and (c) safeguard farmers and the business of the Nation against the consequences of farm-price decline; and

Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles:

(1) That farmers are entitled to their fair share of the national income;

(2) That consumers should be afforded protection against the consequences of drought, floods, and pestilences causing abnormally high prices by storage of reserve supplies of big crop years for use in time of crop failure;

(3) That if consumers are given the protection of such an ever-normal granary plan, farmers should be safeguarded against undue price declines by a system of loans supplementing their national soil-conservation program; and

(4) That control of agricultural surpluses above the ever-normal granary supply is necessary to safeguard the Nation's investment in loans and to protect farmers against a price collapse due to bumper yields resulting in production beyond all domestic and foreign need;

(5) That the present Soil Conservation Act should be continued, its operations simplified, and provision made for reduced payments to large operators on a graduated scale to promote the interest of individual farming;

(6) That, linked with control of agricultural surpluses, there should be research into new uses for agricultural commodities and the products thereof, and search for new uses, new outlets, and new markets at home and abroad; and

(7) That provision should be made for applications to the Interstate Commerce Commission for correction of discriminations now existing against agricultural products in the freight-rate schedules: Now, therefore, be it

Resolved, etc., That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. JONES] is recognized for 20 minutes and the gentleman from Kansas [Mr. HOPE] will have 20 minutes.

Mr. JONES. Mr. Speaker, I reserve my time, and ask the gentleman from Kansas to use some of his time.

Mr. BOILEAU. Mr. Speaker, is not the gentleman going to explain the resolution to the House, so that the opponents may have an opportunity to answer some of his remarks?

Mr. JONES. I will make a brief explanation. The reading of the resolution explains itself. There has been a great demand on the part of Members from both sides of the House for general farm legislation. The substance of this resolution is that in the first part of the next session of Congress the committee will consider and the Congress will consider legislation based upon the principles of trying to secure for the farmers a fair share of the national income and trying to have, in connection with it, protection for the consumers against unusual droughts and shortages, and storage in order to have an ever-normal, or something like a reserve supply of those commodities. Also connected with the system of reserve supplies, a surplus-control provision.

The House Committee on Agriculture has offered three more principles that shall be included in the legislation that will be considered. One of these is that the Soil Conservation Act should be continued, its operations simplified, and provision made for reduced payments to large operators on a graduated scale, to promote the interest of individual farmers.

Second, that linked with control of agricultural surpluses there should be research into new uses for agricultural commodities and products thereof, and search for new uses, new outlets, and new markets at home and abroad.

Third, that provision should be made for applications to the Interstate Commerce Commission for correction of discriminations now existing against agricultural products in the freight-rate schedules.

All that the resolution does is to commit the Congress to consider, at the beginning of the new session, legislation that embodies those principles and that it is the sense of the Congress that some measure should be worked out based on those principles.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. ANDRESEN of Minnesota. Does the gentleman contend that the adoption of this resolution would bind the Committee on Agriculture and the Congress to pass legislation according to the ever-normal granary principle?

Mr. JONES. It would commit the Congress to consider legislation. It would indicate that they felt that some sort of a reverse storage provision should be made, but it does not commit to specific terms legislation.

Mr. ANDRESEN of Minnesota. Did we not have an understanding in the committee that the committee would not be bound by this or any other plan, that we would consider all plans of farm legislation?

Mr. JONES. Of course, and this does not keep any plan from being considered. It includes certain things, but it excludes the consideration of no measure.

Mr. ANDRESEN of Minnesota. I do not see how the gentleman feels he can bind the Members of Congress or the committee.

Mr. JONES. I am not trying to bind them any more than the resolution declares the necessity of intelligent effort to work out a general farm bill that will embody certain principles.

Mr. MAHON of Texas. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. MAHON of Texas. Does not the gentleman think that the third whereas of this resolution, which indicates that the first misfortune which befell agriculture was as late as 1929, should be clarified or corrected? We do not want to declare an obviously incorrect fact.

Mr. JONES. I will say to the gentleman that we considered that. Three or four of these whereases are not very well worded. I did not like them, but they have been worked out by people who were trying to handle the situation, and we decided we would not take anything from the resolution but would undertake to improve it by adding something to it.

Mr. Speaker, I desire to reserve the balance of my time.

Mr. HOPE. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I have on numerous occasions heard Members of the House refer to the "new low" in legislative procedure, but in my judgment the resolution we are now considering is really the new low. The only way you can justify yourself in voting for this resolution is that

you, first of all, must convince yourself that it does not mean anything. The distinguished chairman of the Committee on Agriculture the other day gave the House a most informative discussion on agricultural legislation. I do not believe there is a man in the United States better informed on agricultural legislation than the distinguished chairman of my committee. [Applause.]

I do not think there is a man in the United States more willing to do what is necessary to aid all types of agriculture; but I submit to him that instead of bringing in this legislation here today he should have a bill, because today we are committing ourselves to the principles that are laid down in his own bill, H. R. 8246, introduced by the distinguished gentleman from Texas on August 16. If you want to know what is in this resolution, if you want to know what you are committing yourselves to by voting for this resolution, get this bill and study it, because this resolution is a definite commitment to his bill.

The gentleman from Texas made a very eloquent and a very informative speech the other day, one I have heard many Members of the House commend most favorably. If there is one thing that he emphasized above others in that very fine speech, if there is one thing that was proven to all of us by that speech, it was that the Congress and the Committee on Agriculture are not yet ready to bring in a bill for the relief of agriculture. If he convinced us of anything, he convinced us of the fact that Congress has not as yet decided what type of program we want to put into effect. If he convinced us of anything, he convinced the Members of the House that the Committee on Agriculture is not yet ready to put its stamp of approval upon this program, or upon that program, or upon any other proposal for the relief of agriculture. Still we find here today a resolution brought in to pass which means to commit you, and each and every one of you, who vote for the resolution to support the Jones bill or another bill carrying out its provisions.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. COOLEY. Is the gentleman in favor of the bill to which he refers?

Mr. BOILEAU. No; I am not ready—and that is what I want to say to the Members of the House if I have not made myself clear—I want to say that I am not ready yet to endorse the Jones bill, nor am I ready to commit myself in favor of it, nor am I ready to say to the American farmer that I will when I come here in January vote for a bill that carries out proposals 1, 2, 3, 4, 5, 6, and 7—the seven various proposals that are contained in this Jones bill.

The point I want to make is: If we are ready to commit ourselves to this kind of bill, why not pass it instead of this resolution? We have not yet decided what kind of a program we want. If you are willing to commit yourselves to this program, why are you not ready to vote for it today? I am not ready to vote for the bill, and I am not ready to vote for a resolution that commits me to support that bill.

The Senate Committee on Agriculture has stated that some time during the summer it is going to hold hearings around the country to get the viewpoint of the farmers. Why do you want the viewpoint of the farmers if you have already decided, as they apparently have in the adoption of this resolution, what kind of program we are going to support? I say to the gentleman from Oklahoma [Mr. MASSINGALE], Do you think you will get any consideration for your cost-of-production bill if this resolution is adopted, if the Congress commits itself to this type of program rather than that which you have proposed?

I say to the gentleman from Iowa [Mr. EICHER], Do you believe that you will be given any consideration for your bill, which is similar to the Massingale bill, if this resolution committing the Congress of the United States to this program is adopted today?

You know why this resolution is here today. The gentleman from New York [Mr. SNELL], the minority leader, a little while ago tried to find out what was back of this, but I do not think his question was answered. I am going to try to answer it, if I can. The cotton farmers of the South and certain other farmers, rightfully or wrongfully, are asking for loans. I am not opposed to that program; I am not opposed to any program that fixes prices of agricultural commodities at or higher than cost of production. The reason we have this resolution here, however, is because the President of the United States said he would not make loans on cotton or anything else unless there was a control of production, a control over the production of the commodity. That is the statement he made first. Then, because of a good deal of resistance, his statement was modified so that he said then that he would not make these loans unless he had assurance that Congress would in the near future adopt the control program. Carrying out that suggestion, therefore, the Committee on Agriculture brought this resolution to you. The Senate passed it. They ask you here and now to commit yourselves in advance on a program. I submit to you it is a new low in legislation.

There are a couple of other things I would like to bring into discussion which I think are very pertinent. If you do pass this resolution, you have no assurance that you are going to get it up next January. Why? Because the Rules Committee might not let you. We have seen in recent weeks the Rules Committee successfully preventing the Congress of the United States from carrying out its will. I suggest that instead of having this resolution adopted here by the Congress that we as the House of Representatives pass a resolution respectfully requesting the members of the Rules Committee to give us a hearing to determine whether or not they will consider the bill at the next session.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. PHILLIPS. Is it not just as important to bring in wages-and-hours legislation?

Mr. BOILEAU. I am afraid I progressed further into that discussion than I intended to.

I submit that even if we pass this resolution there is no assurance that the legislation will be brought up. The distinguished Speaker of this House, the distinguished minority leader, the distinguished chairman of the Committee on Rules have all been saying that we were going to have wage and hour legislation, but they have not been able to handle this powerful Rules Committee.

They have not been able to influence the Rules Committee to give the membership of the House of Representatives a chance to express their will. So we have no assurance it is going to have a hearing next year.

Mr. BARRY. Will the gentleman yield?

Mr. BOILEAU. Is the gentleman a member of the Rules Committee?

Mr. BARRY. No.

Mr. SABATH. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Illinois.

Mr. SABATH. If it is in order, I shall offer an amendment to this resolution.

Mr. BOILEAU. Of course, that will not be in order. Nothing is in order because this resolution is being considered under a suspension of the rules. I thought the gentleman was going to tell us whether or not the Rules Committee would give us a rule next year on this legislation. Of course, I know the gentleman himself would.

Mr. SABATH. I cannot get the votes.

Mr. BOILEAU. I know the gentleman himself would.

Mr. BARRY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. BARRY. Is it not the members of the Rules Committee from agricultural districts who are blocking the wage and hour bill?

Mr. BOILEAU. I can assure the gentleman it is not a member of the Rules Committee from my State. They do not allow Progressives on the Rules Committee, or you would have more votes to carry out some of this liberal legislation. I suggested at the beginning of the session you ought to have

more liberals on your committees. I suggested to the gentleman from New York [Mr. O'CONNOR] the other day that it would be a good idea to put a few Progressives on the Rules Committee, even for just the remainder of the session. We could not do much harm.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. At one time we had one of the greatest Progressives this country ever produced on the Rules Committee. I refer to Mr. John Nelson, of Wisconsin, whom the gentleman well knows.

Mr. BOILEAU. Yes; but he was a member of the Republican Party. We poor Progressives at the present time have no representation. We do not have representation on some of the important committees.

Mr. O'CONNOR of New York. The gentleman to whom I referred was one of your predecessors and a leader.

Mr. BOILEAU. He served with distinction for many years. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SACKS].

Mr. SACKS. Mr. Speaker, I do not have a farm in my district. The second paragraph of this resolution reads in part as follows: "Whereas the whole Nation suffers as agriculture is depressed." I want to say that all these resolutions will not help agriculture unless you help the men and women who try to earn enough to buy the products of farms in the big industrial cities. At the same time that you bring in a resolution covering agriculture you ought to bring in a resolution covering wages and hours. [Applause.]

Mr. Speaker, I am satisfied to take the word of the great leader of the Democratic administration in the House of Representatives. The gentleman from Texas [Mr. RAYBURN] has stated that, if the Rules Committee will not bring out a rule for the hour and wage bill, he will for the first time head a petition to discharge the Rules Committee. [Applause.] I am going to vote for this resolution because the word given by the gentleman who is leading us in the House today is satisfactory to me and even more so than any insignificant resolution we could pass.

Mr. BARRY. Will the gentleman yield?

Mr. SACKS. I yield to the gentleman from New York.

Mr. BARRY. How many Members from agricultural districts attended the caucus last night?

Mr. SACKS. Very few. May I say that I hope that the Members representing the big cities will vote for this resolution because agriculture is a problem for every section of the country, as well as wages and hours.

I wish to state that although this resolution may state that the first order of business shall be the farm bill, I will vote, and I am sure my colleagues from the cities will vote, to defeat any farm bill unless the wage-and-hour bill is passed. The President wants both bills, the country needs both. The farmer and laborer must be lifted from their low ebb regardless of the obstructionist methods of those in the House who represent the Economic Royalists and the special-privileged class. To me, America can only be saved by the aid to labor and farmer alike. Rules Committee or no Rules Committee, American justice for farm and labor will prevail.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Speaker, I trust that those Members who represent industrial centers will vote for this resolution. In so doing we will be following our usual custom. During the three terms I have been here, I have always observed that the Democratic Members from the industrial districts have invariably voted in favor of farm legislation. We have gone along on the broad, nationalistic theory, that agriculture had to be assisted, that the farmers of our country who till the soil must be prosperous in order that they may have sufficient purchasing power to consume the products that are produced in our large industrial centers.

I trust the chairman of this great committee, the distinguished and able gentleman who has given so much of his time and energy to the perplexing problems affecting agriculture, will go along next year with the general program recommended by the President of the United States and attempt to persuade his colleagues on his committee to join him in order that our program may not alone give succor to the agriculturists but that it will also aid the wage earners in our cities and industrial centers. I sincerely hope that program will also include a pledge for the early passage of a decent and fair wage and hour bill.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, I have introduced House Resolution No. 327 which would authorize the Speaker to appoint a special committee to investigate the alleged activities of the Government departments in behalf of those who were resorting to violence to prevent men from working in order to support themselves and their families.

During the labor difficulties in the early summer, representatives of the Committee on Industrial Organization, which is known and abbreviated as the C. I. O., the press reported that the organizers of the C. I. O. at the plant of the Republic Steel Corporation in an appeal to their followers who were in possession of the plant of that company said, "Four departments of the Government are fighting on our side." The Government has spent billions with the alleged purpose of putting men back on the pay roll and to keep them at work; and when industrial and agricultural conditions hold promise of better days, it is alleged that the Government of the United States is backing those who would prevent men from working to keep their families from want and off the relief rolls, and it is boasted that the Government is putting its strong hand into the scales to keep men from working and from earning an honest livelihood.

If this is true it should be known to every citizen of the country. If this Government, after squandering billions of money in a futile attempt to put men back to work, lends its strong arm in backing armed mobs who assault workmen who attend to their own business and who want only to be left alone in earning a living, it is high time that the people of the country who furnish the money to create jobs should know if the Government is fighting on the side of those who would stifle the arteries of commerce and paralyze the heart of trade. We will have no lasting prosperity until men get back on the pay rolls of industry.

In these strikes and labor disputes there was no dispute about wages, hours, or conditions of labor, merely a matter of who was to be recognized as the bargaining agency. If the Government is to take any part in such a dispute it should be as a disinterested arbitrator to determine in an impartial manner who should constitute the bargaining agency; and that once determined, the Government should keep its hands off and permit those who want to work to resume their occupation, so that the mills can be opened and the factories set to work in order to stimulate trade and industry. It is alleged that instead of doing this, the Government, through its agencies, is putting men on the relief rolls who are preventing others from working as well as refusing to work themselves. If such a destructive condition exists and the administration is aiding and abetting such sinister enterprise it is high time that the people know it and that it be exposed.

On the other hand, if it is not true, it is a base slander of the administration and the public should know that too. Something is radically wrong when nature at last seems to

be cooperating to bring about great harvests with good prices for the farmer and stock raiser and industry is willing to supply the goods and merchandise which depleted stores now demand, a sinister, arrogant, and destructive organization of radical communistic labor agitators, led by a master agitator who is growing powerful with the money secured from his deluded followers, claim that four departments of our Government are fighting on their side. We are inquiring if this is true, and, if true, why it is true. Is the Government slamming shut the door of opportunity to work in the face of hungry men who want to work? We are asking if this is true. It is charged that these mobs that surround industries and intimidate those who want to work are being supported on the relief rolls. We are asking if this is true. The country is asking if this is true. If the Government is supporting in idleness the men who by their threats of bloodshed dictate to a weak and palsied administration a cowardly course which is certain to involve us in riot and revolution, it is time the people know about it. If the Government is permitting these lawless groups to defy the courts and the local authorities in their efforts to preserve the peace of their communities and stands irresolute and helpless before anarchy, it is time the people learn about it. Is the Government going to permit by its weakness or connivance the overthrow of law and order? If it is, it is high time that the people be made aware of it.

If this is to be another Buchanan administration which by its lack of energy and patriotism, its supine and criminal carelessness allowed the arms and munitions of war to be turned over to those who plotted the overthrow of our Government, it is time the people knew about it. By wanton duplicity or inexcusable weakness the Buchanan administration permitted us to be dragged into a war that by firmness and the ordinary means of public defense could have prevented a great civil war and the death of nearly a million of the best men on earth, a war that we know now might have been avoided by firmness and diplomacy. Instead, misguided and impatient men in a time of bitter controversy and sectional hatred, were encouraged by the very Government that was to be destroyed. President Buchanan allowed his Cabinet members to transfer to southern territory the arms and munitions of war, and so encouraged those honest but misguided fellow countrymen to engage in a civil war that to this generation can only seem a colossal mistake at incalculable cost to all of us.

At this moment the administration is pursuing a course that may reasonably bring on violence and widespread rioting and disaster. Is it not time that the people know why the Government is pursuing this destructive course? Can it be that the half million dollars contributed to the Democratic campaign fund by the John L. Lewis machine has anything to do with it? If not, then the people have a right to know what else may be the sinister influence which leads to this dire end. Does the administration want to prolong the depression in order to spend more billions on relief for political purposes? If not, why does not the administration aid in putting men back on the pay rolls instead of, as alleged, putting idle strikers whose only business is to intimidate the men who want to get back to work, on relief rolls?

Why is it that this administration is aiding and abetting John L. Lewis and his red cohorts instead of backing a great constructive statesmanlike leader like William Green, the worthy successor of Samuel Gompers who did so much to help labor and that without alining himself with the radical importations of Europe. Mr. Green has made a gallant and wise fight against the communistic element of labor which threatens to discredit the whole labor movement. Against this radical element Green has with unselfish and wise leadership held the American Federation of Labor true to American ideas and ideals in spite of all the efforts radical and communistic influences to introduce into America the violence and radicalism of the Old World led by conscienceless demagogues who bleed their victims white for their own profit and aggrandizement. In such a contest every decent element should uphold the hands and efforts of William Green. Is this administration supporting this wise and patriotic pilot who has only the good of labor at heart, or is it sustaining the radical element led by Lewis who contributed nearly a half million to the President's campaign fund? Are the people not entitled to know the answer to this question?

Mr. HOPE. Mr. Speaker, I yield the gentleman from Wisconsin [Mr. SAUTHOFF] 3 minutes.

Mr. SAUTHOFF. Mr. Speaker, as far as the farmer is concerned, this resolution is as impotent as that other legislative eunuch, the so-called Neutrality Act, and will do just as much good. [Applause.]

We are today passing a deficiency bill that gives $55,000,000 to sugar and $60,000,000 to cotton, but not one dime for the dairying interests. The dairying interests have been traded off year in and year out in every single reciprocal-trade agreement that has been made by this country. [Applause.]

Mr. Speaker, you cannot lull the dairy people to sleep and sing them a lullaby with this kind of a declaration that is simply intended to fool the farmer. It does not do anything for the farmer, and if passed, will not benefit him in the slightest degree. Under the rules we cannot amend this resolution, but you Democrats who have absolute control of both Houses of Congress could do something really worth while for our farmers if you would place an embargo on all imports of farm products, especially dairy products, unless such products meet the same sanitary and hygienic standards as our own farmers must meet under both Federal and State laws This would give our farmers an even break.

Not one single, solitary thing has been done for the dairy farmer, and we who represent the dairy interests know it. The farmer also knows it, because he is beginning to cry out against the high prices he is now being compelled to pay for every farm implement he buys, while his own products within the last 60 days have declined in price. There is no benefit to which I can point that has been given the dairy interests in the last 8 years by any declaration or act of Congress. On the contrary, we have been sacrificed again and again for legislation which has given payments to the manufacturing districts but has sacrificed us in the trade that brought about such payments.

Mr. Speaker, to the phrase in this resolution which recites that farmers are entitled to their fair share in the national income, I would add that the farmer should be protected from the unfair practices of the processor and the gambler in farm products, who is getting the benefit of the increase in prices which ought to go to the farmer, but which he is not receiving.

Over a month ago I introduced a bill which would require that all dairy products imported from abroad must meet the same sanitary standards as are now required from our own dairy farmers. Surely, such a bill is eminently fair. You ask our farmer to have herds that are free from tuberculosis, but you permit foreigners to sell their milk, butter, and cheese in this country without demanding that such products be produced by herds likewise free from tuberculosis. So we find our farmers in the dairy business discriminated against in two respects: i. e., undersold by cheaply produced cream, cheese, and butter; and also undermined by dairy products that meet no standards that the cows shall be free from disease. No one can claim that this kind of treatment is a square deal for our dairy farmers. And now he is to be pacified and reconciled to this kind of treatment with the salve contained in this resolution. I want to assure the Members that our dairy farmers are much too intelligent to be duped by any such tactics.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS. Mr. Speaker, may I ask the chairman of the committee if I am correct in understanding that in voting for this resolution a Member of the House does not bind himself to any particular kind of agricultural legislation?

Mr. JONES. That is my understanding. I do not think any individual Member binds himself to any specific legislation. The Congress declares its purpose to consider legislation based on certain principles, and then declares that it is the sense of Congress that a general farm program along the lines of these principles and based on them will be worked out. Of course, the full details will have to be worked out later. It will all depend on whether we are able to work out a satisfactory bill.

Mr. VOORHIS. I thank the gentleman.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS. I cannot yield, I have only 1 minute left.

Mr. BOILEAU. Read the bill.

Mr. JONES. It is not confined to the principles laid down here.

Mr. VOORHIS. Mr. Speaker, I shall vote for this resolution. I believe every progressive Member of the House will vote for it. I believe most of those Members who are particularly interested in the welfare of wage earners will vote for it.

May I point out that the farmers of this country are fairly well organized. There are several million people in the ranks of labor who are well organized. Business interests, industrialists, and many other groups of our citizens are organized. However, there is one group of people who are not organized, and they are the very people who will be helped by a wage and hour bill. One of our great responsibilities is not only to see to it that we do justice by the farmers of this Nation, which I am as earnestly eager to do as anyone else, but to see to it that we do justice to those people who cannot speak out on their own behalf, who send no one here to speak for them but who need and deserve the help of their representatives in Congress more than any other group of citizens. It is my earnest hope that we will not only pass this farm resolution but that if we do not pass a wage and hour bill at this session we will get a much better, more clear cut, and stronger bill at the next session. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, 1 minute is not much time, but it gives me time to say that this resolution is a proper and fitting end to this session of Congress. It should be easy to vote for this resolution, just as easy as it would be to vote for a resolution stating that the Congress of the United States deplores sin and praises virtue. It means nothing and will accomplish nothing except perhaps fool the farmers for a few more months.

For 5 years as a Member of Congress from an industrial city I have given my vote in behalf of nearly all agricultural propositions that have come before the House. The rural bloc in this House have had my vote first. Last night we saw the fallacy of giving our vote first, because we could not even get a caucus convened to say something in praise of the wage and hour bill, which is dead in the Committee on Rules because of the refusal of some Members from agricultural sections to even answer to their names on a quorum call. Perhaps today I may be again persuaded to give my vote first to an agricultural measure after being here 5 years, but if I do, I may say as one Representative from an industrial area that unless we get a wage and hour bill it is time for me to take care of my people to the exclusion of all other interests and cast my vote against all agricultural legislation until the members from rural districts agree to help the workers of my industrial district to fair wages and hours and decent living conditions.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, it is my understanding that there is existing authority to make loans on agricultural products such as cotton, tobacco, corn, and wheat, which all enter into international trade or are governed by a world price. However, that loan provision is a stop-gap. It is also my understanding that by voting for this resolution no one is binding himself to anything specific, except that he will vote for a general farm program which will be worked out by the committee.

It is my judgment that agriculture is one of the most important factors in our economic system. I believe we ought to seek to help the men who work in industry, the men who are organized, and the men who are not organized. I believe that agriculture should be prosperous in order that the agriculturist be enabled to purchase the products of industry. If labor and agriculture are both prosperous everybody will be prosperous. For that reason I support this resolution.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I am in hearty accord with enacting a further helpful program for agriculture in the next session of the Seventy-fifth Congress. However, I would offer an amendment to the pending resolution if it would be in order under the rules to the effect that we shall dispose of the wage and hour legislation in the next session prior to the consideration of the subject of this resolution by the Congress of the United States.

It seems to me that one of the soundest ways in which we can aid agriculture would be to increase the purchasing power of the low-income wage earners of this country. They could then buy the farm products.

Such legislation does not attempt to raise wages already adequate, but it does aim to provide help for that great group of underpaid workers who can only buy when they have money with which to do so. [Applause.]

Mr. JONES. Mr. Speaker, I yield one-half minute to the gentleman from Connecticut [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Speaker, this resolution states that in the next session we shall first consider agricultural legislation. I am in favor of such legislation, but I should like to see the word "first" stricken out. We must also consider wage and hour legislation. Therefore, I ask the chairman to take out the word "first" to make it easier for those of us who favor wage and hour legislation to vote for this resolution.

Mr. JONES. I may say to the gentleman that this resolution has been brought up under a motion to suspend the rules.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry. I should like to ask about an amendment to the resolution.

Mr. JONES. Mr. Speaker, I decline to yield for a parliamentary inquiry. The same question has been asked a half dozen times, and everybody knows what the situation is. I think we have covered the subject pretty well.

Mr. SABATH. I should like to have somebody answer my inquiry. I want to know whether it will be in order to offer the amendment which has been suggested by the gentleman from West Virginia?

Mr. JONES. The gentleman knows that under a motion to suspend the rules no amendment is in order. This is farm legislation we are considering today. The gentleman can offer any resolution he wants to offer.

Mr. HOPE. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Speaker, what benefit does the dairyman get? This resolution, no. 207, is just a subterfuge to make some of our farmers believe they are to have some great things done for their benefit in the near future, and, on the other hand, find Members voting for it to the ever-normal granary and price fixing along N. R. A. lines.

The cotton farmers have been guaranteed a loan and the beet- and cane-sugar farmers are being paid some $50,000,000 to subsidize them, and this is paid by the consumers in a tax of one-half cent per pound on all of the sugar they use, but what about the dairy farmer?

The tariff on our dairy products, such as cream and cheese, from Canada has been cut in half by reciprocal-trade agreements. Also butter and cheese are let in from other countries at a low rate in competition with our own farmers. Eggs in millions of dozens come in from the Far

East with a very light tariff. To sum up, the cotton and sugar farmers have been taken care of in a strong financial way by the Government, while the dairy farmer has been taken care of with a fine resolution promising him perhaps an ever-normal granary that will be of no use only to increase taxes. For example, every year since 1866, a period of some 70 years, there has been only 1 year that we have not carried over a surplus of wheat; therefore only once in that time would it have been of use. The expense in taxes would have been many times the benefit. All the dairymen have got is increased costs of feed and a lower price for milk.

Mr. HOPE. Mr. Speaker, I yield 4½ minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN of Minnesota. Mr. Speaker, I am taking this time to keep the record straight. Either this resolution means something or it means nothing. The understanding we had in our Committee on Agriculture was to the effect that it did not mean anything, and that the adoption of the resolution would not in any way interfere with the committee's deliberation in the consideration of any type of farm legislation proposed either by the members of the committee, by farm organizations, or by other individuals. So when the resolution was reported from the committee it was reported with this understanding, and this is the understanding that the Members of the House should have about it if they vote for the resolution here today.

If you have the understanding that this resolution binds the Congress, you should know what you are binding, because you are agreeing here to enact legislation that contains the ever-normal granary plan proposed by Secretary Wallace. No one outside of Mr. Wallace knows anything about that plan. The Members of Congress, including the members of the Committee on Agriculture, have no knowledge of the workings of such a plan. It is proposed by the Secretary that this plan becomes operative for cotton, wheat, tobacco, rice, and corn. For the last 65 years we have had surpluses in these commodities with the exception of 1 year, and we have found that even back in 1932, although the resolution deplores the low-price level between 1929 and 1932, we did have large surpluses in this country and we found the larger the surpluses were or the larger the amount of the visible supply on hand, the lower the prices would be in the domestic and in the world markets. The Secretary proposes, in his ever-normal granary scheme to pile up more surpluses, and unless we have a definite price-fixing plan to maintain the price, we will find the price will go lower than it was in 1932.

I also call your attention to one of the whereases in this resolution:

> Whereas the first of these misfortunes was the ruinous decline in farm prices from 1929 to 1932.

You cotton fellows will recall that in 1931, when cotton was selling at 18 cents a pound, the administration in power at that time, under the Farm Board, loaned you 16 cents a pound on cotton, and still you call attention to the ruinous prices between 1928 and 1932. You have not had 18-cent cotton since the present administration came into power, and I doubt very much if you will ever again see 18-cent cotton unless you do something to restore the world market for the cotton produced throughout the South.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I cannot yield.

This year we are threatened with a large cotton crop of 15,500,000 bales, despite the fact that nearly 20,000,000 acres of cotton and tobacco lands were taken out of cultivation under the soil-conservation program. You are having a carry-over of nearly 6,000,000 bales from last year's crop, which will give you a total of around 22,000,000 bales going into this new crop year. You do not need to raise one single bale of cotton in 1938, and still you would have enough left over, nearly 12,000,000 bales, to last another year.

This resolution does not mean anything, and you will have to leave it to your own judgment whether or not you want to vote for it.

Instead of passing a resolution that means nothing, we should have considered and passed permanent and sound farm legislation beneficial to agriculture. For the last 18 months I have tried repeatedly in our committee to have considered farm legislation, but for some unknown reason the administration leaders have refused to permit its consideration.

I realize that it is no easy job to draft a farm bill; I am sure, however, that the Committee on Agriculture can do it with the aid of the farmers and others who are interested in the future welfare of this country.

I lament the fact that farm legislation has not been enacted during this session, but the responsibility for the failure to do so does not lie with the Committee on Agriculture. The members of the committee on both sides have been willing, but powerful administration forces have stopped us from functioning. I hope that the committee, under the able leadership of Chairman JONES, will draft a constructive and sound farm bill during the recess and have it ready for action when Congress convenes in January. I am willing to do my part as a Representative from Minnesota and as a member of the Committee on Agriculture.

Mr. JONES. Mr. Speaker, I yield 1 minute to the gentlemen from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Speaker, I desire to ask the chairman a question. Having heard this resolution discussed, I regard it as somewhat of a facilitating sort of resolution, and I want to ask the chairman if it is not possible and probable that any kind of farm legislation, even including the cost of production or the issuance of debentures to take care of surplus farm products might be given consideration by the committee?

Mr. JONES. I think that is correct. I do not believe the resolution excludes anything.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this resolution ought to be adopted by a unanimous vote of this House. Contrary to some of the views which have been expressed this resolution does not commit the House to any particular form of legislation.

We all know there are certain general principles which will have to be followed in enacting any general farm legislation, but there are different ways of putting those principles into effect. All this resolution does is to state that it is the sense of Congress that we should take this matter up early in the next session. We ought to do that. I see no reason why we should not go on record at this time as saying that is what we intend to do. That when we come back here in January or earlier we intend to make farm legislation the first order of business. I am sure that the Committee on Agriculture will give full consideration to the entire question and to all plans which may be proposed.

I hope the resolution passes.

The SPEAKER. The time of the gentleman from Kansas has expired. The question is on the motion to suspend the rules and pass the resolution.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 193, noes 36.

So two-thirds having voted in favor thereof the rules were suspended, and the resolution was passed.

A motion to reconsider the vote by which the resolution was passed was laid on the table.

FARM LEGISLATION

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 324, which I send to the desk and ask to have read.

The Clerk read as follows:

> *Resolved*, That the Committee on Agriculture, as a whole or by subcommittee, is authorized to sit and act during recesses of the Seventy-fifth Congress, in the District of Columbia or elsewhere, and to hold such hearings as the committee may determine, in connection with the consideration and preparation of a

bill or bills providing for a permanent agricultural conservation and adjustment program. For the purposes of this resolution the committee is authorized to employ such stenographic services, to have such printing and binding done, and to incur such other expenses, as the committee may deem necessary.

The SPEAKER. Is there objection?

Mr. SAUTHOFF. Mr. Speaker, I reserve the right to object to ask the chairman if it is within the province of this committee to also take up the question of the effect of agricultural imports?

Mr. JONES. Mr. Speaker, the question of import duties comes primarily from the Committee on Ways and Means.

Mr. SAUTHOFF. I understand that, but I remind the chairman of the committee that we have this situation——

Mr. JONES. The gentleman understands that when a measure is presented, the major part of it governs the committee to which it is referred, and sometimes on the incidental part of a measure we are permitted to have certain other matters of jurisdiction, but as to the question of imports, of course we cannot consider that.

Mr. SAUTHOFF. I am not so much concerned about the import duties as I am about permitting imports of agricultural products not produced under the same sanitary and hygienic conditions as are required of our own farmers, and I am unalterably opposed to letting in foreign imports that do not meet the tubercular test.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to; and a motion to reconsider laid on the table.

EXPENSES OF FARM-PROGRAM INVESTIGATION

Mr. WARREN. Mr. Speaker, at this late hour it is impossible to secure a meeting of the Committee on Accounts. I therefore ask unanimous consent for the present consideration of House Resolution 330, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 330

Resolved, That the expenses of conducting the investigation authorized by H. Res. 324, incurred by the Committee on Agriculture acting as a whole or by subcommittee, not to exceed $5,000, including the expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof, conducting such investigation or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. Provided, That the committee shall, during hearings in the District of Columbia, use the committee stenographers of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to and a motion to reconsider laid on the table.

EXPENSES OF WORLD WAR VETERANS' INVESTIGATION

Mr. WARREN. Mr. Speaker, I ask unanimous consent for the present consideration of H. Res. 331, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 331

Resolved, That the expenses of conducting the investigation authorized by House Resolution 325, incurred by the Committee on World War Veterans' Legislation, acting as a whole or by subcommittee, not to exceed $5,000, including the expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, or by any subcommittee thereof, conducting such investigation or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. *Provided*, That the Committee shall, during hearings in the District of Columbia, use the committee stenographers of the House.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. I rise for the purpose of stating that if I had known that the resolution which the gentleman from Mississippi [Mr. RANKIN] offered was to be considered by unanimous consent, although it is water now over the dam, I would have objected to its consideration. It happened I was called out of the Chamber at the time. I think the Members of this House who have veterans' facilities in their cities or in their vicinity are well able to come here and present their cause to Congress when, after a thorough investigation, they feel that something additional is needed. I do not think it requires a committee of this House to go to the four corners of the country and make investigations for that purpose.

My record in assisting veterans speaks for itself. I think I have the confidence of the veterans' organization in my city. Whenever they find that veterans are not properly cared for I am sure they will advise me and, as I have in the past, I will respond without delay.

Other Members, where veterans' facilities are located, likewise respond when called upon, so why is it necessary for a legislative committee to make such investigations? It is my view that it would be better for all concerned if the resolution had not passed.

Mr. Speaker, I am not going to object to the consideration of this resolution, because the House has already passed the resolution authorizing this committee to make the investigation, but, I repeat, had I known that the resolution was to be called up by unanimous consent, for the reason I have stated, I would have objected.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to say in connection with what the gentleman from Missouri [Mr. COCHRAN] has stated, that this committee in its investigation ought to take into consideration the facilities they now have in public hospitals in the various communities, so that they do not come back here and recommend that the Government build additional hospitals, when the various municipalities have now already private hospitals adequate for veterans as well as citizens of this country, and the committee can make it a matter of economy in their investigation by giving consideration to this fact, both from the standpoint of the ex-service men as well as the public and adequate hospital facilities, I believe, will be found now to exist in many, many localities.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONTESTED ELECTION CASE, ROY *v.* JENKS

Mr. CRAVENS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 329.

The Clerk read as follows:

House Resolution 329

Resolved, That the expenses of conducting the investigation authorized by the House in the contested-election case of Roy versus Jenks, incurred by the Committee on Election No. 3, acting as a whole or by subcommittee, not to exceed $5,000, including the expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof, conducting such investigation or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. *Provided*, That the committee shall during hearings in the District of Columbia use the committee stenographers of the House.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. CRAVENS]?

Mr. WARREN. Mr. Speaker, reserving the right to object, this resolution should properly come from the Committee on Accounts. However, it is carrying out the mandate of the House as expressed yesterday, and I think the amount is entirely reasonable.

The SPEAKER. Is there objection?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SALARIES OF DEPUTY UNITED STATES MARSHALS—VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 365)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith, without my approval, H. R. 6453, Seventy-fifth Congress, entitled "An act to increase the minimum salaries of deputy United States marshals to $2,000 per annum."

This bill proposes to fix the compensation of deputy United States marshals who are paid on a salary basis, other than those whose principal duties are of a clerical nature, at a rate of not less than $2,000 per annum, effective beginning July 1, 1937. It entails an estimated annual expense of $195,000.

There are now 964 deputy marshals on a salary basis, including 18 who are paid from the appropriations for the District of Columbia. Their salaries range from $360 to $3,700 per annum. The duties of 568 are of such a nature as to bring them within the beneficial provisions of the bill. The annual salaries of 10 of those thus benefited range from $360 to $1,200, while the compensation of the others in this group ranges from $1,260 to $1,980 per annum, the average annual salary being $1,647.50.

Under existing law the Attorney General fixes the compensation of deputy United States marshals (28 U. S. C. 582). While he is limited in this authority by the amount of funds appropriated by the Congress, the deputy marshals are in no different situation in this respect than the personnel of many other services.

Salaries of deputy marshals were revised by the Field Classification Act of December 6, 1924, and later by the act of May 28, 1928, which authorized the heads of the several executive departments and independent establishments to adjust the compensation of certain civilian positions in the field service to correspond, as far as practicable, to the rates established by the Classification Act for positions in the District of Columbia.

The appropriation for salaries, fees, and expenses of marshals, United States courts, contained in the annual appropriation act for the Department of Justice, fiscal year 1938, is $3,560,000, an increase of $65,000 over my Budget recommendation for this item. However, this increase will permit the Attorney General to effect a number of salary adjustments in the lower pay brackets. I might add, in this connection, that there are many other services of the Government just as deserving of promotions as the deputy marshals. No provision has been made for these cases because of the condition of the Budget. I am not in favor of giving preferential treatment to any single group of employees.

The question of the pay of deputy United States marshals may be annually submitted for consideration in the Budget estimates, and salary adjustments in individual cases may be made administratively from time to time by the Attorney General. To fix the minimum pay of all deputy United States marshals, whose duties are not of a clerical nature, at $2,000 would provide in some instances a compensation entirely out of proportion to the duties performed and would discriminate against other personnel in the Federal service.

For the foregoing reasons, I am constrained to withhold my approval of this measure.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 20, 1937.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the message and the bill be referred to the Committee on the Judiciary and ordered printed.

The motion was agreed to.

CONSERVATION, PRODUCTION, EXPLOITATION, AND SALE OF HELIUM GAS

Mr. HARLAN. Mr. Speaker, I call up House Resolution 323. The Clerk read as follows:

House Resolution 323

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1567, an act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. FADDIS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. FADDIS. I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. FADDIS. Mr. Speaker, I withdraw the point of order.

The SPEAKER. The gentleman from Ohio is recognized for 1 hour.

Mr. HARLAN. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is a bill that changes our present law with reference to the control of helium. The purpose of the bill primarily is to make helium cheaper, for two purposes: One, for medical use, and the other for commercial aviation.

The present law provides that the Government may lease helium to private individuals, and that private individuals, when in possession of helium or developing helium, may ship it abroad with licenses. The result of this is that the licenses are so difficult to get and the Government is not in operation of anything, that our production of helium is so uneconomical and so small that the cost of helium is prohibitive for both commercial and medical purposes.

It is practically invaluable in the treatment of respiratory diseases, for reasons that time will not permit discussing.

The gist of this bill is that the Government shall take over what little helium supply there is in private hands. It does not amount to very much. The Government already owns practically all of our available helium supply. The Government is then going to provide this helium under Government operation, and sell it to hospitals and make it available also for commercial aviation purposes. Then what surplus there may be, arising from the operation of these plants, shall be sold to foreign countries, provided it is not in sufficient quantities to be used for military purposes and provided the supply is checked so that it cannot be available for military purposes.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. DICKSTEIN. Is it not a fact that the only country that is going to buy helium is Germany, that no other country in the world can use helium or has requested it except Germany?

Mr. HARLAN. I understand the gentleman's question. It is, so far as immediate requests are concerned. I understand there have been but two countries interested in this; one is Germany and the other is Italy, because they are the only countries that are now developing lighter-than-air craft. But, Mr. Speaker, if the United States Government wants to develop its own lighter-than-air traffic, and there is every reason why we should for commercial purposes, we must make this gas available to foreign countries, not only to Germany but to England, when the time comes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MARTIN of Massachusetts. The gentleman said that the purpose of the legislation is to make helium available for commercial purposes to foreign nations.

Mr. HARLAN. The surplus; yes.

Mr. MARTIN of Massachusetts. He contends that it is not available at the present time?

Mr. HARLAN. There are two things that keep it from being available: First, our method of production is so uneconomical that it makes the helium too expensive for that use; second, there is practically none available anyway. If we want helium we have to operate the plant at very large capacity, and it has to be in continuous operation, because it is a compression and refrigeration process. For instance, if we produce but 5,000,000 cubic feet a year it will cost us $20 per 1,000 cubic feet, but if we produce 24,000,000 cubic feet a year it will cost us approximately one-third of that amount, or $7 per 1,000 cubic feet. So if this commodity is to be available to us for our own aviation, if it is to be available to our hospitals where it is needed very badly, it has got to be produced in quantities that make it economically feasible, and this bill does that very thing.

We are asked: "Why not use it in our aviation; let the others go, and store it?" Just picture to yourselves the situation a foreign country would be in if we went in there with lighter-than-air ships filled with helium and asked to land on their territory, and if they were operating ships to this country filled with hydrogen. The American ships, of course, would take all the trade; nobody would get on an airship filled with hydrogen if they could get on one filled with helium. The result would be that no matter whether we went to England or any other place, if they were interested in lighter-than-air craft they would not let us have landing facilities. They are just ordinary human beings self-centered, such as we are. If we want to develop this it has to be a two-way development.

The military feature involved is a lot of hokum anyway. England suffered more from air warfare than any other nation, yet she saw how useless and valueless it was after the war. She has practically stopped developing it. In our own war maneuvers every one of our helium-filled ships have been put out of action theoretically. The lighter-than-air ship under present conditions has very little military value.

If we do not take the step provided in this bill we cannot even develop helium for our own aviation, and to use it as provided in this bill is not going to injure us. This country is full of Hitler haters; I understand that perfectly well. I imagine if we had a popularity contest between dust storms, measles, and Hitler it would be about a tie. But, Mr. Speaker, let us forget Hitler for a moment and permit our minds to return to the Germans we know personally. Let us look across the street back home and see that stable, substantial, honest, generous German citizen.

The things that exist in Germany at the present time are transitory. We had our own Ku Klux Klan a short time ago. These things come and go. However, if we persist in our Hitler hatred, there is no danger of our helium, under the provisions of this bill, being used for war purposes, for it disappears; it cannot be stored for any useful length of time in airships at all. A ship in crossing the ocean will lose 5 percent of its helium on one trip. So it cannot be stored any length of time for military purposes.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I cannot yield at the moment.

Mr. THOMAS of New Jersey. I believe the gentleman made a misstatement.

Mr. HARLAN. What was the misstatement?

Mr. THOMAS of New Jersey. That there is danger from the exportation of helium.

Mr. HARLAN. I shall have to ask the gentleman to bring that out in his own time.

Mr. Speaker, as other members of the committee are very well informed on this, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, for one, I appreciate the value of helium. I am sure all want it available for medicinal and commercial purposes at as low a price as possible. It has been rather difficult, however, to follow the advocates of the bill. When they first made their appearance before the Committee on Rules the necessity emphasized was that helium might be exported as an aid to develop lighter-than-air craft, with the cooperation of a German company.

Later, when it was found not much progress was being made the argument was advanced that under the present law it was easier to export helium than under the proposed law.

Mr. WALTER. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Because of the experiences we have had with our former allies, that were ungrateful, if you please, what assurance have we that they will pay us for the helium gas they take?

Mr. MARTIN of Massachusetts. We have not any assurance at all. We are apparently taking everything on faith. I might say America has an abundance of faith, and as a rule gets roughly treated.

Mr. DONDERO. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. DONDERO. The statement has been made by the gentleman from Ohio that helium for lighter-than-air craft is impracticable, uneconomical, and unsound. Does the gentleman know there has been a resolution introduced in this House within the last 48 hours which provides for the building of three lighter-than-air ships at $1,000,000 apiece?

Mr. MARTIN of Massachusetts. No; I did not know that.

Mr. DONDERO. Does the gentleman agree with that program or should we stop at once the building of lighter-than-air ships, in view of the statement made by the gentleman from Ohio?

Mr. MARTIN of Massachusetts. I do not care to express myself on that phase of the question, because I have not gone into it as thoroughly as I would like in order to make comment.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. DICKSTEIN. Is it not a fact that this Government is going into the helium business just to oblige Germany, Italy, and other countries and we are going to sell them this helium at cost, without any profit to our people?

Mr. MARTIN of Massachusetts. I have no knowledge of that.

Mr. DICKSTEIN. Is not that the provision of the bill?

Mr. MARTIN of Massachusetts. I cannot say as to that. Some one says: "Let us sell this helium to Germany and other countries in order that we may develop the commercial lighter-than-air craft." If nature has given to the United States some product which makes it possible for us to gain commercial supremacy in a particular line, then I say why should we give away that natural resource? Why not build our own ships and have them sail to Europe and to South America and develop our American trade? Why be so considerate of other countries? I question if they would aid us if conditions were reversed.

Mr. HARLAN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Ohio.

Mr. HARLAN. What are we going to do with the ships unless we have some place to land them? No foreign country will let us compete with their aviation if we have helium and they do not have helium.

Mr. MARTIN of Massachusetts. I think that could be arranged.

Mr. HARLAN. They are just as selfish as we are.

Mr. MARTIN of Massachusetts. More so. But every country likes to have a closer communication with other

countries. All seek quick transport of passengers and goods. No country would ban American ships.

Mr. SUTPHIN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New Jersey.

Mr. SUTPHIN. Is it not a fact that the production of helium was started 20 years ago by this Government and that we spent more than $9,000,000 in the production of it? Is it not further the fact that we have a large supply on hand that we were going to export to Europe in 1918 at the expiration of the war?

Mr. MARTIN of Massachusetts. The gentleman makes a valuable contribution.

Mr. Speaker, there is another point I want to bring out. It is stated helium will not be used for war purposes, and I hope it will not be. Unfortunately, we have no guaranty it will not be used for war materials, and why take the chance. Everybody knows there is danger of war, both in Europe and Asia. Scrap iron and numerous war materials are daily leaving the shores of America for foreign countries, and for one purpose alone. The nations are feverishly equipping themselves for the war which threatens.

Helium is a war material, and a valuable war material. I say in the name of common sense, Why should America give that away to some other nation? Why should we in this threatening period be placed in the possible position of not being a real neutral?

Mr. SMITH of Connecticut. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Connecticut.

Mr. SMITH of Connecticut. Is it not true that helium is produced by the Government only, whereas the other war materials are being sold to other nations by private individuals, and not by our own Government?

Mr. MARTIN of Massachusetts. The gentleman is correct, and I may add that would make the responsibility greater for the Nation, because it would involve our Nation more than if the sale were made by a private concern.

Mr. MAY. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Kentucky.

Mr. MAY. Under the present legislation, helium may be exported on license from the Secretary of State. Under the pending bill, the matter is put under the control and supervision of the Munitions Control Board, which consists of the Secretary of State, the Secretary of War, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of the Interior, who are required to supervise the matter. Is the gentleman afraid of the Secretary of War, for instance?

Mr. MARTIN of Massachusetts. I am not afraid of anybody, but I do not believe in delegating this power. In the first place, I do not believe it is good policy to engage in a transaction of this kind. I believe we can well afford to proceed with caution. If there is one thing we should do it is to keep out of being involved.

Mr. WILCOX. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Florida.

Mr. WILCOX. I thoroughly subscribe to what the gentleman has said about the necessity for preserving for the United States the advantages gained by our own helium reserve. Nature has favored us in that regard. I filed a minority report when the original House bill was reported. But I call the gentleman's attention to the fact that since the bill was reported and since the minority report was filed, the Senate bill has been considered by the Committee on Military Affairs. It is proposed that this bill be amended to provide that no helium shall be sold for commercial purposes and for the extension of lighter-than-air craft except for ships operating between the United States and some other country. With proper safeguards covered by an amendment of that sort, I believe we can foster the development of the lighter-than-air craft on the part of American citizens who may operate ships out of America. Unless that amendment is agreed to, I shall be opposed to the bill.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 2 additional minutes.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that since the Kellogg Peace Pact countries do not declare war any more. They just fight. For instance, we know that today a tremendous battle is going on in the Far East and yet nobody says there is a war. Helium could be sent to Japan or to any other country today if it wanted it under this bill. We have not an effective neutrality act. As a matter of fact, it is treated as a scrap of paper anyway, by the Administration.

Mr. MARTIN of Massachusetts. The gentlewoman from Massachusetts is correct. This debate in the last few minutes indicates one thing. Here is a bill of vast importance to the United States. It has been brought on the floor of the House in the final hours of a rather hectic session. We are asked with 1 hour of debate under the rule and 1 hour of general debate to pass legislation of far-reaching effect on the United States. I think this procedure is unfair and unwise. Many matters of importance have been obliged to be put over to the next session of Congress; bills of deep concern, much to our regret. And there is no reason in the world why this controversial subject cannot go over as well. No airships of the character we desire to have brought into existence will be built during the next few months. This legislation can be considered in January just as well as it can be considered now, and at that time we will then have had more experience and our judgment can be better. It is much better to go a little slow and not be obliged to repent at leisure. The forfeiture of a valuable natural resource demands the most thorough consideration.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. DICKSTEIN. I can answer the gentleman's question. There is an alien lobby which has been lobbying around here for this bill. I will give this Congress the names of the lobbyists and where they may be found. The committees have paid no attention to what is going on. They are all asleep.

Mr. MARTIN of Massachusetts. I hope the gentleman will give the House this information.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. Is it not true that when the representative of the German Government, Dr. Eckener, was here lobbying and trying to get helium, the planes of the German Government were at that same time dropping bombs on helpless women and children in Spain? What guaranty have we that if we give helium to Germany or some other nation for commercial purposes such nation will not be bombing somebody else the next day?

[Here the gavel fell.]

Mr. HARLAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it is seldom that I oppose a report of the Committee on Rules, and I would not do so today were it not that I feared I would have no time to oppose passage of the bill.

You have never heard me say anything about Hitler and Hitlerism on the floor of this House or anywhere else. I believe the good German people in a short space of time will take care of that man; that the day must come when they will revolt against one guilty of the atrocities he has practiced; and that conditions in that country will right themselves as they should.

I am interested in our own country. I have here several communications tending to prove beyond any doubt, although I cannot verify the statements, that the only nation desiring that we export helium is Germany. For what? They say they need it for commercial purposes because they are building three lighter-than-air ships for the Brazilian trade. Well, I am not too anxious to help Germany or any other nation to develop its foreign trade. I think we might give some thought to getting that trade ourselves.

But there is even more to this proposition. An American company has started to build airships in this country that will use helium. This company advises me, in a communication I have from its representatives, that if this bill passes they will be halted in their construction of airships, and the advantage thus given to a foreign nation and to foreign interests will wipe their company out. That is something to think about.

I most certainly believe that helium should be produced for commercial and scientific purposes. We have that right now. Under the act of 1927 we are producing it. Plants are in operation, and we have from 92 to 93 percent production. I do not object to the purchase from the Louisville Gas Co. of the small interest it has in the Texas and other fields, because I do not believe this interest amounts to a great deal. It will cost us a little money, but if it serves the American people and their interests I am for it. However, I am emphatically opposed to spending $600,000 or $800,000 to help Germany, Italy, Japan, or any other war-minded country to obtain such a very important war material as helium.

They tell us it is to be used for commercial purposes only. But what guarantee is their word? Have they ever kept a treaty, a contract, or a pledge? You and I know what worth to attach to their word.

For these reasons I have felt honor bound to make known my position on this subject, so that you may decide whether we should pass this legislation or not. The act of 1927 gives us the right to produce, lease, and sell helium. I know of no reason for this legislation at this time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Speaker, inasmuch as it now appears that the so-called Black-Connery bill will not be considered at this session of the Congress, I desire to take advantage of this opportunity to express my views on this most unusual and revolutionary measure.

I am opposed to this bill for many reasons. Firstly, I think it is unconstitutional, and if enacted into law will ultimately meet the same fate of the ill-starred N. R. A. after which it is fashioned but much more obnoxious. If the N. R. A. is unconstitutional, this measure is doubly so, because it possesses, in aggravated form, all of the vices of the Blue Eagle and none of its virtues, if it had any. And let me remind you, my colleagues, that the Schechter case was thrown out of the window, not by a 5-to-4, but by the unanimous vote of the Court. Secondly, I am against it because it presents, in effect, difficulties and handicaps which will inevitably lead to serious sectional consequences to both labor and industry. Thirdly, I am against it because it sets up another huge bureaucracy with an army of agents, investigators and spies who will plague the industry and labor of this country even as the flies and frogs afflicted Egypt in the days of the pharoahs.

HOW MUCH CAN WE STAND?

Mr. Speaker, I wonder just how much domination and strait jacketing the authors of such legislation as this think industry can stand. We already have the Wagner Act, and recent disclosures of kangaroo court procedure have revealed an oppression of industry by those charged with its administration, which those who voted for it never dreamed could happen. I voted for this measure expecting both labor and capital to receive just and equitable treatment, but the very reverse of the proposition has already occurred, even in the infancy of the administration of the measure. But this is typical and characteristic of bureaucracy. There is no autocrat so arbitrary and unreasonable as a bureaucrat. Senator BORAH was eminently correct a few days ago when he declared on the floor of the Senate that bureaucracy is far worse than dictatorship. We also have a Social Security Act with its retirement pay and unemployment insurance involved in administrative red tape regulations sufficient to tax to the breaking point the patience of old Job himself. I also voted for this bill, but solely on account of its old-age-pension provisions.

THEY KNOW THEIR CONGRESSMEN

These fair-haired "hot dogs" living in the "little red house" in Georgetown are very ingenious fellows, my friends. They know their Congressmen, and they know just how much New Deal pabulum and philosophy they can stand. In other words, they know just how much the "traffic will bear" and they sugar-coat accordingly. In presuming to write bills for us they are always careful to include some provision which they know the average Congressman cannot afford to oppose. It was so with the social-security bill as it was with the various relief measures. And the bill before us today partakes of the same general complexion and characteristics. Knowing the inclination of Congress to aid labor in every reasonable way, they have heroically attempted to make this a labor measure, but a close scrutiny of the provisions of this bill will convince anyone that if it is enacted into law, instead of being beneficial to labor, it will do labor untold and irreparable injury.

MY OWN EXPERIENCE

Mr. Speaker, I was born and reared on a farm and I know, from first-hand experience, something of the problems of the man who toils with his hands. I know what it is to go to work just as soon as it is light enough to see and remain in the field until it is too dark to see, under a southern sizzling summer sun. I know what it is to wrestle with a bull-tongue plow and be kicked in the solar plexus by a recalcitrant double shovel. I have a genuine interest and sympathy for the laboring man, and I do not want to impose legislation upon him which will surely make him a slave, a robot, or a guinea pig.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Illinois.

Mr. KELLER. In what way does the gentleman believe this bill would hurt the man who labors?

Mr. TAYLOR of Tennessee. It would certainly do irreparable injury to the labor of the section of the country from which I come.

Mr. KELLER. Why should it do that?

Mr. TAYLOR of Tennessee. I am for providing minimum wages and maximum hours, but I am opposed to the bureaucracy and the strait-jacketing processes which are set up in this bill.

Mr. KELLER. Why should the gentleman be opposed to the bill? The bill does not set them up.

Mr. LAMBERTSON. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. You are right as an owl.

LIVING WAGE

Mr. TAYLOR of Tennessee. I believe in a living wage. By a living wage I do not mean a wage that will simply enable the worker and his family to live from hand to mouth, eking out a miserable existence. My interpretation of a living wage is a wage that will enable the worker to enjoy not only the necessities, but some of the comforts and luxuries of life—a wage that will allow him, if industrious and frugal, to own his own home, with carpets on the floors and pictures on the walls—a wage that will permit him to own a radio, an automobile, and educate his children.

Mr. Speaker, any business or industry that cannot pay sufficient wages to enable its employees to enjoy such a "living wage" should be promptly liquidated.

OBJECTIVE COMMENDABLE

Mr. Speaker, I am for minimum-wage and maximum-hour legislation, but its enforcement should be lodged with the Department of Justice just as is other Federal statutes. I am unequivocally opposed to child labor, and voted for the pending child-labor amendment to the Constitution. I am unalterably against the so-called "sweatshop", but I contend that these objectives can all be attained without erecting another gigantic bureau to harass and hamstring industry and labor with a miscellaneous aggregation of arbitrary, red-tape rules and regulations.

During the 19 years I have served in this body, I have been a consistent friend of labor. I have never cast one vote detrimental to labor's cause, but on the contrary, I have cast a hundred or more in labor's favor. Mr. Speaker, during my service here I have learned that it is not every measure that is branded and heralded as in the interest of labor that in reality has that objective. O labor, verily, verily, how many crimes have been committed in thy name!

IS THIS A LABOR MEASURE?

What evidence have we that labor is back of this legislation. William Green, president of the American Federation of Labor, has bitterly denounced the Senate bill, and has damned the measure before us with the faintest sort of praise. To use his own language, "The House bill is reasonably acceptable and fairly satisfactory to labor." In other words, it is fairly fair and reasonably reasonable! Is that an endorsement of this measure, Mr. Speaker? That is what I call "faint praise" of the very faintest ray serene. A number of the industrial chiefs composing the executive body of the American Federation of Labor are outspoken in condemnation of this measure, both as to purpose and in principle.

Why should organized labor support this proposition? It sets up a board and vests it with power to invade the province of organized labor—a board authorized and empowered to appropriate, or at least impinge the most effective and most sacred prerogative of organized labor—the right of collective bargaining.

Mr. Speaker, this is a labor measure in name only. It has the voice of Jacob but the hairy hand of Esau. On the surface it is a "whited sepulcher which indeed appears beautiful outward, but is within full of dead men's bones." Verily, so far as organized labor is concerned, it is a deception and a snare.

DISCRIMINATION AGAINST THE SOUTH

Due to climatic, economic, and transportational handicaps and differentials, the passage of this measure will result in irreparable injury to southern labor and southern industry. By its very nature, the tariffs provided will operate to protect those areas of the country which are richest, longest organized industrially, and have the greater advantage in climate, railroad rates, and trained populations of workers. The board set up in this bill is empowered to fix wages and hours in all industries up to a certain level and bar from interstate commerce goods whose production standards do not conform. This board, vested with such extraordinary power, will inevitably be subjected to political pressure and lobbying, which in the past has been the curse of our foreign tariff policy.

It is manifest, my friends, that the authors of this bill, Messrs. Corcoran and Cohen, had this in mind when they drafted the measure. Senator LODGE let the cat out of the bag when he declared on the Senate floor a few days ago that if this measure is enacted there will be no more New England industries moving into the South. If this law will do what its northern proponents expect it to do, due to natural and artificial differentials, it will, in effect, prevent southern labor and industry competing in the national markets. The labor will either become unemployed or will be forced into those local industries, trades, and services which are not under Federal regulations. It is conceded that it costs from 15 to 30 percent more to live in the cities and industrial centers of the North than it does in the South, and yet we in the South live much better. This differential, however, must enter into the cost of production, because it is an economic equation that cannot be disregarded.

Mr. Speaker, I want to remind my southern colleagues that this bill cannot redound to the advantage of labor in our section. If southern industry is not able to meet northern and eastern competition, it will mean the closing down of factories and the increase of unemployment, the loss of taxable property and a general demoralization of industrial conditions in the southland.

UNLAWFUL RESTRICTIONS

This bill erects tariffs and trade barriers among the States in violation of the Constitution. The Constitution specifically forbids the creation of internal tariffs. And now we have a bill proposing that the Federal Government, under the guise of regulating labor conditions, set up regional tariffs which under the Constitution no State may establish for itself. This bill confers power on a board to ban from interstate commerce goods manufactured in their judgment under substandard conditions. While this bill undertakes to set up domestic standard hours and wages, no effort is made to bar goods manufactured by pauper labor abroad, and imported into the United States to be sold in competition with our own commodities. We shed crocodile tears over sweatshops and child labor in this country and overlook the importations of goods produced in foreign lands in sweatshops by child labor and sold here in competition with our own domestic production. With importations of coolie-made goods increasing daily, what will happen to American labor and industry if this bill becomes law is perfectly obvious. Foreign importations should be absolutely barred except on a showing that they were manufactured under conditions equal to our own, or a duty imposed sufficient to protect American industry and labor. One of the paradoxes of this proposal is found in the fact that the sponsor of the Senate bill voted against the N. R. A. on the ground that it was unconstitutional because of its unlawful delegation of power. Well, Mr. Speaker, for delegation of power and usurpation of private rights, this bill makes the N. R. A. pale into utter insignificance.

FRIENDS OF N. R. A. CONDEMN

Mr. Speaker, the advocates of this measure attempt to give it character by saying it is a reincarnation of the N. R. A. Of course, that is no recommendation to me. However, it might be of interest to cite the comments of certain Blue Eagle apostles on this measure. Gen. Hugh Johnson, generalissimo of the N. R. A., in referring to this bill recently said:

> It is no good. The administration knows it is no good. Bill Green knows it is no good, and said so. John Lewis has not committed himself. If proof were needed that Congress should recess or adjourn—
>
> Said the doughty general—
>
> this nightmare ought to provide it.

Donald R. Richberg, former N. R. A. Administrator, recently asserted in a formal statement that the Black-Connery bill—

> Invites a repetition of practically all of the errors of the N. R. A. in the matter of fixing and enforcing reasonable wages and hours, without providing some of the safeguards which were provided for the administration of the N. R. A.

Dr. Charles F. Roos, who was director of research for the N. R. A., declared a few days ago that the Black-Connery bill would "do more to lower the living standards than any panacea yet proposed." In a letter to Senator Hugo L. Black, one of the sponsors of the bill, he said the measure "can easily cause a half million people to lose their jobs within the first year of its operation." In his letter to Senator Black, Dr. Roos further said, "I cannot urge you too strongly that you forsake the bill that bears your name, lest your name go down in history as another Benedict Arnold." "As former director of research for the N. R. A.", said Dr. Roos, "I felt it necessary to write Senator Black

to give him the benefit of the Government's experience in fixing hours and wages under the N. R. A., and the effect that this effort had upon production and employment."

Mr. Speaker, if the authorities I have cited above can find no virtue or merit in this measure, in the name of high heaven, how can anyone expect me or anyone else who is opposed to state socialism to support this legislation?

UN-AMERICAN METHODS OF ENFORCEMENT

The punitive provisions of the original Black-Connery bill are both interesting and amazing because they disclose the spirit which motivated the measure. The President is empowered through the board to punish a refractory employer, that is to say, if he does not obey the board's orders, by fines and imprisonment. The bill provides that each person who is employed at lower wages or longer hours than that decreed by the board shall "constitute a separate offense" punishable by a fine of not less than $500, or imprisonment for 6 months, or both. Therefore, if an employer pays to 100 persons lower wages than the board decrees, or works them over the hours designated, he may be sentenced to pay fines aggregating $50,000, and he may be sent to prison for a total of 50 years, or both. Under the language of this bill a large employer, such as Henry Ford, might be sent to jail for the better part of eternity. This bill also contemplates that members of the board shall be clairvoyants or mind readers. They are to determine whether any employer has "violated or is about to violate" any provision of the proposed law. On this point, I quote from an editorial appearing in the August 13 issue of the Knoxville News-Sentinel, which is apropos, and is as follows:

> Just how, we wonder, does a plain American citizen, by the mere act of being transformed into a bureaucrat attain the omniscience to determine whether anybody is "about to violate" any rule or law?

This is about what you would naturally expect from such crackpot, half-baked legislation.

HALF-BAKED PROPOSAL

Mr. Speaker, this measure has not had sufficient consideration. Think of it, a measure that will affect the welfare of practically every inhabitant of this land rushed through Congress with practically no research and with only scant and perfunctory consideration; a measure that not only affects labor and industry but the producer and consumer of practically every commodity he must buy or sell.

MOTIVE BEHIND IT

Mr. Speaker, there is an unsavory and sinister influence back of this bill. Somebody is trying to "railroad" this legislation for a selfish reason. Somebody is trying to "save his face." Somebody is seeking revenge and reprisal. Somebody is looking for a scapegoat. And I trust no one in this country is so stupid as not to know who that somebody is. In his desperation to "save his face" before Congress adjourns, he is willing to saddle upon the labor and industry of this country another bureaucracy to sap their lifeblood, bring about their enslavement, and utterly end in their unemployment and poverty.

I agree with Mr. Pinchot, that if we are going to pass without practical research and mature consideration such crackpot legislation as this, we might as well shut up shop and turn the Capitol into a national museum.

My friends, as further evidence of the scant and superficial consideration that was given to this far-reaching proposal when the House committee reported this bill, it contained provisions making it unlawful for women and minors to work from 12 o'clock midnight to 6 a. m. So far as I know, every State in the Union defines a "minor" as a person under 21 years of age. Therefore, had this bill passed with these provisions in it, no woman during those hours could work as a telephone operator or in any other capacity, and neither could a person under 21, even if he had a wife and two or three children. The fallacy of any such legislation is perfectly obvious.

The bill as reported to the House had another provision requiring payment of time and one-half to anyone working during the hours above mentioned. I am told that many workers prefer what is known as the third shift. In many industries this last provision would have simply had the effect to discontinue the third shift of operation, which would have thrown thousands of people out of employment. When the fallacy of these provisions was called to the attention of the Labor Committee of the House it reconvened and struck the provisions from the bill. The point I make, Mr. Speaker, is that this action of the Labor Committee shows conclusively that only perfunctory consideration was given to a measure which is intended to reform our entire economic structure.

CONSISTENT FRIEND OF LABOR

Mr. Speaker, I am just as much in favor of reasonable minimum-wage and maximum-hour legislation as any man in Congress, but I am unalterably opposed to the autocratic bureaucracy which this bill undertakes to set up. A minimum-wage and maximum-hour measure can be enacted, vesting its execution in the Department of Justice and the courts, as in other Federal statutes. Such an act would certainly be as constitutional as the bill before us, and both labor and industry would be safeguarded against the insolence and domination characteristic of bureaucracy.

Industry is entitled to a reasonable return on its investment and labor is entitled to a fair and living wage. Every reasonable person recognizes the soundness of this principle; and any legislation we pass ought to contemplate and preserve it. Let us not enact legislation calculated to hamstring industry and at the same time throttle the freedom and aspirations of labor.

Mr. Speaker, let there be peace and good will among the industrial groups and working classes of America. Let them realize that the one is indispensable to the other, and that their well-being depends upon their mutual accord and mutual cooperation. Let the spirit of the Golden Rule pervade and permeate the industrial atmosphere of our country. The persecution of the one by the other can only result in hardship, discord, misery, and calamity for both. [Applause.]

Mr. HARLAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman from Pennsylvania [Mr. FADDIS] 5 minutes.

Mr. FADDIS. Mr. Speaker, I want to present to the Members of the House this afternoon some of the facts surrounding the legislation now under consideration.

This legislation came to the Committee on Military Affairs shortly after the disaster to the *Hindenburg* on our eastern coast.

Mr. HARTER. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. HARTER. Does not the gentleman recall that the committee started hearings long before the loss of the *Hindenburg*, and the records of the committee will show this.

Mr. FADDIS. The gentleman is probably right and I stand corrected, but the burden of the testimony before the Committee on Military Affairs was to the effect that the desire to liberalize the sale of helium was in order that the Germans might secure the helium to develop lighter-than-air craft. There was no testimony before the Committee on Military Affairs that any American interest at the present time is prepared to go into the market and develop lighter-than-air craft. The entire burden of the testimony was to the effect that they desired the Germans to secure this helium in order that the Germans might go ahead and develop lighter-than-air craft and, in this way, American interests would be able to secure the trade secrets from the Germans. These are the facts, and they can be verified from the testimony before the committee.

I am not especially opposed to this piece of legislation because I do not believe that lighter-than-air craft has any great value as a matter of national defense to this Nation, but I am opposed to the legislation in its present form, because in its present form it is a subsidy to foreign interests and some special interests in the United States. I wish you would take the bill and turn to page 6 and notice the committee amendment there. In that committee amendment

the cost of producing this helium and the cost upon which the sale of it will be based, includes 3½-percent interest charge on capital expended from now on. It gives no consideration whatever to the capital that has been expended in the past in prospecting for or developing or experimenting with processes to produce this helium. It provides for only an interest charge of 3½ percent on the investment yet to come, which is a smaller interest rate than the rate provided under the Home Owners' Loan plan and a less rate of interest than the veterans had to pay when they borrowed on their adjusted-service certificates.

I wish to state to the Members of the House that when the bill is being read under the 5-minute rule I intend to propose an amendment providing that the interest shall be calculated on the entire investment connected with the production of this helium and that the rate of interest shall be 5 percent. I see no reason why Germany, France, or England or any other foreign nation that owes the United States of America vast sums of money upon which they are not even paying the interest, should receive the advantage of a low rate of interest in the form of a subsidy from the United States Government, which subsidy will come from the pockets of the taxpayers. When this matter came before the Committee on Military Affairs there was a great deal of opposition to the bill, and as we went along the bill was amended and in most particulars these amendments took care of the objections of the members of this committee, but I want to leave this fact with the House: When the House bill 7494 was reported out, a minority report was drawn up and signed up by 10 members of the Committee on Military Affairs, 6 Democrats and 4 Republicans, in which they set forth their objections to certain features of the proposed legislation. Later on in the committee the amendments which had been put into the House bill were put into the Senate bill, and the Senate bill was substituted for the House bill. The minority report, however, was omitted from the report on the Senate bill.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. KELLER. What amount does Germany owe the United States?

Mr. FADDIS. I could not begin to say that.

Mr. KELLER. Is it not true that Germany owes a comparatively small amount of money compared with England, France, and the other countries?

Mr. FADDIS. I do not care what the amount of the debt is; if she owes us $10 which she is not paying, why should we give her something in the form of a subsidy, or even if she owes us nothing.

Mr. KELLER. Have we been able to develop lighter-than-air craft successfully?

Mr. FADDIS. Perhaps, if we were forced to the necessity of doing so, we might be able to do it. We have just as skillful engineers in this country as they have in Germany. We have all the talent and the skill and the initiative and the industry that any nation in the world can produce, and if put to the necessity we could develop the lighter-than-air craft as well as any foreign nation on the face of the globe.

Mr. KELLER. Why have we made a failure every time we have tried to do so?

Mr. FADDIS. That is something I cannot answer. I am not an expert on lighter-than-air craft. If we have made a failure, in my opinion, it has been because we have relied too much on the trade secrets of Germany, and they have not told us these valuable trade secrets.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. WEARIN. Of course, right at this point, it should be recalled that no country has made an outstanding success in the construction of lighter-than-air craft; in fact, every country in the world has made a disastrous failure of it except Germany, and they have had the advantage of the genius of Count Hugo von Eckener who, in a sense, is a Thomas A. Edison in this field; and every nation does not have that kind of genius for the development of some particular project.

Mr. FADDIS. I thank the gentleman, but that has nothing to do with the merits of the bill under consideration.

There is one more point I wish to leave with the membership of the House. It is not necessary we should sell any of this helium to any foreign nation in order to permit these lighter-than-air ships to cross the ocean, because it was brought out in the testimony before the committee that you can adulterate helium with 15 percent of nitrogen and it is still safe. Therefore, as far as that is concerned, if they are going to operate lines with lighter-than-air ships between this country and some foreign country, let us sell them helium to inflate their ships in this country, and if there has been any attrition in the helium contained in the ships when they reach the other side, and it is necessary to replace it, they can replace it with 15 percent of hydrogen and the mixture is still safe. Then, when the ship comes back here, they can refill it with helium. There is no actual necessity to sell this helium to any foreign nation in order to encourage this industry.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. SABATH. And helium is very expensive for treatment in medical cases or for scientific purposes. Is not that right?

Mr. FADDIS. That is true.

Mr. SABATH. But only a very few people in America can afford to obtain the helium treatment. Why should we then sell it for killing purposes instead of leaving it here in this country for the purpose of healing?

Mr. FADDIS. As far as that is concerned, there is no idea of selling this helium for purposes of killing people. There is every provision made about allowing its use for medical purposes. I say that in all fairness to the legislation, although I am opposed to it.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. COLE of Maryland. Does the gentleman have any figures as to the amount this Nation has invested in the past in large property holdings in Texas, as bearing on the question of the price for this helium?

Mr. FADDIS. I attempted to obtain those figures from the Bureau of Mines, but was told that they closed at half past 3 o'clock, and I was unable to obtain it; but the gentleman from New Jersey [Mr. SUTPHIN] suggested an amount of approximately $9,000,000.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. MAY. In answer to the question of the gentleman from Maryland——

Mr. FADDIS. Oh, I beg the gentleman's pardon. I have answered the gentleman from Maryland.

Mr. MAY. The Government does have invested, as I understand it, in gas-bearing land such a sum of money that if it were taken into consideration it would probably make the cost of this stuff prohibitive.

Mr. FADDIS. I do not believe that is true and can see no justification for any subsidy under any consideration.

Mr. HARLAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Speaker, I think the Rules Committee, for whom I have the highest regard, would have rendered a better service to the country and the people if they had considered the resolution to investigate subversive and un-American activities with regard to nazi-ism and other "isms" in this country. I have no complaint against the German Government; I am not quarreling with Mr. Hitler and his activities in Germany, but I am in this country, and if the Committee on Military Affairs, knowing that I have made a thorough study of this situation, had called

on me for information I could have given them enough information to have caused them to prevent their recommending this bill. I might also have advised the Rules Committee, that was at such considerable pains to vote this marvelous piece of legislation out, that at the present time there are Hitler agents and spies who are here against our form of government. This bill has been well lobbied and financed by German money. Italy has not asked for helium. It is Germany who has asked for helium, and what we would have to do is to buy out other plants with American money and we would have to put in this another million dollars, and then sell the helium to Germany without a penny of profit. I think it is about time this country woke up. I tell you right now that something is going to happen between now and the next Congress, or the next session, in regard to un-American activities, because of its laxity in its performance of its duty to this country.

Mr. KELLER. Mr. Speaker, will the gentleman yield? How does the gentleman know that German money has been used on this subject?

Mr. DICKSTEIN. I wish I had the time, and I could give the gentleman the figures.

Mr. KELLER. I heard the gentleman talk about giving figures before, but he never did tell us.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. THOMAS of New Jersey. In regard to the matter of relationship between the Nazi government and this bill before us, the vice president of the American Zeppelin Co. is a man named Wiley von Meister. He is also the representative of the Deutsches Zeppelin Co.

Mr. DICKSTEIN. The gentleman is correct.

Mr. THOMAS of New Jersey. He is also the liaison man of the Nazi government with certain industrial concerns in this country, and I shall bring up definite proof later on that the Nazi government is more behind this bill than any other source in the world.

Mr. DICKSTEIN. If I had had the time I would have been able to get 250 signatures to a petition to discharge the Rules Committee, but time does not permit, and I was willing only yesterday to give all the facts to any committee that may be appointed to make that study. Boake Carter is the real German agent in the United States working for H. von Boeckmann, who in turn represents German broadcasting in the United States. He has furnished Boake Carter with material with regard to the lobbying of this helium bill that was brought out in the other body without even careful study and consideration.

I say to you right now that our Government is going to sell helium to Germany. I have no quarrel with that, but Germany today and the whole of Europe is on the threshold of a war. Are we, as Members of this body, going to aid and assist the enemies of peace? I say to you I would give them all the helium they want if I knew it was for honest, legitimate purposes.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I think a great many of the Members who have spoken, particularly those from the Rules Committee, do not understand the situation having to do with this bill. In the first place, let me say to those uninformed that the Government today owns 85 percent of the helium-production property, and is in a position to produce 85 percent of the helium in this country. The Government is operating in the production of helium, under the provisions of the Helium Act passed in 1927, and it is now out of date. There is only one private company in the country, which controls 15 percent of the production. There are, I think, some indications that the private company was incited to go into the helium business through officials of the Navy Department. This private company today is practically out of business insofar as helium is concerned, because of Government competition. It has been to a large extent put out of business through the fact that the Government naturally is able to undersell the private company. I do not believe in monopolies, but it was apparent to me as soon as these hearings started that the Government already has a monopoly, and there is no way of stopping the monopoly.

Mr. SUTPHIN. Mr. Speaker, will the gentleman yield?

Mr. ANDREWS. No; I do not yield at this time. The Government has, in effect, put the private company out of business. If they purchase it, as they wish to do, without the provisions of this act, they would purchase it as you would purchase something sold under the hammer.

I was one of those who signed the original minority report because of what to me seemed three essential features lacking in the bill. One was that there were not sufficiently strong restrictions insofar as exportation was concerned. Secondly, that there was no provision to retire the private company on any reasonable sort of a basis, as any businessman would do. Third, there was no provision for the Government to charge interest on its investment for the benefit of the taxpayers. Since the favorable report on the original bill from the Committee on Military Affairs, to which I objected, the Senate has passed a bill that brought in all three features which I felt the bill should include, with the addition of some further strengthening amendments to the Senate bill by the House committee. I say to the people who are opposing this bill today on the ground that it has something to do with Germany, please read the committee report and the proposed bill. Then read the Helium Act of 1927—the present law. Under the present provisions of the Helium Act of 1927, it is easier for this Government to export helium to Germany than it would be after the passage of the bill which we are offering today. All necessary to convince you is a comparison of the proposed measure with the act of 1927. If you do not want to export to Germany, then bring in another bill repealing the existing Helium Act.

Under present law helium may be exported for any use upon the approval of the President after joint recommendations of the Secretaries of War, Navy, and Interior.

Under the proposed legislation no helium may be exported except upon the joint approval of all members of the National Munitions Control Board and the Secretary of the Interior. The bill provides that export regulations shall prohibit the accumulation of helium in quantities of military importance in any foreign country and also prohibits the exportation of helium to countries named in proclamations of the President issued pursuant to the Neutrality Act of May 1, 1937—i. e., to any country in which the President declares a state of war to exist. (See H. R. 7494, p. 6, lines 12–22, inclusive.)

Officials of the Army and Navy, including the Chief of the Air Corps of the United States Army, testified before your committee that the provisions of the bill, in their judgment, will provide adequate safeguards against the accumulation of sufficient quantities of helium abroad to be of military importance. It is expected that under the drastic provisions covering exportation of helium contained in the bill that shipment abroad will be permitted only in such quantities as are necessary to replenish constant losses of the gas incurred in operations and to properly maintain airships operating in our foreign trade.

If the committee amendments are adopted helium may be sold for the inflation of only such foreign airships as operate between the United States and its Territories and foreign countries. This country will thus be included in all international air routes traversed by airships using helium gas. Under such an arrangement the United States will serve as a helium filling station. This procedure will have the effect of reducing to an absolute minimum the quantities of helium necessary to be exported abroad. The quantities which will need to be exported for medical and scientific uses and for the periodic replenishment of operating losses for airships receiving their main supply in the United States will in no case assume military proportions. The committee also believes that high transportation and storage costs will, in themselves, be effective barriers against the exportation of large volumes of helium.

The exportation of helium as authorized by the bill is consistent with our good-neighbor policy and will do much to promote international good will by making helium available for the alleviation of human suffering and scientific research and by stimulating air commerce between the United States and foreign countries.

To those who express opposition to this bill, I say I do not believe you are really sincere in your opposition, no matter what your opinion may be of Germany or the Nazis

or any other basis, for if you really want to make the exportation more difficult you will vote for this bill. If you will read the provisions of the Helium Act, under which we are operating today, you will see it is much easier to export helum than it would be under this bill as amended. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. SMITH].

Mr. SMITH of Connecticut. Mr. Speaker, in the short time I have I will not be able to yield. I merely want to make a short statement of my position on this rule and bill. I am for the rule because I think we need to make helium available for medical purposes, and I think we should make it more easily available for commercial use in this country, but I am against the bill in its present form, and I intend to offer an amendment which would restrict the sale for airship purposes to such airships as are owned by the citizens of the United States.

If we could properly safeguard the use of helium by foreign countries so that it could not be used for military purposes, and if we had no subsidies in our legislation to the foreign countries, I would have no objection to sale to them, but it is my opinion that it is impossible to prevent the use of helium which is sent over there, no matter to what country, for military purposes. The gas sufficient to inflate a ship like the *Hindenburg* would inflate more than 100 observation balloons and would give the country which had that gas some advantage over any opponent which had only hydrogen. It would be safer to use in its observation balloons, for one item. It is not of tremendous importance as a military item, but it has several uses, such as that for observation balloons, and also for long-distance scouting. [Applause.]

[Here the gavel fell.]

Mr. HARLAN. Mr. Speaker, I yield the balance of my time, 9 minutes, to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER. Mr. Speaker, I only wish there were more time at my command so that I might have an opportunity of going through this bill, section by section, so that the Members would be familiar with just what is in the bill.

I may say with reference to the arguments that have been made by those opposed to the bill this afternoon that they know not what they do. As a matter of fact, Mr. Speaker, this bill is no recent proposal to this Congress, for on the 1st day of February of this year the Secretary of the Interior recommended to Congress changes in the present helium law. The Helium Act under which we are operating at the present time was passed in 1927. Under it helium is leased, not sold. Helium is dissipated and lost no matter how it is stored, so it is very desirable to provide means for the sale of helium rather than for the leasing of helium.

After that proposal was made to the Congress by the Secretary of the Interior the President asked five members of his Cabinet to investigate with reference to the adoption of a policy which would make helium available from the Government-controlled producing plant for medicinal purposes and for scientific and commercial purposes.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. HARTER. I yield.

Mr. SNELL. Is it not a fact that when Dr. Eckener was here he made the statement in one of his last speeches that the primary use of helium was for war purposes?

Mr. HARTER. I do not remember his making any such statement.

Mr. SNELL. I think he so stated in one of his last public speeches.

Mr. HARTER. When he appeared before our committee he explicitly said that he did not consider helium of military importance in Europe, that heavier-than-air had been developed to such extent, that lighter-than-air is such a vulnerable target, and with the far greater speed of the airplane that he considers lighter-than-air of no value whatsoever from the standpoint of military use to European nations; he did say that airships no doubt would be of value to the United States as naval scouts by reason of our geographical position.

Mr. SNELL. In his last public statement he said that it was useful primarily for military purposes.

Mr. DORSEY. Mr. Speaker, will the gentleman yield?

Mr. HARTER. I yield.

Mr. DORSEY. When Dr. Eckener was before our committee did he not say that during the World War it was his experience that lighter-than-air ships were absolutely ineffective and that after the first 2 years of the war they practically gave up using them?

Mr. HARTER. I thank the gentleman for the contribution. It is a fact that the Germans lost most of the airships they used for military purposes during the World War through being shot down, and we know how much more effective airplanes and antiaircraft artillery are today than they were at the time of the World War.

The high officials of the Army and the Navy appeared before the Committee on Military Affairs of the House and of the Senate. Both of these committees held very extensive hearings upon this bill. The military authorities of this country interested in our national defense informed us that the provisions of this bill were absolutely adequate to protect this country as far as any exportation of helium is concerned. The export provisions of the bill will prevent the acquisition abroad of sufficient helium to be of military value.

I might address myself to the medicinal use of helium, but I shall not take the time for this. I know that all of you are interested in the humanitarian side of the use of helium and wish to make it available to the medical profession.

Let me point out to those who claim we are doing this for Germany, for foreign nations, that such is not the fact. We are desirous of instituting an American program for the building of airships in this country. Under a law enacted by Congress last year the Maritime Commission of this country is given authority to investigate the feasibility of lighter-than-air craft in connection with our foreign commerce. One of our American companies at the present time has negotiations under way with the Maritime Commission discussing the possibility of constructing two American-built ships. Let me point out the strides that are being made in aviation in the world today and now, if we can make helium available for commercial uses at a reasonable price it will assist in the development of lighter-than-air craft construction in the United States. We know that interests in this country, together with interests in Great Britain, are conducting an airplane service between New York and Bermuda and that a line is being projected from this country across the Atlantic to England. This is not being done as a United States venture but as a joint enterprise with Great Britain. Why? Because we have to obtain landing rights in England. England, likewise, wants landing rights and refueling rights in this country. So Pan American and British Imperial Airways are cooperating in these services.

The value of lighter-than-air craft establishes itself not so much in short-distance flights as in long-distance transoceanic flights. It takes our modern aircraft, our Pan-American clipper, longer to make the trans-Pacific flight than it did the *Graf Zeppelin* several years ago.

Why? Because the airplane only travels part of each 24 hours and only during favorable weather, while the lighter-than-air ship travels the entire 24 hours.

Mr. SUTPHIN. Will the gentleman yield?

Mr. HARTER. I yield to the gentleman from New Jersey.

Mr. SUTPHIN. Is it not a fact that there is a continuous loss of helium by its use in an airship?

Mr. HARTER. That is true.

Mr. SUTPHIN. Therefore it could never be used for military purposes?

Mr. HARTER. Under the provisions of an amendment which will be offered to this bill, a very minimum amount of helium will be shipped abroad. Only sufficient for replenishment of that lost in flight is contemplated. It is expensive to ship because it has to be sent in metal containers. Under the provisions of the amendment, only those

airships which ply between this country and its territories and possessions or between this country and its territories and foreign countries may have this helium. That means in each instance a ship of foreign registry will have to in any trip it makes call at the United States.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. HARTER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Does the gentleman know what proportion of the helium produced in the United States finds its way into use for medicinal purposes and into military or aviation uses?

Mr. HARTER. There is a very small amount used for medicinal purposes, but there is a constantly increasing amount being used for that purpose, because it has been found to be very beneficial in the treatment of asthma and other respiratory diseases.

Mr. JENKINS of Ohio. The demand exceeds the supply?

Mr. HARTER. At the present cost. The cost is so prohibitive that people of moderate means have difficulty using it for treatment of their ailments.

Additional medical and scientific uses are being found for helium. The Federal Aviation Commission, in its report dated January 22, 1935, stated that "the Helium Act needs revision, since it is based upon premises no longer tenable and sets up an unwieldy procedure." The Government owns a production plant of large capacity and high operating economy which is used to supply current military needs and is conditioned for intensive wartime production. The Government is the world's only low-cost producer of helium, and at the present time is the largest consumer. The capacity of the Government plant is ample to supply the present commercial market as well as the peacetime requirements of the Army and Navy. Capacity at present is 24,000,000 cubic feet per year. The only private commercial producer serves a limited market, and his production costs have been considerable and his market price high. His usual charge for medicinal use has been $125 per 1,000 cubic feet, to which must be added a considerable amount covering shipment in metal containers. High prices have been an effective barrier to a wide utilization of helium in medical and aeronautical fields.

The President, under date of May 25, wrote to Chairman HILL, of the House Military Affairs Committee, stating that he had requested the Secretaries of State, War, Navy, the Interior, and Commerce to formulate a policy for the sale and exportation of helium gas. A copy of their recommendations was enclosed by the President. His letter concluded with these words:

> In my judgment, these recommendations express a sound national policy.

The bill which we are considering has the approval of the five secretaries who made the recommendation for a modernization of our helium policy to the President. The House Military Affairs Committee held extensive hearings upon the original House bill, H. R. 4415, introduced by Chairman HILL. These hearings were conducted for a period of more than 2 months, being concluded on July 1, 1937. As a result of hearings before your committee and the Senate Military Affairs Committee, revised bills were drafted known as H. R. 7494 and S. 1567. Upon the passage of S. 1567 by the Senate, the House committee met, considered the bill as passed by the Senate, and has favorably recommended it for passage to the House with certain amendments.

The bill is not long and perhaps its provisions can best be described to the House by stating briefly the contents and purposes of the five sections of the bill.

Section 1 authorizes the Bureau of Mines to acquire the necessary lands, or interests therein, needed for the production or conservation of helium to meet the needs of the Army and Navy and other agencies of the Federal Government. Under this section, the Secretary of the Interior is directed to acquire the property of the private corporation engaged in the production of helium, the purchase to be at a price, or prices, recommended to be fair and reasonable by at least two of a board of three appraisers—one to be appointed by the Secretary of the Interior, one by the owner of the property sought to be acquired, and one by the two appraisers so selected. Inasmuch as a representative of the Girdler Corporation, the only private producer, in testifying before your committee, offered to sell its properties for approximately $600,000, it will be noted that the cost of making helium production a Government monopoly will not be excessive. It is believed that an appraisal board will find the privately owned property is worth considerably less than $600,000.

Section 2 authorizes the Bureau of Mines, under the direction of the Secretary of the Interior, to maintain and operate helium production and repurification plants; to store and care for helium; to conduct exploration for and production of helium on lands acquired; and conduct experimentation and research for the purpose of discovering helium supplies and improving processes and methods of helium production, repurification, storage, and utilization.

Section 3 is a redraft of section 3 of the old law incorporating changes to conform to the policy recommended by a letter of May 21, 1937, to the President, signed by the Secretaries of Interior, State, War, Navy, and Commerce—

> That the Government should be authorized to make both domestic and export sales for operation of commercial lighter-than-air craft plying between the United States and other countries, and for medicinal, scientific, and commercial uses.

This section, in part, authorizes the Army and Navy and other agencies of the Federal Government to request helium from the Bureau of Mines and to make payments therefor from any applicable appropriations. Subsection (b) provides that helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President, for medical, scientific, and commercial use. This is a change from the existing law. The present law provides that surplus helium, until needed for Government use, may be leased under regulations approved by the President.

Apparently the purpose of providing for the leasing only of helium was to make any helium in the possession of commercial users available to the United States Government in time of need. The Department of the Interior advises that the leasing of a commodity that is dissipated in use, such as helium, brings troublesome questions of interpretation. Section 3 of S. 1567 is designed to change the Government's power to lease helium gas to the power to sell it. The proposed legislation provides that all sales shall be upon condition that the Federal Government shall have a right to repurchase the helium so sold that has not been lost or dissipated when it is needed for Government use. The first amendment proposed by your House committee appears in this subsection (b) of section 3, your committee recommending the striking out of the phrase "including inflation of passenger-carrying airships", found in lines 18 and 19 of page 5 of the bill, and insertion in lieu thereof of this language:

> Except that helium may be sold for the inflation of only such airships as operate in or between the United States and its Territories and possessions, or between the United States or its Territories and possessions and foreign countries.

This amendment will restrict the sale of helium to the inflation of airships which operate in or between the United States and its Territories and possessions, or between the United States or its Territories and possessions and foreign countries. It would prohibit the sale of helium for the inflation of airships flying between one country and another. This subsection (b) of section 3 also relates to the prices to be charged for the helium sold under the policy referred to. You will note that while sales of helium shall be at reasonable prices, they are to be based upon the cost of acquiring, developing, maintaining, and operating the Government properties.

This language will include charges for depreciation, depletion, and other elements that represent a return of the capital investment—cost of acquirement and development—during the life of the property. Your House committee proposes two amendments to this portion of subsection (b) of section 3, which will be found in lines 1 to 9, inclusive, on

page 6. The first amendment provides that the commercial user shall pay interest at a rate of not less than 3½ percent per annum on capital hereafter expended for properties, facilities, and helium-bearing gas lands; and the further amendment provides that notwithstanding the provisions as to prices to be charged, that helium shall be sold for medicinal purposes at prices which will permit its general use therefor. Subsection (c) of section 3 relates to the crediting of money to be received from the sales of helium and other products of helium operation. It joins the multiplicity of fund accounts which are provided under the present law.

Section 4 of the act of March 3, 1927, prohibits exportation of helium except with permission of the President on the joint recommendation of three Secretaries, but it contains no indication of policy to guide the President and the Secretaries in controlling exports. The letter of May 21, 1927, from the five Secretaries to the President—which was endorsed by the President—announced the policy that exports of helium should be surrounded with safeguards that will prevent the use of helium by foreign countries for military purposes.

In the hearings on S. 1567 and H. R. 7494, attention was called to the National Munitions Control Board, composed of the Secretaries of State, the Treasury, War, the Navy, and Commerce, established under Public Resolution 67, Seventy-fourth Congress, approved August 31, 1935; also to the Provisions of the Neutrality Act of May 1, 1937 (Public Resolution No. 27, 75th Cong.). The view was expressed that legislation and administrative procedure relative to exportation of helium should be coordinated with that relative to munitions. This section contains these safeguards.

The first part of section 4 places control of exportation of helium in the National Munitions Control Board (Secretaries of State, the Treasury, War, the Navy, and Commerce) and the Secretary of the Interior. The routine of administration of the section will be in the Department of State. The Munitions Control Board will have the information necessary as a basis for considering exports from the standpoint of national defense; and the Secretary of the Interior, who will have charge of helium production, will have the information necessary for considering such exports from the standpoint of domestic supplies and conservation of helium.

A guide for administration of the section is set up by stating that regulations governing exports of helium shall not permit accumulations of helium of military importance in foreign countries, nor exports of helium to countries named in proclamations of the President issued pursuant to the Neutrality Act of May 1, 1937.

Under section 4 of S. 1567, exporters are required to submit a sworn statement showing the quantity, designation, consignee, and intended use of each proposed exportation. The House committee in reporting favorably S. 1567 recommends an amendment to section 4 which would restore the original language of S. 1567 and the companion House bill, H. R. 7494. This will be found on page 7, lines 14, 15, and 16, providing that the license authorizing exportation shall be obtained from the Secretary of State on the joint recommendation of all of the members of the National Munitions Control Board and the Secretary of the Interior. It would seem far preferable to put the control of licensing for exportation in the hands of the Munitions Control Board and the Secretary of the Interior rather than in the Secretary of State and the President. The Secretaries charged with national defense, namely, the Secretaries of War and Navy, are members of the Munitions Control Board.

Both the War and Navy Departments have approved this bill. In this connection I wish to read part of the testimony of General Westover, Chief of the Army Air Corps, and of Commander Rosendahl of the Navy:

Mr. FADDIS. I would just like to hear some real good reason why we should encourage foreign nations to develop lighter-than-air craft. Are we not competent to do it? Do we not have the skill and the ability within our own Nation to do it?

General WESTOVER. When it comes to that, I am very glad to give you my view. We have demonstrated, in my opinion, in this country that we have the engineers and the engineering ability to design proper airships. I think that we have demonstrated that we have the mechanical and engineering ability to properly construct them, and to fit them out with the equipment that will make them function either as military or commercial agencies. I know that we have the personnel that can fly these airships and that we can train and trust to operate them properly. But we have one missing link there, where one foreign nation has the advantage, and that is the results of accumulated experience in the operation of airships, and there is no way under the sun that I know of that we can bridge that gap, of getting that experience, unless we have the airships, train in them, fly in them, and work with them all the time just as we are doing with our General Headquarters Air Force right along.

Mr. FADDIS. And right there we encourage more development abroad, and that gap is continually going to get wider, is it not?

General WESTOVER. I do not think so, for this reason——

Mr. FADDIS. It has in the past, has it not?

General WESTOVER. Well, I did not contemplate that our Government was simply going to foster foreign commercial aviation development to the exclusion of our own. I presume that our Department of State or our Department of Commerce will work for reciprocal agreements to limit the amount of airship operation on both sides, just as we have tried to do with the trans-Atlantic plane service.

With regard to some of the matters you mentioned that the committee was interested in, in my testimony before the Senate committee, I stated my belief that this country should contribute to the development of commercial-airship operations by making helium commercially available, and that it should also contribute to the human elements by making helium available for medical purposes.

In view of the fact that this country is the only country possessing this important element of national defense, we could probably very well be restrictive, as we have in the past, in its use. In my opinion, however, the amount of helium that we would require for national defense for our own purposes is so small relatively, and the amount in reserve in this country is so great and available over such a period of years, that we would encounter no hazard in the consideration of its exportation for the two purposes that I mentioned.

I think it is easy to govern the use of this exported helium solely for commercial purposes, and if we maintain control of the source of supply and watch the beacon lights and signs of international trouble we should be able to know when to clamp down the lid of exportation, and this bill provides the means for Executive or other direction for terminating the exportation thereof, on proper cause, of course.

Mr. MAY. Why cannot American genius utilize that without having to sell the gas to get the benefit of it?

Commander ROSENDAHL. Well, there are a lot of things besides materials. In the first place, the Germans have their own airships operating at present; they may have, of course, made some mistakes, but they are very good operators and they have had airships operating to South America for some 7 or 8 years, very successfully. I think having that background all made available to us for merely letting them share what we have in the way of helium quantity is a very cheap price.

Now, as to the exportation of helium, I feel that we should permit the exportation under regulations which will insure that it will not be used for military purposes against us, and I think that that can be done very effectively. I do not see any obstacle in the way of control of such export, and my feeling is that by permitting the exportation of helium for commercial purposes—and for these other purposes, humanitarian and scientific—we are increasing the production of helium, which, of course, reduces the unit cost so that our own helium users will also benefit thereby from the resultant lower cost.

So just in a few brief words, it is my feeling that with this great abundance of helium that we have in this country, that can be produced almost without limit so far as we know, we could certainly afford to share it with other countries under reasonable regulations and restrictions.

Mr. HARTER. You do not feel that such operations would tend to build up a sufficient reserve of helium abroad to make it possible for them to use it in any very large measure for operations against this Nation or any other nation in the event of a war?

Commander ROSENTHAL. No; I think we can control that very effectively.

Another amendment will be offered to strike out all of the language in line 8, page 8, following the period, and all of lines 9, 10, 11, and 12. This would require the National Munitions Control Board to report on January 1 and July 1 of each year all sales of exported helium. This is in conflict with the language on the same page, lines 21, 22, 23, and 24, and the first two lines of page 9, directing the Munitions Control Board to include in its annual report to the Congress full information concerning the licenses issued. Inasmuch as the

Board makes annual reports to the Congress on the export of all articles which may be termed "munitions of war" and over which it has jurisdiction, it would appear to be costly and unnecessary to have a report made twice annually in the case of helium only.

The remainder of section 4 contains the penalties for the violation of any of the provisions of the act.

Section 5 further safeguards the administration of this act by providing that the Secretary of War and the Secretary of the Navy may each designate representatives to cooperate with the Department of the Interior in carrying out the purpose of this act, and shall have complete right of access to plants, data, and accounts.

[Here the gavel fell.]

The SPEAKER. All time has expired.

Mr. HARLAN. Mr. Speaker, I move the previous question on agreeing to the resolution and ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Speaker, arrangement has been made that after the previous question has been disposed of we will postpone further discussion of this bill until tomorrow morning, if that is agreeable.

Mr. MARTIN of Massachusetts. We will have a vote on the rule?

Mr. HARLAN. We are going to have a vote on the rule now.

Mr. Speaker, I move the previous question on agreeing to the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. DICKSTEIN and Mr. MARTIN of Massachusetts) there were—ayes 153, noes 57.

So the resolution was agreed to.

HARRY BRYAN AND ALDA DUFFIELD MULLINS

Mr. KENNEDY of Maryland. Mr. Speaker, I submit a conference report and statement on the bill (S. 1640) for the relief of Harry Bryan and Alda Duffield Mullins, and others.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1640) entitled "An Act for the relief of Harry Bryan and Alda Duffield Mullins, and others", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 4, and 5.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 6, 7, 8, and 9, and agree to the same.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

M. M. LOGAN,
L. B. SCHWELLENBACH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1640) for the relief of Harry Bryan and Alda Duffield Mullins, and others, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

This bill involves 17 claims for personal injuries and death resulting from the negligence of employees of the United States, which negligence is conceded by the Works Progress Administration. Fifteen of the people involved are children and two adults. They were killed or injured by reason of an explosion of hot tar. The House Claims Committee when reporting the Senate bill raised two of the amounts, namely, "To the legal guardian of Patricia Lea Hitchcock, the sum of $1,000 instead of $500", and "To the legal guardian of Charles Ray Coulter, the sum of $4,000 instead of $2,000." However, on the floor of the House, three of the amounts involved in the bill were objected to as seeming to be excessive, and the following "floor" amendments were made: "To the legal guardian of Elbert Grover Harrison, Jr., the sum of $8,500 instead of $11,000", "To the legal guardian of Harry Robert Isenhart, the sum of $8,000 instead of $10,000", and "To the legal guardian of James Andrews Belknap, the sum of $500 instead of $1,000."

The objectors on the part of the House were spoken to after the bill had been amended, and it is believed that their objections have now been satisfied. Photographs showing the extent of the burns received by the children will prove clearly to anyone in doubt that no amount of money is sufficient compensation, and that certainly the amounts as reported by the House committee are justified. The conferees on the part of both the House and Senate agreed to this, and the accompanying conference report re-establishes the amounts as reported by the House committee.

AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS CASE,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MRS. CHARLES T. WARNER

Mr. KENNEDY of Maryland. Mr. Speaker, I submit a conference report and statement on the bill (S. 1637) for the relief of Mrs. Charles T. Warner.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1637) entitled "An Act for the relief of Mrs. Charles T. Warner" having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

M. M. LOGAN,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1637) for the relief of Mrs. Charles T. Warner, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate passed this bill awarding the claimant $5,000 for the death of her husband, a former United States deputy marshal, who is alleged to have died from injuries sustained in line of duty. The bill was amended in the House committee to authorize the claimant to present her claim to the Employees' Compensation Commission, where she will be allowed any compensation which may be found to be due her in accordance with the law governing similar cases.

The House amendment is the proper procedure, and the Senate conferees receded from their disagreement to same.

AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS CASE,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LUCILLE M'CLURE

Mr. KENNEDY of Maryland. Mr. Speaker, I submit a conference report and statement on the bill (S. 707) for the relief of Lucille McClure.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 707) entitled "An Act for the relief of Lucille McClure" having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

M. M. LOGAN,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 707) for the relief of Lucille McClure, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The House amended this bill, which was passed by the Senate to award the claimant $3,600 for the death of her husband, who is alleged to have died as the result of his service with the Government as a prohibition agent, the amendment authorizing the claimant to present her claim to the Employees' Compensation Commission, where she will be allowed any compensation which may be found to be due her in accordance with the law governing similar cases.

The House amendment is the proper procedure, and the Senate conferees receded from their disagreement to same.

AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS H. CASE,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FLORIDA O. M'LAIN

Mr. KENNEDY of Maryland. Mr. Speaker, I submit a conference report and statement on the bill (H. R. 2229) for the relief of Florida O. McLain, widow of Calvin E. McLain.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2229) entitled "An act for the relief of Florida O. McLain, widow of Calvin E. McLain", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

JAMES H. HUGHES,
ARTHUR CAPPER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2229) for the relief of Florida O. McLain, widow of Calvin E. McLain, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The House passed this bill in the amount of $5,000, the usual amount allowed in death cases. However, the Senate reduced this amount to $2,500. The Senate also amended the bill to make the payment come out of the money appropriated by the President for the maintenance and operation of the Civilian Conservation Corps. This is proper and is a procedure adopted by both the House and Senate Claims Committees since the bill in question was reported by the House.

At the conference, the Senate conferees receded from the disagreement to the $5,000 payment, and the House conferees agreed to the Senate amendment to take the money out of the C. C. C. appropriation.

AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS H. CASE,
Managers on the part of the House.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The conference report was agreed to, and a motion to reconsider was laid on the table.

EARL HILL

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 449) for the relief of Earl Hill, with Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

HANS EVERSON

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3551) for the relief of Hans Everson, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "$2,500" and insert "$3,500."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

MARGARET VOORHEES

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 615) for the relief of Margaret Voorhees, a minor, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 5, strike out "$5,000" and insert "$3,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MADA LANDTISER

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 595) for the relief of Mada Landtiser, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, strike out "1,500" and insert "$2,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

REIMBURSEMENT OF CERTAIN ENLISTED MEN OF THE NAVY

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4688) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, after the word "reimburse" insert "after claimants shall have filed itemized statements showing actual damages sustained, by proper appraisal, and"

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

REIMBURSEMENT OF CERTAIN OFFICERS AND ENLISTED MEN OF THE NAVY AND MARINE CORPS

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4689) to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212), with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, after the word "reimburse" insert "after claimants shall have filed itemized statements showing actual damages sustained, by proper appraisal, and".

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDMENT OF INTERSTATE COMMERCE ACT

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2619) to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, I should like to have an opportunity to examine this bill, so for the present I must object.

LAKE OF THE WOODS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6338) to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 7 and 8, strike out "or, in case the claim has been assigned, to the assignee thereof."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ENLARGEMENT OF WASHINGTON AIRPORT

Mr. MAY. Mr. Speaker, I submit a conference report and statement on the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, and I do not expect to object, will the gentleman from Kentucky explain the difference between the House bill as passed and the conference report which the gentleman is now submitting.

Mr. MAY. We have had two bills in the House. The House first passed a bill that went to the Senate and the House bill was stricken out and a Senate amendment inserted, which was known as the Copeland bill. Then the House Committee on Military Affairs reconsidered the matter and amended the Senate amendment or modified it in many respects.

The SPEAKER. The gentleman from Kentucky has filed a conference report. Has the gentleman from Kentucky the original papers in the case? The only papers available are copies of the conference report and the official papers do not seem to have been returned from the Senate.

Mr. MAY. The report is signed by the Senate conferees and by the House conferees.

The SPEAKER. But the Chair cannot permit the consideration of a conference report on a bill while the original papers are in the possession of the other body, which seems to be the case in this instance. The Chair is of the opinion the gentleman will have to withhold his request for consideration until the papers are sent over from the Senate. The Chair has had a diligent search made and the records do not show that the papers have been messaged over.

LABORERS IN THE POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1609) to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 11, strike out "two hundred and fifty-four" and insert "three hundred and six."

Page 2, line 16, strike out "two hundred and fifty-four" and insert "three hundred and six."

Page 3, line 3, strike out "two hundred and fifty-four" and insert "three hundred and six."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SUPERINTENDENTS AT CLASSIFIED POST OFFICE STATIONS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1972) giving superintendents at classified post office stations credit for substitutes serving under them, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the fourth paragraph of section 3 of the act entitled 'An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes', approved February 28, 1925, as amended (U. S. C., title 39, sec 93), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided*, That in determining the number of employees at a classified station credit shall be allowed for service performed by regular employees, substitute employees other than those serving in lieu of regular employees absent from duty for any cause and temporary employees assigned to the station, and for each 2,448 hours of service performed by such employees the station superintendent shall be allowed credit for one employee.'"

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

REVOLVING LOAN FUND FOR KLAMATH INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5976) authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes, with a Senate amendment thereto, and agree to the Senate amendment.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take up the bill H. R. 5976 with a Senate amendment thereto. The Clerk will report the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 3, line 13, after "*Provided*", insert "That in the event any property pledged as security is offered for sale to satisfy any obligation, the Klamath Indians shall have preferential right, except there shall be no discrimination as to terms of sale, to purchase the same: *Provided further*."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

PER-DIEM PAYMENT, KLAMATH BUSINESS COMMITTEE

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5975, an act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma to take from the Speaker's table the bill H. R. 5975, with a Senate amendment and concur in the Senate amendment? The Clerk will report the Senate amendment.

The Clerk read the Senate amendment as follows:

Page 2, line 8, strike out all after "committee" down to and including "Affairs" in line 11.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

PACIFIC MERCADO EXPOSITION, CALIFORNIA

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 186, providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons, and consider the same at this time.

The SPEAKER. The Clerk will report the Senate joint resolution.

The Clerk read as follows:

Whereas there is to be held in the city of Los Angeles, State of California, commencing in the year 1940, a continuing international exposition to be known as the Pacific Mercado, designed to promote closer relations and better understandings among the countries and nations of the world, through the furtherance of trade, industry, and cultural arts, by gathering, arranging, and exhibiting the varied cultures of such countries and nations and the origins, progress, and accomplishments in science, the arts, education, industry, business, and transportation of such countries and nations, and by other appropriate means; and

Whereas there is to be held in said city, in the year 1942, in connection with said Pacific Mercado, a world's fair commemorating the landing of Cabrillo; and

Whereas the holding of said Pacific Mercado and, in conjunction therewith, said world's fair, will further the purposes of certain conventions and treaties signed at the Inter-American Conference for the Maintenance of Peace, held in the city of Buenos Aires, capital of the Argentine Republic, in December 1936; and

Whereas the city of Los Angeles, by amendment to its charter, approved by the electors of said city and by the legislature of the State of California, has been authorized to issue, through its department of water and power, bonds for the acquisition of a site for such continuing international exposition and world's fair; and

Whereas the State of California on May 21, 1937, enacted Assembly Joint Resolution No. 47, chapter 106, memorializing the President of the United States to extend to the governments and dominions of the world invitations to participate in the Pacific Mercado in 1940 (reference CONGRESSIONAL RECORD, May 26, 1937, pp. 5046, 5047); and

Whereas the State of California on May 25, 1937, appropriated $1,500,000 for the State's participation in the Pacific Mercado and exposition; and

Whereas such continuing international exposition and world's fair are worthy and deserving of the support and encouragement of the United States, and the United States has aided and encourged such world's fair and celebrations in the past: Therefore be it

Resolved, etc., That the Government of the United States hereby extends its official recognition to the Pacific Mercado (International Exposition) and authorizes the executive departments, independent establishments, and agencies of the Government to participate therein. Any expense incurred by such participation is to be met from any funds which may legally be used for that purpose and which may be available to such executive departments, independent establishments, or agencies.

SEC. 2. That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite foreign countries to such proposed Pacific Mercado (International Exposition) and to such proposed world's fair to be held in connection therewith, with a request that they participate therein.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A similar House joint resolution (H. J. Res. 484) was laid on the table.

A motion to reconsider the vote by which the Senate joint resolution was agreed to was laid on the table.

THIRD DEFECIENCY APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked, and that the managers on the part of the House may have until midnight tonight to file a conference report, and, if a conference report is not filed today, that it may be considered immediately upon presentation and may be filed without the customary managers' statement.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Chair appointed the following conferees: Mr. WOODRUM, Mr. BOYLAN of New York, Mr. CANNON of Missouri, Mr. TABER, and Mr. WIGGLESWORTH.

TERMS OF DISTRICT COURT, TALLAHASSEE, FLA.

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3493) to amend section 76 of the Judicial Code, as amended, with respect to the terms of the Federal district court held at Tallahassee, Fla., with Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentleman from Florida asks unanimous consent to take from the Speaker's table the bill, H. R. 3493, with a Senate amendment thereto and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"That section 76 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 149), is amended to read as follows:

"'SEC. 76. (a) The State of Florida is divided into two districts, to be known as the northern and southern districts of Florida.

"'(b) The southern district shall include the territory embraced on the 1st day of July 1937 in the counties of Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, Dade, De Soto, Duval, Flagler, Glades, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Madison, Manatee, Marion, Martin, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, St. Johns, St. Lucie, Sarasota, Seminole, Sumter, Suwannee, Union and Volusia.

"'(c) Terms of the district court for the southern district shall be held at Ocala on the third Monday in January; at Tampa on the second Monday in February; at Key West on the first Mondays in May and November; at Jacksonville on the first Monday in December; at Fernandina on the first Monday in April; at Miami on the fourth Monday in April; at Orlando on the first Monday in October; and at Fort Pierce on the first Monday in February: *Provided*, That suitable rooms and accommodations for holding court at Fort Pierce are furnished without expense to the United States: *Provided further*, That suitable rooms and accommodations for holding court at Orlando are furnished without expense to the United States: *And provided further*, That nothing in this act shall be construed to prevent the provision of quarters for the officers of said court and appropriate courtrooms for the holding of the sessions of said court in any new Federal building which may be constructed in Orlando, Fla. No deputy clerk or deputy marshal of the court shall be appointed for

Fort Pierce. The district court for the southern district shall be open at all times for the purpose of hearing and deciding causes of admiralty and maritime jurisdiction.

"'(d) The northern district shall include the territory embraced on the 1st day of July 1937 in the counties of Alachua, Bay, Calhoun, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington.

"'(e) Terms of the district court for the northern district shall be held at Tallahassee on the second Monday in February and on the Tuesday next after the first Monday in September; at Pensacola on the first Mondays in May and November; at Marianna on the first Monday in April; at Gainesville on the second Mondays in June and December; and at Panama City on the first Monday in October: *Provided*, That suitable rooms and accommodations for holding court at Panama City are furnished without expense to the United States.'

"SEC. 2. The act entitled 'An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.', approved June 15, 1933, as amended; the act entitled 'An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Fort Pierce, Fla.', approved August 22, 1935; and the act entitled 'An act providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.', approved May 6, 1936, are hereby repealed."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to, and a motion to reconsider laid on the table.

The title was amended to read: "An act to amend section 76 of the Judicial Code with respect to the terms of the United States district court at Tallahassee, Fla."

INTERNAL REVENUE TAXES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 332.

The Clerk read the resolution, as follows:

House Resolution 332

Resolved, That the Committee on Ways and Means, as a whole or by subcommittee, is authorized to sit and act during recesses of the Seventy-fifth Congress, in the District of Columbia or elsewhere, and to hold such hearings as the committee may determine, in connection with the consideration and preparation of a bill or bills relating to internal revenue taxes. For the purposes of this resolution the committee is authorized to employ such stenographic services, to have such printing and binding done, and to incur such other expenses as the committee may deem necessary.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

RESIGNATIONS FROM COMMITTEES

The Speaker laid before the House the following resignations:

Hon. W. B. BANKHEAD,
Speaker, House of Representatives,
Washington, D. C.

HONORABLE SIR: I hereby tender my resignation as a member of the Committee on Banking and Currency.

Very truly yours,

MARTIN J. KENNEDY.

The SPEAKER. Without objection the resignation will be accepted.

There was no objection.

The Clerk read as follows:

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committees on Education and Patents.

Very truly yours,

WILLIAM B. BARRY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution:

The Clerk read as follows:

House Resolution 334

Resolved, That MARTIN J. KENNEDY of New York be, and he is hereby, elected a member of the standing committee of the House of Representatives on Interstate and Foreign Commerce.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. DOUGHTON. I offer a further resolution, Mr. Speaker.

The Clerk read as follows:

House Resolution 335

Resolved, That WILLIAM B. BARRY, of New York, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Banking and Currency.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

ADDITIONAL DISTRICT JUDGE FOR THE NORTHERN AND SOUTHERN DISTRICTS OF WEST VIRGINIA

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6208) to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia with a Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, strike out lines 16 and 17.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY WAYS AND MEANS COMMITTEE

Mr. WARREN. Mr. Speaker, I offer a resolution (H. Res. 333) from the Committee on Accounts and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Resolution 333

Resolved, That the expenses of conducting the investigation authorized by House Resolution 332, incurred by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $2,500, including the expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or by any subcommittee thereof, conducting such investigation or any part thereof, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The resolution was agreed to.

FEES IN BANKRUPTCY, RECEIVERSHIP, OR REORGANIZATION PROCEEDINGS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2849) to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings with an amendment amending the title.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, I do this to ask unanimous consent to extend my own remarks at this point in the RECORD on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I make this reservation of objection not because I am in any way opposed to this bill but this is the best way for me to gain the floor for a few minutes to discuss this important measure. I am now and for years have been in favor of a measure of this kind.

There is no doubt but that the fees and charges made and allowed in bankruptcy and receivership cases in the United States courts are outrageously high and unreasonable. This unreasonableness has often given rise to suspicion. In practically every impeachment case of United States judges that has come up before us for decision has brought out open charges or insinuations of collusion between parties in litigation or between the attorney and the court. As a practicing attorney, with considerable experience in practice in the United States courts, I have found our courts very capable and very strict as to fees and charges. But there is no question that there have been many abuses in the courts in the large metropolitan centers of the country.

As proof of my sincerity in favor of this measure I need only cite the fact that I introduced a bill in this session of Congress which is to all intents and purposes the same as this bill which was introduced by Senator BORAH. I have made some investigations as to the fees and charges made in some of these large bankruptcies in New York. I have a partial report of the fees in one case, which list I shall add to my remarks. These figures are only for the first settlement. No doubt the allowances will be as large in the final settlement, and the chances are that the charges will be twice as much. When you consider that this estate has only paid about 15 percent in dividends on the first class A bonds, and these bonds are only quoted at 16 on the hundred on the stock market, you can easily see that the second-class bondholders and the stockholders will not get a cent. The court costs will nearly equal the amount distributed to the first-class bondholders. The following list explains eloquently what I am trying to say:

1937	
Previous allowances paid:	
Rosenberg, Goldmark & Colin:	
As attorneys for receiver	$35,000.00
Disbursements	1,485.65
As attorneys for trustee, on account	340,000.00
Disbursements	26,227.51
Klein, Hinds & Finke:	
As accountants for the receiver	5,000.00
As accountants for the trustee	120,620.66
Emanuel Weitz, as special counsel for the trustee in New Jersey, on account	5,000.00
Disbursements	250.49
Irving Trust Co.:	
As receiver in equity and receiver in bankruptcy	26,818.29
As trustee in bankruptcy, on account of commissions	245,209.58
John M. Perry, Esq., special counsel to the receiver in bankruptcy	3,600.00
James D. Carpenter, solicitor for complainant in the equity cause against International Match Corporation	1,000.00
Disbursements	22.40
Lamb & Lerch, as special counsel in connection with hearings before Federal Tariff Commission	1,250.00
Disbursements	163.40
Albert, Westrick, Hauss & von Lewinski, special counsel in Germany	8,056.00
Cummings & Lockwood, special attorneys for the trustee in Connecticut	1,500.00
Disbursements	24.71
Kay, Ragland & Kurz, special attorneys for the trustee in Florida	4,000.00
Rollin C. Newton, services as appraiser	4,250.00
Manny Strauss, services as appraiser	4,000.00
Richard W. Lawrence, services as appraiser	4,250.00
Emil Grunberg, services as appraiser	250.00
Martha de Strelecki, services as appraiser	20.00
Carleton Greenwald, services as appraiser	20.00
Clarence R. Isaac, services as appraiser	20.00
Payments approved for services rendered to Vulcan Match Co., Inc.:	
Estate of William L. Wemple	2,500.00
Disbursements	109.21
Lamb & Lerch, on account	10,000.00
Disbursements	432.84

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) it shall be unlawful for any party in interest, or any attorney for any party in interest, in any receivership, bankruptcy, or reorganization proceeding, in or under the supervision of any court of the United States, to enter into any agreement, written or oral, express or implied, with any other party in interest, or any attorney of any other party in interest, in such proceeding for the purpose of fixing the amount of the fees or other compensation to be paid to any party in interest or any attorney of any party in interest in such proceeding, for services rendered in connection therewith when such fees or other compensation are to be paid from the assets of the estate in receivership, bankruptcy, or reorganization. As used in this section, the term "party in interest" includes any debtor, creditor, receiver, or trustee, and any representative of any of them.

(b) It shall be unlawful for the judge of any court of the United States to approve the payment of any fees or compensation the amount of which is fixed as the result of any act declared to be unlawful by subsection (a) of this section.

(c) It shall be unlawful for the judge of any court of the United States to appoint as receiver or trustee any person related to such judge by consanguinity or affinity within the fourth degree.

(d) Any person who commits any act declared by this section to be unlawful shall, upon conviction, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes."

AMENDING SECTION 22 OF THE INTERSTATE COMMERCE ACT

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent, with the understanding that the gentleman from Michigan [Mr. MAPES] no longer has objection, for the present consideration of the bill (S. 2619) to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MAPES. Reserving the right to object, Mr. Speaker, this bill has a unanimous report from the Committee on Interstate and Foreign Commerce of the House, and is urgently recommended by the Interstate Commerce Commission. I have no objection to it, but I think the gentleman from Indiana might well very briefly explain the bill.

Mr. PETTENGILL. I will boil this down to a couple of sentences. Under existing law the Interstate Commerce Commission is authorized to permit railroads to give reduced freight rates in serving sections of the country affected by flood or drought, moving cattle out or feed in, or otherwise; but under existing law if the railroads do that they become liable to lawsuits on the part of other parties on the ground that they have given an unlawful discrimination in rates, and judgments have been secured against railroads on account of that. It is for the purpose of correcting this situation so that the railroads may be able to comply with requests of the Department of Agriculture or other agencies of the Federal Government to serve drought or flood sections of the country without being subject to lawsuits or claims for damages on the grounds of unlawful discrimination.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. MAPES. Either the Federal or the State Government has to file a statement that the party to whom the goods are shipped is in distress before the law applies.

Mr. PETTENGILL. That is right.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of paragraph (1) of section 22 of the Interstate Commerce Act, as amended, as reads as follows: "Nothing in this part shall prevent any carrier or carriers subject to this part from giving reduced rates for the transportation of property to or from any section of the country with the object of providing relief in case of earthquake, flood, fire, famine, drought, epidemic, pestilence, or other calamitous visitation or disaster, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in any such order the Commission shall define such section and shall specify the period during which such reduced rates are to remain in effect", is amended to read as follows: "Nothing in this part shall prevent any carrier or carriers subject to this part from giving reduced rates for the transportation of property to or from any section of the

country with the object of providing relief in case of earthquake, flood, fire, famine, drought, epidemic, pestilence, or other calamitous visitation or disaster, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in any such order the Commission shall (1) define such section, (2) specify the period during which such reduced rates are to remain in effect, and (3) clearly define the class or classes of persons entitled to such reduced rates: *Provided*, That any such order may define the class or classes entitled to such reduced rates as being persons designated as being in distress and in need of relief by agents of the United States or any State authorized to assist in relieving the distress caused by any such calamitous visitation or disaster. No carrier subject to the provisions of this part shall be deemed to have violated the provisions of such part with respect to undue or unreasonable preference or unjust discrimination by reason of the fact that such carrier extends such reduced rates only to the class or classes of persons defined in the order of the Commission authorizing such reduced rates."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJOURNMENT SINE DIE

Mr. RAYBURN. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

House Concurrent Resolution 25

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Saturday, the 21st of August 1937, and that when they adjourn on said day they stand adjourned sine die.

The SPEAKER. Without objection, the resolution will be agreed to.

There was no objection.

EXTENSION OF REMARKS

Mr. HILL of Oklahoma asked and was given permission to extend his remarks in the RECORD.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter addressed to one of my constituents on my activities here.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made today and to include therein a letter addressed to me by the Secretary of the Interior.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RECESS

Mr. RAYBURN. Mr. Speaker, I move that the House stand in recess until 8 o'clock.

The motion was agreed to; accordingly (at 6 o'clock and 36 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker at 8 o'clock p. m.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5495. An act for the relief of Anne E. Felix; and

H. R. 7709. An act to incorporate the American Chemical Society.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7985) entitled "An act to promote air commerce by providing for the enlargement of Washington Airport."

The message also announced that the Senate had ordered that the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 2188) entitled "An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona."

PRIVATE CALENDAR

The SPEAKER. Under a special agreement heretofore made, the Clerk will call the first bill on the Private Calendar.

GEORGE SHADE AND VAVA SHADE

The Clerk called the first bill on the Private Calendar, H. R. 5338, for the relief of George Shade and Vava Shade.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Shade and Vava Shade, of Winterset, Madison County, Iowa, the sums of $1,250 and $4,000, respectively, in all $5,250, in full settlement of all claims against the United States Government for injuries sustained by them on February 13, 1934, when an automobile in which they were riding collided with a truck of the United States Civilian Construction Corps, on the public highway about 5 miles southeast of Winterset, Madison County, Iowa.

With the following committee amendments:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

Page 1, line 8, strike out "$1,250 and $4,000" and insert "$500 and $3,000."

Page 1, line 9, strike out "$5,250" and insert "$3,500."

Page 2, line 2, strike out "a truck of the United States" and insert "an Emergency Conservation Work truck, operated by the."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF MRS. RAY E. NIES

The Clerk called the next bill, H. R. 5347, for the relief of the estate of Mrs. Ray E. Nies.

Mr. COSTELLO and Mr. FLANNERY objected, and, under the rule, the bill was recommitted to the Committee on Claims.

PETER SIETSMA

The Clerk called the next bill, H. R. 5603, for the relief of Peter Sietsma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Peter Sietsma, of Monon, Ind., the sum of $39.50 in full satisfaction of his claim against the United States for personal injuries sustained by members of his family, and damage to his automobile, resulting from the wanton act of an enrollee of the Civilian Conservation Corps in throwing an empty whisky bottle through the windshield of his automobile, on December 1, 1935, while it was moving on Highway No. 43, near Monon, Ind.

With the following committee amendments:

Page 1, line 5, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

Page 2, line 4, after the word "Indiana", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD F. CASSIDY

The Clerk called the next bill, H. R. 5608, for the relief of Edward F. Cassidy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward F. Cassidy, of Cambridge, Mass., the sum of $7,500. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Edward F. Cassidy who was struck and seriously injured by a United States mail truck in Cambridge, Mass., on February 24, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered

to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$7,500. Such sum shall be" and insert "$3,675."

Page 1, line 9, strike "seriously."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY P. RUSSELL

The Clerk called the next bill, H. R. 6062, for the relief of Harry P. Russell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry P. Russell the sum of $10,000, in full settlement of all claims for damages for personal injuries received by being run over by a truck operated by the Civilian Conservation Corps Camp P-76-Virginia along Campbell Avenue, southeast, in the city of Roanoke, Va., on September 14, 1936: *Provided*, That no part of the amount appropriated in that act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Amend the title so as to read: "A bill for the relief of Harry P. Russell, a minor."

With the following committee amendment:

Page 1, line 4, after the word "money", strike out the remainder of line 4, and all of lines 5, 6, and 7, and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to the legal guardian of Harry P. Russell, a minor, of Roanoke, Va., the sum of $5,000 in full settlement of all claims against the United States for personal injuries received when he was struck."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Harry P. Russell, a minor."

FRANK CHRISTY AND OTHER DISBURSING AGENTS OF THE INDIAN SERVICE OF THE UNITED STATES

The Clerk called the next bill, H. R. 6232, for the relief of Frank Christy and other disbursing agents in the Indian Service of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Frank Christy, superintendent and special disbursing agent of the Tomah Indian School, at Tomah, Wis., and to allow credit in the accounts of other disbursing agents of the United States for expenditures made during the fiscal years 1935, 1936, and 1937 from the appropriation "Indian schools, support" for boarding-home care and other special services for Indian children attending private or public schools under authorities issued by the Commissioner of Indian Affairs.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PORTLAND ELECTRIC POWER CO.

The Clerk called the next bill, H. R. 6467, for the relief of the Portland Electric Power Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Portland Electric Power Co., a corporation, the sum of $6,721.65, with interest thereon at the rate of 4 percent per annum from July 7, 1917, in full compensation and settlement of the claim of said company for the return of the sum of $6,721.65 paid to the United States on July 7, 1917, as the amount of compensation awarded by the court in a condemnation suit wherein said last-mentioned company sought to acquire title to 52.41 acres of Oregon & California Railroad Co. grant lands in the State of Oregon, said land not having been conveyed to said company or its successor, the Portland Electric Power Co., and it being deemed to be in the public interest that title to said lands be retained by the United States.

With the following committee amendments:

Page 1, line 4, after the word "of", strike out the remainder of the line and all of the lines down to and including line 1, page 2, and insert the following: "special fund 'The Oregon and California Land Grant Fund', to The Portland Electric Power Co., a corporation, of Portland, Oreg., the sum of $6,721.65, in full settlement of all claims against the United States for the refund of a sum paid to the United States on July 7, 1917, as the amount of compensation awarded by the circuit court for Clackamas County, Oreg., in a condemnation suit against the Oregon and California Railroad Co., wherein claimant".

Page 2, line 12, strike out "said land not having been conveyed to said company or its successor, the Portland Electric Power Co., and it being deemed to be in the public interest that title to said lands be retained by the United States", and insert the following: "the title to said land having subsequently been forfeited to the United States by the Oregon and California Railroad Co. as the result of a decision by the United States Supreme Court: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIRIAM GRANT

The Clerk called the next bill, H. R. 6618, for the relief of Miriam Grant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Northern District of California to hear and determine an alleged cause by Miriam Grant against the United States, arising out of personal injuries alleged to have been sustained in San Francisco, Calif., on or about the 4th day of April 1932 by collision between a truck owned by the United States and an automobile driven by the said Miriam Grant. The statute of limitations of the State of California shall not apply thereto.

SEC. 2. In the event that upon trial of said action judgment shall be given for the plaintiff, said judgment shall be certified by the court to the Secretary of the Treasury, who is hereby authorized and directed to pay the same.

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Northern District of California to hear and determine an alleged cause by Miriam Grant against the United States, arising out of personal injuries alleged to have been sustained in San Francisco, Calif., on or about the 4th day of April 1932 by collision between a truck owned by the United States and an automobile driven by the said Miriam Grant. The statute of limitations of the State of California shall not apply thereto.

SEC. 2. In the event that upon trial of said action, judgment shall be given for the plaintiff, said judgment shall be certified by the court to the Secretary of the Treasury, who is hereby authorized and directed to pay the same.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miriam Grant, of San Francisco, Calif., the sum of $2,964, in full satisfaction of her claim against the United States for personal injuries sustained when the automobile she was driving was struck by a delivery truck operated by an inspector of the Food and Drug Administration, Department of Agriculture, at the intersection of Potrero Avenue and Twenty-second Street, San

Francisco, Calif., on April 4, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF B. W. GOODENOUGH AND WIFE, KATHERINE F. GOODENOUGH

The Clerk called the next bill, H. R. 6647, for the relief of B. W. Goodenough and wife, Katherine F. Goodenough, and son, Charles Goodenough.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, the sum of $5,000 jointly to B. W. Goodenough and Mrs. B. W. Goodenough, and son, Charles Goodenough, a minor, in full settlement of all claims against the United States for personal injuries to themselves and their minor son, Charles Goodenough, and medical and hospital expenses incident thereto, as a result of a collision of an automobile in which they were riding with a Government Civilian Conservation Corps truck, which truck was being recklessly operated, causing said collision, on United States Highway 40 South, and the road that leads to Camp F-24-C, on June 16, 1936, between Denver and Salida, Colo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$5,000" and insert "$1,000."
Page 1, line 8, after the word "minor", insert of Oakland, Calif."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. H. YELTON

The Clerk called the next bill, H. R. 6648, for the relief of J. H. Yelton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. H. Yelton, Hendersonville, N. C., the sum of $276.55 as full compensation for services rendered as United States commissioner in the western district of North Carolina, from February 1, 1936, until October 2, 1936, for which service he has received no compensation.

With the following committee amendments:

Page 1, line 6, strike out "as full compensation", and insert "in full satisfaction of his claim against the United States."
Page 1, line 10, strike out "February 1, 1936", and insert "May 1, 1936."
Page 1, line 11, after the word "compensation" insert a colon and the following:
"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VINCENT FORD

The Clerk called the next bill, H. R. 6876, for the relief of Vincent Ford.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill (S. 2866) for the relief of Vincent Ford may be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vincent Ford, second lieutenant, Inactive Reserve, of Alhambra, Calif., the sum of $943.67 in full satisfaction of his claim against the United States for a continuation of his pay and allowances as such officer from October 16, 1933, to April 15, 1934, alleged by the War Department to be due him for personal injuries sustained in line of active duty, under the provisions of the act of April 26, 1928 (45 Stat. 461), claim therefor having been disallowed by the Comptroller General of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6876) was laid on the table.

J. D. WARLICK

The Clerk called the next bill, S. 178, for the relief of the estate of J. D. Warlick.

Mr. COSTELLO and Mr. FLANNERY objected, and, under the rule, the bill was recommitted to the Committee on Claims.

F. P. DELAHANTY

The Clerk called the next bill, S. 772, for the relief of F. P. Delahanty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Comptroller General of the United States be and he is hereby, authorized and directed to credit the accounts of Lt. Comdr. F. P. Delahanty, Supply Corps, United States Navy, with the sum of $820.80, representing the amount of payments made by him in good faith to Lt. Comdr. C. K. Osborne, United States Navy, for rental and subsistence allowance of his dependent mother during the period July 1 to December 31, 1923.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM W. DANENHOWER

The Clerk called the next bill, S. 1438, to carry into effect the findings of the Court of Claims in the case of William W. Danenhower.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sallie M. Danenhower, executrix of the estate of William W. Danenhower, deceased, the sum of $34,260, said sum to be in full and final settlement of all claims against the Government of the United States and the District of Columbia for damages caused by the depreciation in value of said William W. Danenhower's property situate in square 737 of the city of Washington, District of Columbia, which said damages were caused by the elimination of grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat. L. 774), and acts supplemental thereto, as found by the court of claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session: *Provided*, That one-half of said sum of $34,260 shall be chargeable to the District of Columbia and paid in like manner as other appropriations of the District of Columbia are paid: *And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed

guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM A. DEVINE

The Clerk called the next bill, S. 1548, for the relief of William A. Devine.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Civil Service Commission is authorized and directed to pay, out of the civil-service retirement and disability fund, to William A. Devine, formerly postmaster at Madison, Wis., the sum of $812.23, such sum representing the payment made by him on October 2, 1926, to such fund for the purpose of receiving service credit for the time from August 1, 1920, to June 30, 1926, when, in fact, he was entitled to the maximum benefits of the civil-service retirement laws without making such payment.

With the following committee amendments:

Page 1, line 6, strike out "such sum representing" and insert "in full satisfaction of his claim against the United States for."

Page 2, line 2, after the word "payment", insert: "*Provided*, That no part of the amount refunded in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUTH GASKINS

The Clerk called the next bill, S. 1764, for the relief of Ruth Gaskins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,396.55 to Ruth Gaskins, of Monongah, W. Va., in full settlement of all her claims against the United States for damages resulting from personal injuries received by her on the night of November 27, 1935, when she fell into an open, unguarded, unmarked, and unlighted hole in the sidewalk, such hole having been caused by the failure of Works Progress Administration employees properly to repair an opening they had made in said sidewalk: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLIFF SNIDER

The Clerk called the next bill, S. 1865, for the relief of Mrs. Cliff Snider.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Mrs. Cliff Snider, of Smithville, Ga., the sum of $10,000, in full satisfaction of all her claims against the United States for damages sustained when the automobile in which she was a passenger was struck by a Government truck operated in connection with the Civilian Conservation Corps, on the Americus-Andersonville Highway, about 8 miles north of Americus, Ga., on October 25, 1936, resulting in the death of her husband and her own serious personal injury: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, after "$10,000" insert "and to W. M. Jordan, of Smithville, Ga., the sum of $3,225."

Line 9, strike out the word "her."

Line 9, strike out the word "damages", and in lieu thereof insert "personal injuries sustained by them, and the death of Cliff Snider, husband of Mrs. Cliff Snider."

Line 12, strike out the words "she was a passenger" and insert "they were riding."

Page 2, line 4, strike out the words "resulting in the death of her husband and her own serious personal injury."

The committee amendments were agreed to; and the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of Mrs. Cliff Snider and W. M. Jordan."

CONSOLIDATED AIRCRAFT CORPORATION

The Clerk called the next bill, S. 1882, for the relief of the Consolidated Aircraft Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Consolidated Aircraft Corporation the sum of $92,993.40 in full settlement of all claims against the United States for additional costs incurred by such corporation in the performance of a contract with the Department of War dated February 27, 1933 (contract no. W 535 AC–5732 (1790)): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 1, line 6, strike out "$92,993.40" and insert in lieu thereof "$75,805.34."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HATTIE TOLBERT

The Clerk called the next bill, S. 2154, for the relief of Hattie Tolbert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Hattie Tolbert, of Pensacola, Fla., the sum of $2,500 as full compensation for the death of her mother, Mary Goode, and her sister, Irma Dean, on March 1, 1921, on account of being struck by United States Navy (N–10) seaplane (A–2458) while piloted by John W. Alcorn, ensign, United States Navy: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 4, after the word "pay", insert "out of any money in the Treasury not otherwise appropriated."

Line 6, after "$2,500", strike out "as full compensation" and insert in lieu thereof "in full satisfaction of her claim against the United States."

Line 11, strike out "by John W. Alcorn, ensign, United States Navy" and insert "negligently low on the shore line of Pensacola Bay, near Muskogee wharf, Pensacola, Fla."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARK B. BRANDON AND ROBERT G. TEER

The Clerk called the next bill, S. 2262, for the relief of Park B. Brandon and Robert G. Teer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Park B. Brandon, of Braman, Okla., the sum of $3,500, and to Robert G. Teer, of Braman, Okla., the sum of $248.49, in full settlement of any and all claims against the Government for injuries sustained as a result of an accident involving a Government truck operated in connection with the Civilian Conservation Corps at Blackwell, Okla., on November 2, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOIS H. ANTHONY

The Clerk called the next bill, S. 2301, for the relief of Lois H. Anthony.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Comptroller General is authorized and directed to cancel the charges, in the amount of $8,819.36, entered on the accounts of Lois H. Anthony, as clerk in charge of the post office at the navy yard at Boston, Mass., by reason of the disallowance by the General Accounting Office of payments made to the said Lois H. Anthony by the Post Office Department for her services in conducting such post office during the period from December 6, 1926, to June 1, 1936.

With the following committee amendment:

Page 1, after line 11, insert a new section as follows:

"SEC. 2. That the Comptroller General is hereby authorized and directed to cancel the judgments, in the amount of $1,750, entered on the accounts of Albert J. E. Shay, as clerk in charge of the contract post office at the navy yard at Brooklyn, N. Y., by reason of the disallowance by the General Accounting Office of payments made to the said Albert J. E. Shay by the Post Office Department for his services in conducting such post office under a contract effective June 1, 1934."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Amend the title so as to read: "An act for the relief of Lois H. Anthony and Albert J. E. Shay."

F. A. GROSS AND OTHERS

The Clerk called the next bill, S. 2374, for the relief of F. A. Gross and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of F. A. Gross, superintendent of the Fort Hall Indian Agency; Donald H. Biery, superintendent of the Sherman Institute; Lem A. Towers, superintendent of the Southern Pueblos Indian Agency; and G. F. Allen, Chief Disbursing Officer of the Treasury Department, for expenditures made for travel expense and per diem of certain Indian employees of the Indian Service while attending the fourth seminar in education at Yale University during the fiscal year 1935, under authorities issued by the Commissioner of Indian Affairs.

With the following committee amendment:

Page 1, line 10, after the word "expense", insert the word "compensation."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELO DEGL'INNOCENTI

The Clerk called the next bill, H. R. 7718, for the relief of Angelo Degl'Innocenti, also known as Angelo Innocenti.

Mr. JENKINS of Ohio and Mr. SNELL objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

SUE F. MELTON

The Clerk called the next bill, S. 2152, for the relief of Sue F. Melton.

There being no objection, the Clerk called the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of section 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Sue F. Melton on account of the death of her daughter, Mattie Ruth Melton, on March 10, 1934, as a result of personal injuries sustained while in the performance of her official duties as district home-demonstration agent of the United States Department of Agriculture, and to determine said claim upon its merits under the provisions of the said act: *Provided*, That no benefits shall accrue prior to the approval of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. G. ADAMS

The Clerk called the next bill, S. 2241, for the relief of W. G. Adams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to W. G. Adams, the sum of $500 in full satisfaction for his claim against the United States for damages arising out of personal injuries suffered when he was struck by a Civilian Conservation Corps truck, near Flagstaff, Ariz., on September 8, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST S. FRAZIER

The Clerk called the next bill, S. 46, for the relief of Ernest S. Frazier.

There being no objection, the Clerk read the bill, as follows:

Whereas the War Department has itself eliminated from the discharge certificate of Ernest S. Frazier, late of the Texas National Guard in Federal service, the words "illiterate and degenerate": Therefore

Be it enacted, etc., That the War Department is hereby authorized and directed to eliminate the words "illiterate and degenerate" from the record of said Ernest S. Frazier wherever the said words occur in such records.

SEC. 2. That the Veterans' Administration is also hereby authorized and directed to eliminate the words "illiterate and degenerate" from the record of Ernest S. Frazier wherever said words occur in such records.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER CONNER

The Clerk called the bill (S. 57) extending the benefits of the Emergency Officers' Retirement Act to Walter Conner.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS. Mr. Speaker, I object.

The SPEAKER pro tempore. One objection is heard. It requires two objections. [After a pause.] The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to extend the benefits of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War" (U. S. C., Supp. III,

title 38, secs. 581, 582), to Walter Conner, formerly major, One Hundred and Forty-eighth Regiment United States Infantry, National Army, during the World War, if such Walter Conner files application with the United States Veterans' Administration for the benefits of such act within the period of 1 year after the enactment of this act. For the purposes of this act the terms of Public Law No. 506, Seventieth Congress, are hereby reenacted: *Provided*, That no back pay or allowances conferred by this act shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN A. FLAGG

The Clerk called the bill (S. 869) for the relief of John A. Flagg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons who have served in the military forces of the United States the period spent by John A. Flagg as mess sergeant, Company G, Ninth Regiment Massachusetts Volunteer Infantry, from March 25, 1917, to July 25, 1917, shall be included in computing the time spent by said John A. Flagg in active service in the United States Army: *Provided*, That no back pay, pension, bounty, benefit, or other emolument shall be held to have accrued prior to the passage of this act, except for the period March 25, 1917, to July 25, 1917, inclusive.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HENRY T. SHARP ET AL.

The Clerk called the bill (H. R. 6893) for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, notwithstanding the terms and conditions of contract of sale and purchase dated January 14, 1926, as amended, be, and he is hereby, authorized and directed to convey to Henry T. Sharp, Asheville, N. C.; Hilliard B. Atkins, Waynesville, N. C.; and Theodore S. Meekins, Manteo, N. C., as their interest may appear, all the right, title, and interest of the United States of America in and to the Beacon Island Military Reservation, N. C., without payment of the balance due the United States under the aforesaid contract, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLD HARBOR VILLAGE AREA, BOSTON

The Clerk called the bill (H. R. 1948) for the relief of certain property owners within the Old Harbor Village area of Boston, Mass.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the case of any person (including a partnership, corporation, association, or business trust) that owned property within the Old Harbor Village area of Boston, Mass., which was affected by condemnation proceedings instituted by the United States through the Public Works Administration for the purpose of carrying out the slum-clearance project in such area known as project H-3301 Housing—B-3-HTM, the Secretary of the Interior hereby is authorized and directed to determine, and to pay, out of funds authorized to be appropriated by this act, to such person, compensation for all damage occurring to and all loss in connection with such property from the date of the public announcement of such project to the date of enactment of this act, or to the date such person ceased to own such property, whichever is the earlier, if such person files a claim for such compensation with the Secretary of the Interior within 1 year from the date of the enactment of this act.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment, upon the claims of any person (including a partnership, corporation, association, or business trust) that owned property within the Old Harbor Village area of Boston, Mass., for all damages that occurred to, and all losses in connection with, such property that resulted in any way from the commencement of the condemnation proceedings instituted by the United States through the Public Works Administration for the purpose of carrying out the slum-clearance project in such area known as project H-3301 Housing—B-3-HTM, said damages to include all depreciation in the value of any such property, loss of income through rentals, or otherwise, and destruction of property, which would not have occurred if such condemnation proceedings had not been instituted.

"SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this Act, notwithstanding the lapse of time or any statute of limitations."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of certain property owners within the Old Harbor Village area of Boston, Mass."

CARL J. SCHEIER

The Clerk called the bill (H. R. 3703) for the relief of Carl J. Scheier.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of Carl J. Scheier, of Lancaster, N. Y., for disability alleged to have been incurred by him on the 6th day of February 1924 while in the employment of the post office at Lancaster, N. Y., and to determine said claim upon its merits.

With the following committee amendments:

Page 1, line 10, strike out the words "when filed" and insert "if filed within 6 months after the approval of this act."

Page 2, line 4, strike out the period, insert a colon and the following: "*Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIDEWATER CONSTRUCTION CORPORATION

The Clerk called the bill (H. R. 3915) for the relief of Tidewater Construction Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Tidewater Construction Corporation against the United States for damages alleged to have been sustained by Tidewater Construction Corporation on June 4, 1936, by reason of the steamship *Daniel Webster*, then owned by the United States, and in tow of the tug *Hawk*, also owned by the United States, colliding with and doing damage to certain portions of the fender piling and other parts of the James River Bridge near Newport News, Va., which the said Tidewater Construction Corporation was then engaged in repairing, may be sued for by the said Tidewater Construction Corporation in the United States District Court for the Eastern District of Virginia, and that said court shall have jurisdiction to hear and determine such suit and to enter a judgment and decree for such damages and costs, if any, as shall be found to be due against the United States in favor of the said Tidewater Construction Corporation upon the same principles and measures of liability as in like cases between private parties, and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided for by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend said United States: *Provided further*, That the suit shall be brought and commenced within 4 months from the date of the passage of this act.

With the following committee amendment:

Page 2, line 9, strike out "between private parties" and insert "as if said suits were brought under the twentieth paragraph of section 24 of the Judicial Code, as amended."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation."

JAMES SCHERER

The Clerk called the bill (H. R. 5562) for the relief of James Scherer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to James Scherer, of Fairfield, Ohio, as full compensation for permanent injuries and damages received by the said James Scherer on the 6th day of July 1936, caused by being struck by a truck, then in the service of the Civilian Conservation Corps, said injuries being caused by negligence of the driver of said truck without any contributory negligence on the part of the said Scherer: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5, 6, and 7, strike out "not otherwise appropriated, the sum of $1,000 to James Scherer, of Fairfield, Ohio, as full compensation for permanent injuries and damages" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to the legal guardian of James Scherer, a minor, of Fairfield, Ohio, the sum of $500, in full settlement of all claims against the United States for personal injuries."

Page 2, lines 3, 4, and 5, strike out "said injuries being caused by negligence of the driver of said truck without any contributory negligence on the part of said Scherer" and insert "near Fairfield, Ohio."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill for the relief of James Scherer, a minor."

BETTY RULE

The Clerk called the next bill, H. R. 5731, for the relief of Betty (or Bettie) Rule.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,100 to Betty (or Bettie) Rule in full satisfaction of all claims of said Betty or (Bettie) Rule against the United States for personal injury sustained by her as the result of an automobile accident caused by neglect on the part of Works Progress Administration employees in failing to post adequate warning signs or lanterns as to the existence of a culvert on the highway where said accident occurred.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out all down to and including line 1, on page 2, and insert: "to the legal guardian of Ruth Rule, a minor, of Grove, Okla., the sum of $3,500, in full settlement of all claims against the United States for personal injuries sustained by her on April 3, 1936, when the automobile in which she was riding was driven into an unguarded excavation made by Works Progress Administration employees in connection with the W. P. A. project 1-466-H, in Delaware County, Okla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. DISNEY. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Strike out "$3,500" in the committee amendment and insert in lieu thereof "$5,000."

The SPEAKER pro tempore. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Ruth Rule, a minor."

COUNTY COMMISSION OF ST. JOHNS COUNTY, STATE OF FLORIDA

The Clerk called the next bill, H. R. 5921, for the relief of the County Commission of St. Johns County, State of Florida.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object.

The SPEAKER pro tempore. There is no reserving the right to object on the Private Calendar. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, I would like to ask the one in charge of this bill——

The SPEAKER pro tempore. Not under the rule on this calendar. There is no reserving the right to object.

Mr. RICH. Then, Mr. Speaker, I object.

The SPEAKER pro tempore. One objection is heard. Two objections are required.

Mr. SNELL. Mr. Speaker, I object.

The SPEAKER pro tempore. Two objections are heard. The bill is recommitted to the Committee on Claims.

DR. G. A. NEAL

The Clerk called the next bill, H. R. 6257, for the relief of Dr. G. A. Neal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. G. A. Neal, Southwest Harbor, Maine, the sum of $67. Such sum represents the value of medical services rendered by the said Dr. G. A. Neal to Vincent Young, Howard Stanley, Sara Gott, Janet Lewis, and Avis Young, all minors residing in McKinley, Maine, for personal injuries received on July 1, 1933, in Southwest Harbor, Maine, when a truck in the service of the Civilian Conservation Corps and in which the said persons were riding, overturned.

With the following committee amendments:

Page 1, line 4, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps,";

Page 1, line 7, strike out "$67. Such sum represents" and insert in lieu thereof "$67, in full satisfaction of his claim against the United States for";

Page 2, line 2, after the word "injuries" insert "and in full settlement of all claims against the United States for said injuries";

Page 2, line 4, after the figures "1933", strike out the word "in" and insert "near";

Page 2, line 6, strike out the word "persons" and insert "children";

Page 2, line 7, after the word "overturned" insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be find in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL H. BRINSON

The Clerk called the next bill, H. R. 6473, for the relief of Paul H. Brinson.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Paul H. Brinson, out of any money in the Treasury not otherwise appropriated, the sum of $79.30 in full settlement of all claims against the Government of the United States, representing traveling expenses from Washington, D. C., to Stillwater, Okla., during the period July 17 to 19, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered

to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 4, strike out "to Paul H. Brinson."
Page 1, line 6, insert "to Paul H. Brinson, of St. Petersburg, Fla."
Page 1, line 7, after the word "full", strike out "settlement of all claims against the Government of the United States, representing traveling expenses" and insert "satisfaction of his claim against the United States for expenses incurred as an attorney for the Resettlement Administration in traveling."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK M. GILBERT

The Clerk called the next bill, H. R. 6981, for the relief of Frank M. Gilbert.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $75 to Frank M. Gilbert, of Buffalo, S. Dak., in full satisfaction of his claim against the United States for damages arising out of the loss of a horse, which was killed in 1934, while being worked, under contract with the owner, by employees of the Forest Service, United States Department of Agriculture, in connection with emergency conservation work.

With the following committee amendments:

Page 1, line 8, after the word "which", strike out "was killed in 1934, while being worked, under contract with the owner, by employees of", and insert "died in March 1935 from a disease incurred while in possession of the Government under a lease with."
Page 2, line 2, after the word "work", insert a colon and the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

L. H. DICKE

The Clerk called the next bill, H. R. 6993, for the relief of L. H. Dicke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 to L. H. Dicke, in full settlement of all claims against the Government of the United States for injuries received by the said L. H. Dicke on the 15th day of July 1936 as the result of a collision between a truck owned and operated by the Works Progress Administration, an agency of the United States, and a hay wagon in which the said L. H. Dicke was at the time riding, which collision was the result of the careless and negligent acts of an employee of the Works Progress Administration; an agency of the United States, which employee was at the time acting in line of duty, and performing services as an employee of the said Works Progress Administration: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof, on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", strike out "the sum of $7,500 to L. H. Dicke", and insert "to L. H. Dicke, of Shawnee County, Kans., the sum of $350."
Page 1, line 8, after the word "received", strike out the balance of the line, all of lines 9, 10, and 11, and on page 2, down to and including the word "Administration", in line 7, and insert "when a Works Progress Administration truck struck his hay wagon, on July 15, 1936, near Topeka, Kans."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LON D. WORSHAM CO.

The Clerk called the next bill, H. R. 7587, for the relief of Lon D. Worsham Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the lapse of time and any provision in said contract which would limit or restrict the rights hereinafter bestowed, the Court of Claims is hereby vested with jurisdiction to hear, determine, and render judgment upon the complaint of Lon D. Worsham Co., a partnership consisting of Lon D. Worsham, Chattanooga, Tenn., and J. H. Clark, Ringgold, Ga., against the United States, arising out of contract W641 qm. 452, dated November 10, 1933, with the Quartermaster Corps of the United States Army for the erection of 28 Civilian Conservation Corps camps, and which complaint is based upon the contention of the said partnership that additional amounts are due it for extra work and construction not yet paid for by the United States, but the benefits of which have been received and used by the United States, and upon the further contention that in connection with the execution of said contract, damages were sustained by said partnership in the failure of the United States to comply with certain of its obligations under the said contract as to the furnishing and prompt delivery of materials needed in the execution of said contract.

With the following committee amendments:

Strike out all of lines 3, 4, 5, and 6, and insert "That jurisdiction is hereby conferred upon the Court of Claims of the United States."
Page 1, line 8, after the word "the", strike out the word "complaint" and insert "claim."
Page 2, line 4, after the word "camps", strike out all the balance of line 4, and down to and including line 13, and insert:
"For damages alleged to be the result of work performed in addition to that required by said contract, notwithstanding the alleged failure of the contracting officer for the Government to issue written orders for said extra work, and/or losses alleged to be the result of delays on the part of the Government in furnishing materials which it had agreed to supply."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co."

COMPLETE MACHINERY & EQUIPMENT CO. ET AL.

The Clerk called the next bill, H. R. 7676, for the relief of the Complete Machinery & Equipment Co., Inc.; H. O. Penn Machinery Co., Inc.; Sylvan Greenbaum, Inc.; and Mahoney-Clark, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Complete Machinery & Equipment Co., Inc., of Long Island City, N. Y., the sum of $108.35; to H. O. Penn Machinery Co., Inc., of New York City, the sum of $217; to Sylvan Greenbaum, Inc., of Brooklyn, N. Y., the sum of $384.60; and to Mahoney-Clarke, Inc., of New York City, the sum of $1,560.07; in all, $2,270.02, in full satisfaction of their claims against the United States for damages to pumps or loss of pump parts, which pumps were rented to the Works Progress Administration and used constantly for the protection of life and property during the flood that covered the area of Wyoming Valley, Pa., in March and April 1936: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 1, after the figures "$384.60" insert "to Edward Ehrbar, Inc., of Brooklyn, N. Y., the sum of $369.02;".

Page 2, line 2, strike out the figures "$2,270.02" and insert "$2,639.04,".

Amend the title of the bill to read:

"A bill for the relief of the Complete Machinery & Equipment Co., Inc., and others."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the Complete Machinery & Equipment Co., Inc., and others."

PERKINS-CAMPBELL CO.

The Clerk called the next bill, S. 53, for the relief of the Perkins-Campbell Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Perkins-Campbell Co., Cincinnati, Ohio, the sum of $1,453.33, in full settlement of its claim against the United States for the balance due for the purchase of certain leather satchels under orders S. 290 and S. 1193: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, after the word "due", insert the words "on a contract of June 26, 1928."

Page 1, line 9, strike out the words "under orders S. 290 and S. 1193" and insert "and under an order pursuant thereto no. M-1, dated July 2, 1928, by the Post Office Department."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORVILLE FERGUSON

The Clerk called the next bill, H. R. 4018, for the relief of Orville Ferguson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Orville Ferguson, Kansas City, Mo., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Orville Ferguson as the result of being negligently shot and permanently injured at the Kansas City, Mo., post office on February 1, 1927, by a United States marine acting in the line of duty at such post office.

With the following committee amendments:

In lines 6 and 7 strike out the figures and words "$5,000. The payment of such sum shall be", and insert the figures "$2,500."

In lines 11 and 12 strike out the words "acting in the line of", and insert "on guard."

At the end of the bill add:

": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALDEN H. BAKER

The Clerk called the next bill, H. R. 4567, to authorize and direct payment of claim of Alden H. Baker, former postmaster at Westfield, Ind., for postage, war-savings, and thrift stamps stolen by burglars.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alden H. Baker, former postmaster at Westfield, Ind., the sum of $850.55 in full satisfaction of his claim against the United States for the value of postage, war-savings, and thrift stamps stolen from the post office at Westfield, Ind., on April 13, 1918, and for which he has reimbursed the United States Government.

With the following committee amendments:

In line 6, strike out the word "Westerfield" and insert "Westfield."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Amend the title of the bill to read: "A bill for the relief of Alden H. Baker."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended.

HAFFENREFFER & CO.

The Clerk called the next bill, H. R. 5743, to refund to Haffenreffer & Co., Inc., a Massachusetts corporation, certain taxes paid for revenue stamps.

There being no objection, the Clerk read the bill, as follows:

Whereas Haffenreffer & Co., Inc., a Massachusetts corporation, in 1933 manufactured under Federal permits certain malt beverages at its breweries in Boston, Mass., and, complying with the Federal laws and regulations taxing such beverage, paid to the United States of America taxes in the amount of $13,655 before withdrawing and bottling the said beverage from the said breweries, and thereafter the said beverage was determined by an agent in the employ of the Bureau of Industrial Alcohol of the Treasury Department to be unmarketable, and it was thereafter destroyed in his presence at one of the said breweries, and the said agent thereupon executed an affidavit setting forth the said facts and filed the same with the said Bureau; and

Whereas there is no law permitting the payment of a refund of the said taxes because of which Haffenreffer & Co., Inc., has suffered a hardship which should be remedied: Therefore

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to refund to Haffenreffer & Co., Inc., taxes to an amount not exceeding $13,655, paid by the said corporation in respect of unmarketable malt beverage manufactured by it in 1933 upon written application by Haffenreffer & Co., Inc., addressed to the Commissioner of Internal Revenue and filed with the collector of internal revenue at Boston, Mass., and upon submission of evidence of the payment of the said taxes and of the destruction of the said unmarketable malt beverage.

With the following committee amendments:

Strike out both whereas clauses constituting the preamble on pages 1 and 2, strike out all of the bill on page 2 after the enacting clause, and insert after the enacting clause the following:

"That the Commissioner of Internal Revenue is hereby authorized and directed to receive and consider the claim of Haffenreffer & Co., Inc., of Boston, Mass., for a refund of the fermented-malt-liquor tax paid by it on certain unmarketable ale, with tax stamps purchased in April and May 1933, in accordance with the provisions of section 327 of the act of June 26, 1936 (U. S. C., 1934 edition, Supp. II, title 26, sec. 1330 (b)), but without regard to the fact that said liquor was removed from the company's bottling house and sold: *Provided, however*, That Haffenreffer & Co., Inc., shall, prior to any refund hereunder, submit satisfactory proof to the Commissioner of Internal Revenue of the condition of said liquor which rendered it unmarketable."

Amend the title of the bill to read: "A bill for the relief of Haffenreffer & Co., Inc."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended.

DORIS A. REESE

The Clerk called the next bill, H. R. 5905, for the relief of the widow of Marshall H. Reese.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the widow of Marshall H. Reese, lieutenant (junior grade), United States Coast and Geodetic Survey, the sum of $1,100 in full settlement of her claim against the United States for the death of Marshall H. Reese, who, while in the employ of the United States Coast and Geodetic Survey, was drowned off Wislow Island, in Bering Sea, Alaska.

With the following committee amendments:

In line 5 strike out the word "the" and insert "Doris A. Reese, of Pensacola, Fla.,"

In line 8 strike out the words "the death of" and insert "6 months' pay of the said".

At the end of the bill add:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Amend the title of the bill to read: "A bill for the relief of Doris A. Reese."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended.

RAGSDALE AND KNAUSS

The Clerk called the next bill, H. R. 6996, for the relief of Ragsdale & Knauss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ragsdale & Knauss, a shorthand reporting partnership doing business in the District of Columbia, the sum of $799. Such sum represents the charge made by such partnership, in accordance with an agreement with the Federal Power Commission, for stenographically reporting and transcribing hearings before a special investigating committee of such Commission. The General Accounting Office disallowed payment thereof on the ground that there was no authority of law under which such payment could be made.

With the following committee amendments:

In line 6 strike out the word "the" and insert "Washington,".

In line 7 strike out the period and insert a comma after the figures, strike out the words, in lines 7, 8, and 9, "Such sum represents the charge made by such partnership, in accordance with an agreement with the Federal Power Commission", and insert "in full satisfaction of its claim against the United States".

In line 11 strike out the words "such Commission. The" and insert "the Federal Power Commission, the".

In line 12 after the word "Office" insert "having".

At the end of the bill add:

": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN T. ARMSTRONG

The Clerk called the next bill, S. 703, for the relief of John T. Armstrong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 and 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of John T. Armstrong, of Havre de Grace, Md., for disability alleged to have been incurred by him during June 1930, while in the employment of the Chemical Warfare Service, Edgewood Arsenal, and to determine said claim upon its merits under the provisions of said act: *Provided*, That no benefits shall accrue prior to the enactment of this act.

With the following committee amendment:

Page 1, line 10, strike out the words "when filed" and insert in lieu thereof "if filed within six months after the enactment of this Act,".

The committee amendment was agreed to; and the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

P. S. EVEREST

The Clerk called the next bill, S. 1402, for the relief of P. S. Everest.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to P. S. Everest, former Superintendent and special disbursing agent for the Lac du Flambeau Indian Agency, Lac du Flambeau, Wis., the sum of $515.14, said sum to be in full settlement of his claim against the Government on account of the fraudulent acts of W. H. Shawnee, deputy disbursing agent, at the time of his superintendency at the Lac du Flambeau Indian Agency: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 9, strike out the word "Government" and insert "United States for a refund of interest paid to the Government on the principal sum of $1,712.23, representing losses incurred from January 30 to July 30, 1930."

Page 1, lines 10, 11, and 12, strike out the words "at the time of his superintendency at the Lac du Flambeau Indian Agency" and insert "which principal sum has been paid to P. S. Everest by the surety of W. H. Shawnee."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL RICHARD MANN

The Clerk called the next bill, S. 1457, for the relief of Samuel Richard Mann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to cancel the charge entered against Samuel Richard Mann, C-905813, in such amount as remains unpaid at the date this act becomes effective, which amount will represent the balance remaining due and unpaid on account of an overpayment of emergency officer's retirement award to the said Samuel Richard Mann due to an error of the Veterans' Administration.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES A. LYONS

The Clerk called the next bill, S. 1965, for the relief of James A. Lyons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James A. Lyons, the sum of $2,000, said sum representing the unpaid amount of a judgment for $6,000 ($4,000 of which has been paid by Safety Motor Transit Corporation), entered on January 25, 1936, in the District Court of the United States for the Western District of Virginia, at Roanoke, Va., in the case of "James A. Lyons against Thomas Bailey and Safety Motor Transit Corporation", against Thomas Bailey and Safety Motor Transit Corporation, for and on account of injuries alleged to have been sustained by him on the 21st day of June 1934 while a passenger on a public passenger-transportation vehicle, to wit, a bus of the said Safety Motor Transit Corporation

when the said bus collided with an automobile driven by Thomas Bailey, investigator, Alcohol Tax Unit, Bureau of Internal Revenue, Treasury Department, the said Thomas Bailey at the time of the collision being then and there engaged in the performance of his official duties as an internal-revenue officer, to wit, engaged in the pursuit of Leo C. Mays, otherwise known as Gummy Coleman, a known violator of the internal-revenue laws, who was then and there operating an automobile containing 120 gallons of un-tax-paid distilled spirits then and there being removed with intent to defraud the United States of the tax due thereon, which said removal was in violation of the internal-revenue laws of the United States: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "Lyons", insert "of Roanoke, Va."

Page 1, line 6, strike out "said sum representing" and insert "in full settlement of all claims against the United States for."

Page 2, line 3, strike out "alleged to have been."

Page 2, line 4, strike out "a public passenger transportation vehicle, to-wit."

Page 2, line 9, strike out "the said Thomas Bailey at the time of the collision being then and there" and insert "who was."

Page 2, line 12, beginning with the word "to-wit", strike out all of lines 12 to 19, inclusive, and insert: "*Provided*, That the clerk of the United States District Court for the Western District of Virginia is hereby authorized and directed to satisfy, of record, the said judgment of *James A. Lyons* v. *Thomas Bailey: Provided further.*"

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIM OF THE CITY OF PERTH AMBOY, N. J.

The Clerk called the next bill, S. 2146, to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935, be amended to read as follows: "That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment for just and fair compensation upon the claim of the city of Perth Amboy, N. J., against the United States upon its merits and according to the equities of the case with a view of reimbursing the claimant for money expended in 1918, 1919, and 1920 by the city of Perth Amboy, N. J., growing out of an agreement, formal or informal, or otherwise, with the United States to extend the city's water system for the purpose of supplying water to the Raritan Arsenal and Colonial Base Hospital, No. 2, less the present estimated value of the equipment installed under such agreement.

"SEC. 2. That the suit heretofore instituted under the act of which this is amendatory, by the city of Perth Amboy, N. J., against the United States in the Court of Claims, no. 43325, shall proceed under this act, notwithstanding any lapse of time laches, or any statute of limitations or any defense, except that said city shall be required to give sufficient assurance to the United States that it will preserve the facilities for furnishing water on account of which this claim is made and will not destroy or render them unfit for use except with the consent of the Secretary of War. Official letters, papers, documents, and public records or certified copies thereof from the files and records of the United States relating to the subject matter in controversy in said suit may be used in evidence by either party and the departments of the United States Government shall give the attorneys for both parties access to such papers, correspondence, and documents as are in the files. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended."

With the following committee amendments:

Page 1, line 8, strike out "for just and fair compensation."

Page 2, line 5, strike out "or otherwise."

Page 2, line 17, after the words "United States", insert "satisfactory to the Secretary of War."

Page 2, line 20, after the word "unfit", insert "or ineffective."

Page 2, line 25, strike out "and the departments of the United States Government shall give the attorneys for both parties access to such papers, correspondence, and documents as are in the files."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MERCHANTS NATIONAL BANK & TRUST CO.

The Clerk called the next bill, H. R. 6682, for the relief of the Merchants National Bank & Trust Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants National Bank & Trust Co., of Vicksburg, Miss., the sum of $500, being a refund of moneys paid by said Merchants National Bank & Trust Co. to the Treasury of the United States on account of the fraudulent issuance of post-office money orders by Harry G. Peek, postmaster at Sondheimer, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, after "$500", strike out the balance of line 7 and all of lines 8, 9, and 10, and the first line on page 2 and insert the following: "To the First National Bank & Trust Co., of Vicksburg, Miss., the sum of $500, and to the Vicksburg Infirmary, of Vicksburg, Miss., the sum of $275, in full satisfaction of their claims against the United States for a refund of the value of 13 invalid postal money orders fraudulently issued from December 9, 1932, to January 13, 1933, by Harry G. Peek, former postmaster at Sondheimer, La., which sums have heretofore been paid to the United States."

Page 2, line 17, after "$1,000", insert a new section, as follows: "SEC. 2. Nothing in this act shall be construed to prevent the recovery by the United States of funds embezzled by the said Harry G. Peek, or on money orders unlawfully issued by him, except those which are the subject of these claims."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss."

CLAIMS OF J. A. TIPPIT, ET AL.

The Clerk called the next bill, H. R. 6087, to amend an act entitled "An act authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles", approved June 28, 1934.

Mr. CHURCH and Mr. BOILEAU objected, and, under the rule, the bill was recommitted to the Committee on Indian Affairs.

HEIRS OF DESSIE MASTERSON

The Clerk called the next bill, H. R. 726, for the relief of the heirs of Dessie Masterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the legal heirs of the late Dessie Masterson, who was shot and killed in her home in St. Louis, Mo., on July 13, 1934, by a bullet fired from a revolver in the hand of Special Agent Lear B. Reed, of the United States Department of Justice.

With the following committee amendments:

Page 1, line 5, strike out "$5,000 to the legal heirs" and insert "$3,500 to the administrator of the estate."

Page 1, line 9, after the word "fired", strike out the balance of line 9 and all of line 10 and insert "During a raid participated in by the agents of the Bureau of Investigation: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any

person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of the estate of Dessie Masterson."

HENRY M. HYER

The Clerk called the next bill, H. R. 2362, for the relief of Henry M. Hyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Henry M. Hyer, Charleston, S. C., the sum of $460. The payment of such sum shall be in full settlement of all claims against the United States for damages sustained by the said Henry M. Hyer as a result of personal injuries received by him when the automobile in which he was riding was struck, on United States Highway No. 17, near Charleston, S. C., on October 21, 1935, by a truck in the service of the Civilian Conservation Corps.

With the following committee amendments:

Page 1, line 5, after the word "Treasury", strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

Page 1, line 8, strike out "$460. The payment of such sum shall be" and insert "$1,250."

Page 1, line 10, strike out "damages sustained by the said Henry M. Hyer as a result of."

Page 2, line 4, after the word "Corps", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. D. PRESSLIE

The Clerk called the next bill, H. R. 2665, for the relief of W. D. Presslie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to W. D. Presslie the sum of $5,000 in full settlement of all damages sustained by him as the result of permanent personal injuries inflicted upon him when, on October 23, 1935, the car in which he was riding was struck by a United States soil-erosion truck being driven by J. A. Bray on the Jefferson-Commerce Road in Jackson County, Ga., said truck having no brakes and being driven too fast and in a negligent manner; the said Presslie being on his side of the road and through no fault of his that the car was struck.

With the following committee amendments:

Page 1, line 5, after "W. D.", strike out the remainder of line 5 and all of lines 6 and 7 and the word "upon", in line 8, and insert the following: "Presley, of Commerce, Ga., the sum of $1,250, in full settlement of his claim against the United States for personal injuries sustained by."

Page 1, line 11, strike out "United States Soil Erosion truck being driven by J. A. Bray" and insert "Soil Conservation Service truck of the Department of Agriculture."

Page 2, line 4, strike out, after the word "county", the balance of line 4 and all of lines 5, 6, and 7, and insert the following: "Georgia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of W. D. Presley."

ALBERT PINA AFONSO

The Clerk called the next bill, H. R. 3657, for the relief of Albert Pina Afonso.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Albert Pina Afonso, Woburn, Mass., the sum of $15,000. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Albert Pina Afonso as a result of being struck and injured by a United States mail truck in Woburn, Mass., on January 28, 1932.

With the following committee amendments:

Page 1, line 6, after "Afonso", insert "a minor."

Page 1, line 7, strike out "$15,000. Such sum shall be" and insert "$5,000."

Page 1, line 11, after "1932", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of Albert Pina Afonso, a minor."

MINNIE C. DE BACK

The Clerk called the next bill, H. R. 3988, to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, is hereby amended so as to read as follows:

"That consent is hereby granted to Minnie C. de Back, of San Francisco, Calif., to sue the United States of America in an action at law for general and special damages by reason of personal injuries alleged to have been sustained by her on or about July 3, 1931, while a passenger for hire aboard one of the trains of the Alaska Railroad, operated in the Territory of Alaska by the United States of America pursuant to the provisions of the act of March 12, 1914 (ch. 37, sec. 1, 38 Stat. 305), as amended, together with the right to either party to appeal from any judgment which may be entered in said action.

"SEC. 2. Jurisdiction is hereby conferred upon the United States District Court for the Northern District of California, southern division, to hear, determine, and render judgment upon said claim, the subject of said action.

"SEC. 3. In the determination of such claim, the United States of America as defendant in such action shall be held liable for any tort committed by any of its instrumentalities, officers, agents, employees, or servants in the same manner and to the same extent as if it were a private person, without regard to the provision of any act of Congress respecting the limitation of the amount of claims against the United States.

"SEC. 4. Such action on said claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitation."

With the following committee amendments:

Page 2, line 20, beginning with the word "without", strike out the rest of line 20 and all of lines 21 and 22.

Page 3, line 2, after the word "limitation", insert "and proceedings for its determination shall be in accordance with paragraph twentieth of section 24 of the Judicial Code, as amended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LYDIA M. WHITE

The Clerk called the next bill, H. R. 5249, for the relief of Lydia M. White.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Lydia M. White, on account of disability due to an injury, alleged to have been proximately caused by her employment in the service of the United States: *Provided*, That no benefits shall accrue prior to the enactment of this act.

With the following committee amendments:

Page 1, line 6, after the word "act", insert "of September 7, 1916, as amended."

Line 8, after the word "sections", strike out "17 and 20 thereof" and insert in lieu thereof "15 to 20, both inclusive."

Line 9, after the word "White", insert "of Washington, D. C."

Line 11, strike out the words "an injury" and insert in lieu thereof "loss of her right eye."

Page 2, line 1, strike out the words "service of the United States" and insert in lieu thereof "Forest Service, Department of Agriculture, during October 1923."

Line 4, after the word "act", insert "*Provided further*, That claim hereunder shall be filed within 6 months after the enactment of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE FONTANA

The Clerk called the next bill, H. R. 5793, for the relief of Josephine Fontana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, to Josephine Fontana, out of any money in the Treasury not otherwise appropriated, the sum of $2,000, in full satisfaction of her claim against the United States arising from personal injuries sustained by her when she was struck by a Government truck, operated in connection with the Civilian Conservation Corps, on Bosworth Street at West Springfield, Mass., on April 24, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 4, after the word "pay", strike out "to Josephine Fontana, out of any money in the Treasury not otherwise appropriated, the sum of $2,000", and insert in lieu thereof "out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Josephine Fontana, of West Springfield, Mass., the sum of $600."

Line 11, after the word "by", strike out the words "a Government" and insert in lieu thereof "an Emergency Conservation Work."

Page 2, line 2, after the word "Corps", strike out "on Bosworth Street."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. C. BEAVER

The Clerk called the next bill, H. R. 6011, for the relief of E. C. Beaver.

Mr. MOTT and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Claims.

MARY DOUGHERTY

The Clerk called the next bill, H. R. 6061, for the relief of Mary Dougherty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Mary Dougherty the sum of $885.27 to reimburse her for interest paid to the Home Owners' Loan Corporation between April 5, 1935, the date title to her property in New Brunswick, N. J., was taken by the United States Government, and July 30, 1936, the date of the satisfaction of the mortgage, the sum of $885.27 representing the true amount incorrectly deducted from the final award for this property. There is hereby appropriated, out of any sums available in the Treasury, the sum of $885.27 for the purposes of this act.

With the following committee amendments:

Page 1, line 4, after the word "pay", insert "out of any money in the Treasury not otherwise appropriated."

Line 5, after the word "Dougherty", insert "of New Brunswick, N. J."

Line 6, after "$885.27", strike out "to reimburse her for interest paid", and insert in lieu thereof "in full satisfaction of her claim against the United States for a refund of interest paid on a mortgage on her property."

Page 2, line 1, after the word "taken", insert "by condemnation proceedings."

Line 2, after the word "Government", insert "acting through the Post Office Department."

Line 3, after the word "date", strike out all of lines 4, 5, 6, 7, and 8, and insert in lieu thereof "she satisfied the mortgage loan and was required to pay interest for said period thereon: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. C. PROSSER

The Clerk called the next bill, H. R. 6238, for the relief of J. C. Prosser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. C. Prosser, of Cleveland, Ohio, the sum of $128.48, in full settlement of all claims against the Government of the United States for expenses incurred in going from Cleveland to Boston and return, in obedience to telegraphic requests of March 5 and 6, 1919, from District Staff Headquarters, First Naval District, Navy Yard, Boston, Mass.

With the following committee amendment:

Page 1, line 11, after the word "Massachusetts", insert "to appear as a witness in court-martial proceedings: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT LANDEAU, A MINOR

The Clerk called the next bill, H. R. 6668, for the relief of Robert Landeau, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to the legal guardian of Robert Landeau, a minor, of Kenosha, Wis., in full satisfaction of his claim against the United States for personal injuries sustained as a result of being struck by a truck, leased by the Works Progress Administration and operated by an employee of said Administration, in Kenosha, Wis., May 15, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE RENDELL, ALICE RENDELL, AND MABEL RENDELL

The Clerk called the next bill, H. R. 6689, for the relief of George Rendell, Alice Rendell, and Mabel Rendell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to George Rendell, of Riverside, Calif., the sum of $245; to Alice Rendell, of Oro Grande, Calif., the sum of $3,948; and to Mabel Rendell, of Riverside, Calif., the sum of $1,000. The payment of such sums shall be in full settlement of all claims against the United States for personal injuries and property damage received when the vehicle in which they were riding was struck near March Field on United States Highway No. 395, in Riverside County, Calif., shortly after midnight, September 30, 1935, by a Civilian Conservation Corps truck bearing United States CCC license 36324: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LYNN E. BARKER

The Clerk called the next bill, H. R. 6889, for the relief of Lynn E. Barker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider, when filed, the claim of Lynn E. Barker, for disability alleged to have been incurred by him on or about July 11, 1934, while in the employment of the Bureau of Fisheries, Department of Commerce, at La Crosse, Wis., and to determine said claim upon its merits under the provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act.

With the following committee amendments:

In line 10, strike out the words "when filed" and insert "if filed within 6 months after the approval of this act."

In line 11, after the word "Barker", insert "of Crandon, Wis."

The committee amendments were agreed to; and the bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. C. JONES

The Clerk called the next bill, H. R. 7245, for the relief of J. C. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. C. Jones, of Fort Worth, Tex., the sum of $4,066.25. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by him and expenses incidental thereto, and for damages to his automobile when it was struck on the Jacksboro Highway near Fort Worth, Tex., on December 15, 1936.

With the following committee amendments:

In lines 6 and 7 strike out the figures and words "$4,066.25. The payment of such sum shall be", and insert the figures "$2,500,".

In line 11, after the word "Highway" insert a comma and strike out the word "near."

At the end of the bill strike out the period, insert a comma, and add:

"by a United States mail truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. F. LASSLY

The Clerk called the next bill, H. R. 7677, for the relief of R. F. Lassly.

There being no objection, a similar Senate bill (S. 2476) was considered in lieu of the House bill, and was read by the Clerk, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of R. F. Lassly, former chief disbursing clerk, Department of the Interior, for the payment of $30 to D. W. Robinson, Jr., of Columbia, S. C., for the preparation of a legal opinion at the request of the South Carolina State Advisory Board for the Public Works Administration on the application of the town of Summerton, S. C., for a loan from the Federal Emergency Administration of Public Works, and for the payment of $75 to J. M. Cantey, Jr., of Columbia, S. C., for the preparation of a legal opinion at the request of the South Carolina State Advisory Board for the Federal Emergency Administration of Public Works, on the application of the city of Columbia, S. C., for a loan from the Federal Emergency Administration of Public Works, which payments were made by vouchers nos. 7127 and 7128, respectively, and disallowed by the Comptroller General of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 7677) was laid on the table.

M. M. TWICHEL

The Clerk called the next bill, S. 2299, for the relief of M. M. Twichel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to M. M. Twichel, of St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of $3,346.66, or so much thereof as may be necessary, in full and complete satisfaction of his claim against the United States for compensation for services rendered and expenses incurred in connection with the burial of Indians on the Flathead Indian Reservation, Mont., prior to April 30, 1937: *Provided*, That before any payment is made hereunder the Secretary of the Interior shall certify that no part of the amount claimed has heretofore been paid.

With the following committee amendment:

Page 2, line 1, after the word "paid", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE R. SLATE

The Clerk called the next bill, S. 2159, for the relief of George R. Slate.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, George R. Slate, who was a member of Company G, Third Regiment Virginia Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 2d day of July 1898, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE H. STAHL AND HENRY A. BEHRENS

The Clerk called the next bill, S. 2093, for the relief of George H. Stahl and Henry A. Behrens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers George H. Stahl, who was a member of Company B, Fourth Regiment Wisconsin Volunteer Infantry, enlisted July 14,

1898, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of December 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

SEC. 2. That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Henry A. Behrens, who was a member of Company F, Fourth Regiment Wisconsin Volunteer Infantry, and who was mustered into the service on July 11, 1898, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on February 28, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY SALISBURY

The Clerk called the next bill, H. R. 6479, for the relief of Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, sailors, and marines Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on November 3, 1901, as a private of Troop F, Fourth Regiment United States Cavalry: *Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORA J. BUCHANAN

The Clerk called the next bill, H. R. 6904, to grant restoration of pension to Nora J. Buchanan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to restore to the pension roll the name of Nora J. Buchanan, mentally incompetent and physically helpless daughter of Charles H. Buchanan, late of Company K, Fourth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $20 per month, commencing July 10, 1936, which date is the day next succeeding the date of the death of Louisa M. Buchanan, widow of the veteran and mother of the child herein named: *Provided*, That the rate herein granted shall continue during the period of helplessness of the said Nora J. Buchanan: *And provided further*, That said pension shall be paid to a guardian, duly appointed in accordance with the law.

With the following committee amendments:

Page 1, line 4, strike out "restore to" and insert "place on."
Page 1, line 9, strike out "10" and insert "11."
Amend the title.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to grant pension to Nora J. Buchanan."

GEORGIANA FUREY

The Clerk called the bill (H. R. 3580) granting an increase of pension to Georgiana Furey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Georgiana Furey, widow of John Vincent Furey, late brigadier general, United States Army, and pay her a pension at the rate of $100 per month in lieu of that she is now receiving.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIOLA L. BUCHANAN

The Clerk called the bill (H. R. 6884) to grant restoration of pension to Viola L. Buchanan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to restore to the pension roll the name of Viola L. Buchanan, mentally incompetent and physically helpless daughter of Charles H. Buchanan, late of Company K, Fourth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $20 per month, commencing July 10, 1936, which date is the day next succeeding the date of the death of Louisa M. Buchanan, widow of the veteran and mother of the child herein named: *Provided*, That the rate herein granted shall continue during the period of helplessness of the said Viola L. Buchanan: *And provided further*, That said person shall be paid to a guardian duly appointed in accordance with the law.

With the following committee amendments:

Page 1, line 4, strike out "restore to" and insert "place on."
Page 1, line 9, strike out the figures "10" and insert the figures "11."
Page 2, line 3, strike out the word "person" and insert "pension."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill to grant a pension to Viola L. Buchanan."

MARY A. MAHER

The Clerk called the bill (H. R. 1691) for the relief of Mary A. Maher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and hereby is, authorized to consider and pass upon the application of Mary A. Maher, widow of Michael L. Maher, formerly a lay inspector in the Bureau of Animal Industry of the United States Department of Agriculture, who died at New York, N. Y., on February 24, 1926, while in the service, for the benefits of the Compensation Act approved September 7, 1916, notwithstanding the provisions of section 20 of said act requiring that all claims be filed within 1 year from the date of death.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Mary A. Maher, of the Bronx, New York City, widow of Michael L. Maher, who died on February 24, 1926, and whose death is alleged to have resulted from disease incurred while a lay inspector of the Bureau of Animal Industry, Department of Agriculture, and the United States Employees' Compensation Commission is hereby authorized and directed to receive and consider her claim under the remaining provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months from the date of the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROGER DONALDSON

The Clerk called the bill (H. R. 3066) for the relief of Roger Donaldson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Roger Donaldson; and the United States Employees' Compensation Commission is hereby authorized and directed to consider and act upon any claim filed with the Commission within 1 year after the date of the enactment of this act by said Roger Donaldson for compensation under the provisions of said act of September 7, 1916, as amended, for disability alleged to be due to injuries received by him while employed in the United States Navy Yard at Washington, D. C., in August 1934: *Provided*, That compensation, if any, shall be paid from and after the date of enactment of this act.

With the following committee amendments:

Page 1, line 8, after the word "Donaldson", insert "of Laurel, Md."
Page 1, line 12, strike out "1 year" and insert "6 months."
Page 2, line 3, strike out "injuries received" and insert "arthritis incurred."
Page 2, line 6, strike out "1934" and insert "1933."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third

time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN M. FULLER

The Clerk called the bill (H. R. 4221) for the relief of John M. Fuller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to John M. Fuller for loss of right eye caused by injury sustained in February 1934 while serving a sentence in the Federal penitentiary at Atlanta, Ga.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", strike out the remainder of the line and all of lines 6, 7, and 8, and insert: "to John M. Fuller, of Greenville, S. C., the sum of $2,500, in full satisfaction of his claim against the United States for the loss of his right eye as the result of an injury sustained February 10, 1934, while engaged in the performance of his duties as an inmate of the United States Penitentiary at Atlanta, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE JACOBSON

The Clerk called the bill (H. R. 5449) for the relief of George Jacobson, as father and natural guardian of Harold Jacobson, a minor, of Brooklyn, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George Jacobson, as father and natural guardian of Harold Jacobson, a minor, of Brooklyn, N. Y., out of any money in the Treasury not otherwise appropriated, the sum of $5,000 for damage sustained by the said George and Harold Jacobson in connection with an injury sustained by the said Harold Jacobson caused by a mail truck, the property of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold Jacobson, of Brooklyn, N. Y., the sum of $500 in full settlement of all claims against the United States for personal injuries sustained by him when he was struck by a United States mail truck at the intersection of Surf Avenue and West Fifteenth Street, Brooklyn, N. Y., on May 12, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill for the relief of Harold Jacobson."

GEORGE W. HALL

The Clerk called the bill (H. R. 5737) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States.

The Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment upon, notwithstanding lapse of time or bar of any statute of limitations or any other provision of law to the contrary, the claim of George W. Hall, Reidsville, N. C., for damages which he may have sustained or suffered by reason of or on account of injuries received by him on or about December 14, 1927, in the vicinity of Blackstone, Va., while in the employ of the American Railway Express Co. and while riding on train no. 4 then being operated by the Norfolk & Western Railway Co. and while working in a United States mail car for the United States and while engaged at the time in handling and looking after United States mail for the United States on said train at the time he was hurt. Either party shall have the same right of appeal as in other cases.

SEC. 2. There is authorized to be appropriated such sum as may be necessary to pay the amount of any judgment rendered pursuant to this act. Such action shall be brought within 1 year from the date of the passage of this act.

With the following committee amendment.

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of George W. Hall, of Reidsville, N. C., for damages resulting from personal injuries received by him on December 14, 1927, near Blackstone, Va., while an employee of the American Railway Express Co., riding on train no. 4 of the Norfolk & Western Railway Co., at which time he is alleged to have been a servant of the United States engaged in the performance of his duties handling the United States mails: *Provided*, That suit hereunder shall be instituted within 1 year after the approval of this act."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 5909, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Claims.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 5910, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Claims.

ALLEGHENY FORGING CO.

The Clerk called the next bill, H. R. 5911, for the relief of the Allegheny Forging Co.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected, and the bill, under the rule, was recommitted to the Committee on Claims.

ROBERT M'COY, A MINOR

The Clerk called the next bill, H. R. 6826, for the relief of Robert McCoy, a minor.

There being no objection, the Clerk read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Golden McCoy, guardian of Robert McCoy, the sum of $5,000 in full settlement against the Government for injuries and expenses incurred when struck by an ambulance of the Civilian Conservation Corps, May 11, 1935, at Albany, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "Treasury", strike out "not otherwise appropriated, to Golden McCoy" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to the legal."

Page 1, line 8, after the word "McCoy", insert "a minor, of Albany, Calif."

Page 1, line 9, strike out "$5,000" and insert "$2,668.50."

Page 1, line 9, after the word "settlement", strike out the words "against the Government" and insert "of all claims against the United States."

Page 1, line 11, after the word "when", insert the words "he was."

Page 2, line 1, after "May 11", strike out "1935" and insert "1934."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTEMISIA GRANT

The Clerk called the next bill, H. R. 6999, for the relief of Artemisia Grant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Artemisia Grant, of Milledgeville, Ga., the sum of $117.08 in full satisfaction of her claim against the United States for the value of 29.27 acres of land at $4 per acre, located in Putnam County, Ga., which she conveyed by deed to the Government, represented by the Resettlement Administration, said deed describing the land as 557 acres more or less, on the basis of which she was paid, but upon survey by the General Land Office the tract was found to contain 586.27 acres, exceeding by the said 29.27 acres the tract of land described and conveyed by said deed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall upon conviction thereof be deemed guilty of a misdemeanor and fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LULA G. SUTTON AND OTHERS

The Clerk called the next bill, S. 180, for the relief of Lula G. Sutton and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Lula G. Sutton the sum of $1,500, to R. E. Sutton the sum of $500, to Grace Sutton the sum of $500, and to Mary Lou Drinkard the sum of $1,000. Such sums shall be in full settlement of all claims of said parties against the Government for personal injuries sustained by them on the 22d day of December 1933, when the car in which they were traveling was struck by Civilian Conservation Corps pick-up truck no. 7 (tag no. U. S. 8–563 D. A.; motor no. 3792042): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, after the initial "G", strike out "Sutton the sum of $1,500, to R. E. Sutton the sum of $500, to Grace Sutton the sum of $500, and to Mary Lou Drinkard the sum of $1,000. Such sums shall be" and insert "Sutton, of Linden, Ala., the sum of $2,000; to R. E. Sutton, of Linden, Ala., the sum of $500; to Grace Sutton, of Linden, Ala., the sum of $500; and to Mary Lou Drinkard, of Linden, Ala., the sum of $1,500."

Page 2, line 6, after the word "truck", strike out the balance of the line and in line 7 strike out "no. 3792042" and insert "near Orrville, Ala."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF ROY D. COOK, A MINOR

The Clerk called the next bill, S. 410, for the relief of the legal guardian of Roy D. Cook, a minor.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. FLANNERY objected, and the bill, under the rule, was recommitted to the Committee on Claims.

JOHN MULHERN

The Clerk called the next bill, S. 545, for the relief of John Mulhern.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. FLANNERY objected, and the bill, under the rule, was recommitted to the Committee on Claims.

L. J. POWERS

The Clerk called the next bill, S. 886, for the relief of L. J. Powers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to L. J. Powers, of Waterloo, Iowa, in full settlement of all claims against the United States for redemption of certain documentary revenue stamps now in the possession of said L. J. Powers; one known as serial no. 928, for $500, and one known as serial no. 3577, for $500: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL E. PADGETT

The Clerk called the next bill, S. 1810, for the relief of Carl E. Padgett.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Carl E. Padgett, of Kansas City, Mo., formerly employed as a ward attendant, United States Veterans' Hospital, Kansas City, Mo., and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability alleged to have resulted from disease contracted by him while in the performance of his duties as such employee; but compensation, if any, shall be paid from and after the date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act of September 7, 1916, as amended.

With the following committee amendments:

Page 2, line 2, strike out "1 year", and insert "6 months";

Page 2, line 4, after the word "from" strike out the word "disease" and insert "tuberculosis";

Page 2, line 4, after the word "him" strike out "between August 22, 1930, and May 22, 1931";

Page 2, beginning in line 8, strike out all of lines 8, 9, 10, and 11.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAH P. RICE

The Clerk called the next bill, S. 2487, for the relief of Leah P. Rice.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of Leah P. Rice, former postmaster at Harrison, Nebr., in the amount of $172.55, representing funds lost in the failure of the First National Bank of Harrison, Nebr., February 5, 1934.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMOS B. COLE

The Clerk called the next bill, H. R. 5916, to authorize the Commissioners of the District of Columbia to reappoint Davis B. Cole in the Police Department of the District of Columbia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and empowered in their discretion, to reappoint Davis B. Cole as a member of the Metropolitan Police Department of the District of Columbia, his compensation to commence from the date of such reappointment.

With the following committee amendments:

Amend title of bill by striking out the word "Davis" and inserting the word "Amos" in lieu thereof. Amend line 5 by striking out the word "Davis" and inserting the word "Amos" in lieu thereof.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended.

A motion to reconsider was laid on the table.

ESTATE OF JOHN GELLATLY

The Clerk called the next bill, H. R. 3050, for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually.

Mr. MURDOCK of Utah and Mr. HILL of Oklahoma objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

K. E. PARKER CO.

The Clerk called the next bill, H. R. 3648, for the relief of K. E. Parker Co.

Mr. FLANNERY and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

DR. A. C. ANTONY ET AL.

The Clerk called the next bill, H. R. 6296, for the relief of Dr. A. C. Antony and others.

Mr. COSTELLO and Mr. FLANNERY objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH CALARESE

The Clerk called the next bill, H. R. 6370, for the relief of Joseph Calarese.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury of the United States be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Calarese, of Middlesex County, Somerville, Mass., the sum of $2,000 for damages to his 7-year-old son, John Calarese, who was struck down and painfully and seriously injured as a result of negligence on the part of the employees of the United States in the operation of a United States Post Office Department automobile truck owned and operated by the United States Government on June 24, 1931.

With the following committee amendments:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of John Calareso, a minor, of Somerville, Mass., the sum of $1,075, in full settlement of all claims against the United States for personal injuries sustained when he was struck by a United States mail truck, June 24, 1930, while crossing Nashua Street, Boston, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid, or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended to read: "A bill for the relief of John Calareso, a minor."

MAX D. ORDMANN

The Clerk called the next bill, S. 2699, for the relief of Max D. Ordmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the moneys held in the Treasury of the United States in alien property trust no. 39868, in the name of "Robert Zahn, deceased, Reichtsenwalt Rietzel, executor, and Vogtlandische Machinen Fabrik", otherwise known as Vogtlandische Maschinen-Fabrik and Alfred Rietzsch, as administrator of Robert Zahn, deceased, the sum of $6,587.60, together with interest thereon at the rate of 6 percent per annum from and after September 18, 1934, to Max D. Ordmann, in full settlement of all claims against the United States for legal services rendered to the said Robert Zahn, deceased, Reichtsenwalt Rietzel, executor, and Vogtlandische Machinen Fabrik, otherwise known as Vogtlandische Maschinen-Fabrik and Alfred Rietzsch, as administrator of Robert Zahn, deceased: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL WAR PENSIONS

The Clerk called the next bill, H. R. 8280, granting pension to a soldier, and pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers and sailors of the Civil War.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Jesse Morse, helpless and dependent son of Garret C. Morse, late of Company G, Twenty-second Regiment New York Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Susan Melugin, widow of Amos W. Melugin, late of Company E, Fifth Regiment Iowa Volunteer Cavalry, and Company F, Twenty-seventh Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Elizabeth Guy, widow of Daniel Guy, late of Company E, Thirteenth Regiment Tennessee Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Louise Newton, widow of Cassius Newton, late of Company E, One Hundred and Eighty-fourth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Benson A. Weston, helpless and dependent son of Thomas Weston, late of Company D, Ninety-eighth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Louisa Wachter, widow of Julius Wachter, late of the Second Battery, Wisconsin Volunteer Light Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Georgia Hupp Williams, former widow of Harvey Hupp, late of Company F, Sixty-fifth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of James R. Gibbs, helpless and dependent son of Michael Gibbs, late of Company A, Fourth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Lottie L. Stoner, widow of Martin G. Stoner, late of Company C, Third Regiment Pennsylvania Volunteer Heavy Artillery, and pay her a pension at the rate of $30 per month.

The name of Harriet A. Holmes, widow of George P. Holmes, late of Company A, Twentieth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Mary E. Lee, widow of Charles H. Lee, late of Company F, Fourth Regiment Iowa Volunteer Cavalry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Gilbert Walton, helpless and dependent son of Lewis F. Walton, late of Companies K and F, Fourteenth Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Martin H. Doolin, helpless and dependent son of William H. Doolin, late of Company K, Forty-fourth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Laura Moore, widow of Amos J. Moore, late captain, Company H, One Hundred and Eighteenth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Agnes Auman, widow of Jacob Auman, late of Company K, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Amanda Snyder, widow of John Snyder, late of Company K, Thirty-first Regiment, New Jersey Volunteer Infantry, and Company C, One Hundred and Thirty-fifth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Bessie D. Caster, helpless and dependent daughter of William Caster, late of Captain Irvin D. Stapp's Company F, Sixth Regiment Infantry (Cranor's Regiment) Missouri Volunteer State Militia, and captain, Companies B and D, Thirty-first Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $20 per month.

The name of Silas S. Shepperd, late of Captain Walter P. Ingram's Company D, Hall's Gap Battalion Kentucky State Troops, and pay him a pension at the rate of $50 per month.

The name of Emily J. Poe, widow of Meredith Poe, late of Companies F and D, Fourteenth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Polly Stewart, widow of Jesse Stewart, late of Company K, Fortieth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Minerva Wells, widow of William Wells, late of Company D, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Emeline Gambrel, widow of Joseph Gambrel, alias Joseph Gambral, late of Captain Francis M. Vaughn's Company B, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Sarah Smith, widow of Henry Smith, late of Captain William Strong's Company E, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Lucinda McDaniel, widow of Arthur McDaniel, late of Captain William Strong's Company E, Three Forks Battalion Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Adelia Van Wormer, widow of Theodore F. Van Wormer, late of Company B, Thirty-eighth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Samantha J. Shyer, widow of Henry Shyer, late of Company I, Twenty-first Regiment, and Company B, Fourteenth Regiment, Michigan Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Jerucia S. Platter, widow of Joseph Platter, late of Company B, Second Regiment Ohio Volunteer Heavy Artillery, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Ida M. Hoyt, widow of Shephen A. Hoyt, late of Company L, Second Regiment New York Veteran Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Hannah Sims, widow of William B. Sims, late of Company L, Fourth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The name of Isabelle Call, widow of Harrison O. Call, late of Company A, Twentieth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mollie B. Clinkinbeard, widow of James L. Clinkenbeard or James T. Clinkenbeard, late of Captain James H. Davis' Company K, Twenty-fifth Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Sophie Feiner, former widow of Henry Hyams, late of the United States Navy, and pay her a pension at the rate of $30 per month.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF F. GRAY GRISWOLD

The Clerk called the next bill, H. R. 7104, for the relief of the estate of F. Gray Griswold.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of sections 25 (a) and 9 (m) of the Settlement of War Claims Act of 1928, the Attorney General of the United States, as successor to the Alien Property Custodian, and the Secretary of the Treasury are hereby authorized and directed to pay over to the estate of F. Gray Griswold, deceased, of New York City, the sum of $15,032 plus accrued earnings and interest thereon as provided by law, said funds having been paid over to the Alien Property Custodian by F. Gray Griswold and being now held by the Alien Property Bureau in an individual trust no. 47664 in the name of F. Gray Griswold.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF JOHN F. HACKFELD

The Clerk called the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding lapse of time, prior alleged settlement, any statute of limitations, or other limitations upon the jurisdiction of such court, jurisdiction is hereby conferred upon the Court of Claims to hear and determine the claim of Fredrick Rodiek, ancillary executor of the will of John F. Hackfeld, deceased, against the United States for just compensation, including damages and losses sustained by the said John F. Hackfeld, directly or indirectly, through the taking and sale or other disposition by the Alien Property Custodian or his agents, at less than their then true value, of any corporate stocks or other property owned by John F. Hackfeld, J. F. Hackfeld, Ltd., or H. Hackfeld & Co., Ltd., but belonging in fact to John F. Hackfeld: *Provided, however*, That in any proceeding in the Court of Claims, the United States shall not be deprived of any substantive defenses directed to the merits of said claim, which could be pleaded or availed of in any other forum; with the same right as in other cases to either party to apply to the Supreme Court of the United States for writ of certiorari to review any judgment that may be rendered.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 1, line 8, after the words "United States", strike out "just compensation, including."

Page 2, line 12, after the word "rendered", change the period to a colon and insert *And provided further*, That suit upon this claim shall be instituted within 1 year after the enactment hereof."

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT L. SUMMERS

The Clerk called the next bill, S. 2317, for the relief of Robert L. Summers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 1118, Revised Statutes, the Secretary of War is hereby authorized to reenlist in the United States Army Robert L. Summers, Medical Department, Fort Sill, Okla., at the expiration of the said Robert L. Summers' present period of enlistment on November 12, 1937, and on such future dates as the said Robert L. Summers may make application for reenlistment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY W. DUBISKE

The Clerk called the next bill, S. 937, for the relief of Harry W. Dubiske.

The SPEAKER pro tempore (Mr. O'CONNOR of New York). Is there objection to the present consideration of the bill?

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on Claims.

The SPEAKER pro tempore. Under the rule, the Chair feels that cannot be done. If there are two objections, the bill will be recommitted to the Committee on Claims.

Mr. KENNEDY of Maryland. May I be permitted to make an explanation?

The SPEAKER pro tempore. Under the rule no explanation is in order.

Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to receive, consider, and determine, in accordance with law but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by Harry W. Dubiske, whose business address is 208 South La Salle Street, Chicago, of the State of Illinois, for the refund of income and profits taxes erroneously collected from the said Harry W. Dubiske for the year 1919: *Provided*, That the Commissioner of Internal Revenue shall deduct from the amount of any overpayment determined under the provisions of this act the amount of any additional tax determined to be due for the year 1919, whether or not the assessment or collection of such additional tax is barred by any statute of

limitations: *Provided further,* That in the settlement of said claim there shall be no allowance of interest.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE BEDARD, JR.

The Clerk called the next bill, H. R. 842, for the relief of Theodore Bedard, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, to Theodore Bedard, Jr., the sum of $462.05 on account of expenses incurred by him through the wrongful and negligent action of a driver of a Government truck of the Forestry Service, Department of Agriculture.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Theodore Bedard, Jr., of Clark Fork, Idaho, the sum of $372.05, in full satisfaction of his claim against the United States for damage sustained to his automobile in a collision, December 1, 1932, with a Forest Service truck of the Department of Agriculture, on the highway between Cabinet and Clark Fork, Bonner County, Idaho: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN FITZGERALD

The Clerk called the next bill, H. R. 3253, for the relief of John Fitzgerald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to John Fitzgerald, of Sweetwater, Tenn., for injuries sustained by him as a result of the negligent operation of a Government Conservation Corps truck on June 16, 1936, on what is known as the McFarland Road in Polk County, Tenn.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to John Fitzgerald, of Sweetwater, Tenn., the sum of $2,000, and to J. R. Harper, of Sweetwater, Tenn., the sum of $750, in full satisfaction of their claims against the United States for personal injuries and property damage sustained on June 16, 1936, when the automobile in which they were riding was crowded off McFarland Road, near Archville, Polk County, Tenn., by a Forest Service truck operated in connection with the Civilian Conservation Corps: *Provided,* That no part of the amount appropriated in this act shall be paid until the judgment rendered against John Hansird, C. C. C. enrollee, in favor of John Fitzgerald, is released and fully satisfied of record: *Provided further,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of John Fitzgerald and J. R. Harper."

HARRY A. GARFIELD ET AL.

The Clerk called the next bill, S. 2514, for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons, formerly associated with the United States Fuel Administration, the sum hereinafter specified in full satisfaction of all their claims against the United States for reimbursement of all sums paid by them out of their personal funds as compensation to employees engaged subsequent to June 30, 1919, in winding up the affairs of the United States Fuel Administration: Harry A. Garfield, of Washington, D. C., $2,986.65; Cyrus Garnsey, Jr., of rural free delivery route no. 3, Seneca Falls, N. Y., $80; James H. Allport, of Barnesboro, Pa., $127.16; and Frank E. Harkness, of 120 South La Salle Street, Chicago, Ill., in care of Butler, Lamb, Foster & Pope, $117.50: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. R. WICKHAM

The Clerk called the next bill, H. R. 5056, for the relief of A. R. Wickham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers A. R. Wickham, who served as a private with Headquarters Troop, First Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on May 6, 1923: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COUNTY COMMISSION OF ST. JOHNS COUNTY, FLA.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (H. R. 5921) for the relief of the County Commission of St. Johns County, State of Florida, no. 634 on the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand the gentleman who objected to this bill has withdrawn his objection?

Mr. KENNEDY of Maryland. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 3679, Revised Statutes, as amended by the act of February 27, 1906, the Secretary of the Treasury is hereby authorized and directed to pay to the County Commission of St. Johns County the sum of $4,510 in full settlement of claim against the War Department for salaries paid to two bridge tenders, during the period from May 15, 1930, to October 15, 1933, at the Palm Valley Bridge over the intercoastal waterway in St. Johns County, Fla.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Board of County Commissioners of St. Johns County, Fla., St. Augustine, Fla., the sum of $4,510, in full satisfaction of its claim against the United States for salaries paid to two bridge tenders during the period from May 15, 1930, to October 15, 1933, for operation of the Palm Valley Bridge over the Florida East Coast Canal, in St. Johns County, Fla., which canal was subsequently acquired by the United States and which bridge was held to have been the property of the United States during said period: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall

be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill for the relief of the Board of County Commissioners of St. Johns County, Fla."

CONSENT CALENDAR

The SPEAKER. Under a previous order, the Clerk will call the Senate bills on the Consent Calendar and House bills similar to Senate bills.

OSAGE TRIBE OF INDIANS

The Clerk called the first bill on the Consent Calendar, S. 670, authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SAN CARLOS APACHE INDIANS

The Clerk called the next bill, S. 1231, authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN].

There was no objection.

Mr. O'MALLEY. Mr. Speaker, I am informed by the document clerk that it is impossible to get a copy of the Consent Calendar, because the supply is exhausted. Would it be possible for the Clerk to read the full designation on the calendar, so the Members can know which bill is being called?

The SPEAKER. The Chair will undertake to see that Members are given full information with respect to the bills.

WESTERN BANDS OF THE SHOSHONE NATION OF INDIANS

The Clerk called the next bill, S. 68, authorizing the Western Bands of the Shoshone Nation of Indians to sue in the Court of Claims.

Mr. COCHRAN, Mr. TABER, and Mr. RICH objected.

FORT DONELSON NATIONAL MILITARY PARK, TENN.

The Clerk called the next bill, S. 2026, to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described tracts or parcels of land lying and being within the seventh civil district of Stewart County, Tenn., are hereby transferred from the jurisdiction of the Secretary of War to the jurisdiction of the Secretary of the Interior as additions to the Fort Donelson National Military Park, and shall hereafter be subject to all laws and rules and regulations applicable to said park:

Tract no. 1, a right-of-way, 50 feet wide, lying 25 feet on each side of a center line, beginning at a point in the southerly boundary line of lock D reservation, 734.8 feet from the southwest corner of this reservation; thence S. 31°5′ W. 77.1 feet; thence S. 86°21′ W. 479.9 feet; thence S. 63°53′ W. 262.3 feet; thence S. 39°36′ W. 186.7 feet; thence S. exactly 40′ E. exactly 194 feet; thence S. 30°58′ E. 314.5 feet; thence S. 28°15′ E. exactly 85 feet; thence S. 28°37′ E. 250.5 feet; thence S. 4°6′ E. 261.7 feet; thence S. 36°27′ E. 282.3 feet; thence S. 23°45′ E. 178.3 feet to center line of county road, reserving, however, to the War Department the right to the continued use of the road over this tract as a means of access to lock D.

Tract no. 2, beginning at a point in the southern boundary line of lock D reservation, 753.5 feet from the southwest corner of this reservation, thence N. 74°28′ E. 191.98 feet, thence S. 85°12′ E. 52.9 feet, thence S. 51°36′ E. 32.9 feet, thence S. 9°33′ E. 117.02 feet, thence S. 31°3′ W. 69.82 feet, thence N. 58°57′ W. 288.08 feet to beginning.

Tract no. 3, beginning at a point in the southern boundary line of lock D reservation, 590 feet from the southwest corner of this reservation, this point being marked by an iron fence post, thence N. 58°57′ W. 590 feet along the southern boundary line of lock D reservation, thence N. 31°3′ E. 488 feet along the western boundary line of the lock D reservation to low-water mark on bank of Cumberland River, thence along low-water line of Cumberland River in a southeasterly direction 335 feet, thence S. 34°5′ W. 123 feet to an iron pin, thence S. 55°55′ E. 307.5 feet to an iron pin, thence S. 40°5′ W. 310.5 feet to beginning.

SEC. 2. The Secretary of the Interior is hereby authorized to accept donations of land, interests in land, buildings, structures, and other property within a distance of 1 mile from the boundaries of said Fort Donelson National Military Park, as hereby extended, and donations of funds for the purchase or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable or by condemnation, such tracts of land within a distance of 1 mile from the boundaries of the said national military park as may be necessary for the completion thereof. Upon the acquisition of such land, the same shall become a part of the Fort Donelson National Military Park and shall be subject to the laws and rules and regulations applicable to said park.

SEC. 3. The administration, protection, and development of the lands hereby authorized to be added to the Fort Donelson National Military Park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916 (39 Stat. 535), entitled "An act to establish a National Park Service, and for other purposes", as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THREE HUNDREDTH ANNIVERSARY, FIRST PERMANENT SETTLEMENT IN DELAWARE RIVER VALLEY

The Clerk called Senate Joint Resolution 135, to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes."

Mr. MARTIN of Massachusetts, Mr. HOLMES, Mr. RICH, Mr. SHORT, and Mr. CARLSON objected.

TRANSPORTING STOLEN ANIMALS IN INTERSTATE COMMERCE

The Clerk called the next bill, S. 1375, to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. NICHOLS. Mr. Speaker, reserving the right to object, I sincerely hope the gentleman will not insist on this objection. This is a matter of the utmost importance to the States in the Southwest. This matter of stealing livestock and chickens is getting to be a tremendous racket in our part of the country and is practically ruining and destroying many of our small farmers. Trucks in international travel back up to a chicken yard and take hundreds and hundreds of chickens out of a flock, and may take all the chickens a farmer has. The same thing happens in the case of cattle, mules, and hogs. This is a matter which should be under the protection of the Federal court. The problem is much larger than it sounds. I hope the gentleman will not insist on his request that the bill be passed over.

Mr. McCORMACK. I recognize the power of the gentleman's eloquence.

Mr. NICHOLS. It is not a matter of eloquence; it is a fact. It is a situation that exists.

Mr. McCORMACK. However, this is a very, very important bill and is very far reaching. I recall that when I appeared before the Committee on the Judiciary the distinguished chairman of that committee stated that there are many things which the States should do. It seems to me it is rather difficult for the chairman of the Committee on the Judiciary to report this bill when purely a State function is involved. I do not know whether or not I shall object to the bill, but I want to study it more. I am not prepared to state what my action would be after further study, but if I

am pressed I shall have to object to the present consideration of the bill.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield for a very brief explanation?

Mr. McCORMACK. I am always pleased to yield to my friend, the gentleman from Texas.

Mr. SUMNERS of Texas. May I say to the gentleman that this legislation deals with the transportation in interstate commerce of stolen animals. As has been stated by the gentleman who just preceded me, a situation has developed under which these interstate thieves with a high-powered truck may raid a herd of cattle or a flock of chickens belonging to some ranchman, and before daylight may be 400 or 500 miles away. It is really far more difficult to trace such stolen animals than it is to trace stolen commodities which are transported in railroad trains, and, as the gentleman knows, that is just what we tried to do. This situation involves cases where the thieves can load up a truck, travel on byroads, and before daylight may be 500 miles away.

Mr. HOUSTON. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kansas.

Mr. HOUSTON. May I say, in corroboration of what has been stated here, that last fall in my own district a truck came to a farmhouse when the folks were in town shopping on a Saturday afternoon and stole 350 chickens. The chickens were found in Colorado, across the State line.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. SHORT. I understand this particular bill is copied after the Dyer Act.

Mr. MILLER. The gentleman is correct.

Mr. SHORT. This bill is very similar to that. The situation complained of prevails particularly in the Middle West and out in the West. I live just 18 miles north of the Arkansas line, and I know that this thievery has been going on.

Mr. SUMNERS of Texas. If the gentleman will permit, this is a far more important bill, because this involves private transportation, whereas the Dyer Act covered transportation by railroad.

Mr. SHORT. If the transportation of a stolen automobile is a crime, why should not the same principle apply in the case of livestock?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the bill be passed over without prejudice?

Mr. NICHOLS. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK, Mr. COSTELLO, and Mr. RAMSPECK objected.

DEVELOPMENT OF FACILITIES FOR WATER STORAGE AND UTILIZATION

The Clerk called the next bill, H. R. 7697, to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes.

Mr. TABER. Mr. Speaker, as I look at this bill it seems to be a bill to create a reclamation service in the Department of Agriculture. It is bad enough having one, let alone two.

Mr. JONES. Mr. Speaker, this does not have any reclamation or irrigation projects involved whatever. It refers only to small ponds and little bodies of water that can be created principally in the great plains area.

Mr. TABER. There is not any facility in the Department of Agriculture at the present time that has to do with this sort of work.

Mr. JONES. Yes; the regular soil conservation work.

Mr. HOPE. Mr. Speaker, if the gentleman will yield, I was just going to say that the regular Soil Conservation Service is doing this very work at this time. This is a matter of very great importance to the reclamation of such areas and I hope the gentleman will not press his objection.

Mr. JONES. There is no thought of engaging in reclamation projects or irrigation projects.

Mr. HOPE. This has no connection with reclamation whatever.

Mr. CASE of South Dakota. Mr. Speaker, if the gentleman will yield, the Department of Agriculture not only has soil conservation, but the Bureau of Agricultural Engineering, and the purpose of this bill is to provide supplementary water supplies in the Great Plains area and it is not a reclamation project in any sense.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

There being no objection, a similar Senate bill (S. 2863) was considered in lieu of the House bill and was read by the Clerk as follows:

Be it enacted, etc., That it is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and forest lands in the arid and semiarid areas of the United States resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the arid and semiarid areas of the United States.

"SEC. 2. In order to effectuate this policy and promote proper land use in the said areas, the Secretary of Agriculture is hereby authorized, from time to time—

(1) To formulate and keep current a program of projects for the construction and maintenance in the said areas of ponds, reservoirs, wells, check-dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;

(2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of this act, the facilities mentioned in section 2 (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of this act;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of this act; and

(4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of this act.

SEC. 3. The facilities included in the program provided for in section 2 (1) may be located—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 4. As a condition to extend benefits under this act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this act, require—

(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation and equitable utilization of waters;

(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities;

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

SEC. 5. The Secretary of Agriculture, in administering the provisions of this act, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in this act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this act, any funds available for the purposes of this act.

SEC. 6. For the purposes of this act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and books of reference, for printing and binding, for the purchase, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses, and for other administrative expenses; and

(3) Perform such acts, and prescribe such rules and regulations as he may deem proper to carry out the provisions of this act.

SEC. 7. There are hereby authorized to be appropriated for the purposes of this act such sums as Congress may from time to time determine to be necessary.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 7697) was laid on the table.

THE COAST GUARD

The Clerk called the next bill, H. R. 7486, to increase the efficiency of the Coast Guard.

Mr. TABER. Mr. Speaker, I reserve the right to object.

As I understand it, the effect of this bill is to create a selection board amongst the officers of the Coast Guard.

Mr. BLAND. It is not strictly a selection board, it is rather an elimination board. It is entirely different from the Navy selection board. It does determine those who should be taken out of the line of promotion, but the maximum would be five officers a year.

Mr. TABER. That would be 25 percent of those who are taken into the officer personnel, or something like that.

Mr. BLAND. May I say to the gentleman that selection is in every service, including the enlisted men? The commissioned officers of the Coast Guard are the only men who are not subjected to these tests. They are given every right and they may appear by counsel before this board before they are permanently retired.

Mr. TABER. The operation of this system in the Navy and the Army has cost us a lot of money.

Mr. BLAND. This is entirely different from the system in the Army or the Navy and every safeguard is thrown around these men.

Mr. TABER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. BLAND. I object, Mr. Speaker.

Mr. TABER. Then, Mr. Speaker, I object to the present consideration of the bill.

JURISDICTION OF COURT OF CLAIMS

The Clerk called the joint resolution (S. J. Res. 64) defining the jurisdiction of the Court of Claims under the acts approved March 19, 1924 (43 Stat. 27), and April 25, 1932 (47 Stat. 137), and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ARAPAHOE AND CHEYENNE INDIANS

The Clerk called the bill (S. 1622) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. Last Consent Day I placed a letter in the RECORD from the Department concerning this bill, and I think it would convince anyone that the bill should be stricken from the calendar. I object.

The SPEAKER. It requires three objections.

Mr. TABER and Mr. RICH objected.

WAPATO INDIANS

The Clerk called the bill (S. 558) amending acts fixing the rate of payment of irrigation construction costs on the Wapato Indian irrigation project, Yakima, Wash., and for other purposes.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGES IN THE STATE OF MARYLAND

The Clerk called the bill (S. 2761) authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the State of Maryland by and through its State roads commission or the successors of said commission be, and is hereby, authorized to construct, maintain, and operate any or all of the following bridges and approaches thereto, at points suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act, to wit:

A bridge across the Potomac River from a point in Charles County at or near Ludlows Ferry to a point approximately opposite in the State of Virginia near Dahlgren and Colonial Beach.

A bridge across the Chesapeake Bay from a point in Baltimore County at or near Millers Island to a point approximately opposite in Kent County at or near Tolchester; or, as an alternate thereto, a bridge across the Chesapeake Bay from a point in Anne Arundel County at or near Annapolis to a point approximately opposite on Kent Island: *Provided*, That the latter bridge shall not be built or commenced until the plans and specifications for its construction, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such bridge and approaches thereto.

A bridge across the Susquehanna River from a point in Cecil County at or near Perryville to a point approximately opposite in Harford County at or near Havre de Grace.

A bridge across the Patapsco River south of the city of Baltimore from a point at or near the mouth of North West Branch to a point approximately opposite at or near Fairfield: *Provided*, That the said bridge shall not be built or commenced until the plans and specifications for its construction, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such bridge and approaches thereto.

The times for commencing and completing the construction of any of the bridges authorized by this section shall expire 3 and 5 years, respectively, from the date of approval hereof.

In lieu of any bridge hereinabove mentioned in this section, the State of Maryland by, and through its State Roads Commission or the successors of said commission be, and is hereby, authorized to construct, maintain, and operate a tunnel and approaches thereto at the same location; but no such tunnel shall be built or commenced until the plans and specifications for its construction, together with such drawings of the proposed construction and such map of the proposed location as may be required for a full understanding of the subject, have been submitted to the Secretary of War and Chief of Engineers for their approval, nor until they shall have approved such plans and specifications and the location of such tunnel and accessory works. The word "bridge" or "bridges" as hereinafter used in this act shall be deemed to include and to apply to any such tunnel or tunnels, and the powers granted by and the conditions and limitations contained in this act shall be applicable in all respects to any such tunnel or tunnels.

The authority herein granted to construct, maintain, and operate any of the foregoing bridges shall not be deemed to be exclusive or to repeal the authority heretofore granted to any other corporation, public board, or agency to construct a bridge at the same location.

SEC. 2. There is hereby conferred upon the State of Maryland and its State Roads Commission or the successors of said commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of any or all such bridges and their approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in condemnation or expropriation of property for public purposes in such State.

SEC. 3. The State of Maryland, by and through its State roads commission or the successors of said commission is hereby authorized to fix and charge tolls for transit over any or all such bridges and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. The State of Maryland, by and through its State Roads Commission or the successors of said commission, may unite or group all or such of said bridges into one or more separate projects for financing purposes as in its judgment shall be deemed practicable. If tolls are charged for the use of a bridge or bridges in a project, the rates of toll to be charged for the use of such bridge or bridges embraced in the particular project shall be so adjusted as to provide a fund not to exceed an amount sufficient

to pay the reasonable costs of maintaining, repairing, and operating the bridge or all of the bridges included in the particular project and their approaches under economical management, and not to exceed an amount sufficient in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge or all of the bridges embraced in the particular project, and their approaches, including reasonable interest and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 40 years from the completion of such bridge or from the date of completion of the last completed bridge in the particular project. The tolls derived from the bridge or bridges embraced in any particular project may be continued and paid into the appropriate sinking fund until all such costs of the bridge or bridges embraced in the particular project shall have been amortized. In any event, tolls may be charged on the basis aforesaid for transit over the bridge or bridges in each project for which revenue bonds of said State are issued, and such tolls may be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates.

SEC. 5. The failure of the State of Maryland, by and through its State Roads Commission, to construct, maintain, and operate any one or more of the foregoing bridges, or to unite or group any two or more for financing purposes, shall in no wise affect its authority or powers hereby granted to construct, maintain, and operate such bridge or bridges as it may deem expedient, and any one of the bridges herein authorized may be constructed, maintained, and operated as a single project without uniting such bridge in a joint project with other bridges authorized herein.

SEC. 6. After a sinking fund sufficient to amortize the cost of any bridge or bridges in any particular project or group or sufficient to pay the principal and interest on bonds issued for the purpose of financing such particular bridge or bridges or project or group shall have been provided to the extent hereinbefore required, the bridge or bridges included in any such project or group shall thereafter be maintained and operated free of tolls: *Provided, however,* That tolls for the use of any such bridge or bridges may be continued thereafter in the event that such tolls shall have been pledged by the State Roads Commission to the payment of revenue bonds issued for any other bridge or bridges the construction of which shall have been authorized by Congress. An accurate record of the cost of each bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 7. The powers conferred by this act are supplementary and additional to all other authority and powers heretofore granted by law for the construction of the hereinbefore-named bridges, but all acts or parts of acts heretofore enacted, authorizing the construction of the hereinbefore-named bridges (except as applied to any bridge over the Potomac River) which are in conflict with the terms of this act be, and the same are, hereby repealed insofar as such conflict exists. Nothing in this act shall be construed as authorizing tolls to be charged for the use of any one or more of the hereinbefore-named bridges except as hereinabove provided, and nothing herein shall be construed so as to prohibit the State of Maryland from paying all or any part of the costs of the construction of any one or more of such bridges or their approaches, and any and all bonds issued for such purposes, from any funds of the State which may now or hereafter be made available for that purpose.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LANDS OF BLACKFEET INDIAN TRIBE

The Clerk called the bill (S. 2774) to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. Will the gentleman from Montana [Mr. O'CONNOR] please explain this bill?

Mr. O'CONNOR of Montana. Mr. Speaker, this bill is a bill introduced at the request of the Secretary of the Interior. This land was taken away from the Indians by the United States Government for the purpose of establishing a reclamation reservoir. Then, later on, it was found to be impractical and now the Federal Government wants to give the land back to the Indians. This bill was prepared at the request of the Secretary of the Interior and given to Senator WHEELER, who secured its passage in the Senate. It has the approval of the Interior Department. I quote from the Acting Secretary of the Interior:

I recommend that the proposed legislation receive early and favorable consideration.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of Montana. Yes.

Mr. RICH. He also says:

The Acting Director of the Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation to the Congress.

Mr. O'CONNOR of Montana. Yes. In other words, it has the approval of the Budget Bureau and of the Secretary of the Interior. The Government wants to give this land back to the Indians, and let the Government do it.

Mr. TABER. Did the Government pay the Indians for the land when they took it?

Mr. O'CONNOR of Montana. Yes; and the bill provides now that the Government is to be reimbursed out of the tribal funds and the money is there to do it.

Mr. TABER. All right.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest acquired by the United States for Federal reclamation purposes in the lands within the exterior boundaries of the present Blackfeet Indian Reservation that were acquired for Federal reclamation purposes and are determined in the opinion of said Secretary not to be needed for such purposes. Such relinquishment shall be conditioned upon the repayment into the reclamation fund of a sum equal to the amount taken therefrom for the purchase of the lands so relinquished, including the amounts paid for the benefit of allottees where the land acquired for Federal reclamation purposes was allotted land. Upon such relinquishment and payment being made, the title to said lands shall be and remain in the United States in trust for the Indians of the Blackfeet Tribe of the Blackfeet Indian Reservation of Montana: *Provided,* That in making such relinquishments the Secretary may reserve for Federal reclamation purposes such easements and rights as in his opinion may be required for present or future developments under the Federal reclamation laws, and the amount payable into the reclamation fund on account of such relinquishment shall be reduced by the value of the easements and rights so retained for Federal reclamation purposes, such value to be conclusively ascertained by said Secretary: *Provided further,* That no relinquishments herein authorized shall be effective unless approved in writing by the Blackfeet tribal council.

SEC. 2. The Secretary of the Interior is hereby authorized to expend from any moneys on deposit in the Treasury of the United States to the credit of the Blackfeet Indians not to exceed $30,000 for the purpose of carrying out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO MEMBERS OF CONGRESS TO ENTER INTO AGREEMENTS UNDER AGRICULTURAL PROGRAMS

The Clerk called the next bill, H. R. 7330, to permit Members of Congress to enter into agreements under agricultural programs.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill, S. 2229, will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act relating to contracts and agreements under the Agricultural Adjustment Act", approved January 25, 1934, as amended, is amended by inserting before the period at the end thereof a comma and the following: "and shall not apply to contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers: *Provided,* That such exemption shall be made a matter of public record".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 7830) was laid on the table.

REGIONAL RESEARCH LABORATORY

The Clerk called the next bill, S. 2789, to provide for the establishment and maintenance of a regional research laboratory for the development of industrial uses for agricultural

products; the first unit to be devoted to the development of industrial uses for cotton and cotton products; additional units to be provided for the study of other crops as additional funds are provided.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I would like to state at this time that if unanimous consent is granted for the consideration of this bill, I would offer an amendment and would use 5 minutes for the purpose of explaining the amendment. It may cause some delay and I do not know whether it is the disposition of the House to consider the bill tonight or to consider it tomorrow under suspension of the rules, as I understand the gentleman from Mississippi [Mr. DOXEY] will be recognized for that purpose. I would object unless it is understood I have an opportunity to offer an amendment.

The SPEAKER. Does the gentleman from Mississippi [Mr. DOXEY] desire to reply to the inquiry?

Mr. DOXEY. I desire to say as to the inquiry, my understanding of the procedure under the gentleman's reservation of objection—I do not know what his ground for objection may be.

The SPEAKER. The gentleman is not objecting, as the Chair understands. The gentleman from Wisconsin would have the right to offer any germane amendment.

Mr. RICH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DOXEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOXEY. If the bill is passed over without prejudice and an opportunity is afforded to bring this bill up under suspension of the rules, we would not be in any wise barred by the action here tonight, would we?

The SPEAKER. Absolutely not.

Mr. DOXEY. Does the gentleman intend to press his objection to the bill? Of course, I would rather get it passed by unanimous consent if possible. Therefore, Mr. Speaker, knowing the merits of this bill and also how the gentleman feels about it, I hope we can pass it tonight by unanimous consent.

Does the gentleman object to the present consideration of the bill?

Mr. RICH. I asked unanimous consent that the bill be passed over without prejudice.

Mr. DOXEY. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object to the present consideration of the bill.

Mr. DOXEY. As I understand, Mr. Speaker, three objections are required.

The SPEAKER. No. Only one objection is required.

Mr. DOXEY. May I ask unanimous consent, Mr. Speaker, in connection with my remarks, to have printed at this point in the RECORD the report that we made on this bill, in order that the gentlemen who are not acquainted with it will know just what the bill is?

Mr. RICH. He does not need to print that in the RECORD, Mr. Speaker, so that the gentlemen will know. I know already.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, how long is the report?

Mr. DOXEY. It is only a page and a half, but it explains the bill and the purpose of it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

ADDITIONAL JUDGE FOR SOUTHERN DISTRICT OF OHIO

The Clerk called the next bill, S. 2010, to authorize the appointment of an additional judge for the southern district of Ohio.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COOPERATIVE AGRICULTURAL EXTENSION WORK

The Clerk called the next bill, S. 1052, to provide for the further development of cooperative agricultural extension work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to further develop the cooperative extension system as inaugurated under the act entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 8, 1914 (U. S. C., 1934 ed., title 7, secs. 341–348), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of $2,580,000 annually. The sums appropriated in pursuance of this section shall be paid to the several States and the Territory of Hawaii in the same manner and subject to the same conditions and limitations as the additional sums appropriated under the act of May 8, 1914, except that (1) $490,000 shall be paid to the several States and the Territory of Hawaii in equal shares; (2) $2,000,000 shall be paid to the several States and the Territory of Hawaii in the proportion that the farm population of each bears to the total farm population of the several States and the Territory of Hawaii, as determined by the last preceding decennial census; (3) $90,000 shall be allotted and paid to the several States and the Territory of Hawaii by the Secretary of Agriculture according to his judgment of their respective needs; and (4) the several States and the Territory of Hawaii shall not be required to offset the allotments authorized in this section (and their legislatures shall not be required to assent to the provisions of this section). The sums appropriated pursuant to this section shall be in addition to, and not in substitution for, sums appropriated under such act of May 8, 1914, as amended and supplemented under authorizations contained in the acts of May 22, 1928, and June 29, 1935. Allotments to any State or the Territory of Hawaii for any fiscal year from the appropriations herein authorized shall be available for payment to such State or the Territory of Hawaii only if such State or the Territory of Hawaii complies, for such fiscal year, with the provisions with reference to offset of appropriations (other than appropriations under this section) for agricultural extension work.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF MERCHANT MARINE ACT, 1936

The Clerk called the next bill, S. 2455, to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985).

Mr. WHITE of Idaho. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WHITE of Idaho. Has not the Clerk overlooked Calendar No. 526?

The SPEAKER. The bill referred to by the gentleman from Idaho passed the House today.

Is there objection to the present consideration of the bill S. 2455?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, will the chairman of the Committee on the Merchant Marine and Fisheries give us a brief idea of what this amendment is?

Mr. BLAND. When the Merchant Marine Act was passed there were certain funds, as rents for terminals and things of that kind, which it was intended should be taken as assets by the Merchant Marine Commission. Under the ruling of the Comptroller, however, it was decided that they would have to be turned into the general funds of the Treasury. This bill simply carries out the original intention. I think it involves about $2,000,000.

Mr. O'MALLEY. Funds of the old Shipping Board?

Mr. BLAND. Rents that are coming in from leased terminals and things of that character.

Mr. O'MALLEY. And this validates the turning of those receipts into the Treasury?

Mr. BLAND. No; it validates keeping them with the Maritime Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 202 of the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858, 49 Stat. 1985, 1986), is hereby amended by adding a sentence at the end thereof to read as follows: "Notwithstanding any other provision of law, the Commission may, in accordance with good business methods and on such terms and conditions as it determines to effectuate the policy of this act, operate or lease any lands, docks, wharves, piers, or real property under its control, and all money heretofore or hereafter received from such operation or lease shall be available for expenditure by the Commission as provided in this act."

SEC. 2. That section 206 of the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858, 49 Stat. 1985, 1987), is hereby amended to read as follows:

"SEC. 206. All sums of money now in the construction loan fund created by section 11 of the Merchant Marine Act, 1920, as amended, together with the proceeds of all debts, accounts, choses in action, and the proceeds of all notes, mortgages, and other evidences of indebtedness, hereby transferred to the Commission, and all of the proceeds of sales of ships and surplus property heretofore or hereafter made, including proceeds of notes or other evidences of debt taken therefor and the interest thereon, and, notwithstanding any other provision of law, all money representing amounts of unclaimed wages, salvage awards, and miscellaneous unclaimed items carried as liabilities on the books of the United States Shipping Board Merchant Fleet Corporation and all money heretofore or hereafter received from the operation or leasing of lands, docks, wharves, piers, or real property shall be deposited in the Treasury of the United States and there maintained as a revolving fund, herein designated as the construction fund, and shall be available for expenditure by the Commission in carrying out the provisions of this act. All moneys received by the Commission under the provisions of this act shall be deposited in its construction fund, and all disbursements made by the Commission under authority of this act shall be paid out of said fund, and, notwithstanding any other provision of law, all disbursements applicable to the money referred to in this section may be made by the Commission out of said fund. Further appropriations by Congress to replenish said fund are hereby authorized."

SEC. 3. That section 209 (b) of the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858, 49 Stat. 1985, 1988), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and, notwithstanding any other provision of law, without deduction, allocation, or segregation in any manner for amounts of unclaimed wages, salvage awards, and miscellaneous unclaimed items carried as liabilities on the books of the United States Shipping Board Merchant Fleet Corporation."

SEC. 4. The sections of this act shall be deemed operative as of the effective date of the sections of the Merchant Marine Act, 1936, amended thereby.

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider and a similar House bill were laid on the table.

LOWELL CREEK, ALASKA

The Clerk called the next bill, H. R. 6560, to authorize a modification of the project for the control of floods in Lowell Creek, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

By unanimous consent, a similar Senate bill, S. 2258, was substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the project for the control of floods in Lowell Creek, Alaska, is hereby modified in accordance with the recommendation in House Document No. 154, Seventy-fifth Congress, first session, and subject to the conditions set forth therein, the work to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a House bill (H. R. 6560) were laid on the table.

DISTRICT OF COLUMBIA AIRPORT

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (H. R. 7985) to promote air commerce by providing for the enlargement of the Washington Airport.

The Clerk read the conference report.

The conference report is as follows:

CONFERENCE REPORT

[To accompany H. R. 7985]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the language inserted by the Senate amendment, insert the following:

"That the Secretary of War is authorized and directed to lease to the National Airport Corporation, a corporation organized under the laws of the State of Delaware for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding twenty-five years, and only for such period as the same shall be used for airport purposes, at a rental of $25,000, payable in advance, the lands forming that part of Military Road, Fort Myer Military Reservation, Arlington County, Virginia, described as follows: Beginning at a point on the easterly line of the Arlington Reservation north sixteen degrees west seventy-five and twenty-nine one-hundredths feet from the stone marking the southeast corner of said reservation; thence with said easterly line of said reservation north sixteen degrees no minutes west seventy-one and seventy-three one-hundredths feet; thence north eighty-five degrees thirty-five minutes east two hundred and sixty-three and twenty-five one-hundredths feet; thence by a curve to the right of six hundred and eight and seven-tenths feet radius three hundred and thirty-six and forty-two one-hundredths feet; thence south sixty-two degrees forty-five minutes east one thousand two hundred and fifty-three and eleven one-hundredths feet; thence by a curve to the left of four hundred and six and seven-tenths feet radius four hundred and fifty-four and twenty-seven one-hundredths feet; thence north fifty-three degrees fifteen minutes east thirty-two and nine one-hundredths feet to a point; thence south thirty-one degrees twenty-seven minutes east eight and ninety-six one-hundredths feet to the northwest corner of the right-of-way of the Virginia approach to the Highway Bridge; thence with the westerly line of said right-of-way south twenty degrees fifty-five minutes west one hundred and ten and ninety-one one-hundredths feet; thence south sixty-six degrees fifteen minutes west forty-five and eighty-five one-hundredths feet; thence by a curve to the right of four hundred and seventy-six and seven-tenths feet radius four hundred and twenty-four and three-tenths feet; thence north sixty-two degrees forty-five minutes west one thousand two hundred and fifty-three and eleven one-hundredths feet; thence by a curve to the left of five hundred and thirty-eight and seven-tenths feet radius, two hundred and ninety-seven and seventy-three one-hundredths feet; thence south eighty-five degrees thirty-five minutes west two hundred and forty-seven and sixty-three one-hundredths feet to the point of beginning. The above-described parcel of land comprises a strip of land seventy feet in width, the center line of said seventy-foot strip being coincident with the center line of the highway from the Highway Bridge to Arlington National Cemetery, and contains three and seven thousand one hundred and sixty-five ten-thousandths acres of land, more or less.

"The Secretary of War shall not make such conveyance or lease until he shall have received from such corporation to be paid to the Board of Commissioners, Arlington County, Va., such sum as may be necessary, but not to exceed $25,000, for the construction of a substitute road.

"SEC. 2. There is hereby authorized to be appropriated such sum as may be necessary, but not to exceed $25,000, to be paid to the Board of Commissioners of Arlington County, Va., for the construction of a public road as a substitute for that portion of Military Road authorized to be leased to the National Airport Corporation.

"SEC. 3. The Secretary of Agriculture is authorized and directed to lease, within 6 months after the enactment of this act, to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years, and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, that part of the lands (originally known as the Arlington Plantation and now commonly known as the Arlington Experimental Farm) lying east of the Washington and Southern freight branch of the Pennsylvania Railroad, containing 53 acres, more or less.

"SEC. 3. The Secretary of War is authorized and directed to lease to such corporation for airport purposes, under such terms and conditions as he may prescribe, for a period not exceeding 50 years and only for such period as the adjoining land shall be used for an airport, at a rental of $1 per annum, the portion of the bed of the Potomac River adjoining the Washington Airport, if agreed upon by the Park and Planning Commission, commonly known as the lagoon area of the Boundary Channel, better described as the area lying south and east of the following-described arc: Beginning at a point which is the center of the west face of the south abutment of the Mount Vernon Memorial Highway Bridge over Boundary Channel at its mouth, thence upstream in a straight line south fifty-four degrees thirty-five minutes west (true meridian) a distance of two hundred feet, thence in a series of curves to the right (upstream)

the chords of which bear south seventy degrees fifty-five minutes west one hundred and fifty feet, north eighty-one degrees thirty-five minutes west two hundred feet, north sixty-two degrees thirty minutes west three hundred feet, north fifty-one degrees thirty-five minutes west four hundred feet, and north thirty-eight degrees ten minutes west two hundred and fifty feet to intersect the approximate high-water shore line on the west bank of the said Boundary Channel. Such lease shall contain express conditions that the corporation, if deemed necessary by the Secretary of War, will widen and deepen the Boundary Channel and will construct a retaining wall along the above-described arc, or cause such work to be done, under the supervision of the Secretary of War and in accordance with such terms and conditions as he may prescribe: *Provided*, That nothing herein contained shall prevent the expenditures, upon lands belonging to the United States, of funds heretofore appropriated by Congress."

And the Senate agree to the same.

A. J. MAY,
EWING THOMASON,
J. MARK WILCOX,
W. G. ANDREWS,
DEWEY SHORT,
Managers on the part of the House.

ROYAL S. COPELAND,
BENNETT CHAMP CLARK,
VIC DONAHEY,
Managers on the part of the Senate.

Mr. MAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REPEAL OF TAX ON STEAMSHIP TICKETS BETWEEN PUERTO RICO AND UNITED STATES

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 1481, to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from payment of a stamp tax on steamship tickets.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I do so only for the purpose of asking a question, will not the distinguished gentleman from Illinois take a few minutes to explain the effect of the bill?

Mr. THOMPSON of Illinois. Mr. Speaker, this bill proposes to amend the Revenue Act of 1926 in which there was imposed a stamp tax on steamship tickets purchased in the United States to all countries except Canada, Mexico, Cuba, and coastwise points in the United States.

Our committee felt that Puerto Rico should be placed in the same category with Canada, Mexico, and Cuba; and, therefore, reported the bill unanimously.

Mr. JENKINS of Ohio. At the present time, as I understand it, passengers between Puerto Rico and the United States must pay a head tax of $5; whereas, if they traveled into Canada, Cuba, Mexico, or to any of the coastal points of continental United States they would pay no tax.

Mr. THOMPSON of Illinois. That is true.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Illinois. I yield.

Mr. DOUGHTON. This affects the revenues very slightly.

Mr. THOMPSON of Illinois. It has a very slight effect upon the revenues and neither the Treasury Department nor the State Department interpose any objection.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. BUCK. As a matter of fact, this has nothing to do with a head tax; it is merely a tax on passage tickets, is it not?

Mr. THOMPSON of Illinois. It is a tax imposed upon tickets costing above $10.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield for a question?

Mr. THOMPSON of Illinois. I yield.

Mr. MARTIN of Colorado. What is the situation with reference to Hawaii?

Mr. THOMPSON of Illinois. There is no tax on tickets to Hawaii because that is a part of the United States; it is a Territorial possession.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivision 5 of schedule A of title VIII of the Revenue Act of 1926, as amended by section 442 (a) of the Revenue Act of May 29, 1928, be, and hereby is, amended by striking out the word "or" before the word "Cuba" and by adding the words "or Puerto Rico" after the word "Cuba."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNUITIES FOR CERTAIN LIBRARIANS OF CONGRESS

Mr. KELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 8136) authorizing retirement annuities for certain Librarians of Congress.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That any person who serves or has served 36 years or more as Librarian of Congress shall be paid a retirement annuity in equal monthly installments at the rate per annum of two-thirds of his annual pay at the time of his separation from the service either by reason of resignation, retirement, or appointment of his successor by the President of the United States, which annuity shall begin to accrue on date of separation and continue for the life of annuitant. The eligibility in respect to length of service of applicants for such annuity shall be determined by the Comptroller General or the successor to his present duties. Such annuity shall be paid by the disbursing officer of the Library of Congress, and such sums as may be necessary to make such payments are hereby authorized to be appropriated.

Mr. SHORT. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred thirty-three Members are present, a quorum.

Is a second demanded?

Mr. TREADWAY. Mr. Speaker, I demand a second.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. KELLER] is recognized for 20 minutes.

Mr. TREADWAY. Mr. Speaker, I am quite surprised to find this bill called up under suspension of the rules. Last year there was a consultation, as I recall it, between the chairman of the Library Committee, Dr. Putnam, and myself. At first Dr. Putnam seriously demurred at any effort to retire him. After consultation with the Library Committee he acquiesced. I have not the slightest idea that he is anxious to be retired, although as the chairman has said, he has served faithfully and well for 36 years.

Anyone who has had any dealings with the gentleman knows of his ability, capacity, and mentality, and I for one fail to see where even at 75 he is showing any appearance of lack of mentality to continue actively in the wonderful work he has performed in the past. Dr. Putnam is away on his vacation at the present time. I personally would be very sorry to see this bill passed tonight under suspension of the rules without a word from him that it not only meets with his acquiescence but with his approval.

The gentleman from Illinois, the chairman of the Committee on the Library, has indicated what a valuable service Dr. Putnam has performed, and, as he is capable of continuing that work, I think he ought to be left in the position. I understand from the gentleman that this bill was on the Consent Calendar but was objected to because it called for three-quarters retirement pay. A bill was introduced here on the 3d of August and reported out on the 5th of August, making the amount of retirement two-thirds. If his services have been so valuable, why reduce it?

Mr. KELLER. May I answer the question?

Mr. TREADWAY. Certainly.

Mr. KELLER. The bill was not objected to. A gentleman over on that side, the gentleman from Michigan [Mr. WOLCOTT], proposed an amendment and it was carried without thorough understanding of the situation. The amendment so ruined the bill I asked that it be recommitted to the Committee on the Library. It was recommitted and a new bill was drafted. It had to be changed in some respects.

Mr. TREADWAY. I doubt if any movement on the part of the gentleman from Michigan [Mr. WOLCOTT] would ruin a bill. He is a man of too much ability, as the gentleman states, to ruin a bill.

May I call attention to the fact that, irrespective of the merit of the services of Dr. Putnam, by the passage of this bill you are setting up an entirely new precedent in the way of retirement of officials of the Government. Several times movements of this kind to retire men have failed, and this one ought to fail, because I am as confident as I stand here that it does not meet the request, at least, or the desire of Dr. Putnam to be retired. He may be forced out by a movement of this kind, but it is not out of compliment to Dr. Putnam that this measure is before us tonight.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. What in the world would a man 75 years of age do with $7,500 a year?

Mr. TREADWAY. If he were retired, that would be his business.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. As I understand, Dr. Putnam has no rights or privileges by reason of which he can retire now.

Mr. TREADWAY. None whatever.

Mr. JENKINS of Ohio. The reason for this is that none of the employees of the Library is under civil service.

Mr. TREADWAY. The gentleman is correct.

Mr. JENKINS of Ohio. Dr. Putnam all these years has himself been in great measure the reason why these people have not been under the civil service. If Dr. Putnam would bend a little and yield a little and give these employees the protection of the civil service, then he might with good grace ask us to give him the protection of retirement. As long as he opposes giving the employees of the Library the protection of retirement under the civil service, he ought not to ask the protection of retirement for himself.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Missouri.

Mr. SHORT. It is a fact that Dr. Putnam has served for 36 years plus?

Mr. TREADWAY. The gentleman is correct.

Mr. SHORT. At the present time Dr. Putnam is drawing a salary of $10,000 a year. He has had his nose in the feed bag and has fattened to the extent of some $300,000 from the taxpayers of this Nation. Now we are asked to vote a pension to Dr. Putnam, although he has never paid 1 dime into a pension fund. If we pass this bill, we will establish a dangerous precedent whereby any employee of a Government agency may reap benefits without contributing to the pension fund.

Mr. TREADWAY. The services of Dr. Putnam have been well worth the salary paid him. He is recognized as one of the outstanding librarians in the world.

Mr. TREADWAY. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, may I call the attention of the Democratic Members of the House to a statement in this report which is in error. The report states this is a plan similar to that provided in the Civil Service Retirement Act. It is not. The 450,000 employees of this Government who are under the Civil Service Retirement Act pay 3½ percent of their salaries each month into this fund.

Mr. SHORT. Of course.

Mr. RAMSPECK. This gentleman has not paid anything into any fund. There are approximately 400,000 employees of the Government who are in the same position as Dr. Putnam—not covered by that act. Therefore, if you pass this bill, you are setting a precedent which will plague you in the future with reference to the other 400,000 who do not have any retirement privileges. I believe this is bad policy and that we ought not to set this precedent. If we want to give a retirement privilege, let us put it under the Retirement Act, just as we have done with our own employees in the House at this session of Congress. We have men here like Marcellus Sheild, who has been here for years, rendered great service, but must pay at least $4,000 into the retirement fund in order to participate; yet the Committee on the Library is proposing to give Dr. Putnam three-fourths of his annual salary without any contribution from him at all. I say it is unfair to the other employees of the Government. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania, Mr. DUNN.

Mr. DUNN. Mr. Speaker, the gentleman from Georgia has stated it is unfair for the gentleman from Illinois to bring this bill up for consideration at this time. May I say it is not unfair for Dr. Putnam to be placed in this category, because we Members of Congress are the ones who are responsible. If we had passed a proper retirement law and put him under that law, it would not now be necessary for the gentleman from Illinois (Mr. KELLER) to bring up a bill for the benefit of Dr. Putnam. Do not blame Dr. Putnam. The Members of Congress are responsible for all of this legislation which should have been enacted into law.

Mr. RAMSPECK. I may say to the gentleman I did not state it was unfair to Dr. Putnam, I stated it was unfair to the other employees of the Government.

Mr. DUNN. I believe we Members of Congress in many respects fail to do our duty toward people who have rendered valuable service to the Government. Do not blame it on the employees, blame it on the members of Congress, and quit blaming it on the poor people who work for the Government.

Mr. LUCE. Mr. Speaker, through many years as a member of the Committee on the Library, and part of the time as its chairman, I was in close association with Dr. Putnam, renewing associations of youth. Naturally, I came to understand the value of his work, a work that has made him the leader of all the librarians of the world. He is the undisputed leader of the profession of librarian. Naturally, I took much interest in this proposal when I heard of it a year ago, and I talked the matter over with Dr. Putnam. I found that he was not desirous of leaving his work, but that there were certain advantages about it that might make the proposal acceptable. Nevertheless, as far as I know, and I have been in frequent contact with him since then, he is still wavering between what would be his own desire and what would be the best for the Library.

While he is in this position, while it is impossible at this juncture to confer with him, it seems to me the wise, right, and fair thing to do to let this matter go over until the next session, when his pleasure may be learned. He is in excellent health, his faculties are unimpaired, he still takes the keenest interest in his work, continues to demonstrate that remarkable tact, as an administrator, which has brought him into such favor with nearly every Member of the Congress.

It has been said that nation is happiest that has no history, and it may be said of his administration in all these years that it has proved its merit by its freedom from controversy, by the satisfaction it has given to Congress after Congress. The smoothness with which that institution has been run is itself proof of his remarkable capacity as an administrator.

I hope, therefore, there will be no action taken tonight. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, William H. Moran served this Government as a member of the Secret Service for 53 years. For 18 years he was Chief of the Secret Service. He was receiving a salary of $9,000 at the end of his service. A bill was brought into this House to give him an annuity of $4,000 a year. When retired he was entitled to, and is receiving today, $1,500 a year from the Government. This means that the bill would have cost the Government $2,500 a year additional. This House refused to pass the bill. It was stated that we would be setting a precedent which would be a bad one, and now you ask us to vote for a bill that will give the Librarian of Congress, who has served thirty-odd years, $7,500 a year for the rest of his life. Mr. Moran contributed to the retirement fund; Dr. Putnam does not.

In his report, the gentleman from Illinois speaks of the Army and the Navy officers. I do not know whether it has been brought to his attention, but it has been brought to my attention time and again, by letters and petitions, urging that Congress provide that the Army and the Navy officers of this country contribute something toward a retirement fund, exactly as the civilian employee does. We take a man and put him at Annapolis or West Point, give him an education that millions of our boys would like to have, and the moment he steps out of the academy he goes to work, is put on the pay roll. He is not like the boy who comes out of a private institution and has to go out into the world and look for a job. The Army or the Navy officer is promoted and promoted and, finally, is retired at three-fourths of his pay. The Congress of the United States some day is going to consider the question of requiring Army and Navy officers to contribute toward a retirement fund that will help pay the bill when they are retired, just exactly as the civil employees of the Government are required to do.

Mr. Speaker, the taxpayers who would be required to pay Dr. Putnam this $7,500 a year will very properly protest if this bill is passed. The employees of the Library should have been eligible to retirement when the law was passed. No one, Dr. Putnam or any other official or employee ever requested, so far as I know, to be made subject to that act. I know they did not ask me to help to have them included by an amendment to the law. I would have been willing to help.

Mr. Speaker, this House said "no" to Chief Moran, and it should now refuse to set a precedent that will surely return to plague us. The bill should be defeated. [Applause.]

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 116, noes 115.

So two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

TRANSPORTATION OF STOLEN ANIMALS IN INTERSTATE COMMERCE

Mr. SUMNERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill S. 1375, as amended, which I send to the desk.

The Clerk read as follows:

Be it enacted, etc., That this act shall be cited as the National Animal Theft Act.

SEC. 2. When used in this act—

(a) The term "animal" shall include any cattle, hog, sheep, horse, mule, or domestic fowl.

(b) The term "interstate or foreign commerce" shall include transportation from one State, Territory, or the District of Columbia, to another State, Territory, or the District of Columbia, or to a foreign country, or from a foreign country to any State, Territory, or the District of Columbia.

SEC. 3. Whoever shall transport or cause to be transported in interstate or foreign commerce any animal, or the carcass or hide or any part of the carcass or hide of any animal, knowing the same to have been stolen, shall be punished by a fine of not more than $5,000 or by imprisonment of not more than 5 years, or both.

SEC. 4. Whoever shall receive, conceal, store, barter, buy, sell, or dispose of any such animal, or the carcass or hide or any part of the carcass or hide thereof, moving in or constituting a part of interstate or foreign commerce, knowing the same to have been stolen, shall be punished by a fine of not more than $5,000 or by imprisonment of not more than 5 years, or both.

SEC. 5. Any person violating section 3 of this act may be prosecuted in any district from, into, or through which such animal, or the carcass or hide or any part of the carcass or hide thereof, has been transported or removed.

SEC. 6. Nothing herein shall be construed to repeal, modify, or amend any part of the National Stolen Property Act.

The SPEAKER. Without objection a second will be considered as ordered, and without objection the rules will be suspended and the bill passed, and a motion to reconsider laid on the table.

There was no objection.

So the bill was passed.

BANKHEAD-JONES ACT APPLICABLE TO PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7908) to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 21 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges", approved June 29, 1935, and known as the Bankhead-Jones Act, be, and the same are hereby, extended to Puerto Rico in such amounts as are hereinafter authorized without diminution of the amounts authorized for payment to the States and the Territory of Hawaii, as provided in section 21 of that act.

SEC. 2. To carry into effect the above provisions for extending to Puerto Rico, to the extent herein provided, the benefits of the said Bankhead-Jones Act, the following sums are hereby authorized to be appropriated: For the fiscal year beginning after the date of the enactment of this act, $88,000; for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of $40,000; and for each succeeding fiscal year thereafter an additional sum of $40,000 until the total appropriations authorized by this section shall amount to $408,000 annually, the authorization to continue in that amount for each succeeding fiscal year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MAGNUSON for Saturday, August 21, on account of attendance upon the national convention of Young Democratic Clubs of America.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 610. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935; to the Committee on Claims.

S. 988. An act to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927, as amended; to the Committee on Interstate and Foreign Commerce.

S. 2223. An act to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah; to the Committee on Indian Affairs.

S. 2226. An act to regulate interstate commerce in the products of child labor, and for other purposes; to the Committee on Labor.

S. 2326. An act to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme

Court of the United States", approved February 7, 1925; to the Committee on Indian Affairs.

S. 2759. An act authorizing the sale of certain lands to the regents of the Agricultural College of New Mexico; to the Committee on Public Lands.

S. 2817. An act providing for the purchase by the United States of air-navigation facilities established, with the approval of the Secretary of Commerce, by air-mail contractors on their contract routes; to the Committee on Interstate and Foreign Commerce.

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes; to the Committee on the Territories.

S. 2953. An act to provide a measure of damages for trespass involving timber and other forest products upon lands of the United States; to the Committee on the Public Lands.

S. 2963. An act authorizing the Superintendent of the United States Naval Academy, Annapolis, Md., to accept gifts and bequests of money for the purpose of erecting a building on land now owned by the United States Government at the Naval Academy, and for other purposes; to the Committee on Naval Affairs.

S. J. Res. 208. Joint resolution relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on the Judiciary.

S. J. Res. 211. Joint resolution establishing a Springfield-Greenville Memorial Commission to formulate plans for the construction on Memorial Common, Springfield, Ohio, of a monument to commemorate the Battle of Piqua, and for the construction of a memorial building to commemorate the Treaty of Greene Ville at Greenville, Ohio; to the Committee on the Library.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 195. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 345. An act for the relief of Genevieve E. Daley;

H. R. 459. An act for the relief of the Derby Oil Co.;

H. R. 518. An act for the relief of Rosolino Zamito and Maria Zamito;

H. R. 1858. An act for the relief of Charles E. Names;

H. R. 2192. An act for the relief of Paul and A. B. Johnson;

H. R. 2195. An act for the relief of Oliver Z. Hoge;

H. R. 2215. An act for the relief of Gallup's, Inc.;

H. R. 2339. An act for the relief of Orba Caress;

H. R. 2451. An act for the relief of Jerome H. Howard;

H. R. 2455. An act for the relief of Bertha L. Frank;

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws;

H. R. 2641. An act for the relief of John Stevens and the estate of Fred Hausauer, Jr.;

H. R. 2649. An act for the relief of Elva T. Shuey;

H. R. 2657. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired;

H. R. 2702. An act to permit grand-jury extensions to be ordered by any district judge;

H. R. 2860. An act for the relief of Walter W. Johnston;

H. R. 2994. An act for the relief of Lamar Snipes and Luther S. Snipes;

H. R. 3058. An act for the relief of former employees of the Federal Subsistence Homesteads Corporations;

H. R. 3276. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc.;

H. R. 3372. An act for the relief of Luke Francis Brennan;

H. R. 4257. An act for the relief of H. A. Montgomery;

H. R. 4291. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4506. An act for the relief of Norman E. Sherman and Banks W. Smith;

H. R. 4583. An act for the relief of Arthur T. Worley;

H. R. 4622. An act for the relief of Henry Clay Gibson;

H. R. 4875. An act for the relief of Paul H. Norboe;

H. R. 4936. An act for the relief of Charlotte Sweeney, a minor; Howard Sweeney, a minor; William Hintz; and Martha Hintz;

H. R. 5112. An act for the relief of Frank Lee Borney;

H. R. 5161. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 5417. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes;

H. R. 5568. An act for the relief of Maj. William W. McCaw;

H. R. 5787. An act granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes;

H. R. 5900. An act to amend the bank-robbery statute to include burglary and larceny;

H. R. 6135. An act for the relief of R. E. Rainer, R. H. Alderman, and John Harmon;

H. R. 6155. An act for the relief of Sadie N. Pike and Edward W. Pike;

H. R. 6271. An act conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming;

H. R. 6316. An act for the relief of Helen Niehaus;

H. R. 6469. An act conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno;

H. R. 6747. An act to amend section 3 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez;

H. R. 7458. An act for the relief of John E. T. Clark;

H. R. 7531. An act to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes;

H. R. 7561. An act to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934;

H. R. 7618. An act relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon;

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 8081. An act authorizing the Comptroller General of the United States to allow credit in the accounts of dis-

bursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments;

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.; and

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 537. An act to provide suitable accommodations for the district court of the United States at Glasgow, Mont.;

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson;

S. 2263. An act providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake;

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho;

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended;

S. J. Res. 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof;

S. J. Res. 197. Joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference, to be held in 1937 at Habana, Cuba; and

S. J. Res. 199. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938.

RECESS

Mr. RAYBURN. Mr. Speaker, I move that the House stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; accordingly (at 10 o'clock and 10 minutes p. m.) the House stood in recess until tomorrow, Saturday, August 21, 1937, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

813. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for civilian naval training, and for other purposes, was taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ECKERT: Committee on the Territories. S. 2912. A bill to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes; without amendment (Rept. 1615). Referred to the House Calendar.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the United States Veterans' Administration (Rept. No. 1616). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Department of Agriculture (Rept. No. 1617). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Navy Department (Rept. No. 1618). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the United States Employees' Compensation Commission (Rept. No. 1619). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Department of Commerce (Rept. No. 1620). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Department of Labor (Rept. No. 1621). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Treasury Department (Rept. No. 1622). Ordered to be printed.

Mr. RAMSPECK: Committee on the Civil Service, S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers; without amendment (Rept. No. 1630). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Flood Control. House Joint Resolution 493. Joint resolution consenting to an interstate compact relating to flood control in the Connecticut River Valley; with amendment (Rept. No. 1631). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Flood Control. House Joint Resolution 494. Joint Resolution consenting to an interstate compact relating to flood control in the Merrimack River Valley; with amendment (Rept. No. 1632). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 8235. A bill to permit the printing of black-and-white illustrations of United States and foreign postage stamps for philatelic purposes; without amendment (Rept. No. 1633). Referred to the Committee of the Whole House on the state of the Union.

Mr. ECKERT: Committee on the Territories. H. R. 7553. A bill to amend the laws of Alaska imposing taxes for carrying on business and trade; with amendment (Rept. No. 1635). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEEN: Committee on War Claims. H. R. 1835. A bill for the relief of Henry Fischer; without amendment (Rept. No. 1623). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. H. R. 3232. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; without amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 8305) to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers; to the Committee on Flood Control.

By Mr. MARTIN of Colorado: A bill (H. R. 8306) to regulate interstate commerce in the products of child labor, and for other purposes; to the Committee on Labor.

By Mr. LORD: A bill (H. R. 8307) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

Also, a bill (H. R. 8308) to amend the Federal Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. WOODRUFF: A bill (H. R. 8309) to provide for payments to counties to reimburse them for loss of tax receipts on account of the use of certain land by the United States; to the Committee on the Public Lands.

By Mr. AMLIE: A bill (H. R. 8310) to provide credit at the going Federal rate of interest, to create a Federal Housing Development Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. KOPPLEMANN: A bill (H. R. 8311) to authorize cooperative associations of producers of milk and milk products to organize and become members of milk producers' bargaining agencies for the more effective marketing of their products, and for other purposes; to the Committee on Agriculture.

By Mr. GUYER: Resolution (H. Res. 327) to authorize an investigation of the partisanship and prejudices of Executive departments and independent agencies of the Federal Government and of the State governments in labor matters, the extent to which their attitude contributes to and is responsible for labor unrest in the United States, and the failure of Federal and State Governments to afford protection to legitimate industries; to the Committee on Rules.

By Mr. SOMERS of New York: Resolution (H. Res. 328) providing for the expenses incurred by the select committee of the House of Representatives authorized under House Resolution 294; to the Committee on Accounts.

By Mr. COFFEE of Washington: Resolution (H. Res. 336) providing for mileage to all clerks to members of the House of Representatives; to the Committee on Accounts.

By Mr. PHILLIPS: Resolution (H. Res. 337) providing for the consideration of S. 2475; to the Committee on Rules.

By Mr. WHELCHEL: Resolution (H. Res. 338) requesting the President of the United States to refrain from any act that may involve the United States in the war between China and Japan, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to consider their House Memorial No. 2, with reference to Social Security Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALESHIRE: A bill (H. R. 8312) granting a pension to Anna Edgar Pollitt; to the Committee on Invalid Pensions.

By Mr. BUCKLEY of New York: A bill (H. R. 8313) for the relief of Joseph Kirincich; to the Committee on Immigration and Naturalization.

By Mr. BOYLAN of New York: A bill (H. R. 8314) for the relief of John Petrsovic; to the Committee on Immigration and Naturalization.

By Mr. BOYKIN: A bill (H. R. 8315) for the relief of Marjorie McConnell Dodge; to the Committee on Claims.

By Mr. GEARHART: A bill (H. R. 8316) granting an increase of pension to Harriet L. Liggett; to the Committee on Invalid Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 8317) granting a pension to Mary Catherine Dolphin; to the Committee on Invalid Pensions.

By Mr. McGEHEE: A bill (H. R. 8318) for the relief of C. R. Henderson; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 8319) granting an increase of pension to Sarah King; to the Committee on Invalid Pensions.

By Mr. DISNEY: Joint resolution (H. J. Res. 495) for the relief of the Continental Petroleum Co. of Delaware; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3305. By Mr. COLDEN: Petition of 63 citizens of Los Angeles County, Calif., protesting against the increasing importation of egg products and urging the enactment of H. R. 3144 (or some similar bill) levying excise taxes on such importations; to the Committee on Ways and Means.

3306. By Mr. CURLEY: Petition of Bronx Local 234, International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, urging enactment of the Allen-Schwellenbach bill; to the Committee on Appropriations.

3307. Also, petition of Local 802, American Federation of Musicians, and Associated Musicians of Greater New York, urging enactment of the Schwellenbach-Allen bill; to the Committee on Appropriations.

3308. By Mr. HAVENNER: Petitions of California citizens, opposing the enactment of legislation to nullify the California community-property law; to the Committee on Ways and Means.

3309. By Mr. KINZER: Resolution of Pomona Grange No. 71, Lancaster County, Pa., opposing Government-controlled agriculture production; to the Committee on Agriculture.

3310. By Mr. Mapes: Petition of the Grand Rapids (Mich.) Passenger Car Dealers' Association, recommending the enactment of House Joint Resolution No. 389; to the Committee on Interstate and Foreign Commerce.

3311. By Mr. O'MALLEY: Petition of the Social Justice Civic Club of Milwaukee, urging action by the committee on H. R. 1659, providing for Congress to coin and issue money and regulate the value thereof; to the Committee on Banking and Currency.

3312. Also, telegrams from Works Progress Administration workers of Milwaukee, urging immediate action by committee on Schwellenbach-Allen resolution favoring employment by the Works Progress Administration of persons unable to find employment in private industry; to the Committee on Labor.

SENATE

SATURDAY, AUGUST 21, 1937

(Legislative day of Friday, Aug. 20, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, August 20, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I observe the absence of a quorum, make note of it, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Calif.	Pittman
Andrews	Connally	Johnson, Colo.	Pope
Ashurst	Davis	King	Radcliffe
Austin	Dieterich	La Follette	Reynolds
Bankhead	Ellender	Lewis	Schwartz
Barkley	George	Lodge	Schwellenbach
Berry	Gibson	Logan	Sheppard
Bilbo	Gillette	Lonergan	Smith
Bone	Glass	Lundeen	Steiwer
Borah	Graves	McAdoo	Thomas, Okla.
Brown, Mich.	Green	McGill	Thomas, Utah
Brown, N. H.	Guffey	McKellar	Townsend
Bulkley	Hale	Maloney	Truman
Bulow	Harrison	Minton	Van Nuys
Burke	Hatch	Murray	Wagner
Byrd	Hayden	Neely	Walsh
Byrnes	Herring	Nye	Wheeler
Capper	Hitchcock	O'Mahoney	White
Caraway	Holt	Overton	
Chavez	Hughes	Pepper	

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. BAILEY] and the Senator from Nevada [Mr. MCCARRAN], caused by illness.

The Senator from Oklahoma [Mr. LEE], the senior Senator from New Jersey [Mr. MOORE], the junior Senator from New Jersey [Mr. SMATHERS], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

Mr. SCHWELLENBACH. I announce that the Senator from Nebraska [Mr. NORRIS] is detained from the Senate because of illness.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

TRIBUTE TO THE LATE SENATOR NORBECK, OF SOUTH DAKOTA

Mr. BULOW. Mr. President, I desire to divert the attention of the Senate from their pending business for a moment in order to pay a brief tribute to memory of a former Member of this body.

The late PETER NORBECK served in this body with distinction for a period of more than 15 years, he having the honor of being the first native-born son to represent South Dakota here. He was born in the Territory of the Dakotas before South Dakota was admitted into the Union. He played a prominent and important part in the development of that great State. During his lifetime he devoted his energies to the development of a great prairie section of our country and made it a fitting place for human habitation. His father and mother were pioneers and were numbered among the first permanent homesteaders that settled in the Territory of Dakota. He suffered all of the privations and hardships of pioneer life incident to the building of a new country. He was blessed with an abundance of physical strength and energy inherited from generations of Viking ancestry. In his veins flowed the blood of Scandinavian people who did so much in the development of that northwest territory.

Mr. President, I might go on and enumerate many of his achievements and the services he rendered, but the occasion and time forbid reflections in detail. There, however, is one outstanding thing that I want to stress and that is his philosophy of life as I gathered it from him during an acquaintanceship and a close personal friendship of almost a half century. During this period of our intimate companionship, at many times and upon many occasions I wondered and marveled at the vision that this man had. PETER NORBECK had an abiding faith in the future.

He looked ever to the rising rather than to the setting sun. The only time that he spent in viewing the past was to learn lessons that might aid the future. He often expressed the sentiment that today was a better day than yesterday and that tomorrow would be better than today. He enjoyed rendering services to his fellows. The accumulation of money meant nothing to him except its use to aid a human cause. No one ever went to Senator Norbeck in a worthy cause in vain. He was generous to a fault. He underwrote financial obligations for many of his friends whom he sought to help and by doing so perhaps reposed too much confidence in his fellow men and suffered large financial losses through the confidence thus reposed. He died a poor man so far as the accumulation of money and worldly goods is concerned but he died rich beyond measure in the heritage of friends.

For many years Mr. NORBECK was engaged in well-drilling enterprises, drilling thousands of wells, bringing water from the artesian basin to the surface without which that vast section of prairie country could not have been developed. Without the service he thus rendered, a large section of my State would be uninhabitable. One of his outstanding services to the people of my State while he was Governor and after he became Senator was rendered in establishing parks. Senator NORBECK was a great student of nature. He loved the great outdoors, its fields and woods, its hills and valleys, lakes and streams. He did more than any other man in South Dakota to preserve for future generations some of the wildlife and the natural beauty spots of that great State. He had no sympathy with anyone who wantonly or recklessly destroyed any of nature's beauties. I shall always remember one remark he made to me. He and I were traveling in the Black Hills, which is one of the beauty spots of the Nation, and observed that someone had barked and partially cut down a magnificent pine tree, and he said, "BULOW, it is unfortunate that a fool in 30 minutes can destroy a tree that it took God a hundred years to build."

Senator NORBECK lived a useful life. That life was useful because of the services that he rendered while living it. No eulogy I could pronounce, no encomium that could fall from my lips, would add to or detract from the splendid service that he rendered. The life that he lived and the example he set in the living of that life by rendering services to his fellows are worthy of emulation. By reason of the services thus rendered the people of South Dakota honor his memory and mourn his passing.

TRIBUTE TO LATE SENATOR FLETCHER BY HON. WILLIAM L. HILL

Mr. GEORGE. Mr. President, during the evening of May 18 last, the Senate and House of Representatives of the State of Florida assembled in joint session at Tallahassee, when services were held honoring the memories of Hon. Duncan U. Fletcher and Hon. Park Trammell, who were for a number of years and at time of death Members of this body—the former since March 1909, and the latter since March 1917.

Among those to address the assemblage on that occasion was Hon. William L. Hill, who, as many of us know, served continuously and faithfully for more than 19 years as secretary to Senator Fletcher, and was appointed by Gov. Dave Sholtz a Senator to serve until a successor had been elected to fill the unexpired term of the Senator.

I dare say that no person is more intimately acquainted with the public life of Senator Fletcher than is Mr. Hill. In view of their close association for so long a time and the fact that Mr. Hill is a former Member of the Senate, I request that the introduction of Mr. Hill by State Senator Spessard L. Holland and Mr. Hill's address honoring the memories of our late colleagues be printed in the RECORD.

There being no objection, the introduction and address were ordered to be printed in the RECORD, as follows:

The CHAIRMAN (Senator Adams). Next on the program will be the introduction of former Senator William L. Hill, of Florida, by Senator Spessard L. Holland, of Polk County.

Senator HOLLAND. Mr. Chairman and Members of the Senate and the House, and distinguished guests and friends: This is an unexpected privilege and pleasure which comes to me this evening. The program committee did not know that we were to be honored by the presence of this distinguished Floridian, former United States Senator from Florida, the Honorable William L. Hill, of Gainesville. I cannot conceive of any greater pleasure that could come to me than the presentation of this distinguished gentleman to this gathering. I am sure that he will pardon me, and I am sure that you will understand that I mean what I say, in saying that my pleasure comes not so much from the fact that he served us as United States Senator from this State, directly succeeding Senator Duncan U. Fletcher for a period of some 6 months after his death, but particularly because of the fact that for 19 years he served in the relationship of confidential secretary to that great Floridian, Senator Duncan U. Fletcher. His close personal friend and devoted partner, who served the interests of this State and of the people of this State, Senator Hill is due the greatest of credit for the rendition of service and for his help, always to be remembered by the thousands of Floridians who found in him such a ready and willing helper in getting done at Washington those things which were of such vital importance to the people of this State.

I deem it an honor and a pleasure to present to you that great partner, for 19 years, of Senator Fletcher, the Honorable William L. Hill.

ADDRESS OF HON. WILLIAM L. HILL

Mr. Chairman, I deeply appreciate your invitation to be present on this occasion and to speak principally concerning one whom I honored greatly, whose memory I shall ever revere. My acquaintance with Senator Duncan U. Fletcher began prior to 1908. From the spring of 1917 until his death, last June, I served as his confidential secretary. My close association with him for 19 years ripened into more than friendship. I learned to love him.

It was generous of Members of the Legislature to set aside this evening when friends may pay tribute to the late Senators Duncan U. Fletcher and Park Trammell—colleagues and friends in life and, in the beyond. The occasion for such a service as this never before occurred in the history of our State, so far as I recall.

Four Senators from Florida have died in the service: Senator Stephen R. Mallory died December 23, 1907; Senator William J.

Bryan died March 22, 1908; Senator Park Trammell died May 8, 1936; and Senator Duncan U. Fletcher died June 17, 1936.

I was privileged for a number of years to know Senator Trammell. He was kind, gentle, and sympathetic, and rendered a great service to the State and the Nation; he was a friend to many and a friend of many. He was also "the big brother" of a large family. His responsibilities were many, and his going was also a great loss to friends, the State, and Nation.

Senator Fletcher's life of almost fourscore years covered momentous times in the history of this Nation. Born in Georgia shortly before the Civil War, the son of one who served in the Confederate Army, he recalled vividly trying experiences of the family during the absence of its head. His mother passed away a few days before Captain Fletcher returned to the home, from which he had been away for some time, unaware of her illness or death. It is not then strange that Senator Fletcher was so devoted to the South, its traditions, and its people. Nor is it strange that so many people of the Southland, especially Georgians, were interested in the success of his career at Washington.

Shortly after completing his education at Vanderbilt University, Mr. Fletcher came to Jacksonville and, until his election to the Senate, was actively engaged in the practice of law. His professional career was distinguished by knowledge of law, aggressiveness, loyalty to clients and associates, and a consistent effort to have justice dealt without favor between man and man. This, in addition to rendering satisfactory service in several important positions during trying times, made for him a high place in the esteem of friends throughout the State.

At the end of a spirited campaign, Mr. Fletcher was nominated and elected United States Senator in 1908, and March following took the oath of office as junior Senator from Florida, at Washington. Senator James P. Taliaferro was then the senior Senator. Every 6 years thereafter Senator Fletcher was again so honored by a people who continued to recognize his honesty and ability. He served longer than has any other Member of the Congress from Florida, and was grateful to friends who made that possible.

The junior Senator from Florida quickly demonstrated that he was entitled to the respect and confidence of his associates—Democrats and Republicans alike. They were not long in realizing that he was exceptionally well informed, aggressive, and dependable. This deserved reputation he bore to the end. He stood always for the best traditions, highest ideals, and the recognized courtesies, proprieties, and dignity of the Senate. His naturally refined and affable nature appealed to all who came in contact with him. He did not possess the spirit of vanity, and never practiced the methods of a bully. He established and maintained a high place in the confidence and affections of those who knew him best, that was almost sublime.

At all times Senator Fletcher had at heart what he believed was for the best interest of all the people, and did his duty faithfully and fearlessly as he saw it. He understood and appreciated the responsibilities assumed by a legislator. Senator Fletcher had the proper conception of government. His thoughts were largely of the future—at least a generation ahead; and he labored conscientiously, day in and day out—at times far into the night, in order that he would be fully informed regarding the possible effect of pending legislation. The thoroughness with which he pursued a subject qualified him to debate most effectively.

Reared on a farm, it was his delight there to work at any task assigned. He took advantage then, as well as later in life, of every opportunity to improve his mind and surroundings. He looked forward then, the same as he did in later years. On several occasions in my presence, he spoke of how little work some people did, and remarked, "Work alone never killed anyone." He said everyone should work at something 6 days in the week, and rest on the Sabbath.

Senator Fletcher assumed every responsibility willingly. He never shirked a duty. His vigorous handling of many important matters will long be remembered by those affected. He loved justice. His desire was to be just and fair toward all men. The mistakes he made were of the mind and not of the heart. He realized that every man makes mistakes at times and that no one is perfect. No person dared question his honesty or his integrity.

The Senator was a Christian gentleman. His religious views were liberal; and among his friends were members of all churches and creeds—poor and rich, white and black. He had no enemies—of that I am certain, other than political; and only those because of misunderstandings. Several weeks prior to his death he said to me: "I do not harbor ill will against any man, and I hope no man harbors ill will against me."

I dare say that few men were, in proportion to income, more charitable than Senator Fletcher. His contributions to worthy causes amounted to at least 10 percent of his income. He was not parsimonious, as many within the sound of my voice well know. He sacrificed a financial earning capacity of large proportions in order to serve the people of Florida in the Senate. There awaited him in 1908 an attractive legal position, had he but said the word; but he preferred to forget self and dedicate his efforts whole-heartedly to the service of the State and Nation. At the time of going to Washington he was in moderate circumstances and continued in practically the same circumstances during the remainder of his life. He left no fortune. Never to my knowledge did he accept courtesies extended by persons interested in the outcome of pending legislation. When making trips to and from Washington and elsewhere he paid the full cash price covering all transportation charges for himself and family. No fee was accepted by him for services rendered after he took the oath of office as United States Senator. He was scrupulously honest. There were no skeletons in his closet or backyard to haunt him.

The only criticism of Senator Fletcher I recall having heard—this during his lifetime—was that his most conspicuous services were to the Nation rather than to the State. Be that as it may, he rendered great service to the State and to the Nation as a whole—greater than any theretofore rendered by a Member of Congress from Florida. While he did not attempt in any manner to dictate the policies or the politics of his State, yet he was deservingly recognized nationally as one of Florida's outstanding citizens.

Senator Fletcher was an uncompromising Democrat. His fidelity to fundamental principles of the party was never questioned. Only during the recent national emergency did he vote in favor of enacting legislation concerning the constitutionality of which there was doubt in his mind. Not to my knowledge did he ever criticize decisions of the Supreme Court. He respected the opinions of its Justices, even though he did not at times agree entirely with their conclusions.

The memory of Senator Fletcher's life and character will ever remain with those who were privileged to be associated with him. His character and unsullied reputation have left us the richer because of our acquaintance with and veneration for him. When he passed on, the President and Members of his Cabinet, Members of the Congress, public officials and friends everywhere felt his death as a personal bereavement. In his death the Nation lost a Statesman. We are further comforted in knowing that while life was in the body deserved tributes were paid to Senator Fletcher by his colleagues in the Senate and by other friends elsewhere. Those tributes touched him greatly and he appreciated them immensely.

While this occasion brings to us sorrow, yet, after listening to the tributes paid our departed friends, we should be refreshed by the brief reviews of their lives and expressions of the high esteem in which they were held.

As time marches on, no friend should neglect to cherish the memory of Senator Duncan U. Fletcher and the memory of Senator Park Trammell. The recollection of pleasant association with them will abide with me to the end. I shall ever honor and cherish their memories.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 46. An act for the relief of Ernest S. Frazier;

S. 57. An act extending the benefits of the Emergency Officers' Retirement Act to Walter Conner;

S. 772. An act for the relief of F. P. Delahanty;

S. 869. An act for the relief of John A. Flagg;

S. 886. An act for the relief of L. J. Powers;

S. 937. An act for the relief of Harry W. Dubiske;

S. 1052. An act to provide for the further development of cooperative agricultural extension work;

S. 1075. An act to establish the Pipestone National Monument, in the State of Minnesota;

S. 1438. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1457. An act for the relief of Samuel Richard Mann;

S. 1764. An act for the relief of Ruth Gaskins;

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park, in the State of Tennessee, and for other purposes;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2152. An act for the relief of Sue F. Melton;

S. 2159. An act for the relief of George R. Slate;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2241. An act for the relief of W. G. Adams;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2262. An act for the relief of Park B. Brandon and Robert G. Teer;

S. 2317. An act for the relief of Robert L. Summers;

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2476. An act for the relief of R. F. Lassly;

S. 2487. An act for the relief of Leah P. Rice;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classifications and pay of positions of lighthouse keepers;

S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2761. An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes;

S. 2866. An act for the relief of Vincent Ford;

S. J. Res. 135. Joint resolution to amend public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River valley, and for other purposes"; and

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons.

The message also announced that the House had passed the following bills and joint resolutions of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 53. An act for the relief of the Perkins-Campbell Co.;

S. 180. An act for the relief of Lulu G. Sutton and others;

S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 1402. An act for the relief of P. S. Everest;

S. 1548. An act for the relief of William A. Devine;

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 1965. An act for the relief of James A. Lyons;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2154. An act for the relief of Hattie Tolbert;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. J. Res. 67. Joint resolution conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased; and

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes.

The message further announced that the House had passed the following bills and joint resolutions of the Senate severally with an amendment, in which it requested the concurrence of the Senate:

S. 703. An act for the relief of John T. Armstrong;

S. 1882. An act for the relief of the Consolidated Aircraft Corporation;

S. 2299. An act for the relief of M. M. Twichel;

S. 2374. An act for the relief of F. A. Gross and others;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes;

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 449. An act for the relief of Earl Hill;

H. R. 595. An act for the relief of Mada Landtiser;

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 3551. An act for the relief of Hans Everson;

H. R. 4688. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 5975. An act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6208. An act to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia; and

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion; and

H. R. 3493. An act to amend section 76 of the Judicial Code with respect to the terms of the United States district court at Tallahassee, Fla.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 18) to provide for the creation of a Joint Committee on Hawaii.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 707) for the relief of Lucille McClure.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1637) for the relief of Mrs. Charles T. Warner.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1640) for the relief of Harry Bryan and Alda Duffield Mullins, and others.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7985) to promote air commerce by providing for the enlargement of Washington Airport.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2229) for the relief of Florida O. McLain, widow of Calvin E. McLain.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOODRUM, Mr. BOYLAN, Mr. CANNON of Missouri, Mr. LUDLOW, Mr. TABER, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 726. An act for the relief of the estate of Dessie Masterson;

H. R. 842. An act for the relief of Theodore Bedard, Jr.;

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to except persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 1691. An act for the relief of Mary A. Maher;

H. R. 1948. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of certain property owners within the Old Harbor Village area of Boston, Mass.;

H. R. 2362. An act for the relief of Henry M. Hyer;

H. R. 2665. An act for the relief of W. D. Presley;

H. R. 3066. An act for the relief of Roger Donaldson;

H. R. 3253. An act for the relief of John Fitzgerald and J. R. Harper;

H. R. 3580. An act granting an increase of pension to Georgiana Furey;

H. R. 3657. An act for the relief of Albert Pina Alfonso, a minor;

H. R. 3703. An act for the relief of Carl J. Scheier;

H. R. 3915. An act conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4018. An act for the relief of Orville Ferguson;

H. R. 4221. An act for the relief of John M. Fuller;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 5056. An act for the relief of A. R. Wickham;

H. R. 5249. An act for the relief of Lydia M. White;

H. R. 5338. An act for the relief of George Shade and Vava Shade;

H. R. 5449. An act for the relief of Harold Jacobson;

H. R. 5562. An act for the relief of James Scherer, a minor;

H. R. 5603. An act for the relief of Peter Sietsma;

H. R. 5608. An act for the relief of Edward F. Cassidy;

H. R. 5731. An act for the relief of Ruth Rule, a minor;

H. R. 5737. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States;

H. R. 5743. An act for the relief of Haffenreffer & Co., Inc.;

H. R. 5793. An act for the relief of Josephine Fontana;

H. R. 5905. An act for the relief of Doris A. Reese;

H. R. 5916. An act to authorize the Commissioners of the District of Columbia to reappoint Amos B. Cole in the police department of said District;

H. R. 5921. An act for the relief of the Board of County Commissioners of St. Johns County, Fla.;

H. R. 6061. An act for the relief of Mary Dougherty;

H. R. 6062. An act for the relief of Harry P. Russell, a minor;

H. R. 6232. An act for the relief of Frank Christy and other disbursing agents in the Indian Service of the United States;

H. R. 6238. An act for the relief of J. C. Prosser;

H. R. 6257. An act for the relief of Dr. G. A. Neal;

H. R. 6370. An act for the relief of John Calareso, a minor;

H. R. 6467. An act for the relief of the Portland Electric Power Co.;

H. R. 6473. An act for the relief of Paul H. Brinson;

H. R. 6479. An act for the relief of Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner;

H. R. 6618. An act for the relief of Miriam Grant;

H. R. 6647. An act for the relief of B. W. Goodenough and wife, Katherine F. Goodenough, and son, Charles Goodenough;

H. R. 6648. An act for the relief of J. H. Yelton;

H. R. 6668. An act for the relief of Robert Landeau; a minor;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6689. An act for the relief of George Rendell, Alice Rendell, and Mabel Rendell;

H. R. 6826. An act for the relief of Robert McCoy, a minor;

H. R. 6884. An act to grant pension to Viola L. Buchanan;

H. R. 6889. An act for the relief of Lynn E. Barker;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 6904. An act to grant pension to Nora J. Buchanan;

H. R. 6981. An act for the relief of Frank M. Gilbert;

H. R. 6993. An act for the relief of L. H. Dicke;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 6999. An act for the relief of Artemisia Grant;

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 7245. An act for the relief of J. C. Jones;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.;

H. R. 7676. An act for the relief of the Complete Machinery & Equipment Co., Inc., and others;

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico; and

H. R. 8280. An act granting pension to a soldier, and pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers and sailors of the Civil War.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 25), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Saturday the 21st day of August 1937, and that when they adjourn on said day they stand adjourned sine die.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 537. An act to provide suitable accommodations for the district court of the United States at Glasgow, Mont.;

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson;

S. 2263. An act providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake;

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho;

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended;

H. R. 195. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 345. An act for the relief of Genevieve E. Daley;

H. R. 449. An act for the relief of Earl Hill;

H. R. 459. An act for the relief of the Derby Oil Co.;

H. R. 518. An act for the relief of Rosolino Zamito and Maria Zamito;

H. R. 595. An act for the relief of Mada Landtiser;

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion;

H. R. 1858. An act for the relief of Charles E. Names;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 2192. An act for the relief of Paul and A. B. Johnson;

H. R. 2195. An act for the relief of Oliver Z. Hoge;

H. R. 2215. An act for the relief of Gallup's, Inc.;

H. R. 2339. An act for the relief of Orba Caress;

H. R. 2451. An act for the relief of Jerome H. Howard;

H. R. 2455. An act for the relief of Bertha L. Frank;

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws;

H. R. 2641. An act for the relief of John Stevens and the estate of Fred Hausauer, Jr.;

H. R. 2649. An act for the relief of Elva T. Shuey;

H. R. 2657. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired;

H. R. 2702. An act to permit grand-jury extensions to be ordered by any district judge;

H. R. 2860. An act for the relief of Walter W. Johnston;

H. R. 2994. An act for the relief of Lamar Snipes and Luther S. Snipes;

H. R. 3058. An act for the relief of former employees of the Federal Subsistence Homesteads Corporations;

H. R. 3276. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc.;

H. R. 3372. An act for the relief of Luke Francis Brennan;

H. R. 3551. An act for the relief of Hans Everson;

H. R. 4257. An act for the relief of H. A. Montgomery;

H. R. 4291. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4506. An act for the relief of Norman E. Sherman and Banks W. Smith;

H. R. 4583. An act for the relief of Arthur T. Worley;

H. R. 4622. An act for the relief of Henry Clay Gibson;

H. R. 4688. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 4875. An act for the relief of Paul H. Norboe;

H. R. 4936. An act for the relief of Charlotte Sweeney, a minor; Howard Sweeney, a minor; William Hintz; and Martha Hintz;

H. R. 5112. An act for the relief of Frank Lee Borney;

H. R. 5161. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 5417. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes;

H. R. 5568. An act for the relief of Maj. William W. McCaw;

H. R. 5787. An act granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes;

H. R. 5900. An act to amend the bank-robbery statute to include burglary and larceny;

H. R. 5975. As act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6135. An act for the relief of R. E. Rainer, R. H. Alderman, and John Harmon;

H. R. 6155. An act for the relief of Sadie N. Pike and Edward W. Pike;

H. R. 6208. An act to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia;

H. R. 6271. An act conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming;

H. R. 6316. An act for the relief of Helen Niehaus;

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods;

H. R. 6469. An act conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno;

H. R. 6747. An act to amend section 3 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez;

H. R. 7458. An act for the relief of John E. T. Clark;

H. R. 7531. An act to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes;

H. R. 7561. An act to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934;

H. R. 7618. An act relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon;

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.;

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 8081. An act authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments;

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes;

S. J. Res. 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof;

S. J. Res. 197. Joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference, to be held in 1937 at Habana, Cuba; and

S. J. Res. 199. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938.

SUPPLEMENTAL ESTIMATE, INTERIOR DEPARTMENT (S. DOC. NO. 117)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1938 (power-distribution system, Bonneville project, Oregon), amounting to $100,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

TRIBAL AND INDIVIDUAL AFFAIRS OF OSAGE INDIANS IN OKLAHOMA

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting a draft of proposed legislation relating to the tribal and individual affairs of the Osage Indians of Oklahoma, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

CIVIL-SERVICE EXAMINATION FOR OFFICE OF POSTMASTER AT PORTSMOUTH, VA.

The VICE PRESIDENT laid before the Senate a letter from the President of the United States Civil Service Commission, in response to Senate Resolution 187 (submitted by Mr. GLASS on yesterday), relative to the declination of the Commission to furnish the Senators from Virginia certain information concerning the examination for postmaster at Portsmouth, Va., in May 1937, which was referred to the Committee on Civil Service.

PETITIONS AND MEMORIAL

The VICE PRESIDENT laid before the Senate resolutions adopted by the Seattle (Wash.) Labor Unity Council favoring the enactment during the present Congress of the so-called Black-Connery wage and hour bill and other pending measures of a progressive nature, which were ordered to lie on the table.

Mr. LODGE presented a resolution of the Board of Selectmen of Wales, Mass., favoring the prompt approval and ratification of the Connecticut River interstate flood-control compact, so that immediate construction of impounding reservoirs may be possible, which was referred to the Committee on Commerce.

He also presented a resolution of the City Council of Everett, Mass., opposing the bringing into the United States of orphaned children from foreign countries, which was referred to the Committee on Foreign Relations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 2994) for the relief of Mrs. Morgan R. Butler; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 2995) relating to certain Federal projects in Virginia; to the Select Committee on Investigation of Executive Agencies of the Government.

Br. Mr. STEIWER:

A bill (S. 2996) to amend the act entitled "An act to provide for retirement of Justices of the Supreme Court", approved March 1, 1937; to the Committee on the Judiciary.

By Mr. BONE:

A bill (S. 2997) to allow certain credits against the income of individuals for income tax purposes; to the Committee on Finance.

By Mr. WALSH:

A bill (S. 2998) to provide for civilian naval training, and for other purposes; to the Committee on Naval Affairs.

By Mr. PEPPER:

A bill (S. 2999) authorizing the prosecution of work in Clearwater Harbor, Fla.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3000) to amend subsection (b) of section 353 of the Communications Act of 1934, as amended; to the Committee on Interstate Commerce.

By Mr. MINTON:

A bill (S. 3001) for the relief of Addison B. Hampel; to the Committee on Claims.

By Mr. ASHURST and Mr. HAYDEN:

A bill (S. 3002) to authorize the Secretary of the Treasury to make settlement with the holders of certain unpaid notes and warrants of the Verde River Irrigation and Power District; to the Committee on Claims.

By Mr. HAYDEN:

A bill (S. 3003) authorizing payment to the San Carlos Apache Indians for certain lands ceded by them in the agreement of February 25, 1896, ratified by the Act of June 10, 1896, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 3004) granting to the State of Arizona certain lands for the use and benefit of a hospital for crippled children; to the Committee on Public Lands and Surveys.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 726. An act for the relief of the estate of Dessie Masterson;

H. R. 842. An act for the relief of Theodore Bedard, Jr.;

H. R. 1691. An act for the relief of Mary A. Maher;

H. R. 1948. An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of certain property owners within the Old Harbor Village area of Boston, Mass.;

H. R. 2362. An act for the relief of Henry M. Hyer;

H. R. 2665. An act for the relief of W. D. Presley;

H. R. 3066. An act for the relief of Roger Donaldson;

H. R. 3253. An act for the relief of John Fitzgerald and J. R. Harper;

H. R. 3657. An act for the relief of Albert Pina Alfonso, a minor;

H. R. 3703. An act for the relief of Carl J. Scheier;

H. R. 3915. An act conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation;

H. R. 4018. An act for the relief of Orville Ferguson;

H. R. 4221. An act for the relief of John M. Fuller;

H. R. 5249. An act for the relief of Lydia M. White;

H. R. 5338. An act for the relief of George Shade and Vava Shade;

H. R. 5449. An act for the relief of Harold Jacobson;

H. R. 5562. An act for the relief of James Scherer, a minor;

H. R. 5603. An act for the relief of Peter Sietsma;

H. R. 5608. An act for the relief of Edward F. Cassidy;

H. R. 5731. An act for the relief of Ruth Rule, a minor;

H. R. 5737. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States;

H. R. 5743. An act for the relief of Haffenreffer & Co., Inc.;

H. R. 5793. An act for the relief of Josephine Fontana;

H. R. 5905. An act for the relief of Doris A. Reese;

H. R. 5921. An act for the relief of the Board of County Commissioners of St. Johns County, Fla.;

H. R. 6061. An act for the relief of Mary Dougherty;

H. R. 6062. An act for the relief of Harry P. Russell, a minor;

H. R. 6232. An act for the relief of Frank Christy and other disbursing agents in the Indian Service of the United States;

H. R. 6238. An act for the relief of J. C. Prosser;

H. R. 6257. An act for the relief of Dr. G. A. Neal;

H. R. 6370. An act for the relief of John Calareso, a minor;

H. R. 6467. An act for the relief of the Portland Electric Power Co.;

H. R. 6473. An act for the relief of Paul H. Brinson;

H. R. 6618. An act for the relief of Miriam Grant;

H. R. 6647. An act for the relief of B. W. Goodenough and wife, Katherine F. Goodenough, and son, Charles Goodenough;

H. R. 6648. An act for the relief of J. H. Yelton;

H. R. 6668. An act for the relief of Robert Landeau, a minor;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6689. An act for the relief of George Rendell, Alice Rendell, and Mabel Rendell;

H. R. 6826. An act for the relief of Robert McCoy, a minor;

H. R. 6889. An act for the relief of Lynn E. Barker;

H. R. 6981. An act for the relief of Frank M. Gilbert;

H. R. 6993. An act for the relief of L. H. Dicke;

H. R. 6999. An act for the relief of Artemisia Grant;

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 7245. An act for the relief of J. C. Jones; and

H. R. 7676. An act for the relief of the Complete Machinery & Equipment Co., Inc., and others; to the Committee on Claims.

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; to the Committee on Finance.

H. R. 3580. An act granting an increase of pension to Georgiana Furey;

H. R. 6884. An act to grant pension to Viola L. Buchanan;

H. R. 6904. An act to grant pension to Nora J. Buchanan; and

H. R. 8280. An act granting pension to a soldier, and pensions and increase of pensions to certain widows, former widows, and helpless and dependent children of soldiers and sailors of the Civil War; to the Committee on Pensions.

H. R. 5056. An act for the relief of A. R. Wickham;

H. R. 6479. An act for the relief of Guy Salisbury, alias John G. Bowman, alias Alva J. Zenner; and

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins; to the Committee on Military Affairs.

H. R. 5916. An act to authorize the Commissioners of the District of Columbia to reappoint Amos B. Cole in the police department of said District; to the Committee on the District of Columbia.

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico; to the Committee on Agriculture and Forestry.

The concurrent resolution (H. Con. Res. 24) requesting the President to prepare and submit to Congress a plan for the development of resources and commerce of Alaska, was referred to the Committee on Territories and Insular Affairs.

INVESTIGATION PERTAINING TO CONTRACTS BETWEEN THE PHILIPPINE ISLANDS AND THE PHILIPPINE RAILWAY CO.

Mr. WALSH (for himself and Mr. COPELAND), by request, submitted the following resolution (S. Res. 188), which was referred to the Committee on Territories and Insular Affairs:

Whereas by an act of the Fifty-eighth Congress, approved February 6, 1905, the then existing Territorial government of the Philippine Islands, for the purpose of enabling it to induce the investment of private capital in the construction and operation of railroad facilities then deemed essential both for reasons of economic development and maintenance of civil authority and military defense, and which the Philippine government was then financially unable to undertake on its own account, was empowered to enter into a contract of guaranty with any railroad company organized under the laws of the United States or any State, or under the laws of the Philippine Islands, whereby the Philippine Islands government should guarantee interest at not exceeding 4 percent per annum upon first-lien-mortgage bonds to be issued by such company and according to various other terms and conditions as are more particularly set out in said act of Congress; and

Whereas, pursuant to the authority so conferred upon it, the then existing Territorial government of the Philippines invited bids for the construction of railroads in the islands, and accepted the bid of the Philippine Railway Co., a company organized under the laws of the State of Connecticut; and in 1906 entered into a contract with said company, undertaking to guarantee interest at the rate of 4 percent per annum upon bonds to be issued only against completed mileage, to the extent of 95 percent of the cost as determined and approved by the Philippine government; and

Whereas, pursuant to said contract, the company proceeded with the construction and operation of sundry railway lines on the islands of Panay and Gebu, said construction and operation being all under the supervision and in the virtual control of said Territorial government, which was officially represented on the board of directors of said railway company by two United States Army officers of the Bureau of Insular Affairs; and

Whereas there were issued in due course 30-year 4-percent gold mortgage bonds, dated July 1, 1907, in total principal amount of $8,549,000, all bearing imprinted thereon the unconditional guarantee of the government of the Philippine Islands for the payment of interest "until the date of maturity or redemption", and reciting that the guarantee was pursuant to an act of Congress of the United States; and

Whereas the bonds so issued were widely sold to private investors upon the faith and credit of the Territorial government of the Philippine Islands, and by implication upon the faith and credit of the Government of the United States, and under circumstances deliberately contrived to lead the purchasers of said bonds unsuspectingly to assume that these railway-company bonds were in the same category as government bonds of the Philippine Islands and of the United States. Lending color to this assumption was the fact that the Secretary of the United States Treasury by a special ruling prior to the public offering of said bonds certified them as acceptable security for United States Government deposits, thereby ranking them on a parity with United States Government bonds; the fact that the Secretary of War by special order referred without limitation to the guarantee of the interest on these bonds by the Philippine government and referred to the "paramount necessity of railroads for the welfare of the Philippine people", etc., and authorized the Bureau of Insular Affairs of the War Department to accept subscriptions for said bonds; and these facts are prominently displayed in the prospectus offering said bonds for subscription, the prospectus saying, among other things, that "all details of the mortgage and issue (of bonds) have been

approved by the Secretary of War of the United States"; and on the bonds themselves the words "guaranty" and "Philippine Islands" and "United States" were conspicuous; and

Whereas the holders of said bonds received their interest payments as the same fell due up to the 1st day of July of this year, said date being the maturity of said bonds; said interest having been advanced in large part by the government of the Philippine Islands pursuant to the guarantee; and

Whereas none of the bonds so issued and purchased in good faith by a great number of investors in this and other countries, have been redeemed; and

Whereas the bondholders have been notified that no interest payments will be forthcoming hereafter, and that no funds are available for the payment of the principal of said bonds, which become due on said July 1, 1937; and

Whereas the government of the Philippine Islands, being itself the principal creditor of said Philippine Railway Co., other than the bondholders, is reported to have instituted receivership proceedings in the Philippine courts and to all intents and purposes is now in full possession of all of the property and assets of said railway company and is operating the same for its own account, notwithstanding the fact that by the terms of the mortgage securing said bonds, the bondholders, in event of default, are entitled to possession of the property; and

Whereas the holders of said Philippine Railway Co. bonds now find themselves deprived of their principal, deprived of the property, and deprived of interest hereafter accruing, notwithstanding the guaranty which pledged payment of interest "until the date of maturity or redemption" and which has been construed by the bondholders as continuing to the date of redemption, even though, as has now transpired, the unspecified redemption date is subsequent rather than prior to the specified maturity date: Now, therefore, be it

Resolved, That the Attorney General is requested to institute an official inquiry into, and investigation of, all of the circumstances attending the making of the contract between the government of the Philippine Islands and the Philippine Railway Co. and the issuance of the bonds thereunder, and their public sale under the auspices of the War Department, and the terms and conditions expressed or implied of the guaranty attached to said bonds by the government of the Philippine Islands, and the present default and denial by the Philippine Government of further liability to the bondholders, and the present relation of the Philippine Governmei t to said railway company and the present legal status of the physical property; all with a view to reporting to the Senate as soon as is practicable, and if not incompatible with the public interest, all of the pertinent facts and the law applicable thereto bearing on:

(1) The question of whether the guaranty of interest on said bonds entered into in 1907 by the Territorial government of the Philippine Islands has been fully complied with, or still remains applicable to interest on said bonds hereafter accruing until the same shall have been redeemed;

(2) The question of whether the facts and circumstances create an implied obligation upon the Government of the Philippine Islands to save the holders of said bonds from loss of their principal, being money loaned upon the faith and credit of said government, and to redeem said bonds by the payment of the principal;

(3) The question of whether the facts and circumstances create an implied obligation upon the Government of the United States to save the holders of said bonds from loss on account of the present default;

To the end that Congress may be fully informed and may then be in a position to determine what action by Congress, if any, is required or warranted in the premises.

FAR EASTERN SITUATION—ADDRESS BY SENATOR NYE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address on the far eastern situation, delivered by Senator NYE Friday, Aug. 20, 1937, which appears in the Appendix.]

NEW EPOCH IN THE LABOR MOVEMENT—ADDRESS TO BE DELIVERED BY SENATOR GUFFEY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address to be delivered by Senator GUFFEY on Tuesday, Aug. 24, 1937; the address will appear hereafter in the Appendix.]

ADDRESS TO CONVENTION OF YOUNG DEMOCRATIC CLUBS BY HON. JAMES A. FARLEY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address by Hon. James A. Farley, at the third biennial convention of the Young Democratic Clubs of America, Indianapolis, Ind., Aug. 20, 1937, which appears in the Appendix.]

ROOSEVELT IDEAS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article appearing in today's Washington Star entitled "Farley Predicts Roosevelt Ideas Will Be Carried On", which appears in the Appendix.]

THE FARMERS' INCOME AND T. V. A.—ADDRESS BY DIRECTOR LILIENTHAL

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address on the subject of the Farmers' Income and T. V. A. delivered by David E. Lilienthal, Director of the Tennessee Valley Authority, before the Institute of Rural Affairs, Virginia Polytechnic Institution, July 28, 1937, which appears in the Appendix.]

ENFORCEMENT OF IMMIGRATION LAWS—STATEMENT BY JAMES H. PATTEN

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD the remaining portion of a statement by Mr. James H. Patten with reference to the work done by the consuls of the State Department and the jurisdiction of the Department of Labor enforcing the immigration laws, which appears in the Appendix. The first portion of the statement has been printed in the Appendix of the RECORD on p. 1885.]

VIRGINIA DARE CELEBRATION—ADDRESS BY DR. F. P. GRAHAM

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD the introductory address delivered by Dr. Frank P. Graham, president of the University of North Carolina, on the occasion of the celebration of the three hundred and fiftieth anniversary of the birth of Virginia Dare, at Roanoke Island, N. C., Aug. 18, 1937, which appears in the Appendix.]

SALE OF SCRAP IRON ABROAD

[Mr. MALONEY asked and obtained leave to have printed in the RECORD certain correspondence between a manufacturing company of Bridgeport, Conn., and a Member of the House of Representatives with reference to the sale of scrap iron abroad, which appears in the Appendix.]

FLOOD CONTROL—STATEMENT BY GOVERNOR AIKEN, OF VERMONT

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an Associated Press dispatch published in the Washington Post of Aug. 10, 1937, relating to a statement of Governor Aiken, of Vermont, on flood control, which appears in the Appendix.]

SAFETY OF LIFE AT SEA—EDITORIAL FROM THE NEW YORK POST

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial from the New York Post of Aug. 16, 1937, under the heading "What Price Human Life, Dr. COPELAND?" which appears in the Appendix.]

THE ACHIEVEMENTS OF THE GOVERNMENT—ADDRESS BY SENATOR GREEN

[Mr. LEWIS asked and obtained leave to have printed in the Appendix of the RECORD, after the adjournment of the present session of Congress, an address to be delivered on Monday next by Senator GREEN on the subject of The Achievements of the Government, which will appear hereafter in the Appendix.]

MERCHANTS NATIONAL BANK & TRUST CO., VICKSBURG, MISS.

Mr. LOGAN. From the Committee on Claims I report back favorably without amendment the bill (H. R. 6682) for the relief of the Merchants National Bank & Trust Co., and I submit a report (No. 1293) thereon. I invite the attention of the Senator from Mississippi [Mr. HARRISON] to the bill.

Mr. HARRISON. Mr. President, I ask unanimous consent for the present consideration of the bill just reported by the Senator from Kentucky. The bill has passed the House and is of local concern. It authorizes the payment of some money to a bank in Mississippi in full satisfaction of its claim. The amount involved is not great, being less, I think, than a thousand dollars. The bill has been recommended by the Department.

The VICE PRESIDENT. The Senator from Mississippi asks unanimous consent for the present consideration of the bill the title of which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 6682) for the relief of the Merchants National Bank & Trust Co.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

RADIO ADDRESS BY SENATOR GUFFEY—PERSONAL STATEMENTS

Mr. WHEELER. Mr. President, reserving the right to object, I desire to say a word or two with reference to a matter which took place last evening.

I feel highly honored, Mr. President, that the Senator from Pennsylvania [Mr. GUFFEY] has singled me out as one of three Members of the Senate for the purpose of broadcasting a speech, which everyone knows that he did not write, and which everyone knows he would not have dared to deliver upon the floor of the Senate, because he would have been afraid that he would have had to yield to the Senators to whom he referred.

Mr. LA FOLLETTE. Mr. President, I call the Senator to order under rule XIX.

Mr. JOHNSON of California. No, Mr. President.

Mr. WHEELER. Mr. President——

Mr. JOHNSON of California. Go on.

The VICE PRESIDENT. The Senator from Montana will take his seat.

Mr. LEWIS. Mr. President, I move that the Senator from Montana be allowed to proceed by complying with the rule.

The VICE PRESIDENT. The question is on the motion of the Senator from Illinois.

The motion was agreed to.

The VICE PRESIDENT. The Senator from Montana will proceed in order.

Mr. WHEELER. I assumed that I was in order, Mr. President. If I am not in order in what I am going to say, I want to call the attention of the Senate to what the Senator from Pennsylvania said with reference to me. He said:

> The Montana Senator [Mr. WHEELER], if and when he again seeks a high national office, will have to give to the people of the United States something more than academic argument in explanation of his broken promises.

Of course, that statement means that the Senator from Montana lied. I am amazed that any Senator upon the floor of the Senate should make a statement of that kind against a fellow Senator; but I happen to know that just before Mr. Farley went to Indianapolis to ask for party harmony and to state there would be no reprisals, the same Mr. Farley, or his office, arranged with a broadcasting company for the Senator from Pennsylvania [Mr. GUFFEY] to deliver his speech over the radio.

In the first place, in order to keep the record straight, let me say that I have never at any time changed my views with reference to the platform on which I ran with the late Senator La Follette. If the Senator from Pennsylvania would read that platform he would find that the great Senator from Wisconsin never at any time advocated packing the Supreme Court as a remedy for the conditions which he had in mind. On the other hand, he advocated a constitutional amendment, in various speeches, particularly in one which I think was made at Madison Square Garden—at least, his son-in-law told me that in a speech he made there—when he was being attacked by reason of the provisions of the platform which he had drafted and on which he was standing. This great and honest liberal suggested a constitutional amendment so that Congress by a two-thirds vote, should have the power to override a decision of the Supreme Court of the United States holding an act of Congress invalid on constitutional grounds. The late Senator La Follette declared that what he wanted to do was to submit a constitutional amendment to the people of this country, and that they should vote upon its adoption. May I direct the attention of the Senator from Pennsylvania to the fact that I have months ago introduced such amendment in the Senate and that it still pends before the Judiciary Committee. This is the very amendment which Senator La Follette and I advocated in 1924.

The position I have always taken is that we should have a constitutional amendment, and I thought that I had made this clear to everyone, including the Senator from Pennsylvania, but apparently he did not understand that such was my position.

I am glad that the Senator did not include me among those who he said were "ingrates" to the President of the United States, because I am sure that, no matter how much I may have disagreed with the President, he would never, for a moment, suggest that I had been ungrateful to him, or that he was responsible for my election, or that he ever contributed anything to my election, or that the Democratic National Committee ever contributed anything to my election, or that the Senator from Pennsylvania ever contributed anything to my election, either directly or indirectly. I think, likewise, everyone knows that I did not need any contribution from them, that I did not need any help, and that I did not ride into office on the coattails of the President of the United States.

I hope when I do become a candidate for the Senate, if I should become a candidate in 1940, that the Senator from Pennsylvania will come out to Montana with his contributions, and that he will take the other side and support my opponent, whoever he may be. When he runs for Governor of Pennsylvania I shall make it a point to visit the State of Pennsylvania. I shall not have any of Mr. Mellon's money and I shall not have anybody else's money. I shall go there at my own expense and with my own money, and I shall make some speeches in Pennsylvania.

It may be all right, Mr. President, for some people constantly to talk and harangue and accuse others because they disagree upon the floor of the Senate upon some fundamental measure, and immediately to say that that individual has "sold out." That is just cheap politics. That is demagoguery of the worst kind. So far as my liberal viewpoints are concerned, the people of my State know me and they know me much better than does the Senator from Pennsylvania.

I probably should not say anything with reference to this attack upon me, and I would not have said anything about it had it not been for the attack made upon the Senator from Wyoming [Mr. O'MAHONEY]. For 14 or 15 years I have served in the Senate of the United States. In all that time I have never heard a Member of the Senate, Republican or Democrat—neither Republican nor Democrat—say things about another Senator or cast reflections upon him such as were said about and cast upon the senior Senator from Wyoming [Mr. O'MAHONEY]. It is said that when the votes are cast next time he will have to "go back to his home on the range."

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Wyoming?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. May I say to my friend from Montana that I would vastly prefer that he did not continue upon this phase of the discussion? I know perfectly well that nothing said on the radio last night will in the slightest degree injure me or in the slightest degree hinder me from doing my duty as I see it. I know perfectly well that the Members of this body know exactly how to assess the value of the attack that was made last night. It may not be that the country understands, because the country may be under the impression that since the chairman of the Democratic Senatorial Campaign Committee was talking he was speaking with authority. Mr. President, I am confident that he had none.

I want to say that nothing the gentleman said last night pertaining to the Senator from Montana [Mr. WHEELER] or the Senator from Nebraska [Mr. BURKE] can injure either of those Senators, but what he said may injure the Democratic Party and every Democratic Senator on the floor. I say here in the presence of the gentleman who spoke on the radio last night, and in the presence of those Democrats who are likely to be candidates for office in 1938, the sooner we get that man out of the position he now occupies by virtue of the acquiescence of his fellows, the better it will be for the Democratic Party.

It makes no difference to me. My people of Wyoming know how to handle bossism wherever it appears. If anybody undertakes to "go out on the range" into my home State, no matter who it may be, I shall be willing to meet him there and discuss what I have done and what I intend to do.

Mr. President, let me say before I take my seat that if it were possible for any person under heaven to come to me now upon this floor and say to me, "You may withdraw everything that you have done, everything that you have said; you may change the record and rewrite it so that you will be counted upon the other side and be in a position to receive the favors of the chairman of the Democratic Senatorial Campaign Committee", I would not change a word or a line or a vote.

When the time comes that a Senator of the United States can be challenged by a colleague over the air, outside of this Chamber, in the manner we were challenged last night, for a vote cast in good faith, I say to you, Mr. President, the dignity of the Senate has been drawn in the mud.

Nothing that was done by the Senator from Montana [Mr. WHEELER] or the Senator from Nebraska [Mr. BURKE] and nothing that I have done in this Chamber has impaired the dignity of this body or its Members. That cannot be said of another gentleman in this body.

Mr. President, I would rather walk out of the door of this Chamber and never return than to surrender any honest conviction I have. I say to you, Mr. President, and I say to you Senators of the United States, so long as I am in this body I shall raise my voice and cast my vote as my conscience dictates, and nobody, whether he comes from Pennsylvania or from New York or any other State, can tell me or the people of my State what I should or should not do.

Mr. WHEELER. I thank the Senator.

I know the people of Wyoming and I know the standing of the Senator from Wyoming [Mr. O'MAHONEY] among his people. He can be reelected notwithstanding the Senator from Pennsylvania [Mr. GUFFEY] and notwithstanding the administration. He can be elected on the Democratic ticket, he can be elected on the Republican ticket, or he can be elected upon an independent ticket in his State.

If you want to drive us out of the Democratic Party, if the Democratic bosses in New York and in Pennsylvania, Illinois, or any other boss-ridden State want to drive us out of the Democratic Party, they will not have any difficulty in doing so. I say to you now that if you nominate your Governor or if you should, perchance, be nominated for President of the United States, you will not have to drive some of us out of the party. We will quit.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. CHAVEZ. I know that in 1928 while some of the members of the Cabinet were probably voting for Mr. Hoover the Senator from Wyoming [Mr. O'MAHONEY] was standing by and working for the regular nominee of the Democratic Party.

Mr. WHEELER. I thank the Senator.

In his radio speech last night it was said the President had a right to expect some of us to support his Court plan. The President did not have any right to expect me to support his Court plan, because he knew, or should have known, that I would not do so. I told some of his advisers a year ago last January that I was not in favor of packing the Supreme Court by putting six new Justices upon it. If they carried that story back to him, as they should have done, he had no right to hope that I was going to support his plan.

Mr. President, I do not want to wash a lot of dirty linen on the floor of the Senate in the closing days of the session, but I want to say that overtures were made to me with reference to the Supreme Court plan and I was told that they wanted me to sit in with them and if I did not they would make deals with Tammany and certain other people and get it anyway, for in return they would promise to give them some Justices on the Court. If you want to wash the dirty linen of the Democratic Party, you can wash it, and if you want to quote men who have passed beyond and cannot challenge what you say, I could quote from some people, too. There is no dearth of material from which to quote regarding the Senator from Pennsylvania. One need not quote from some one no longer here. There are those who would now bear witness against the Senator from Pennsylvania.

The idea of quoting from our late beloved leader that he said so-and-so about some member of the Democratic Party, and that he regretted that he had gone out to Wyoming and suggested to somebody that the senior Senator from Wyoming [Mr. O'MAHONEY] be appointed to the United States Senate. I shall not characterize that kind of statement made by any Member of the Senate. The mere recital of such statements characterizes the statements themselves, and characterizes the men who make them.

The Senator from Nebraska [Mr. BURKE] can take care of himself in the State of Nebraska. He has always done so, and he always will be able to do so; but when the next election rolls around I hope the Senator from Pennsylvania will come out to Montana, and I hope he will go down into Missouri, and I hope he will go to Utah, and I hope he will come out to Washington, and I hope he will go to Idaho, and I hope he will go to all of our Western States, but I hope he will not speak for any Democrat whom we want to see elected.

I was very happy and very proud to be the Vice-Presidential candidate with the late Senator La Follette. I considered him one of the great statesmen of his day, and I still consider him so. I ran for Vice President with him, not because I sought the nomination but because he came to my house and asked me to run as a candidate with him. In order that the Senator from Pennsylvania may know the facts, I will say that it was after the Democratic convention was held in Cleveland, and after the platform was drafted in Cleveland, that the late Senator La Follette came to my house. Mr. Davis had been nominated in the Democratic convention. Not long after that the Senator from Pennsylvania was out stumping for Mr. Davis, the same Mr. Davis whom he now renounces as an economic royalist. He supported Davis in 1924. I was at that convention, and I supported the candidacy of the present Senator from California [Mr. MCADOO]. When I felt that Wall Street had nominated the candidate on the Democratic ticket, however, I went out and supported the late Senator from Wisconsin, and at his request, I ran with him; but a lot of these so-called liberals and New Dealers, and political bosses in the various States who are now carrying the banner of so-called liberalism in this country, were all found lined up with the economic royalists of Wall Street in 1924, and they have always been in the same identical position. They have always been there, and they always will be there.

Mr. HUGHES. Mr. President, I did not understand the Senator's last statement. Would he mind repeating it?

Mr. WHEELER. I said that the political bosses from Pennsylvania and the political bosses from New York and the political bosses from Chicago would always be found lined up and voting with the economic royalists, as they did in 1924. In one breath they say to the Democrats of the country, "We want party harmony." Why, even the distinguished Senator from Pennsylvania helped to finance a dinner in order to get Senators together for party harmony.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BURKE. I hope the Senator will not imply by that statement that all who attended the dinner did so as the guests of the Senator from Pennsylvania, because I want to say for myself—and I know the same thing is true of many others—that I paid for my own dinner.

Mr. WHEELER. Certainly. While the Senator from Pennsylvania was financing a dinner for party "harmony", and while preaching "harmony", these men go out and denounce Members who attended that dinner, and whom they were then patting on the back. On the one hand, some of these people denounce economic royalists, and, on the other hand, they try to shake them down before they are to testify before congressional committees, asking them

for campaign contributions—shaking them down for campaign funds on the one hand, and denouncing them upon the other is their wont—great liberals! great progressives! Yes; great leaders of the unwashed of this country, friends of labor, if you please, and friends of the farmer!

When did you ever hear of a political boss being the friend of the farmers of this country? When did you ever hear of a political boss being the friend of the workingmen of this country?

Friends of these voters? Yes; they are the friends of all when they want votes. They are the friends of all when it pays—pays, if you please, to be liberal. Now it pays to be liberal. But where were they when there was only a small minority of liberals and progressives in this body? They were out, lined up with the utility interests, promoting utility companies, playing the game with the Mellon's, and playing the game with Wall Street.

If you want to wash any dirty linen, you may wash it, either upon this floor or upon the public platform; and I say to you:

Lay on, Macduff;
And damn'd be him that first cries, "Hold, enough!"

Mr. BURKE. Mr. President, with every effort to comply strictly with the letter and the spirit of rule XIX, I should like to say just a few words on the subject now under discussion. As one who was denominated last night over the radio, by the chairman of our party senatorial campaign committee, as an ingrate, I think it necessary to say just a word on that subject.

The Senator from Pennsylvania [Mr. GUFFEY] did me the great honor to read to the vast audience that undoubtedly listened to him last night some remarks which I made in the campaign of 1934 which were accepted as a definition of the New Deal. He went on to say that my purpose in doing that apparently was to win favor with the President and secure the support of the President's followers, and it would not become me to say that that was not somewhat in my mind. I go one step farther, however, and say that in giving that definition of the New Deal I described, as I then saw it, this great liberal movement, of which I was glad to be a part; and it was not until I came to see that sometimes a new deal may quickly be changed into a rotten deal that I lost some of my enthusiasm for things that I had been supporting.

I call your attention, inasmuch as the Senator from Pennsylvania read these remarks on the radio, to the climax, if there was such, of the remarks, in these words:

The New Deal seeks to cement our society, rich and poor, manual workers and brain workers, into a voluntary brotherhood of free men standing together, striving together for the common good of all.

When I find that there are certain leaders in this country that seem to me to be fanning into flame the fires of class hatred, trying to set one class—call them "the underprivileged", if you will—against those who happen to have a little of this world's goods, then I say that I am not abandoning my firm belief in the principles of the New Deal as it was conceived, when I insist on going forward along that line, even though some may have decided that they want to go off strictly at right angles.

But what I really wanted to say, Mr. President, was this: Assuming that I did declare my faith in our great President in 1934, and assuming that I did go before the voters of Nebraska and say, "I want to try to help carry out these great objectives which I conceive to be the heart of the New Deal", does that mean that when I come to this body I must give my support to every means adopted to carry out those objectives, even though I am firmly convinced, with every bit of reason I have, that the means adopted are wrong, and are going to defeat the objectives that we have in mind?

I can conceive that it would be very much easier to sit here in the Senate and never be obliged to attend a committee hearing or meeting, or read any of the testimony of witnesses who are called, and not even read the bill before the Senate, but merely call the White House, or possibly the Postmaster General, to find out how I am supposed to vote. That would be a very easy thing to do, but I think a very unsatisfactory thing, so far as the voters of Nebraska are concerned, and I will include all of the Western States in that.

Pennsylvania may want that kind of representation in the Senate, and if they do, God bless them, let them have it; but to me it would seem that if the State is to have that kind of representation it might as well have a parrot in a cage in the Secretary's office, and bring it in when the Senator's name is called and have him say "Yes, Mr. President, count me for that, too." That is not my idea of what a Senator should do.

I much prefer the noble sentiment expressed by the elder La Follette on the floor of the Senate in another time of turmoil, when he said—and I quote from the CONGRESSIONAL RECORD:

I had supposed until recently that it was the duty of Senators and Representatives in Congress to vote and act according to their convictions. Quite another doctrine has recently been promulgated—

And I could interpolate there by saying, as recently as 10:30 last night—

and that is the doctrine of standing back of the President without inquiring whether the President is right or wrong. For myself, I have never subscribed to that doctrine, and never shall. I shall support the President in the measures he proposes when I believe them to be right. I shall oppose measures proposed by the President when I believe them to be wrong.

Mr. President, that is the doctrine which I have endeavored to follow since I first came to the Senate. It has not been at all in accord with the ideas of the junior Senator from Pennsylvania [Mr. GUFFEY] as he enunciated them last night. I think he might well have left the Senator from Wyoming out of it and declared me the only ingrate in this matter, because I have voted against a good many measures that were administration measures, and I know of no vote I have cast in the Senate that I would change if I had it laid down before me right now; but I say that the Senator from Pennsylvania apparently has a very different conception of the duty and obligation resting upon a Senator from my conception, and if he wants to come to Nebraska in 1940 and argue that matter to the voters of Nebraska, I will meet him at the Missouri River line and gladly welcome him to the State, because I know of nothing that would make my almost unanimous reelection to the Senate more certain than to have the junior Senator from Pennsylvania come out and tell the voters of Nebraska the kind of stuff he uttered over the radio last night—cheap stuff, tawdry stuff.

ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, I move that the Senate take a recess subject to the call of the Presiding Officer.

Mr. HARRISON. Mr. President——

Mr. BARKLEY. I yield.

Mr. HARRISON. There is a bill on the desk——

Mr. HOLT. Mr. President——

Mr. BORAH. There is a bill on the table I should like to have acted on.

Mr. HOLT. Mr. President——

Mr. HARRISON. Mr. President, I should like to call up a bill.

Mr. AUSTIN. Mr. President——

The PRESIDENT pro tempore. Let there be order in the Chamber. The question is on the motion of the Senator from Kentucky that the Senate take a recess.

Mr. BARKLEY. For the moment I withhold the motion. I will state why I am contemplating such a motion. The House has under consideration now the conference report on the housing bill, and it is contemplated that shortly the conference report on the deficiency bill will be ready for action. In the meantime there is no important business before the Senate, and I see no reason why we should be in formal session. I withhold the motion, however, for the present.

Mr. LA FOLLETTE. Mr. President——

Mr. BARKLEY. I withdraw the motion for the moment.

PERSONAL EXPLANATION

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement. Paragraph 2 of rule XIX reads as follows:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

I think that rule is sound; I think the reasons for it are adequate. In a deliberative body such as the Senate we cannot transact business if personal attacks are to be made by one Senator on another Senator.

No matter how great the provocation may be, the rule should be enforced. If Senators are to indulge in personal attacks, then it should not be upon the floor of the Senate.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CONNALLY. There is a way to correct that—the rule providing how a Senator may be interrupted.

Mr. LA FOLLETTE. Precisely.

Mr. CONNALLY. The Senator had his remedy. Does he mean to suggest that everything that happened here was out of order?

Mr. LA FOLLETTE. I do not.

Mr. CONNALLY. Of what particular thing is the Senator complaining—the speech last night or the speech this morning?

Mr. LA FOLLETTE. The statement which I wish to make is with relation to my calling the Senator from Montana to order. My reason for that action, I want it known, was not because I think the Senator from Montana did not have every reason to desire to reply to the speech made by the Senator from Pennsylvania over the radio, but I called the Senator to order because I believe this body must require its Members to make personal attacks, if they are to be made, not on the floor of this Chamber, because if that practice is to be indulged in, we can no longer satisfactorily transact business as a deliberative body.

Since the Senator from Montana referred to the speech of my father at Madison Square Garden, I ask unanimous consent to have the excerpt from it dealing with the Supreme Court issue in the 1924 campaign inserted in the RECORD as a part of my remarks.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. WHEELER. The Senator is more familiar with his father's speech than I am, because I was in the West at the time. The platform provided for a constitutional amendment to correct the situation about which he was speaking.

Mr. LA FOLLETTE. That is correct.

Mr. WHEELER. I was told by someone—I have forgotten who—that in his Madison Square Garden speech the Senator's father stated that the matter was to be submitted to the people in the form of a proposed constitutional amendment.

Mr. LA FOLLETTE. That is correct. As the Senator has referred to the speech, I think it would be well to have that portion of it printed in the RECORD.

Mr. WHEELER. I think it would be well to have it in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

EXCERPT FROM ADDRESS DELIVERED BY SENATOR ROBERT M. LA FOLLETTE, SR., AT MADISON SQUARE GARDEN, SEPTEMBER 16, 1924

Our platform upon this subject provides:

"We favor submitting to the people for their considerate judgment a constitutional amendment providing that Congress may by reenacting a measure make it effective over a judicial veto."

The only question raised in this campaign on this subject is whether the people shall have the right to have such a constitutional amendment as we propose submitted to them for their action. If they do not desire such an amendment, then, of course, they will vote against it when it is submitted and that will end the matter. If they do desire such an amendment, after the full public discussions which will follow its submission to the people in the manner provided by the Constitution, then clearly they are entitled to amend their Constitution in the manner proposed.

We favor submitting a constitutional amendment of the nature indicated to the people for their considerate judgment and determination.

Our opponents declare that such a proposed amendment shall not be submitted to the people for their consideration.

In this situation any extended discussion of the merits of the proposed amendment would be out of place, but a brief statement of the evils which have led the Progressives to propose submitting such an amendment to the people may not be amiss.

The facts are briefly these:

The Federal courts, particularly the Supreme Court, have declared unconstitutional or otherwise nullified the most important legislation enacted by the lawmaking branch of the Government within the last few days.

The first of these cases to which I call your attention are the celebrated income-tax cases: In August 1894 the Congress passed an act which provided in substance for an income tax on net incomes above $4,000. Such a tax had previously been upheld by the Court. When it came before the Supreme Court under the act of 1894, the principal features of the law were again held valid by the Supreme Court, though by a majority of 1 vote. On a reargument of the case one of the Justices changed his vote, though neither he nor anyone else has ever given any explanation of the change, and the whole law was declared null and void as being in conflict with the Federal Constitution. That the decision was based on the economic view of the Judges composing the majority of the Court was plainly apparent from both the majority and minority opinions.

Of the majority opinion, Mr. Justice Harlan, one of the dissenting Judges, said:

"The decree now passed dislocates—principally for reasons of an economic nature—a sovereign power expressly granted to the general Government and long recognized and fully established by judicial decisions and legislative action."

After nearly 20 years of protracted struggle an amendment to the Constitution was finally adopted which was intended to meet the objection of the majority of the Court to the constitutionality of an income-tax law.

The effect of this decision for the first 13 years after the Court had nullified the law was thus stated by the late Chief Justice Clarke of the Supreme Court of North Carolina:

"One man nullifies the action of Congress and the President and 75,000,000 of living people and in 13 years since has taxed the property and labor of the country by his sole vote $1,003,000,000 which Congress, in compliance with the public will and relying upon previous decisions of the Court, had decreed should be paid out of the excessive incomes of the rich."

In the Standard Oil and American Tobacco Trust cases which came before the Supreme Court a few years ago, the Court by another 5-to-4 decision overruled a number of carefully considered previous decisions and in effect rewrote the Antitrust Act.

That act as passed by the Congress and signed by the President provided that any contract, combination, and so forth, in restraint of trade should be void. In the decisions just referred to the Supreme Court by a majority of one, in effect, wrote the word "unreasonable" into the act, so as to make it read that only an unreasonable contract or combination was in restraint of trade.

By this judicial legislation the whole meaning of the act was changed, and under these decisions the Court has repeatedly held that those corporations and trusts which were prohibited by the act as adopted by the lawmaking branch of the Government were permitted by the act as it was amended by the Court. Of this action of the majority Judges, Mr. Justice Harlan, one of the minority, said:

"The Court now by judicial legislation in effect amends an act of Congress relating to a subject over which that department of the Government has executive cognizance."

The decision also clearly intimates that if Congress attempted to restore the law to its original form such act would be held unconstitutional.

In the recent cases of Hammer against Dagenhart the Supreme Court, by a bare majority of one, struck down one of the best laws ever enacted by Congress, which is commonly referred to as the child-labor law. By this act Congress sought to prevent employment of children in factories and mills under unhealthy and improper conditions by excluding from interstate commerce products of such labor.

The opinion of Mr. Justice Holmes in that case, in which Justices McKenna, Brandeis, and Clarke concurred, demonstrates beyond the possibility of a doubt that the law was plainly constitutional and that it was beyond any legitimate function of the Court to invalidate it.

The Congress shortly thereafter passed another law on the subject of child labor to meet the objection of the Court, and this law was also nullified by a divided Court.

The wealthy mill and factory owners employing child labor under the shameful conditions shown to exist have alone profited as a result of this judicial legislation, while the will of Congress and of the people has been defeated, and countless thousands of children have as a result of the Court's action been condemned to unwholesome labor which has stunted their bodies, dwarfed their minds, and made many of them public charges.

So in the still more recent case of Adkins against Children's Hospital a majority of the Court destroyed an act of Congress fixing a minimum wage for women and children in the District of Columbia.

Here again, by a majority of one, a measure designed to afford some protection to women and children in industry was destroyed. Mr. Justice Holmes demonstrated clearly the constitutionality of the act and plainly intimated that the opinion of the majority was not based upon the unconstitutionality of the law but upon their peculiar economic views.

These are only a very few of the cases wherein during the last few years the Court, by usurping legislative power, has nullified acts of Congress.

The judicial veto in practically all these cases has been leveled at progressive measures which enunciated a rule contrary to the economic or political beliefs of a majority of the men who happen to make up the Supreme Court. Tenement house, bake shop, workmen's compensation, 8-hour decisions, and many others of a similar nature could be cited to the same effect.

But it is not merely the number of cases in which the courts have nullified the acts of Congress that is important. It is the fact that each one of these decisions has closed the door to similar progressive legislation in the future.

Always these decisions of the Court are on the side of the wealthy and powerful and against the poor and weak, whom it is the policy of the lawmaking branch of the Government to assist by enlightened and humanitarian legislation.

Even when we have gone through the difficult and expensive process of amending the Constituton in a particular respect, as in the case of the income tax, the amendment finally adopted, as in that case, may be interpreted by a majority of the Court entirely opposite to the intention of Congress.

Other civilized countries adopt as a mere matter of legislative routine these remedial and corrective laws. But we can enact such laws only after many years of delay incident to securing a constitutional amendment with all the expense and labor involved, and very often five men on the Supreme Court Bench succeed in defeating such legislation forever.

Now, it is obvious that a remedy for this condition must be found. No government can long survive, if through the medium of a king, a court, or any other sovereign power the will of the people represented in the lawmaking branch of their government can be arbitrarily and finally defeated.

Our suggested constitutional amendment means simply this:

That whenever the Court assumes to nullify an act of Congress, the Court shall certify its decision with the reasons for making it back to the Congress, much as the President now certifies to the Congress his reasons for vetoing an act passed by that body. Thereupon the Congress, in the light of the opinion of the Court, the arguments of counsel, and with all the facts and circumstances before it, would reconsider the measure and the reasons of the Court for declaring it null and void, and if those reasons seem sufficient, it would be the plain duty of the Congress to acquiesce in the decision of the Court.

If, however, as shown by the cases I have mentioned, it appeared that the decision of the Court was based on economic or political opinions of the Judges and there was no real conflict between the Constitution and the law in question, it would be the clear duty of the lawmaking branch of the Government to repass the measure.

This method would have the advantage of giving to every piece of legislation, the constitutionality of which was challenged, a full hearing in the first instance before the Congress, again before the President when he signs it, and again a full hearing before the Supreme Court where every phase of the question could be discussed by able counsel, and finally there would be a rehearing before the Congress in which there would be available to Congress all the discussions and opinions of counsel and members of the Court before Congress finally acted upon the measure.

It is hard to conceive of a method which would insure to every matter of legislation, the constitutionality of which was called into question, a more careful, impartial, and exhaustive consideration than this.

Our opponents say that Congress may err and pass an unconstitutional law, and that the power must reside somewhere to declare such a law unconstitutional. We answer that the Congress and the President may sometime err in this respect, but it is just as true that the Supreme Court may also err and declare a perfectly constitutional act passed by Congress to be unconstitutional. That the Court has done this very thing again and again is fully established by the cases to which I have referred.

Either the Court must be the final arbiter of what the law is or else some means must be found to correct its decisions. If the Court is the final and conclusive authority to determine what laws Congress may pass then obviously the Court is the real ruler of the country exactly the same as the most absolute king would be.

Two points should be noted with reference to this proposed constitutional amendment:

First. No other great government exists in which the courts are permitted to nullify the will of the people as declared by their lawmaking bodies.

In England no power to veto acts of Parliament is possessed by the courts, and no English King has dared exercise a veto for generations. And yet the British Government still stands and there has been no "confiscation of property or destruction of liberty."

Second. The proposed amendment does not give State legislatures the power to reenact laws over the decisions of the Supreme Court. It relates only to acts of Congress.

Such decisions as that of the Supreme Court in the Oregon School case would not be affected.

Those who condemn as radical and anarchistic the very moderate and conservative method we propose submitting to the people for their consideration as a remedy for the fatal defect which has appeared in the machinery of our Government must be ignorant of the fact, I take it, that Chief Justice Marshall many years ago proposed this identical remedy. Chief Justice Marshall, in the case of Marbury against Madison, decided by the Supreme Court in 1803, first asserted for that Court the claim that the Court could nullify an act of Congress by declaring it unconstitutional.

Nearly a year later, however, when Justice Chase, of the Supreme Court, was under impeachment, the Chief Justice, in writing to Justice Chase, stated his views as follows:

"I think the modern doctrine of impeachment should yield to an appellate jurisdiction in the legislature. A reversal of those legal opinions deemed unsound by the legislature would certainly better comport with the mildness of our character than would a removal of the judge who has rendered them unknowing of his fault."

(See Beveridge's Life of John Marshall, vol. III, p. 177.)

This letter appears in the recent life of John Marshall, by former Senator Beveridge.

On this expression of opinion by the great Chief Justice, Mr. Beveridge says:

"Appeals from the Supreme Court to Congress. Senators and Representatives to be the final judges of any judicial decision with which a majority of the House was dissatisfied. Had we not the evidence of Marshall's signature to a letter written in his well-known hand it could not be credited that he ever entertained such sentiments."

That is Senator Beveridge's interpretation of this letter. I submit John Marshall's letter with Senator Beveridge's interpretation to all those who are criticizing this proposal as dangerous and revolutionary.

Mr. JOHNSON of California. Mr. President, just a word upon the matter now agitating the Senate.

When a man assails another man, I will always give the other man a chance to reply, as a matter of fair play. When a Senator of the United States over the radio last night assailed bitterly Members of this body, I never would call them to order in making their replies. They have a right to reply in any manner they see fit to adopt; and to call them to order means that we would hear one side of the controversy and not the other side.

Mr. HOLT. Mr. President, it was my good fortune to be listed by the Senator from Pennsylvania [Mr. GUFFEY] as being with the Senator from Montana [Mr. WHEELER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Nebraska [Mr. BURKE], all of whom were to be read out of the Democratic Party.

I want to say that since the junior Senator from the State of Pennsylvania has become "custodian" of the seats in the United States Senate, I hope he will handle that job in a better fashion than he handled the job as Alien Property Custodian. We still need 96 seats in this body. I want to say that I welcome that opposition. I never have had the support of the bosses, and I do not need the support of the Senator from Pennsylvania.

I realize what is wrong with the Senator from Pennsylvania so far as his attitude toward the Senator from Montana is concerned. It will be recalled that the Senator from Montana was a member of an investigating committee about 15 years ago, in connection with whose investigation the Senator from Pennsylvania played a part and was questioned about his past activities.

The Senator from Pennsylvania need not worry about ingratitude as he attacks the Mellons and economic royalists, because if it had not been for one member of the Mellon family the Senator from Pennsylvania would have been some place else now instead of in the United States Senate.

I want to say that in 1940, if I am a candidate for the United States Senate, I want the Senator from Pennsylvania to come into the State of West Virginia, and I will tell the people of the State of West Virginia some of the things that I know about the policies and practices of the Senator from Pennsylvania himself which, according to the rules, I cannot do on the floor of the United States Senate. I should like to tell about the contracts that have been let to his friends because of his great love for the New Deal. And may I say—no; I cannot do so, because the rules of the Senate

prohibit—where part of it went, and where part of it has been used to pay the debt of the past.

No, Mr. President, I do not fear that opposition.

And what about gratitude, my friends, the Senator's gratitude to the Mellons and gratitude to the steel companies that paid the Senator from Pennsylvania as a lobbyist before he was a Member of the United States Senate? Where has it gone? Now he loves the workers, oh, so well, because the workers in the State of Pennsylvania have got the votes, and he has got what the lobbyists gave him before that time. He hopes to have both.

My friends, I am not worrying about the opposition of the Senator from Pennsylvania, but I wish Senators could go back and read the American Mercury for November 1936. For some peculiar reason you cannot find a copy of that month's American Mercury in the Congressional Library, but you can get it in public libraries. Read the article in it entitled "Lord GUFFEY, of Pennsylvania." It gives you what I cannot give you about the Senator from Pennsylvania on the floor of the United States Senate without transgressing the rules of this body. It tells you about the trips to Mexico—oh, such a trip was made not so long ago again—and it also tells about the Alien Property Custodian, the experience of the great liberal of the State of Pennsylvania, the great new dealer, and it tells his background with the Sinclairs and the Falls and the Dohenys.

O Mr. President, the Senator from Pennsylvania proclaims love for the common man. He loves the common man and has taken a lead as a new dealer to read out of the Democratic Party some of us who believe in honest government. He wants to run the honest men out, so that the bosses and corruptionists can have control. But, thank God, the American people will never allow that.

Mr. LA FOLLETTE. Mr. President, I call the Senator to order on that statement.

The PRESIDENT pro tempore. The Senator from West Virginia has taken his seat.

Mr. HOLT. I want to say to the Senator from Wisconsin that I do not blame him one bit, because I know the reason. [Laughter.]

BANKRUPTCY PROCEEDINGS AND RECEIVERSHIPS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2849) to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, which was to amend the title so as to read: "An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes."

Mr. BORAH. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

PREVENTION OF WATER POLLUTION

Mr. LONERGAN. Mr. President, the Nation is agreed that there is urgent need for effective efforts to prevent and abate water pollution.

An authority has said that if we do not destroy water pollution it will destroy us.

States, municipalities, health authorities, conservation organizations, leading publications of the Nation, numerous agencies of the Federal Government, and all thinking individuals, realize the necessity of a concerted program to curb this rapidly growing menace to our public health, our fish and wildlife, and to our navigation.

The need of a remedy has been asserted and echoed from one end of the Nation to the other for decades, yet pollution has increased, and pollution control has been a failure.

A friend was needed—someone to speak out in the interest of the defiled and polluted streams, someone to point out that the public health is being seriously endangered, someone to stop long enough during the turmoil of social and economic controversy to point to disease-spreading, health-destroying, germ-laden waterways as a greater danger to the public welfare than many of the social and economic ills holding our attention.

More than 4 years ago several leading individuals and organizations of the Nation did come to the rescue of the polluted waterway, and did organize a definite national movement to correct the evil.

After much work and study and many conferences, in which it was my pleasure to participate, there emerged a basic principle—based on cooperation with the States, and supported by Federal financial assistance and enforcement—which soon found its form in legislation introduced in Congress. The major objective of many bills introduced in both the House and Senate was to protect the public health. Some differed in the procedure for abating pollution, and it required many months of hearings before committees of the House and Senate, many radio adresses, a Nation-wide public information campaign through magazines, and innumerable discussions and debates in Congress, before the general, as well as the technical aspects, of combating water pollution were sufficiently understood to obtain action in the Halls of Congress.

Finally, the Senate Committee on Commerce made a favorable report on two measures which represented the best thoughts of experts, health authorities, and conservationists the country over. One of these measures was my own, and was based on a program of cooperation and financial assistance to States, municipalities, industries, and individuals; classification of the navigable waters of the United States into watershed areas so that uniform standards of purity could be established; and an enforcement program which simply proclaimed the jurisdiction of Congress over water pollution when it is serious enough to affect navigable waters, maritime activities, fish, and wildlife including migratory birds, and most important of all—when it affects public health. Such pollution was regarded as a public nuisance, and the enforcement principle provided for an action in equity, through district attorneys of the Federal Government, to prevent or abate such pollution. No penalty was intended, except that for contempt of any court order which the court might deem a righteous penalty for any particular polluter, depending upon the nature of the offense. Such enforcement is intended to apply only to the recalcitrant few who refuse to cooperate in pollution abatement efforts even after their neighbors have cooperated, and after they have been offered Federal financial assistance, help of experts in determining causes and remedies for pollution, and have been given every opportunity voluntarily to cooperate in a pollution-control program.

There was some opposition to this enforcement principle by those who misunderstood its objectives. The entire subject is so complicated that it was natural that many who believe in pollution control were opposed to enforcement provisions because they were not fully informed. Their objections were able to delay for more than a year any action on measures pending in the Senate, and during that time hearings began on measures introduced in the House of Representatives. With the completion of hearings there, which added volumes of information to the material already produced in hearings before the Senate, there still remained a few who raised opposition because they were uninformed, and they freely admitted that with all the discussions on the subject they had been busy on other matters and had not had opportunity to study the problem. This, of course, was their responsibility, and they cannot now be heard to ask for more information on this subject unless they want the Congress to expend more money for printing of hearings and documents and debates than it has spent on any other subject of like nature in many years. It is a subject that has been studied for decades. The need now is for action.

But the objectors who caused greatest delay were not the uninformed, but were the obstinate, willful violators who do not want to be inconvenienced by any form of enforce-

ment in control of waterways, whether it be by State law or Federal law. This group is fully informed, and is well schooled in propagandizing. They have practiced it for years in the States by defeating local pollution control measures with the cry that "this is not a State problem; the polluters of this State will be placed at a commercial disadvantage with those in adjoining States where there is no control; this really is a Federal problem." And then they come to Congress, objecting, that "this is not a Federal problem, it should be handled locally." It is clear that this group wants no effective control of pollution at all.

And it is interesting to note that many of these same objectors soon began endorsing a House bill which sought to go as far as possible in remedying pollution by conducting research, distributing information, and offering loans and grants to the States, municipalities, and industries so they could on a voluntary basis, correct pollution if they wanted to. The objectives of this measure were to abate pollution, but in such a way that the worst of polluters could say: "I am not afraid of this plan. I can go ahead polluting if I want to, but if I find it convenient to abate pollution I can get Federal loans and grants for the purpose. Anyhow, if I have any trouble about it, it is all in charge of some of my friends here in the State who do not want to molest me." So comfortable did the polluters feel that they actually endorsed this plan and it easily passed the House on two occasions.

But the Senate of the United States did not agree.

The Senate had come to understand that pollution control, like flood control, must have some Federal supervision and enforcement. Waterways are no respecter of State boundaries. Flood control has long been recognized as a Federal problem and millions of dollars are appropriated by Congress for expenditure, in cooperation with the States, in preventing floods. And flood control and pollution control are twins. They should go hand in hand, although pollution continues to be a problem even when floods have passed.

This principle of Federal assistance to the States, with Federal enforcement, obtained the support of the American Wildlife Conference, which met in Washington at the call of the President, and by the Delaware Tri-State Antipollution Conference, the antipollution committee of the American Fisheries Association, the American Game Conference, the Pennsylvania Federation of Sportsmen's Clubs, the West Virginia Affiliated Sportsmen's Association, the Kanawha Game and Fish Association of West Virginia, the Norfolk, Va., chapter of the Izaak Walton League, the American Game Conference at its convention in New York, the National Audubon Society, and by practically all conservation organizations to which it has been presented, as well as the press of the country in general.

Most of us who took that view have had actual experience in work to combat water pollution. We learned by experience that about 80 percent of those who constantly pollute the Nation's waters will cooperate. But about 20 percent do not want to be bothered, are not interested, or think the expense is too great for them, even if offered outside financial assistance. Many of this minority actually regard the Nation's waterways as open sewers. A few are recalcitrant and place all possible obstacles in the way of enforcement, and get into politics to influence local boards and water commissions, so that they will not be bothered. There are, of course, an innocent few who do not cooperate because there may be at the time no known method of treating pollution at its source.

The 80 percent or more who cooperate soon see the ineffectiveness of their efforts, and the cry arises: "Why should I expend money in this program or give my thought and time to it, when my neighbor upstream refuses to cooperate?" Many times this cry is directed to a neighboring State, when the State upstream continues to pollute waterways flowing into another. Industries of one State proclaim loudly: "By requiring us to undertake this program you are placing us at a disadvantage with competing industries in our neighboring States who have no such bother."

Everyone who has had anything to do with pollution-control efforts knows these familiar cries. And they know they are effective. For who is to deny that it is absolutely futile to attempt any effective remedy on a cooperative basis when the whole effort can be nullified by a small minority? Pollution control's greatest enemy is its incompleteness, which destroys the morale and the cooperative spirit of those who know something should be done. No plan will succeed that does not undertake to bring the few obstinate recalcitrants into line.

It will be futile to spend Federal money and State money and to encourage municipalities and industries to spend their money in a program which only approaches a remedy. To be sure, a few hundred thousand dollars each year of the Federal Government's money, dumped into Government bureaus, and spent in loans and grants or on mild research efforts into a subject that has been studied to death already without any action to back it up, would help some. It would make a dent in the number of polluters, particularly in that group who can be shown that by installing treatment equipment in their plants they can actually produce byproducts which more than pay the costs of installing and operating the equipment. But, by and large, the Federal effort will be futile if the minority of willful, "don't want to be bothered" polluters continue to defile a waterway that others are seeking to purify.

And with these thoughts in mind, yet in the spirit of compromise that is necessary in all legislative efforts, the Senate adopted a substitute program which included all of the measure previously passed by the House, but added those provisions granting consent of Congress to compacts between the States in controlling pollution, classification of navigable waterways into sanitary districts, establishing of standards of purity in each such area, and enforcement which was made even milder by deferring for 3 years the date of its effectiveness to enable a complete study of remedies, and complete understanding by polluters of their opportunities for Federal loans and grants. This compromise measure passed the Senate.

I am confident that when the House of Representatives obtains a vote on this measure it will be adopted. Conferees have agreed to wait until the next session for final action. Those who have opportunity to study the problem further in the meantime will find, as they go deeper into the subject, that the enforcement principle is necessary, unless Congress desires to dump millions of dollars into a futile effort that will delay for many years the enactment of a really effective program. That, I feel confident, will not be the result. Instead there will come a genuine understanding of all who face this problem that pollution must be fought effectively, and no small minority of selfish interests should be allowed to stand in the way of a program that has as its chief objective the protection of our children and adults from such diseases as typhoid fever and other contagion, and possibly infantile paralysis and cancerous diseases, which are believed by some to have a close relationship to polluted waterways. If there is any public official who will admit that an organized minority of selfish interests is by telegram and threats and propaganda influencing him or her to stand in the way of effective laws to protect the health of millions of men, women, and children throughout the Nation, and of our wildlife and game, and our fish, and of our maritime interests and navigation—I say that such a person is not yet conscious of the trend of public opinion in this country on this subject. The flood of congratulatory telegrams that has come to those who have fought for the principle of Federal enforcement has come from individuals and organizations who do not have money nor time to engage in propaganda, but who do know and understand that right will prevail, and that their efforts in the public interest will be successful. Their devotion to the public service, without any expectation of gain, except as

the Nation gains in health and other benefits from a Federal pollution-control program with enforcement, is the greatest argument in favor of the plan. With that spirit of the American people behind a program it cannot and will not fail, and the worst that can happen is a delay against the day when the public's conscience will be so awakened that it will bring this issue to a definite and final conclusion with enforcement far more drastic. There is a large group of Senators and some Representatives in Congress at this time who have urged me to include strong penal provisions, with fines and imprisonment for those who willfully pollute our waterways. In the spirit of compromise, however, and with full understanding of the problems a pollution-control program presents to manufacturers, such a plan was not adopted, and I say in all candor that the present pollution-control measure now in conference is mild, indeed, in comparison with what might become a compelling public demand if passage is delayed much longer. We may be assured that those charged with the administration of the law will be reasonable and fair. Every precaution has been taken to see that no injustice will be done.

MRS. CHARLES T. WARNER—CONFERENCE REPORT

Mr. LOGAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1637) for the relief of Mrs. Charles T. Warner, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House; and agree to the same.

M. M. LOGAN,
ARTHUR CAPPER,
Managers on the part of the Senate.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

The report was agreed to.

LUCILLE M'CLURE—CONFERENCE REPORT

Mr. LOGAN submitted the following report

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 707) for the relief of Lucille McClure, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House; and agree to the same.

M. M. LOGAN,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

AMBROSE J. KENNEDY,
FRANCIS CASE,
JOHN M. COFFEE,
Managers on the part of the House.

The report was agreed to.

PROGRESS OF RIVER AND HARBOR AND FLOOD CONTROL IMPROVEMENTS

Mr. BULKLEY. Mr. President, the increasing magnitude of the work for the improvement of rivers and harbors and for flood control which has been executed by the War Department under the supervision of the Corps of Engineers during the past decade is reflected by the increase in expenditures from about $70,000,000 for the fiscal year 1927 to about $233,000,000 for the fiscal year 1937.

The greatest increase in expenditure on waterway improvements of all kinds has occurred in the last 5 fiscal years—from $116,000,000 in 1933 to $233,000,000 in 1936. During this latter period about 60 percent of the work was performed under contract and about 40 percent by hired labor using Government plant.

In this statement I will cite some of the most important achievements in the Nation in river and harbor and flood-control projects, and append a summary as to what has been done and what is planned in my own State of Ohio.

As Ohio has been ravaged time and again by property-damaging and death-dealing floods, I naturally have a keen interest in legislation and public-works projects seeking to control floodwaters, and Ohio's position of leadership in water-borne commerce requires constant interest in projects to improve rivers and harbors.

Last January I introduced a bill (S. 1230) authorizing the appropriation of $150,000,000 to provide for control of the floodwaters of the Ohio River and its tributaries. Later it seemed desirable to attack the problem on a national scale, and so I collaborated with Senator BARKLEY, of Kentucky, in S. 1440, a bill which, in addition to flood control, provided for the improvement of navagability of rivers, for reforestation, and conservation of natural resources.

The bill S. 1440 would create the following public bodies: Ohio Valley Authority, Atlantic Seaboard Authority, Missouri Valley Authority, Arkansas Valley Authority, Columbia Valley Authority, Colorado Valley Authority, and Mississippi Valley Authority. An appropriation of $500,000,000 is authorized in this bill.

RIVERS AND HARBORS

The River and Harbor Act of 1935 adopted 246 new projects, or modifications of existing projects, with a total estimated cost of approximately $661,000,000, of which amount $318,578,000 had already been provided from the several emergency appropriations. About 1,000 river and harbor projects are now in force within the continental limits of the United States and in Puerto Rico, Alaska, and Hawaii, while active operations are under way on almost 400 of these projects.

With $130,000,000 provided in the regular 1936 War Department Appropriation Act and the Second Deficiency Act of 1936, together with an additional $305,000,000 provided from emergency funds during the past 3½ years, work on authorized river and harbor projects has been prosecuted at a rate never before attained. Some of the more important projects recently completed, or under way, include Boston Harbor, where dredging the 40-foot main ship channel is practically complete; Cape Cod Canal, whose enlargement has been advanced by the expenditure of more than $10,000,000 during the past 3 years; enlargement of anchorage areas in New York Harbor; and the improvement of the New York State Barge Canal. The 25-foot channel in the Delaware River from Philadelphia to Trenton has been completed; and funds in excess of $9,800,000 are being applied in deepening the Chesapeake and Delaware Canal to 27 feet. The Atlantic Intracoastal Waterway has been completed to provide a fully protected route for light-draft vessels between Delaware Bay and Miami, Fla., a total length of 1,435 miles.

On the South Atlantic and Gulf coasts the 30-foot channel at Morehead City, N. C., has been completed; the main 30-foot ship channel at Miami is practically complete, and deepening of Tampa Harbor is being prosecuted vigorously. The deepening of the Sabine-Neches Waterway of Texas which serves the important ports of Beaumont, Orange, and Port Arthur, has been accomplished at a cost of about $1,300,000. Work is progressing rapidly on the Houston Ship Channel and at Galveston, and the project at Brazos Santiago Pass was completed in 1936. The Intracoastal Waterway from the Mississippi River to Galveston has been opened to through traffic.

In the interior the canalization of the upper Mississippi to provide 9-foot navigation is about 67 percent complete. Work is proceeding on the construction of locks and dams on the Illinois Waterway. New locks and dams have been completed on the Ohio River and its tributary waterways. The improvement of harbors on the Great Lakes, with the construction of breakwaters and dredging of connecting channels has been continued.

The Fort Peck Dam in Montana has been closed across the Missouri River and is about 71 percent complete, and the Tygart Dam in the Monongahela Basin is rapidly approaching completion. These two dams provide flood-control stor-

age in addition to their value to navigation. The completion of the stabilization program on the Missouri River to provide an adequate channel from the mouth of the river to Sioux City should be obtained simultaneously with completion of the Fort Peck Dam.

On the Pacific coast the widening and deepening of San Diego Harbor to 35 feet was completed in 1936 and a 30-foot channel to the city of Stockton, Calif., has been completed on the San Joaquin River. The construction of the Bonneville Dam on the Columbia River has passed the halfway point.

During the fiscal year 1936, 485,500,000 cubic yards of material were dredged, 3,800,000 cubic yards of rock were removed from harbors and waterways, almost 2,000,000 cubic yards of concrete were placed in structures, and over 2,700,000 cubic yards of stone were placed in jetties and breakwaters.

Water-borne commerce in the United States has shown a substantial recovery from the depression years. About 342,500,000 tons were transported in 1932, while for the calendar year 1935 the tonnage was 453,300,000 and the estimate for the calendar year 1936 aggregates 515,000,000 tons.

FLOOD CONTROL

Mississippi River flood control

The 10-year project for the control of floods on the lower Mississippi River authorized by the Flood Control Act of May 15, 1928, is more than 90 percent complete, and at the close of the fiscal year 1937 more than 600,000,000 cubic yards of earth had been placed in the levees under the Federal project. This volume represents more than twice the yardage excavated in building the Panama Canal. The original authorized expenditure for carrying out the adopted project for Mississippi River flood control was $325,000,000.

The peak rate of operations on the Mississippi River project was attained in the fiscal year 1934. The following tabulation shows the yardages placed in levees of the adopted project, together with appropriations for the past 5 fiscal years:

Fiscal year	Yardage placed in levees	Appropriation
1933	107,500,000	$47,500,000
1934	124,800,000	53,700,000
1935	65,900,000	29,000,000
1936	61,400,000	15,000,000
1937	35,000,000	15,000,000

In addition to work on the main Mississippi River the War Department, under the act of May 15, 1928, has executed work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on tributaries affected by Mississippi River backwater. Assistance has also been given to local agencies in the repair of flood-control works on tributaries of the Mississippi River threatened or destroyed by floods.

The original plan for Mississippi River flood control has been amended by the Flood Control Act of May 15, 1936, which authorizes the expenditure of an additional $272,000,000 on certain modifications and extensions of the project which time and experience have proved advisable to protect the major part of the alluvial valley, including the St. Francis and Yazoo tributary basins. Detailed plans have been prepared for carrying out the provisions of the amended project; and actual construction has been placed under way during the fiscal year 1937.

The value of the work which has been done along the Mississippi River from Cape Girardeau to the Gulf has been exemplified this year. The previous great flood on the Mississippi, that of 1927, spread destruction throughout the six States of the alluvial valley causing a loss of almost 200 lives and direct property damages estimated at $200,000,000. With the adopted project practically complete the great flood of this year which devastated the unprotected Ohio Valley and caused direct damages there estimated at about $400,000,000, was carried to the Gulf without the failure of any part of the Federal system of protective works.

The project for navigation and flood control in Lake Okeechobee-Caloosahatchee drainage area of Florida which was adopted by Congress in 1930 has been practicaly completed; and the project for control of floods on the Sacramento River of California, adopted in 1910, is being continued.

Emergency flood-control projects

A number of important flood-control projects have been initiated by executive approval for prosecution with emergency funds for the relief of unemployment. These include the Muskingum River Basin reservoirs in Ohio, the Conchas Reservoir on the South Canadian River in New Mexico. The Tygart and Fort Peck Reservoirs, referred to under discussion of navigation projects, also fall in this category. Work has progressed satisfactorily on all of these propects. The project for construction of three dams on the Winooski is being prosecuted with C. C. C. labor under the supervision of the Corps of Engineers. In addition a large number of smaller flood-control projects, suitable for inclusion in a work-relief program, have been planned and executed by the Corps of Engineers. These range from channel improvements and flood walls in New England to the comprehensive Los Angeles flood-control project in California.

National flood control

The Flood Control Act of June 22, 1936, established for the first time in the history of the Federal Government a definite flood-control policy which provides for its participation in the construction of economically justified flood-control projects throughout the United States in cooperation with States, political subdivisions thereof, or other local interests. The act provides that Federal investigations and improvements of rivers for flood control and allied purposes shall be under the jurisdiction of the War Department and that Federal investigations and measures for run-off and water-flow retardation and erosion prevention shall be under the jurisdiction of the Department of Agriculture.

In addition the act of June 22, 1936, specifically authorized some 270 flood-control projects with an estimated construction cost of about $300,000,000. The projects authorized are located in 31 States and affect nearly every State in the Union. About 75 percent of the work authorized is for the protection of cities and towns where centers of population, industry, and concentrated property values intensify the flood hazard, or for important agricultural and industrial areas which include cities and towns. Notable among the projects authorized are reservoir systems on the Connecticut and Merrimack Rivers, reservoirs and channel improvements on the headwaters of the Susquehanna and Delaware Rivers in New York State, and reservoirs in the Alleghany, Monongahela, Kanawha, and Licking River Basins to protect Pittsburgh and other important centers of the Ohio Valley. Reservoirs, levees, and channel improvements were also authorized in the Susquehanna, Potomac, Wabash, Illinois, Sangamon, Arkansas, White, Los Angeles, Santa Ana, and many other river basins.

No appropriation was made by Congress for carrying out the provisions of this Flood Control Act, but funds have been received from emergency-relief appropriations which have permitted the Corps of Engineers to proceed with the preparation of detailed plans and estimates so that work could be started without delay when funds were appropriated and so that local interests could be advised accurately as to the exact conditions and cooperation which they must fulfill. In addition emergency funds are being expended on the construction of certain of these authorized projects which could be started quickly and were of a nature suitable for the use of relief labor. These latter include work in the headwaters of the Susquehanna in New York and on the Susquehanna in Pennsylvania; levees on the Arkansas River and continuation of the project for the protection of the Los Angeles metropolitan area.

SURVEYS AND REPORTS

Noteworthy progress has been made in the preparation and submission of reports authorized by the River and Harbor Act of 1935 and in review reports requested by resolution of the Committee on Rivers and Harbors. In the 12

months prior to May 1937 the Chief of Engineers transmitted about 200 reports through the Secretary of War to Congress. Approximately 60 percent of the survey reports were favorable.

The River and Harbor Act of 1927 and the Flood Control Act of May 15, 1928, authorized an expenditure of $12,000,000 for surveys and investigations of the principal rivers of the United States, under the provisions of House Document 308, Sixty-ninth Congress, first session, with a view to the formulation of general plans for the most effective improvement of such streams for the purposes of navigation, the most efficient development of potential water power, the control of floods, and for the needs of irrigation. Over a period of almost 10 years these studies have been prosecuted diligently. A total of $10,000,000 has been allotted to the task, and at the present time surveys on about 200 streams have been completed, and reports thereon have been transmitted to Congress.

These surveys, which were entrusted to the Army engineers, constitute an outstanding example of national planning for the development and conservation of water resources. The value of these studies and reports has been amply demonstrated. They have formed a vast reservoir from which useful public works have been selected for inclusion in work-relief programs during the years of the depression. The mass of factual data on the water resources of the Nation which they contain has provided a source of fundamental information to the administrations and planning boards inaugurated under the present administration. In addition the projects authorized by Congress in laying down a national flood-control policy were drawn almost entirely from the so-called "308 Reports."

The basic data and general plans for flood control contained in the "308 Reports" have been of great value to the War Department in its continuation of studies requested by Congress. The comprehensive report on reservoirs in the Mississippi River Basin which was transmitted to Congress in July 1935 is based upon data obtained through the "308" surveys. As recently as this year, after the disastrous flood of 1937, Congress, by resolution, called upon the Secretary of War to review the plans for Ohio River and Mississippi River flood control in the light of experience gained in that flood, and requested that plans be submitted for the flood protection of the Ohio Valley and to insure further protection for the Mississippi River Valley. The resolution referred to was dated February 10, 1937. The "308" studies for the Ohio River and its tributaries, and for other tributaries of the Mississippi were reviewed and plans were brought up to date so that the Chief of Engineers was able within 2 months to submit to the Secretary of War a comprehensive plan for the Ohio and lower Mississippi Rivers. This plan has been transmitted to the President and to Congress.

In addition to the "308" surveys the Flood Control Act of June 22, 1936, authorizes and directs the Secretary of War to cause preliminary examinations and surveys for flood control to be made at some 220 localities and to continue surveys and studies at 18 reservoir sites. These examinations and surveys are being carried on as rapidly as funds permit.

SUMMARY OF OHIO WORK

Following is a summary showing the status of river and harbor and flood-control projects under the supervision of the War Department in the State of Ohio since 1933:

River and harbor construction—Cost of construction since 1933

Toledo Harbor	$3,832,855.34
Sandusky Harbor	599,500.00
Huron Harbor	730,399.00
Lorain Harbor	313,777.00
Cleveland Harbor	625,021.00
Fairport Harbor	289,120.00
Ashtabula Harbor	568,456.00
Conneaut Harbor	1,048,640.00
Ohio River [1]	9,089,516.00

River and harbor projects—Cost of maintenance since 1933

Toledo Harbor	$46,626
Sandusky Harbor	155,151
Vermilion Harbor	4,840
Huron Harbor	41,343
Lorain Harbor	209,762
Rocky River	5,000
Cleveland Harbor	561,329
Fairport Harbor	104,197
Ashtabula Harbor	134,216
Conneaut Harbor	94,564
Muskingum River	562,202
Ohio River [1]	20,691,114

[1] Figures given are the total amounts for the entire Ohio River, since no break-down is available showing the expenditures for the State of Ohio. The cost of maintenance includes $13,543,860 for operating and care, $7,079,040 for open-channel work, and $68,214 for operating snag boats.

Flood-control project under way—Cost of new work

Muskingum Valley Reservoirs	$20,635,549

($4,954,451 is required to complete this project.)

Preliminary examinations and surveys

RIVERS AND HARBORS

Canal from Lake Erie to the Ohio River, via the Miami and Erie Canal. (Report nearing completion.)
Muskingum River.
Conneaut Harbor.
Vermilion Harbor.
Cleveland Harbor.

FLOOD CONTROL

Muskingum River.
Little Miami River.
Ohio River, protection at Cincinnati.

River and harbor projects authorized in new legislation—estimated cost of new work

Put in Bay	$50,000
Rocky River	48,000
Cleveland Harbor	567,100
Fairport Harbor	145,000
Ashtabula Harbor	528,000

PRELIMINARY EXAMINATIONS AND SURVEYS AUTHORIZED IN NEW LEGISLATION

Put in Bay.
Ottawa River.
Scioto and Sandusky Rivers and their tributaries.
Mill Creek Valley in Cincinnati.

OHIO RIVER

In new legislation at this session of the Congress the War Department is authorized to expend $24,000,000 for flood control on the Ohio River, a large part of which is expected to become available immediately from relief funds.

JOHN T. ARMSTRONG

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 703) for the relief of John T. Armstrong, which was, on page 1, line 10, to strike out "when filed" and insert "if filed within 6 months after the enactment of this act."

Mr. RADCLIFFE. I move that the Senate concur in the House amendment.

The motion was agreed to.

HUGO L. BLACK (S. DOC. NO. 118)

Mr. BROWN of Michigan. Mr. President, I ask unanimous consent to have printed as a Senate document the speech of the Senator from Alabama [Mr. BANKHEAD], in which he set forth various letters and telegrams relating to the appointment of Senator Black as Associate Justice of the Supreme Court of the United States, together with the remarks of the Senator from Wisconsin [Mr. LA FOLLETTE] and the remarks and telegrams submitted the next day by the Senator from Alabama.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CANCELATION OF DEPORTATION OF JOHN G. TAYLOR

Mr. STEIWER. Mr. President, I desire to submit a unanimous-consent request to proceed to the immediate

consideration of a House bill. I want to take just a minute to state what it provides. I am sure there will be no objection to it.

Mr. BARKLEY. What is the request of the Senator from Oregon?

Mr. STEIWER. I ask unanimous consent that the Senate proceed to the consideration of a House bill. I am sure there will be no discussion or no objection to it.

Mr. BARKLEY. Is the bill on the calendar?

Mr. STEIWER. Yes. The bill is House bill 6468, and the calendar number is 1342. The purpose of the bill is to cancel an outstanding order and warrant for deportation. The Department of Labor favors this bill. It does not want to deport this person, but is obliged to do so under the existing provisions of mandatory law. The House has passed the bill. The Senate Committee on Immigration has considered it and reported it favorably. It is on the calendar.

Mr. BARKLEY. I have no objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oregon?

There being no objection, the bill (H. R. 6468) to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation issued pursuant to section 14 of the Immigration Act of 1924 (43 Stat. 153, sec. 214) in the case of John Grinwood Taylor, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, John Grinwood Taylor shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

LON D. WORSHAM CO.

Mr. GEORGE. Mr. President, I ask unanimous consent for the immediate consideration of House bill 7587, conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.

Mr. KING. Let the bill be read.

The PRESIDENT pro tempore. The clerk will read the bill.

The bill was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of Lon D. Worsham Co., a partnership consisting of Lon D. Worsham, Chattanooga, Tenn., and J. H. Clark, Ringgold, Ga., against the United States, arising out of contract W641 qm. 453, dated November 10, 1933, with the Quartermaster Corps of the United States Army for the erection of 28 Civilian Conservation Corps camps, for damages alleged to be the result of work performed in addition to that required by said contract, notwithstanding the alleged failure of the contracting officer for the Government to issue written orders for said extra work, and/or losses alleged to be the result of delays on the part of the Government in furnishing materials which it had agreed to supply.

Mr. GEORGE. Mr. President, a bill adjusting the claim of the Lon D. Worsham Co. passed the Senate and the House and went to the President. The President vetoed the bill upon the ground that the evidence was sharply conflicting, and that the matter ought to be referred to the Court of Claims. Since that time the House has passed this bill, which merely refers the claim. It is a small claim for money due for the erection of certain C. C. C. camps by a firm of contractors.

As I have stated, the House has passed the bill referring the claim to the Court of Claims. I have conferred with the Chairman of the Committee on Claims of the Senate, and under the circumstances, since the matter has been fully considered by that committee, no objection is raised to asking for immediate consideration of the bill.

Mr. KING. What is the amount demanded by the claimant?

Mr. GEORGE. The Senate passed a bill calling for something like three or four thousand dollars, according to my recollection, but, in view of the President's message, the House has passed the bill merely referring the claim to the Court of Claims.

Mr. KING. Is it claimed there was a breach of contract, or is it an action in tort?

Mr. GEORGE. It is not an action in tort. It is claimed merely that certain extra work was done, not upon written orders, and it is therefore a matter of accounting. That is the only question involved.

Mr. AUSTIN. Mr. President, why is not this claim properly presentable to the Court of Claims without legislation?

Mr. GEORGE. In its report the House substantially said that it was, but that there might be some technical question raised because of the fact that extra work was done without a written order.

Mr. AUSTIN. Oh, yes; the absence of a written contract?

Mr. GEORGE. Yes; that is the only reason why the matter is before us.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CLEVELAND L. SHORT

Mr. LOGAN. From the Committee on Claims I report back favorably without amendment the bill (H. R. 1093) for the relief of Cleveland L. Short, and I submit a report (No. 1291) thereon. At the request of the chairman of the Committee on Claims of the Senate and also at the request of Mr. KENNEDY of Maryland, chairman of the Committee on Claims of the House, I ask unanimous consent for the immediate consideration of the bill.

The bill involves the payment of $1,572.50 to Cleveland L. Short, who was injured in the Canal Zone. The chairmen of the Committee on Claims in the House and the Committee on Claims in the Senate are very much interested in the bill, because, if it goes over, then under a new rule which has been adopted by both committees it cannot be considered at the next session.

I ask unanimous consent that the bill be taken up for immediate consideration.

Mr. KING. Was the bill approved by the full committees of both Houses?

Mr. LOGAN. It was approved by the House committee and has the approval of all the members of the Senate committee I could find this morning. I did not get in touch with all of them.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Kentucky?

There being no objection, the bill (H. R. 1093) for the relief of Cleveland L. Short was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cleveland L. Short, the sum of $1,572.50, in full settlement of all claims against the United States for permanent injuries sustained by him on June 14, 1909, while employed by the Isthmian Canal Commission: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESKIMOS AND OTHER NATIVES OF ALASKA

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S.

1722) to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes, which were, on page 2, line 18, after "307)", to insert ": *Provided*, That nothing herein contained shall authorize the Secretary of the Interior to consolidate native-owned herds of reindeer with herds owned by others than natives prior to the purchase or acquisition of such herds of others than natives"; on page 7, after line 17, to insert:

SEC. 13. Whenever, in his judgment, it is practicable and to the best interests of the natives the Secretary shall appoint natives to the supervisory and other positions in the administration of such reindeer industry or business.

On page 7, line 18, to strike out "13" and insert "14"; on page 8, to strike out lines 8 to 13, inclusive; on page 8, to strike out all after line 22 down to and including line 8 on page 9; on page 9, line 9, to strike out "17" and insert "16"; and on page 9, line 12, to strike out "18" and insert "17."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the House amendments.

Mr. LA FOLLETTE. What were the House amendments?

Mr. THOMAS of Oklahoma. I have conferred with Delegate DIMOND and others interested in this legislation. I am advised that the amendments were minor in character and will benefit the measure. The main amendment proposes to give the Government the right of eminent domain in connection with the acquisition of reindeer.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to.

ESTATE OF JOHN F. HACKFELD, DECEASED

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased.

Mr. ASHURST. Mr. President, I move that the Senate disagree to the House amendments, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. CONNALLY, Mr. DIETERICH, and Mr. AUSTIN conferees on the part of the Senate.

PERKINS-CAMPBELL CO.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 53) for the relief of Perkins-Campbell Co., which were, on page 1, line 8, after "due", to insert "on a contract of June 26, 1928,"; and on page 1, line 9, to strike out "under orders S. 290 and S. 1193" and insert "and under an order pursuant thereto No. M–1, dated July 2, 1928, by the Post Office Department".

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AGRICULTURAL PROGRAM

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 207) expressing the views of the Congress as to a program for the relief and benefit of agriculture, which was, on page 2, after paragraph (4), to insert:

(5) That the present Soil Conservation Act should be continued, its operations simplified, and provision made for reduced payments to large operators on a graduated scale to promote the interest of individual farming;

(6) That, linked with control of agricultural surpluses, there should be research into new uses for agricultural commodities and the products thereof and search for new uses, new outlets, and new markets, at home and abroad;

(7) That provision should be made for applications to the Interstate Commerce Commission for correction of discriminations now existing against agricultural products in the freight-rate schedules.

Mr. BILBO. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MRS. CLIFF SNIDER

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1865) for the relief of Mrs. Cliff Snider, which were, on page 1, line 7, after "$10,000," to insert "and to W. M. Jordan, of Smithville, Ga., the sum of $3,225,"; on page 1, line 8, to strike out "her"; on page 1, line 8, to strike out "damages" and insert "personal injuries sustained by them, and the death of Cliff Snider, husband of Mrs. Cliff Snider"; on page 1, line 9, to strike out "she was a passenger" and insert "they were riding"; on page 2, line 1, to strike out all after "1936" down to and including "injury" in line 2, and to amend the title so as to read" An act for the relief of Mrs. Cliff Snider and W. M. Jordan."

Mr. GEORGE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

P. S. EVEREST

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1402) for the relief of P. S. Everest, which were, on page 1, line 9, to strike out "Government" and insert "United States for a refund of interest paid to the Government on the principal sum of $1,712.23, representing losses incurred from January 30 to July 30, 1930"; and on page 1, line 10, to strike out all after "agent" down to and including "Agency", in line 12, and insert "which principal sum has been paid to P. S. Everest by the surety of W. H. Shawnee."

Mr. LA FOLLETTE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

WILLIAM A. DEVINE

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1548) for the relief of William A. Devine, which were, on page 1, line 6, to strike out "such sum representing" and insert "in full satisfaction of his claim against the United States for"; and on the same page, line 11, after "payment" to insert ": *Provided*, That no part of the amount refunded in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. LA FOLLETTE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

F. A. GROSS AND OTHERS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2374) for the relief of F. A. Gross and others, which was, on page 1, line 10, after the word "expense", to insert a comma and "compensation."

Mr. TRUMAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CONSOLIDATED AIRCRAFT CORPORATION

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1882) for the relief of the Consolidated Aircraft Corporation.

Mr. MCADOO. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SCHWELLENBACH, Mr. LOGAN, and Mr. WHITE conferees on the part of the Senate.

M. M. TWICHEL

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2299) for the relief of M. M. Twichel, which was, on page 1, line 13, after the word "paid", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. MURRAY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

HATTIE TOLBERT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2154) for the relief of Hattie Tolbert, which were, on page 1, line 4, after "pay", to insert ", out of any money in the Treasury not otherwise appropriated,"; on page 1, line 5, to strike out "as full compensation" and insert "in full satisfaction of her claim against the United States"; and on page 1, line 9, to strike out "by John W. Alcorn, ensign, United States Navy" and insert "negligently low on the shore line of Pensacola Bay near Muskogee wharf, Pensacola, Fla."

Mr. PEPPER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

HERNANDO DE SOTO CELEBRATION, TAMPA, FLA.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 166) providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes, which were, on page 1, line 5, to strike out the word "all", and on page 1, line 6, to strike out "and nations".

Mr. PEPPER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

KETCHIKAN, ALASKA, STREET IMPROVEMENT BONDS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2912) to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes, which was, on page 3, lines 8 and 9, to strike out "in such medium of payment and."

Mr. BONE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LULA G. SUTTON AND OTHERS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 180) for the relief of Lula G. Sutton and others, which were, on page 1, line 7, to strike out all after "G." down to and including "be", in line 9, and insert "Sutton, of Linden, Ala., the sum of $2,000; to R. E. Sutton, of Linden, Ala., the sum of $500; to Grace Sutton, of Linden, Ala., the sum of $500; and to Mary Lou Drinkard, of Linden, Ala., the sum of $1,500"; and on page 2, beginning with line 2, strike out all down to and including "3792042)", in line 3, and insert "near Orrville, Ala."

Mr. SCHWELLENBACH. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

LOIS H. ANTHONY

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2301) for the relief of Lois H. Anthony, which were, on page 1, after line 11, to insert:

SEC. 2. That the Comptroller General is hereby authorized and directed to cancel the judgments, in the amount of $1,750, entered on the accounts of Albert J. E. Shay, as clerk in charge of the contract post office at the navy yard at Brooklyn, N. Y., by reason of the disallowance by the General Accounting Office of payments made to the said Albert J. E. Shay by the Post Office Department for his services in conducting such post office under a contract effective June 1, 1934.

And to amend the title so as to read: "An act for the relief of Lois H. Anthony and Albert J. E. Shay."

Mr. WALSH. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CARL E. PADGETT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1810) for the relief of Carl E. Padgett, which were, on page 2, line 2, to strike out "1 year" and insert "6 months"; on page 2, line 3, to strike out "disease" and insert "tuberculosis"; on page 2, line 4, after "him", to insert "between August 22, 1930, and May 22, 1931"; and on page 2, line 6, after "act", to strike out the remainder of the bill.

Mr. TRUMAN. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

HARRY BRYAN, ALDA DUFFIELD MULLINS, AND OTHERS—CONFERENCE REPORT

Mr. SCHWELLENBACH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1640) for the relief of Harry Bryan, Alda Duffield Mullins, and others, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 4, and 5.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 6, 7, 8, and 9, and agree to the same.

M. M. LOGAN,
LOUIS SCHWELLENBACH,
Managers on the part of the Senate.
AMBROSE J. KENNEDY,
JOHN M. COFFEE,
FRANCIS CASE,
Managers on the part of the House.

Mr. SCHWELLENBACH. I move that the conference report be agreed to.

Mr. KING. What is the nature of the bill?

Mr. SCHWELLENBACH. It is a claims bill, there being some small differences in amounts between the House and the Senate; but when they are all added up, it does not amount to very much money.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

BENEFIT PAYMENTS TO COTTON PRODUCERS

Mr. CONNALLY. Mr. President, I do not desire to run counter to the wishes of the Senator from Kentucky [Mr. BARKLEY], but I should like very much to have considered Senate Joint Resolution 205. It has been reported unanimously from the Committee on Agriculture and Forestry, and is along the lines of the amendment adopted yesterday on the deficiency appropriation bill on motion of the Senator from South Carolina [Mr. BYRNES].

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. In view of all that has happened with reference to the agricultural situation and the cotton situation, and the passage of a joint resolution through both Houses, which will be signed by the President, and which

commits us to farm legislation at the beginning of the next session, I have had the impression that the Senator's joint resolution is not now necessary.

Mr. CONNALLY. Mr. President, this body has not ever definitely expressed a view except in the authorization amendment, which, on motion of the Senator from South Carolina [Mr. BYRNES], was adopted yesterday to the deficiency appropriation bill. That, however, is merely an authorization; it does not indicate any view or wish of the Senate as to what should be done.

I grant that the joint resolution may not pass the House. The only reason I did not press it originally was in deference to the administration, which did not want it acted upon at that time because of the claim that what was desired could be accomplished by Executive order. It has not been done by Executive order, and I should like to have something to indicate to the President the view of the Senate.

Mr. BARKLEY. Mr. President, the Senator understands that the joint resolution which was passed by the Senate a few days ago, and which was passed yesterday by the other House, was made a joint resolution for the purpose of requiring the signature of the President, so that both branches of the Congress and the Executive would be committed to legislation dealing with the control of surplus farm products at the very beginning of the next session. I think the issuance of the Executive order has been awaiting to some extent the passage of that joint resolution. I do not wish to interfere with the Senator's desires about it, but it seems a little futile to take action on his joint resolution in view of the circumstances.

Mr. CONNALLY. I do not want to run counter to the leader, and I shall not make the motion at this time if he objects, but I do want to submit some remarks on the subject.

Mr. BARKLEY. I do not want the Senator to put me in the attitude of objecting. I am merely trying to persuade him to let it go over to a little later time.

Mr. CONNALLY. Will I have another opportunity to take it up during the present session?

Mr. BARKLEY. I will not attempt to keep the Senator from being recognized by the Chair.

Mr. CONNALLY. Mr. President, I wish to say a few words about this matter.

Senate Joint Resolution No. 205 was introduced by me sometime ago and referred to the Committee on Agriculture and Forestry. It was amended by that committee and reported by a unanimous vote. It deals with the marketing of the present crop of cotton. I have not pressed for immediate consideration of the joint resolution because some members of the Agricultural Committee consulted with the Secretary of Agriculture and the President regarding this matter; but I think that the Senate ought to express itself so as to indicate to the executive department that we really want this plan put into effect. It is identically the same plan that was adopted in 1935 by the President and the Secretary of Agriculture, which absolutely saved the cotton situation and saved the Government, too, because, instead of piling up a surplus at 12 cents, the cotton was sold and marketed and put into the channels of trade, and the farmer got 12 cents and the Government outlay was small.

The Secretary of Agriculture is not in the city and I do not know when he is going to return. If anything is going to be done about the cotton situation, it ought to be done now.

So, I very much hope that later on in the day I shall be able to secure recognition and obtain the consideration of this joint resolution. As I have said, it was reported from the Committee on Agriculture and Forestry by a unanimous vote. Nobody seems opposed to it, but nobody wants to consider it; the leadership does not seem to want to take it up and have it considered. I think we are entitled to an expression of the Senate on the subject. We have nothing now to show to the Executive and the Department of Agriculture that this is the view of the Senate.

It is said the Secretary of Agriculture is in complete agreement with this plan, except that instead of a 10-cent loan, he wants to make a 9-cent loan. The price of cotton is now about 10 cents or a little below. A 9-cent loan would have the effect of reducing the market price because it would be said all over the country that that is the idea of the Secretary of Agriculture as to the value of cotton.

The large estimate made by the Department of a 15,000,000-bale crop is what has caused the rapid decline in the price of cotton at the present time.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HUGHES. I know little or nothing about the loans the Senator is discussing. Is it the rule to loan the full value of the cotton?

Mr. CONNALLY. It is not.

Mr. HUGHES. Then if 9 cents a pound is loaned, that does not fix the value of the cotton, does it?

Mr. CONNALLY. The value is supposed to be about 12 cents. What I am trying to suggest is this: In 1935 a 10-cent loan was made and by reason of cotton moving to the market, instead of declining the price of cotton increased and went above 12 cents and the Government lost nothing whatever on that part of the crop. If the Secretary of Agriculture fixes the loan at 9 cents it would be construed as representing his view as to what cotton is worth and the price will decline further. No money is saved under the Secretary's plan. He wants to loan 9 cents a pound and pay a 3-cent benefit, which would bring the total to 12 cents. Our plan is to lend 10 cents and pay 2 cents as a benefit. The Government will not save a dime by refusing to adopt our plan. The Reconstruction Finance Corporation has the money and says the 10-cent loan is all right and sound, and the Government will not lose any money on it, that it is identical with the plan of 1935 which the Reconstruction Finance Corporation handled so satisfactorily.

I want the Senate to pass the joint resolution and let the Department of Agriculture and the executive department know what are the views of the Senate on the subject. The committee has reported it unanimously.

Mr. HUGHES. Mr. President, will the Senator yield again?

Mr. CONNALLY. Certainly.

Mr. HUGHES. What rate of interest is paid on these loans?

Mr. CONNALLY. I think it is 4 percent, and the Government is borrowing money for 3 percent. The shipbuilders have been getting money from the Government at less than 1 percent. The shipbuilders have borrowed money from the Government for as low as one-half of 1 percent.

Mr. President, the cotton situation is critical and ought to be met now. I do not know how long the Secretary of Agriculture is going to remain away from Washington, but if he does not act very promptly some farmers are going to have to take an economic vacation because the market is in a critical condition. This is the great export crop of America. The money the Southern people get for it is spent in New York and in the East for the manufactured goods of Delaware and Pennsylvania—if the Senator from Pennsylvania [Mr. GUFFEY] is interested—and New York, Massachusetts, Rhode Island, and Connecticut.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HUGHES. I should like to say to the Senator that Delaware is only partly a manufacturing State.

Mr. CONNALLY. I know it is a fine agricultural State.

Mr. HUGHES. Three-quarters of the State is agricultural.

Mr. CONNALLY. I know. I have been all over the Senator's State.

Mr. HUGHES. We grow wheat, corn, and tomatoes principally. We do have some manufacturing in Wilmington.

Mr. CONNALLY. The Senator comes from a very delightful State. I have campaigned all over it, from the

northern end to the southern end. It is a State of lovely homes, fine horses, good-looking cattle, splendid people.

Mr. HUGHES. I express my gratitude to the Senator for having come to my State.

Mr. CONNALLY. The Senator's State is in the agricultural section of the country but, fortunately, is prosperous. I know the Senator is not so ungracious when we help his State that he will refuse to help our section of the South.

Mr. President, the money we get for cotton is spent in all the other sections and is what helps to make the wheels go round. The Senator from New York [Mr. WAGNER], who honors me with his attention, is aware of that fact, I am sure.

Mr. President, I should like very much to have immediate consideration of the joint resolution.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Vermont?

Mr. CONNALLY. I yield.

Mr. AUSTIN. Yesterday, when we were discussing the amendment of the Senator from South Carolina [Mr. BYRNES], I asked the Senator from Texas about the joint resolution. This is the one to which I then referred. I now should like to know whether section 1 of Senate Joint Resolution 205 is different from the amendment which on motion of the Senator from South Carolina [Mr. BYRNES] was attached to the deficiency bill yesterday?

Mr. CONNALLY. The amendment of the Senator from South Carolina was merely an authorization and an amendment of section 32 of the A. A. A. Act, whereas the joint resolution is really a mandatory instruction to the Department of Agriculture to do a certain thing.

Mr. AUSTIN. I understood that.

Mr. CONNALLY. Under the amendment of the Senator from South Carolina the Executive can do what is provided in the joint resolution or he can do less. He can fix the loan at 9 cents a pound instead of 10 cents.

Mr. AUSTIN. That is not my question. As I interpret section 1 it not only authorizes but directs the payment of a price-adjustment sum. As I understood the amendment of the Senator from South Carolina it related only to benefits under section 32 of the A. A. A. Act and authorized only loans. Am I correct in that comparison?

Mr. CONNALLY. No. The amendment of the Senator from South Carolina would permit benefit payments, but does not relate to loans. The Senator has the situation reversed. Under the amendment of the Senator from South Carolina there is no reference to loans because under the general law the Commodity Credit Corporation has the authority to make any loan it sees fit, but the amendment which the Senator from South Carolina offered yesterday did refer to benefit payments.

Mr. AUSTIN. As I interpret section 1, it is not a benefit payment that is provided. It is merely an adjustment payment to adjust the domestic market.

Mr. CONNALLY. It is a benefit payment in that it is a kind of bounty to the seller.

Mr. AUSTIN. As between what?

Mr. CONNALLY. He has to comply with the 1938 program. He does not get it until he shall have complied with the program next year.

Mr. AUSTIN. Whether he has complied or not, he gets the payment, does he not?

Mr. CONNALLY. No. I call attention to page 2, line 11.

Mr. AUSTIN. That has reference to loans.

Mr. CONNALLY. No. Here is what section 1 provides:

That the Secretary of Agriculture is authorized and directed to pay to any producer of cotton (1) who sells, or has sold, between August 1, 1937, and July 1, 1938, inclusive, any cotton produced by him, and (a) shows to the satisfaction of the Secretary that he has during the year 1938 complied with any Federal farm program which shall have been enacted during the Seventy-fifth Congress, a price-adjustment payment.

Mr. AUSTIN. That is an adjustment of the domestic market to the world market?

Mr. CONNALLY. It is an effort to raise the price. To be very frank with the Senator, that is all it is.

Mr. KING. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Texas yield to the Senator from Utah?

Mr. CONNALLY. I yield.

Mr. KING. Is it the Senator's view that it is wise legislation or proper legislation to direct the Secretary of Agriculture to pay out money to any person who has sold or who may sell, between August 1, 1937, and July 1, 1938, any cotton which has been produced by him?

There is no limitation upon the amount. It may be $100,000,000. We do not know the amount of cotton that will be produced during the period indicated. It seems to me it is an unlimited demand upon the Treasury of the United States, or upon some funds under the control of the United States. There is no limitation.

In the case of anybody who has raised cotton, it will be necessary to buy it and pay for it. Is that wise legislation? Is that proper legislation?

Mr. CONNALLY. I shall answer the Senator.

Mr. BILBO. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. BILBO. I should like to know the status of this matter. Has the Senator from Texas called up his joint resolution?

Mr. CONNALLY. The Senator from Texas has not gotten it up. He is expressing a desire to get it up, but he does not want to run counter to the plans of the leader. I am not doing this to put the leader on the spot.

The PRESIDING OFFICER. The Chair will say to the Senator from Mississippi that there is no motion pending. The Senator from Texas has the floor.

Mr. BILBO. Will the Senator from Texas permit me to make a statement with reference to the joint resolution?

Mr. CONNALLY. I will.

Mr. BILBO. Mr. President, I should be compelled to object to the consideration of this joint resolution, not because I am not in sympathy with what the joint resolution seeks to do, but because we had a very definite agreement with the President and the Secretary of Agriculture when this matter was brought to their attention by a subcommittee of the Committee on Agriculture and Forestry of the Senate, and the pointed question was asked whether it would be necessary to pass mandatory legislation in order to effect the purposes set out in the joint resolution of the Senator from Texas; and it was agreed that there was adequate law now existing to carry out the purposes of the joint resolution of the Senator from Texas.

Mr. CONNALLY. As a matter of fact, there was not adequate law, because we had to enact a new amendment to the law here yesterday.

Mr. BILBO. That was discovered afterward, and that small defect has been taken care of by an amendment to the third deficiency bill.

Mr. CONNALLY. Let me ask the Senator a question. If the Department has authority to do and is going to do substantially this, what is the objection to letting the Senate speak and say what it wants to have done?

Mr. BILBO. Nothing except a gentleman's agreement between the President of the United States, the Secretary of Agriculture, and the subcommittee of the Committee on Agriculture and Forestry of the Senate.

For that reason I should be compelled to object to the passage of mandatory legislation, when the President has agreed to do exactly what is proposed in the Senator's joint resolution. The only difference is that there has been no agreement on the exact amount of the loan. There was no agreement as to whether the loan would be fixed at 9 cents or 10 cents a pound; but, regardless of that fact, the ceiling has been fixed at 12 cents, and that is what the joint resolution of the Senator from Texas provides. The farmer is

guaranteed 12 cents a pound. Whether he gets 2 cents or 3 cents in benefit payments will depend on whether the pegging price is made 9 or 10 cents.

With that understanding and agreement with the President and the Secretary of Agriculture, as chairman of the subcommittee I should be compelled to object to passing mandatory legislation. I have faith in the President and the Secretary that they will give to the farmers the benefits and blessings set out in the Senator's joint resolution.

Mr. CONNALLY. Mr. President, I desire to say that the Senator from Texas was not present at these conferences. Of course he readily accepts the statement of the Senator from Mississippi as to what transpired there; but, at the same time, I did not know that the gentlemen who attended the conference had authority from all the rest of us to bind us as to what the Senate might do. I cannot get the joint resolution up, of course, if there is objection.

Mr. BILBO. I want to assure the Senator that I am not trying to speak for the Senate. I am speaking only for the committee and those who were parties to the agreement.

Mr. CONNALLY. I understand. Of course, I cannot get the joint resolution up if the Senator from Mississippi objects; but I desire to remind the Senator from Mississippi that if the Senator from Mississippi had such an agreement with the Secretary of Agriculture and the executive department, the plan ought to be carried out, and it ought to be carried out now.

I hold in my hand the Wall Street Journal of this morning. Cotton is closing from 4 to 9 points off; and until the Secretary promulgates his plan it is going to continue to go down. While they are fiddling here the market is declining not only in Wall Street but in Mississippi and in Texas. I am unwilling to have this session of Congress adjourn without Congress speaking its mind about this proposition.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BILBO. The agreement had between the President and the Secretary of Agriculture and the subcommittee of the Senate Committee on Agriculture and Forestry——

Mr. CONNALLY. I hope the Senator will put that agreement in the RECORD right now, so that we may know what it is.

Mr. BILBO. This is about the third time I have put it in the RECORD.

Mr. CONNALLY. I should like to have it put in until we all know it.

Mr. BILBO. I want to get the Senator from Texas straight on one proposition. He asked the question, "Why do they not act?" Our agreement was predicated upon the passage of Senate Joint Resolution 207.

Mr. CONNALLY. That joint resolution has passed.

Mr. BILBO. About 30 minutes ago we concurred in the amendment put on that joint resolution by the House, and it is now the law; and I presume the President and the Secretary of Agriculture will carry out their agreement, since we have now, about 30 minutes ago, done our part.

Mr. CONNALLY. What was the agreement? Please tell us what the President agreed with the Senator from Mississippi.

Mr. BILBO. The President and the Secretary of Agriculture agreed to guarantee to the farmers 12 cents a pound for the 1937 crop.

Mr. CONNALLY. In what way? How are they going to guarantee it? Give us the details.

Mr. BILBO. On condition that the Congress would enter into an agreement, through the joint resolution which I introduced, which the President had before him at the time, to make the enactment of farm legislation the first business of the next session of Congress, whether it is a called session or the regular session in January. The question whether the bottom of the cotton price should be fixed at 9 or 10 cents was discussed in the conference, but there was no agreement as to whether it would be 9 or 10 cents. The Secretary insisted on 9, and the committee insisted on 10.

Mr. CONNALLY. And, of course, the Secretary won, as usual.

Mr. BILBO. He has not won yet.

Mr. CONNALLY. He will win if Congress adjourns and takes no action. He will understand that he may do as he pleases. All the Senator from Texas asks is that we shall pass this joint resolution and let the Secretary know what the Senate wishes to have done about the matter. The Senator from Mississippi prefers to have Congress adjourn and let the Secretary do as he pleases.

Mr. BILBO. The Senator from Mississippi has put himself on record as being willing to stay here until Christmas, if necessary.

Mr. CONNALLY. Oh, yes; but the Senator is not going to stay here until Christmas.

Mr. BILBO. The only thing we were trying to get for the farmer was 12 cents for his cotton.

Mr. CONNALLY. Have you got it?

Mr. BILBO. We have it.

Mr. CONNALLY. Where is it? What is the market doing, then? It is going down. Where is your 12 cents?

Mr. BILBO. The market is not going down because the Government is going to guarantee 12 cents for the farmer. The market is being manipulated down by the cotton speculators and manipulators so that they may get the cotton as cheaply as they can before it gets out of the hands of the farmer.

Mr. CONNALLY. Let me ask the Senator from Mississippi if he does not consider that fixing a 9-cent loan basis will have a tendency to reduce the price.

Mr. BILBO. I thoroughly agree with the Senator, and that is the reason why I have insisted on a 10-cent bottom to the price of cotton.

Mr. CONNALLY. Does the Senator object to the Senate agreeing with him, and putting itself in the position of saying just what the Senator says?

Mr. BILBO. I have already said that I am in thorough sympathy with the purposes of the joint resolution of the Senator from Texas; but I am in honor bound to object to it, because I have this agreement through which the farmer will get 12 cents for his cotton. That was what I was after. He may get 9 cents of it this year and 3 cents next year, or he may get 10 cents of it this year and 2 cents next year, but he will get 12 cents in the end.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. CONNALLY. I shall continue to have the floor until the Senator from Kentucky [Mr. BARKLEY] returns, because I do not want to make this motion in his absence.

Mr. KING. Mr. President, I should like to ask the Senator from Texas a question.

Mr. CONNALLY. I did not have an opportunity to answer the Senator's question. I shall answer it right now.

Mr. KING. May I supplement it?

Mr. CONNALLY. Yes.

Mr. KING. Where does the Senator find authority for giving blanket authority either to the President or to the Secretary of Agriculture to make drafts upon the Treasury of the United States to peg cotton at 10 cents a pound, or 7 cents a pound, or any amount whatever? If we are going to give unlimited authority to peg prices on cotton, why not on everything else?

Mr. CONNALLY. We have it on every agricultural product. We have it on sugar.

Mr. KING. There is a quota on sugar; that is all.

Mr. CONNALLY. Well, that is pegging. We have it on dairy products. Forty million dollars has been taken out of this fund to be used for dairying, and it is all right. I am for every agricultural product. I am not standing here asking for aid for cotton alone. I am for taking care of the sugar people in Utah and in Wyoming and the other States. I am in favor of taking care of the cane-sugar producers in Louisiana. I

am in favor of taking care of the labor in Massachusetts, and the manufacturers where they are entitled to it.

Mr. BANKHEAD. Mr. President——

Mr. CONNALLY. I yield to the Senator from Alabama.

Mr. BANKHEAD. A number of Senators who participated in the cotton agreement are not now on the floor. I think they ought to have an opportunity to hear the discussion and be here. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Calif.	Pittman
Andrews	Connally	Johnson, Colo.	Pope
Ashurst	Davis	King	Radcliffe
Austin	Dieterich	La Follette	Reynolds
Bankhead	Ellender	Lewis	Schwartz
Barkley	George	Lodge	Schwellenbach
Berry	Gibson	Logan	Sheppard
Bilbo	Gillette	Lonergan	Smith
Bone	Glass	Lundeen	Steiwer
Borah	Graves	McAdoo	Thomas, Okla.
Brown, Mich.	Green	McGill	Thomas, Utah
Brown, N. H.	Guffey	McKellar	Townsend
Bulkley	Hale	Maloney	Truman
Bulow	Harrison	Minton	Van Nuys
Burke	Hatch	Murray	Wagner
Byrd	Hayden	Neely	Walsh
Byrnes	Herring	Nye	Wheeler
Capper	Hitchcock	O'Mahoney	White
Caraway	Holt	Overton	
Chavez	Hughes	Pepper	

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. CONNALLY. Mr. President, the Senator from Utah asked the Senator from Texas a question, as to whether or not it was sound to pay benefits to farmers in the matter of selling their cotton.

Mr. KING. Mr. President, I did not make my question very clear, or the Senator misapprehended me.

Mr. CONNALLY. Then I ask the Senator from Utah to make his question clear, because I desire to answer.

Mr. KING. I desired to ascertain whether the Senator believes it would be sound legislative policy to give unlimited authority to the President, or to the Secretary of Agriculture, to make drafts on the Treasury to pay any amount, on any commodity, whether or not a price were fixed, or any limitation were fixed upon the contract.

Mr. CONNALLY. I shall answer the Senator. The measure under consideration does not do that. It simply refers to a special fund which Congress created in section 32 of the A. A. A. Act, which was offered on the floor of the Senate by the Senator from Texas as an amendment.

That fund is constituted by the appropriation of 30 percent of all revenues from tariffs into a fund for the payment of agricultural benefits, not to cotton alone, but to any agricultural commodity. In 1936 there was accumulated in that fund $125,000,000; $20,000,000 of that has already been used by the Department, not for cotton, but for other purposes—commodities growing in other States in the North and the East. It is proposed now to use $40,000,000 more of that fund in behalf of the dairy interests, not in my State, but in New York State and in Minnesota, Wisconsin, Iowa, and Missouri. Now because we southern Senators come along, because cotton is in distress, other Senators desire to deny the relief we request.

Mr. President, of course it is not sound to pay a bounty to do anything, if we go back to the elemental laws of economics. Neither is it sound, I shall say to the Senator from Utah, to have a protective tariff. But if the producers of agricultural products must pay high tariff duties for the enrichment of manufacturers and those engaged in commerce, and must pay for the benefit of those who labor in industry—not for the enrichment of the Treasury, but for the enrichment of the manufacturers and others—is it not just that a part of that tribute, 30 percent of it, be appropriated to recompense in a way the farmers?

Mr. KING. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. KING. I think I did not make myself clear. I was not discussing the propriety or the impropriety of paying bounties, or the properiety or impropriety of a tariff, although I will say to the Senator that I am not a tariff man.

Mr. CONNALLY. I understand.

Mr. KING. The point I had in mind was, assuming that we wanted to pay a bounty or contribution to the farmers or the dairymen, whether it was wise or sound to say that it may be done by the Secretary of Agriculture and by the President without fixing the limits of the amount that may be paid.

Mr. CONNALLY. Mr. President, I am in general agreement with the Senator from Utah. In the matter of these farm benefits, Congress cannot fix any hard-and-fast rule, because the markets and the conditions vary, and those benefits are paid under the general term of existing law—the Agricultural Adjustment Act and the Soil Erosion Act—but Congress itself cannot follow the market from day to day and vary the payments.

Mr. President, it is just as sound to give an agricultural benefit payment, or a tariff adjustment on agricultural commodities, as it is to put a high protective tariff on copper in Arizona and in Utah, or a high protective tariff on textiles in New England and in the Middle States, or a high protective tariff on the shoes that we wear, or to pay a subsidy for silver. I wonder where all the silver Senators are.

Mr. LEWIS. Looking for gold. [Laughter.]

Mr. CONNALLY. Mr. President, it seems to be all right to do something in order to raise the price of silver, which God Almighty placed in the earth, and all in the world that is required is for man to lift it to the surface; but it does not seem to be all right to ask for a subsidy for those who are obliged to go out and work in the burning sun to raise what we must have to eat and to wear.

Mr. President, this piece of legislation ought to be enacted, and it ought to be enacted now. I hope the Senator from Mississippi [Mr. BILBO] will come into the Senate Chamber soon. I hope someone will call him in. If he wants to object to the measure, let him object.

Mr. President, I hope the time will never come in this Republic when an executive department such as the Department of Agriculture or anyone else can say to Congress, "We will do this. You keep your hands off it. We will attend to this." Some Senators seem to take an attitude favoring such a position. A little gentlemen's agreement was had by some Senators with the Secretary of Agriculture, and then those Senators say, "No; Congress will not act. We will let the Secretary act." But he will not act. Why, they said they wished to have this resolution passed pledging Congress to pass an act applying to general agricultural conditions early in January.

That is all right. Everybody is for that. Everyone knew for the past 3 or 4 weeks that we were going to pass that resolution, and it has been passed. The bond has been fulfilled.

I should like to have the attention of the Senator from Mississippi [Mr. BILBO].

Mr. President, if the executive departments are going to put this plan into effect, I have no objection to their going ahead and doing it. I do not want Congress to adjourn without my knowing that I have undertaken and that I have striven to get some results at this session of Congress. I know there are those who always want Congress out of town. Some executive departments always want Congress at home, because when we have gone home we are not here to annoy them; we are not here to control them. They want appropriations, however, and the attitude of some of them seems to be, "Pass the appropriation bills, and then let Congress go home. We can run the Government if Congress will just give us the money."

Mr. President, this cotton situation needs action, and it needs it now—not next week or next month or next year, but right now.

Mr. KING. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. KING. I think the able Senator is attributing too much importance to Congress. My experience is that the departments do not pay much attention to whether we are here or whether we are not. They prepare legislation and send it down to us, and we are expected to O. K. it; so Congress is quite unimportant. They proceed to do whatever they have in mind to do, and then they have deficits, and send reports of their deficits here, and it is expected that we shall pass bills to meet their deficits.

Mr. CONNALLY. I am glad to have the views of the Senator from Utah because no more industrious or more capable Senator is on this floor than the Senator from Utah. I marvel how he can know so much as he does about all the Government departments. I should have to work much harder than he in order to have the information and the knowledge about the Government departments that the Senator from Utah possesses.

Mr. President, a question was raised about the right of cotton to receive benefits. I am not asking for cotton alone. The amendment of section 32 was not restricted to cotton. It helped the dairymen out in Wisconsin. It helped the hog raisers and the corn farmers out in Iowa. It helped the cattle raisers in New Mexico. It helped, and does help, every agricultural commodity that America produces. I am not sectional and I am not narrow when it comes to taking care of the agricultural interests of the Nation. But, Mr. President, let me say that the people of the United States outside of the cotton region do not properly appreciate the fact that we have to maintain our foreign markets for cotton. For half a century cotton has been one of the great export crops. It has helped maintain our balance of trade. It has brought to America money with which we have been able to buy the products of other sections. However, American cotton is threatened by the tremendously low prices which the estimate of the Department of Agriculture of a 15,000,000-bale crop produced within the past few days. We are not going to make 15,000,000 bales. Since the facts upon which that estimate was based came out, the sun, the drought, and the insects have already made raids upon the cotton crop of the South, and we shall never raise the 15 000,000-bale crop that it was estimated would be raised. Yet that 15,000,000-bale estimate is sitting astraddle of the cotton farmer and astraddle of the market and bearing it down every day.

So, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 205, being the resolution not asking but directing the Secretary of Agriculture to make these loans for 10 cents, and to pay a benefit payment of 2 cents per pound out of section 32 of the tariff fund in the interest of cotton.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BANKHEAD. I desire to ascertain from the Senator from Texas why the passage of this joint resolution is necessary. I will start with the history of this program. In 1933 the first cotton loan was made. That loan was made after Congress had adjourned. I arranged that loan with Mr. George Peek. No one else was present. No legislation was passed. Apparently the Government had authority, and the President was advised by the then general counsel of the Reconstruction Finance Corporation, Mr. Stanley Reed, that there was authority in the law for the loan.

Mr. CONNALLY. Authority to make the loan is in the law now, but nobody is making it. The joint resolution instructs them to make the loan. In the joint resolution the law about making the loan is not changed. The Commodity Credit Corporation right now has authority to make this loan, but it is not being made.

Mr. BANKHEAD. I wanted to ascertain from the Senator from Texas whether he was under the impression that the enactment of further law was necessary to authorize the making of the loan.

Mr. CONNALLY. The Secretary of Agriculture wants to make a 9-cent loan.

Mr. BANKHEAD. I am trying to get the facts in the RECORD, because the Senator knows my attitude. I am staying over here tomorrow to plead for a 10-cent loan. I make that statement so that the Senator may understand my motive.

Mr. CONNALLY. The resolution directs a 10-cent loan to be made.

Mr. BANKHEAD. Is it necessary to have anything in the joint resolution to be passed other than to provide for making a 10-cent loan mandatory?

Mr. CONNALLY. Not if the departments carry out what the Senator from Mississippi [Mr. BILBO] says they agreed to carry out; but they have not done it as yet.

Mr. BANKHEAD. I am willing to risk their doing it. If the President or the Secretary of Agriculture say they will do it, I am willing to risk its being done.

Mr. CONNALLY. I am talking about the Secretary. I do not know what the President said, but I did talk to the Secretary of Agriculture.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. It is not the Secretary of Agriculture who is going to make these loans; it is the Commodity Credit Corporation, which is subject to the direction of the President, and not the Secretary of Agriculture.

Mr. CONNALLY. That is very true.

Mr. BARKLEY. I was not present at the conference, but I have been told by those who were present that the President has agreed to make the loans and is awaiting the signature by him of a joint resolution, which he felt ought to be passed. That joint resolution has not reached him as yet, but will reach him during the day. It passed the House only last night.

Mr. CONNALLY. The Senator is correct in that the Secretary of Agriculture does not make these loans; but I talked with the Secretary of Agriculture; I know he is determined, if he can, to fix the loan at 9 cents; and he is going to be consulted, and I am afraid his views are going to control. If the Congress wants to let him determine the matter, very well; but I am trying to have it determined by Congress, which I thought was the lawmaking body. I have been under the impression for a good many years that, under the Constitution, Congress, and not the Secretary of Agriculture, was the lawmaking body. I have not talked with the President. I have not undertaken to quote the President; I only know from what others have told me as to what is the President's attitude; but I do know the attitude of the Secretary of Agriculture. I know he wants to fix the loan at 9 cents and then pay 3 cents bounty between that and 12 cents. So the Government will not save a nickel, and all that will happen will be that fixing the loan value at 9 cents will bear the price down lower. I want to maintain a competitive price, a high price, so that the Government will not lose as much as it otherwise would. If there is a competitive market and the price goes on up, the Government will not lose so much on the bounty or benefit payments.

Mr. President, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 205.

Mr. THOMAS of Oklahoma. Mr. President, I reserve the right to object, and under such reservation I desire to make a statement.

I am a member of the Committee on Agriculture and Forestry, and was selected as a member of the subcommittee to confer relative to the form of a cotton loan and whether or not a cotton loan could be authorized and made. The agreement was complete save on one point, and that point was whether or not the loan should be made at 9 cents per pound or at 10 cents per pound.

Mr. BANKHEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. THOMAS of Oklahoma. I yield.

Mr. BANKHEAD. The Senator says the agreement was complete. I wish he would at least state for the benefit of those who do not know the facts with whom the agreement was made. He has not yet stated that fact.

COTTON LOANS

Mr. THOMAS of Oklahoma. The subcommittee consisted of the Senator from Mississippi [Mr. BILBO], the Senator from Washington [Mr. SCHWELLENBACH], and myself. The conference was held at the White House. In that conference the President and the Secretary of Agriculture participated. The matter was given rather thorough consideration, and every point that was suggested was in agreement, save whether or not loans would be authorized at 9 cents a pound or at 10 cents a pound. The committee was unanimous in favor of the loan being made at 10 cents per pound.

The Secretary of Agriculture expressed the opinion that it would be better to make the loans at 9 cents rather than 10 cents per pound. The reasons that were given are obvious. I might state that one of the reasons given was appealing. A large percent of our cotton must move in world trade; the cheaper cotton becomes, of course, the more likely it is that cotton will have a chance to compete with cotton produced by other nations; and if it is true that a 9-cent loan will fix a 9-cent price for cotton, and a 10-cent loan will fix a 10-cent price for cotton, those who are in favor of selling cotton abroad to the largest possible extent would naturally favor a 9-cent loan. The committee did not share in that viewpoint, because the committee believed, and so expressed itself at the conference, that if a 9-cent basis for the loan is fixed cotton will gravitate to a 9-cent price. On the other hand, the committee were of the opinion that if the loan were fixed at 10 cents per pound cotton would not sell for less than 10 cents on the domestic market.

Mr. CONNALLY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that under this same plan, which was adopted in 1935, by reason of disposing of the surplus the market continually improved and finally the price went above 12 cents?

Mr. THOMAS of Oklahoma. The Senator from Texas states the history and record correctly. The loan in 1935 was fixed on a basis of 10 cents per pound. After the 10-cent basis was fixed the price in the American market began to improve, and shortly cotton was selling above 10 cents per pound on the domestic market; and, because of the increased price of cotton, due to the loan, the Government was called upon to loan but a small amount of money and consequently acquired practically no cotton under the 1935 loan plan.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BANKHEAD. It might be well for the Senator to state that the first announcement in 1935 stated that the loan would be 9 cents a pound. The announcement was made one night; the next day this body went into action; an effort to suspend the rules succeeded, and a resolution making a 10-cent loan mandatory was passed. The Senator will recall that that got caught in a jam, in a filibuster, the President and a committee conferred, and it was finally agreed to raise the loan to 10 cents a pound. So the Senate acted on the subject once before, and the President acquiesced.

Mr. THOMAS of Oklahoma. It is the opinion of the Senator from Oklahoma that a 10-cent loan will cause a far less drain upon the Federal Treasury than will a 9-cent loan. If the loan is made at 9 cents, in my judgment the price of cotton will go to 9 cents. That will mean a subsidy payment, an adjustment payment, sometime later of 3 cents per pound, or $15 per bale. If the loan should be fixed at 9 cents, and the price should go to a point around 9 cents, many loans would be called for, in the hope on the part of the applicants of holding the cotton for a higher price. If that should happen, then, when the adjustment is to be made the Treasury will be called upon to pay a straight-out 3-cent adjustment or subsidy, or $15 per bale. That will mean an increase in the subsidy payment, in my opinion, of the sum of $5 per bale and a drain of that excess sum upon the Treasury of the United States. I think that analysis cannot be gainsaid.

So I very much hope, Mr. President, that the authorities will fix the loan value at 10 cents per pound, as the growers of cotton need the money and need it now.

My State was a severe sufferer last year. Instead of raising 1,000,000 bales of cotton, as it ordinarily does, scarcely 350,000 bales were raised. The farmers of my State had practically no income last year, save that from wheat in the northwest area. In my State, one-half of which is devoted to cotton, the income was practically cut off. So this year, with a fair cotton crop, we will probably raise between 800,000 and a million bales, and even with a 10-cent loan the income to the farmers of that section of my State will be vastly improved over what it was a year ago.

Mr. President, the Congress has already passed Senate Joint Resolution 207. After the preamble, the resolution reads as follows:

Resolved, etc., That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

Mr. President, because of the passage of that joint resolution farm legislation will be the first order of business at the next session of Congress. Some farmers and friends of farmers are criticizing the Congress for not now remaining in session to enact legislation to help agriculture, yet our critics do not suggest any solution of the ills that beset those who till the soil.

The farm problem has not as yet been solved. Farmers are confronted by two price influences over which they have no control—one, fluctuation of the value of money; and the other, fluctuation in the quantity of production.

MONEY AND PRICES

The farm problem is a price problem. The value of the dollar controls the general price level; hence, when the dollar value rises, prices fall; and when the dollar value falls, prices rise.

The dollar value is man-made and man-controlled; hence the point of value and the control of such value are all-important to farmers, wage earners, producers, manufacturers, contractors, investors, and the public generally.

PRODUCTION AND PRICES

All must agree that an overproduction of any given product will cause the price of such product to fall, and an underproduction of any given commodity will cause the price of such commodity to rise.

Farmers recognize the influence of these two economic laws and are demanding that both laws be recognized and taken into consideration in the enactment of new agricultural legislation.

TWO SUBCOMMITTEES

The Senate Agricultural Committee recognizes these two price influences and has appointed two subcommittees; one to consider and report upon the adjustment, regulation, and stabilization of the value of the dollar, and the other to consider and suggest plans for the adjustment, regulation, and stabilization of production of the basic farm commodities.

The subcommittee appointed to consider the influence of the value of the dollar upon prices has completed its hearings and will have its report ready to submit when the Congress reconvenes. The subcommittee appointed to confer with

farmers at convenient points near their homes relative to farm conditions, farm credits, and farm prices, and the kind of legislation that will serve and be agreeable to farmers, will start hearings immediately to the end that legislation may be formulated and made ready to report to the Senate on the first day of the next session of the Congress.

EXPLANATION OF DOLLAR VALUE ON PRICES

It is now admitted by all that the value of the dollar changes, or is made to change, from time to time. All agree that as the dollar becomes more valuable prices fall, and as the dollar becomes cheaper prices rise. The farmer neither has control over the value of the dollar, nor even knows when changes are contemplated.

Prof. E. W. Kemmerer in 1927 made the following statement:

In a little less than a half century here in the United States we have seen our yardstick of value, namely, the value of a gold dollar, exhibit the following gyrations: From 1879 to 1896 it rose 27 percent; from 1896 to 1920 it fell 70 percent; from 1920 to September 1927 it rose 56 percent. If, figuratively speaking, we say that the yardstick of value was 36 inches long in 1879, when the United States returned to the gold standard, then it was 46 inches long in 1896, 13½ inches long in 1920, and is 21 inches long today.

Until recently the value of our dollar has been under the exclusive control of those who dominate the banking and financial policies of our Government. Through the control of money and credit allowed and permitted in circulation, such persons have made prices and price trends, and, knowing in advance just what was to be done and the effect of such banking and monetary policies, they and their friends have profited to the extent of their abilities and their desires.

Farmers now know that they cannot possibly receive fair and just prices for their products unless and until the general price level is properly adjusted, regulated, and stabilized. They know that prices depend upon the value of the dollar, and that there can be no stability in agricultural prices until the value of the dollar is properly determined, regulated, and stabilized.

Those who heretofore have had the power to manipulate the value of the dollar object to surrendering such power. Money management through control of currency and credit permitted in circulation has been for 100 years the racket of international bankers.

Farmers, producers, wage earners, and industrialists demand a properly valued dollar and that such properly valued dollar shall be stabilized. When our dollar is properly valued so as to do justice to the investors and consumers on the one side and to the producers and debtors on the other, and thereafter such dollar value is stabilized, then one of the major problems confronting farmers will have been solved.

PAST FARM EXPERIMENTS

Eight years ago, in an attempt to assist the farmers, the Congress created a Farm Board and gave such Board $500,000,000 with which to increase and stabilize farm prices. The Farm Board undertook to help the farmer by trying to control prices on the several commodity exchanges. The result was that the $500,000,000 was spent, the commodity speculators secured a large part of the money, and in the end the farmers had the lowest prices recorded in history.

Later another experiment was tried by plowing up cotton, by destroying wheat, and by killing pigs, and while the program of scarcity, accompanied by drought, did raise some prices, it was only an expedient, and as yet the farm problem is unsolved.

Four years ago the Agricultural Committee, in an effort to raise prices, attached to the Agricultural Adjustment Act an amendment giving the President power to reduce the gold content of the dollar, thereby making the dollar smaller and cheaper. The President used some of the power given by the Congress. He cheapened the dollar, prices have been raised, buying power has returned and we are working out of the depression.

The question now before us may be stated as follows:

Is the dollar sufficiently cheap and are prices sufficiently high to serve the best interests of our people?

In order to answer this question we must take into consideration the fixed charges or overhead expenses of the people. It is obvious that the value of the dollar must be so regulated as to adjust the price level to that point which will permit the people to secure dollars with which to pay their taxes, interest, and debts.

TAXES, INTEREST, AND DEBTS

The amount of the items making up these fixed charges is important. It is now estimated that the people are paying for government—Federal, State, county, city, and district—a sum annually in excess of $15,000,000,000.

It is likewise estimated that such units of government are raising by taxation the sum of approximately $10,000,000,000, thus showing that at the present time we are spending each year some $5,000,000,000 more for government than we are receiving in taxes.

Because we are spending more than we receive, we have unbalanced budgets in the Federal and smaller units of government throughout the United States.

Today the Associated Press states that "the public debt will pass the $37,000,000,000 mark this week." Statisticians generally agree that the massed debts, public and private, other than the Federal debt, amount to more than $200,000,000,000. Likewise it is estimated that the total massed interest item on public and private debts exceeds $8,000,000,000.

In order for the people to secure dollars with which to meet their tax, interest, and debt obligations, the dollar must be so valued as to produce a price level making it possible for the people to secure dollars with which to meet such obligations.

In 1932 the dollar value as measured by all commodities was 167 cents. From 1932 we have cheapened the dollar so that today the value as measured by commodities is 114 cents. This means that the dollar value is higher and prices are thereby lower than they were in 1929, before our taxes and debts were increased and before the depression broke upon the country. Also, the dollar value today is some 14 cents higher than it was in 1926 when we had the era of so-called "Coolidge prosperity."

With the present valued dollar, governmental budgets are not yet balanced, and it is the contention of the Senate Agricultural Committee that such budgets cannot possibly be balanced until the dollar is still further cheapened and prices still further increased.

STABILIZED DOLLARS MEAN STABILIZED PRICES

The Committee on Agriculture and Forestry has never favored and does not now favor inflation. The committee does favor the adjustment and regulation of the value of the dollar to that point which will permit farmers to have a price level sufficiently high to enable them to produce and sell their products for sufficient dollars to enable them to meet their tax, interest, and debt obligations.

The agricultural program of 4 years ago was to raise prices of agricultural products. The program of the committee today is to determine the proper price level for agricultural products and then to suggest legislation which will bring about such price level, and, further, to suggest legislation providing that the price fluctuation of the past shall be terminated as nearly as is humanly possible.

It is now the plan of one subcommittee to propose legislation converting the Federal Reserve Board into a monetary authority with a definite mandate to employ the most competent experts to be found and to set such experts to the task of determining the proper value for our dollar, and when such just, fair, and proper value has been determined the said monetary authority is to be given a mandate to adjust and regulate the value of such dollar to such determined value and thereafter to keep such value stabilized as nearly as is humanly possible.

Immediately after adjournment the second subcommittee proposes to hold hearings on Senate bill 2787. This is—

A bill to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

PURPOSES OF BILL

The purposes of the bill are, first, to secure parity of prices and income to the producers of the five major agricultural commodities—cotton, wheat, field corn, rice, and tobacco. Parity prices mean prices giving these commodities the same purchasing power they had in the pre-war base period, 1909–14. Under the terms of the bill, parity income means a net agricultural income which bears the same relationship to the income of the nonagricultural population as existed in the base period.

Second. Without interfering with the maintenance of parity prices, to provide for surplus reserves of these commodities for domestic use and export, in addition to normal carry-overs, in order that an ever-normal-granary supply of such commodities will be available.

Third. To conserve national soil resources and prevent the wasteful use of soil fertility for the production of soil-depleting crops for which there is no market, or for which there is no market at a price profitable to producers.

METHODS OF OPERATION

The purposes of the bill are to be accomplished by means of: (1) Commodity loans, (2) parity payments, and (3) marketing quotas.

COMMODITY LOANS AND PARITY PAYMENTS

The bill provides that commodity loans and parity payments are to be made only to "cooperators", that is, producers of the major agricultural commodities who enter into adjustment contracts with the Secretary of Agriculture.

The Secretary of Agriculture will determine and proclaim the total available supply of each major agricultural commodity at the beginning of each marketing year therefor. Cooperators will then be eligible to receive commodity loans and parity payments on their major agricultural commodities at the rates specified in the bill for such total supply level. Such rates are percentages of the parity price for the commodity. For the major agricultural commodities on a world-price basis, namely, cotton, tobacco, white wheat, and rice, loans become available only in the case of extraordinary large supplies. For wheat and field corn, loans are available at all supply levels. Although the rates of loans are graduated downward as the total supply increases above normal, the rates of the parity payments are graduated upward when such is the case. The commodity loans, plus the parity payments, should assure producers a return of substantially parity income from their commodity.

ACREAGE DIVERSION BY COOPERATORS

The bill provides that soil conserving will no longer be made to any producer with respect to the five major commodities pursuant to the provisions of the Soil Conservation and Domestic Allotment Act. In lieu of such soil-conservation payments, parity payments are made to cooperators who may be required to divert from the base production of any major agricultural commodity the percentage of diversion proclaimed by the Secretary as necessary in order to keep the total supply from exceeding the ever-normal-granary supply level.

STORAGE UNDER SEAL BY COOPERATORS

Cooperators may also be required, if the supply situation warrants, to store under seal on the farm stocks of the commodity not to exceed 20 percent of the amount harvested during 1 year. However, cooperators in this case are entitled to available commodity loans on such stored stocks.

MARKETING QUOTAS

Marketing quotas are applicable to noncooperators as well as cooperators. Such quotas will go into effect, however, only in cases where the total supply available at the beginning of a marketing year is greatly above normal. Thus, the marketing quota level for cotton, for instance, is a total supply 15 percent in excess of normal, or 20.9 million bales; corn, 10 percent in excess of normal, or 2,743 million bushels; wheat, 20 percent in excess of normal, or 893 million bushels; rice, 10 percent in excess of normal, or 12.7 million barrels; dark tobacco, 10 percent in excess of normal, or 371 million pounds; and cigar tobacco, 10 percent in excess of normal, or 416 pounds.

If, on the thirtieth day prior to the beginning of the marketing year for any major agricultural commodity, the Secretary has reason to believe that the total supply of any such commodity will reach or exceed the marketing-quota level for such commodity, he shall call public hearings in the principal area or areas devoted to the prodution of such commodity. If, on the basis of such hearings, the Secretary determines that the marketing quota level will be reached, he shall proclaim a national marketing quota for the current crop of such commodity, which shall be expressed both in terms of quantity for the commodity and in terms of a percentage of the national base acreage for the commodity computed on the basis of the national average yield for the commodity. Such a marketing quota must be fixed so as to afford at least a normal supply but not more than an ever-normal-granary supply of such commodity.

Before the effective date of such national marketing quota, the Secretary must conduct a referendum of the producers to be affected by such quota, and if more than one-third of the producers voting in such referendum oppose such quota it shall be suspended by proclamation of the Secretary. However, if such quota is thus suspended, commodity loans on such commodity will not be available until the beginning of the second succeeding marketing year for such commodity.

If the national marketing quota is approved, marketing quotas for individual farms shall be fixed by the Secretary through local committees of farmers for all farms on which the farmer, cooperator or noncooperator, is engaged in producing the commodity for market. Such quota will be, generally, the amount of the current crop, less the normal yield of the acreage devoted to the production of the crop which is in excess of the percentage of national soil-depleting base acreage specified in the Secretary's proclamation.

The bill would give the Secretary power to increase the national marketing quota and consequently the farm marketing quotas in the event that drought, war, or other emergency makes such action necessary.

In the event marketing quotas are imposed, the farmer who produces in excess of his quota is required to refrain from marketing such excess until the price of the commodity has risen to more than 10 percent over parity, or until he has absorbed the excess through subsequently diverting from the production of the commodity an acreage whose normal yield at least equals the excess. A farmer who fails to conform to these marketing requirements and markets in excess of quota is, under the bill, engaged in an unfair agricultural practice. Any farmer engaging in such unfair agricultural practice that affects interstate or foreign commerce, is subject to penalties at the rate of 50 percent of the parity price of the excess marketed. For tobacco, penalties at somewhat different rates are specified. Marketing includes feeding in any form to livestock which are to be sold, or the products of which are to be sold.

The foregoing is a general outline of the farm problem and the proposals, now under study, for bringing about a permanent program for the benefit of agriculture.

Mr. President, I now withdraw my reservation of the right to object to the consideration of Senate Joint Resolution 205, introduced by the Senator from Texas [Mr. CONNALLY].

MINNIE C. DE BACK

Mr. JOHNSON of California. Mr. President, on the 19th of August the Senate passed Senate bill 610. Last night an identical bill, House bill 3988, was passed by the House. I desire to have the House bill considered and passed, a similar Senate measure having already passed the Senate.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Is there objection to the request of the Senator from California for the present consideration of the bill?

There being no objection, the bill (H. R. 3988) to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935, was considered, ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 26), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the first session of the Seventy-fifth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

CENSUS OF EMPLOYMENT, UNEMPLOYMENT, ETC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2705) to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes, which were, on page 1, line 5, to strike out "and of"; on page 1, line 5, to strike out "persons"; on page 2, line 13, to strike out "56" and insert "46"; on page 2, line 14, after "4)," to insert "except sections 9 to 11, inclusive, thereof"; and on page 2, line 18, after "1923", to insert a colon and "*Provided further*, That the administering agency is authorized to call upon the other departments or agencies of the Federal Government for information relating to and for assistance in connection with the census herein provided for; and the administering agency is authorized to cooperate with and to use the information secured by such State and local agencies as may have data pertinent to this census."

Mr. BARKLEY. I move that the Senate concur in the House amendments.

The motion was agreed to.

RELIEF OF PERTH AMBOY, N. J.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2146) to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935, which were, on page 1, lines 8 and 9, to strike out "for just and fair compensation"; on page 2, lines 5 and 6, to strike out "or otherwise"; on page 2, line 17, after "States", to insert "satisfactory to the Secretary of War"; on page 2, line 20, after "unfit", to insert "or ineffective"; and on page 2, line 25, to strike out all after "party" down to and including "files", in line 2 of page 3.

Mr. BURKE. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

RECOMMITTAL OF A BILL

Mr. THOMAS of Oklahoma. Mr. President, the Senate Committee on Indian Affairs has considered and reported favorably during this session upon some 80 bills. Every bill reported by the committee, save one, has passed the Senate. In order that the calendar may be cleared during the recess, I ask unanimous consent that the one remaining bill—Calendar No. 1269, being House bill 3162—be recommitted to the Committee on Indian Affairs for further consideration. It is a bill conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Uncompahgre Indians, and so forth, may have against the United States.

The PRESIDING OFFICER. Without objection, the bill will be recommitted to the Committee on Indian Affairs.

LOW-COST HOUSING—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

"DEFINITIONS

"SEC. 2. When used in this Act—

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.

"(2) The term 'families of low income' means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

"(3) The term 'slum' means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

"(4) The term 'slum clearance' means the demolition and removal of buildings from any slum area.

"(5) The term 'development' means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

"(6) The term 'administration' means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project subsequent to physical completion.

"(7) The term 'Federal project' means any project owned or administered by the Authority.

"(8) The term 'acquisition cost' means the amount prudently required to be expended by a public housing agency in acquiring a low-rent-housing or slum-clearance project.

"(9) The term 'nondwelling facilities' shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

"(10) The term 'going Federal rate of interest' means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of ten years or more.

"(11) The term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

"(12) The term 'State' includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(13) The term 'Authority' means the United States Housing Authority created by section 3 of this act.

"UNITED STATES HOUSING AUTHORITY

"SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

"(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

"(c) The Administrator shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

"SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such officers, attorneys and experts, and such employees whose compensation is in excess of $1,980 per annum, as may be necessary to carry out the purposes of this Act.

"(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of $7,500 per annum shall be subject to confirmation by the Senate.

"(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

"(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this act.

"SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

"(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

"(c) The Authority shall have an official seal, which shall be judicially noticed.

"(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

"(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

"SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

"(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than $300.

"(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

"(d) No annual contribution, grant, or loan, and no contract for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.

"SEC. 7. (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

"(b) In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

"SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

"LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

"SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition costs of such project. Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of one per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority.

"ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

"SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash or tax remissions, general or special, or tax exemptions, at least 20 per centum of the annual contributions herein provided. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may, in the discretion of the Authority, be referred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

"(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the going Federal rate of interest at the time such contract is made plus 1 per centum, upon the development or acquisition cost of the

low-rent housing or slum-clearance project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

"(c) In case any contract for annual contributions is made for a period exceeding twenty years, the Authority shall reserve the right to reexamine the status of the low-rent-housing project involved at the end of ten years and every five years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding sixty years.

"(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

"(e) The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than $5,000,000 per annum, on or after July 1, 1938, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

"CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

"SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent-housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however*, That no capital grant shall be made for the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

"(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent-housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

"(c) All paymets of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

"(d) The Authority is authorized, on or after the date of the enactment of this Act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than $10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than $10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than $10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

"(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent-housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

"(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

"DISPOSAL OF FEDERAL PROJECTS

"SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

"(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

"(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

"(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this Act.

"(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

"GENERAL POWERS OF THE AUTHORITY

"SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent-housing project which is previously owned or in connection with which it has made a loan, pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

"(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

"(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

"(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

"(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

"SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has

been transferred to it pursuant to this Act. Any rule of law contrary to this provision shall be deemed inapplicable.

"SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

"(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

"(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

"(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

"(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this Act shall be entered into by the Authority with respect to any project hereafter initiated costing more than $4,000 per family-dwelling-unit or more than $1,000 per room (excluding land, demolition, and non-dwelling facilities); except that in any city the population of which exceeds 500,000 any such contract may be entered into with respect to a project hereafter initiated costing not to exceed $5,000 per family-dwelling-unit or not to exceed $1,250 per room (excluding land, demolition, and non-dwelling facilities), if in the opinion of the Authority such higher family-dwelling-unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs. With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent-housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials, and economy will be promoted both in construction and administration, and (b) that the average construction cost of the dwelling units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this Act.

"SEC. 16. In order to protect labor standards—

"(1) The provisions of the Act of August 30, 1935, entitled 'An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings' (49 Stat. 1011), and of the Act of August 24, 1935, entitled 'An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work' (U. S. C., 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

"(3) The Act entitled 'An Act limiting the hours of daily service of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes', as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

"(4) The benefits of the Act entitled 'An Act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes' (39 Stat. 742), shall extend to officers and employees of the Authority.

"(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U. S. C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

"(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this Act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within five days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"FINANCIAL PROVISIONS

"SEC. 17. The Authority shall have a capital stock of $1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipt for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

"SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26,000,000 for the fiscal year ending June 30, 1938, of which $1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

"SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this Act.

"SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this Act. The Authority may issue such obligations in an amount not to exceed $100,000,000 on or after the date of enactment of this Act, an additional amount not to exceed $200,000,000 on or after July 1, 1938, and an additional amount not to exceed $200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

"(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

"(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

"(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

"(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

"SEC. 2". (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

"(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

"(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

"(d) Not more than 10 per centum of the funds provided for in this Act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

"PENALTIES

"SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

"SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or make any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than one year, or both.

"SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than one year, or both.

"SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than one year, or both.

"SEC. 26. No individual, association, partnership, or corporation shall use the words 'United States Housing Authority', or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding $1,000.

"SEC. 27. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other Act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

"SEC. 28. The President is hereby authorized to make available to The Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

"SEC. 29. Nothwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 30. This Act may be cited as the 'United States Housing Act of 1937'."

And the House agree to the same.

DAVID I. WALSH,
ROYAL S. COPELAND,
WM. E. BORAH,
ROBERT M. LA FOLLETTE, Jr.,
ELBERT D. THOMAS,
Managers on the part of the Senate.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JESSE P. WOLCOTT,
HAMILTON FISH,
Managers on the part of the House.

Mr. WALSH. Mr. President, in lieu of having the report read, if it is acceptable to the Senate, I will make a brief statement with regard to it.

Mr. BARKLEY. Mr. President, in order that the Members of the Senate may understand the conference report, does not the Senator think we should have a quorum call?

Mr. WALSH. I really do not think there is any opposition to the conference report.

Mr. JOHNSON of California. No; I think not; but I think the Senator from Virginia [Mr. BYRD] ought to be here when it is considered.

Mr. WALSH. I understand that the Senator from Virginia is not going to object to the report.

Mr. JOHNSON of California. I so understand.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson, Colo.	Pope
Andrews	Connally	King	Radcliffe
Ashurst	Davis	La Follette	Reynolds
Austin	Dieterich	Lewis	Schwartz
Bankhead	Ellender	Lodge	Schwellenbach
Barkley	George	Logan	Sheppard
Berry	Gibson	Lonergan	Smith
Bilbo	Gillette	Lundeen	Steiwer
Bone	Glass	McAdoo	Thomas, Okla.
Borah	Graves	McGill	Thomas, Utah
Brown, Mich	Green	McKellar	Townsend
Brown, N. H.	Guffey	Maloney	Truman
Bulkley	Hale	Minton	Van Nuys
Bulow	Harrison	Murray	Wagner
Burke	Hatch	Neely	Walsh
Byrd	Hayden	Nye	Wheeler
Byrnes	Herring	O'Mahoney	White
Capper	Holt	Overton	
Caraway	Hughes	Pepper	
Chavez	Johnson, Calif.	Pittman	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. WALSH. Mr. President, commencing at the beginning of the Senate bill, the changes made by the conferees, briefly stated, are as follows:

DECLARATION OF POLICY

The House amendment omitted the findings of housing conditions and substituted a different declaration of policy from that contained in the Senate bill. It is briefer and more concise, but in substance is the same. The conferees accepted the House declaration of policy.

DEFINITIONS

The next subdivision of the bill is that comprising definitions. Definitions are important in this bill, because the language used in the bill describes the persons and the activities with which the authorities will deal in the administration of the law. The most important definition of the bill is that of low-rent housing.

The bill as passed by the Senate provided that the occupants of the houses to be erected under the proposed law should be those whose rent at the time of occupancy is less than one-fifth of their income; in other words, persons with an income more than five times larger than the rent which they pay would be debarred from occupying any of these housing projects, the objective being, of course, to give to the low-salaried and the low-income families the preference in occupying the houses built under the provisions of this bill. The bill as it passed the House made the ratio 1 to 4, instead of 1 to 5, as in the bill as it passed the Senate. The conferees accepted the Senate amendment and fixed the ratio at 1 to 5 and in the case of families of 3 or more minor dependents 1 to 6.

Another definition in the bill is the definition of "slum clearance." The Senate conferees accepted the House definition. It was briefer than that contained in the bill passed by the Senate, and eliminated some activities which perhaps should be eliminated. The Senate defined slum clearance as meaning "the demolition and removal of buildings from any slum area, and may embrace the adaptation of such area to public purposes, including parks, parking areas, or other recreational or community facilities."

The Senate conferees eliminated the language I have just read and left the bill defining slum clearance as merely "the demolition and removal of buildings from any slum area."

Mr. BANKHEAD. Must slum clearance be on the land where it is proposed to erect the new buildings?

ADMINISTRATIVE PROVISIONS

Mr. WALSH. No. The next important feature of the bill is the administrative provision, and a substantial change was made in this provision from what was contained in the bill as it left the Senate.

The Senate vested the authority in a board of three directors. The House vested the authority in one administrator and a board of advisers of nine members. The Senate conferees accepted the House provision for one administrator, thereby eliminating the three directors, and the conferees also eliminated from the House bill the provision for a board of advisers. So that the housing authority will be conducted by one administrator.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. CONNALLY. I wish to congratulate the Senate conferees for agreeing to that provision of the House bill. I was impelled to offer an amendment on the floor of the Senate to provide for one administrator. Since the administrator is to be under the Secretary of the Interior anyway, there is no occasion for a great number.

Mr. WALSH. I think it is a decided improvement in the bill. In drafting the bill the House had the advantage of the study and consideration of the bill by the Senate. They made some changes which improved the bill, in my opinion. It was due in part to the fact that they had the result of our deliberations and our construction of the bill. This is one of the features of the bill which I think is an improvement.

CIVIL-SERVICE PROVISIONS

The next subdivision is that relating to civil-service laws and the Classification Act. The conferees had a great deal of trouble over these provisions.

The House removed from the measure providing for this permanent Government institution every provision relating to the civil-service laws or the Classification Act. So far as my memory goes, it is the first time that this has been done by either branch of the Congress in the setting up of a permanent Government activity. The Senate inserted the usual provision requiring compliance with the civil-service laws and the Classification Act.

Strange to say, this difference was one of the most bitterly fought and contested features of the bill, and the result of our deliberations was that a compromise was reached which provides that all employees whose salaries or wages are in excess of $1,980 shall be exempt from the civil-service laws, and all employees of the authority drawing less than $1,980 will have to comply with the civil-service laws. But we were successful in having the conference report contain a provision that all of the employees under the authority must comply with the Classification Act.

In this connection I may say there was a difference between the House and the Senate over the question of confirmation of appointments by the President. We discovered—and I say this because I think the Senate ought to have knowledge of it—an unusual state of mind, or a new state of mind, upon the part of some of the Members in the other branch. They were strongly opposed to the power of confirmation of appointees whose salaries are in excess of $4,000 being reposed in the Senate, and resisted very strongly the provision in the bill as it passed the Senate that employees whose salaries are in excess of $4,000 should be confirmed by the Senate. A compromise was reached providing that employees whose salaries were in excess of $7,500 should be subject to Senate confirmation.

Mr. CONNALLY. Mr. President——

Mr. WALSH. This compromise must be considered in terms of the absence of civil-service requirements in the House amendment. So strong were the Senate conferees in insisting that the civil-service laws be not abandoned that we were obliged to make a compromise, which we preferred not to make, on the question of confirmation, but we insisted that the House conferees accept at least the application of the principle of the civil-service laws to lower grade clerks, and also the application of the Classification Act.

I yield to the Senator from Texas.

Mr. CONNALLY. I wish to say that I very much regret that the Senate conferees agreed to any amendment providing that the authority could appoint anyone drawing a salary up to $7,500 without confirmation by the Senate. We have to confirm a little postmaster if he receives $50 a month, but they can fill up the Department with five or six or seven thousand dollar men, and the Senate has no voice whatever. Some of those who have been appointed ought not to be here at all.

Mr. WALSH. What the Senator has said was argued by the conferees. We even pointed out the fact that an ensign in the Navy cannot be promoted to a second lieutenancy without confirmation by the Senate. There is not an officer of the Army or the Navy, from the lowest to the highest, who can be promoted without being confirmed by the Senate. We argued also that a provision requiring confirmation starting with a low salary would, in the opinion of the conferees and of the Senate, have a tendency to keep salaries down, that these boards would be reluctant to send a long list of appointees with high salaries for our confirmation, and that if we fixed the point at which the Senate would have to confirm at a low figure, we would be serving the public interest.

I am absolutely in accord with the Senator, and I am speaking of this for the purpose of giving the Senate information that was an awakening to the Senate conferees as to the state of mind to which I have referred. We went so far at one point in the deliberations that some of the Senate conferees, if it had not been for our special interest in the pending bill, seriously considered whether it was not our duty to withdraw, because I for one was not disposed to be a party to recognizing, after all the years of the building up of the merit system, the complete abandonment of it, especially when my own party is in control of the Government.

I hope the Senate will appreciate that this was a matter of compromise, and I want the Senator from Texas to know that every one of the Senate conferees—the Senator from New York [Mr. COPELAND], the Senator from Idaho [Mr. BORAH], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Utah [Mr. THOMAS]—felt intensely about the matter, and we stayed for hours arguing the question, and yielded only after the House yielded by agreeing that some semblance of the civil service be adhered to. The House conferees pointed out that the only debate of serious purport in the other branch, when this bill was under consideration, was over the civil-service provision, that by an overwhelming vote the House voted the civil-service provision out of the bill. That information, of course, was presented to us, and the conferees on the part of the House said that it was useless to go back to the House unless we eliminated the civil-service provision completely.

Mr. CONNALLY. Mr. President, it is a little difficult for me to understand why the House should oppose the Senate retaining the power of confirmation.

Mr. WALSH. If the Senator wants me to be frank, the House thinks that it is a move on the part of the Senate to control appointments, and would prevent the House Members from recommending their personal or political friends.

Mr. CONNALLY. The power of confirmation is about all that is left to give either the Senate or the House any control of appointments. The Senators from a State would cooperate with the Representatives from their own State and Congress would really benefit by the Senate maintaining its right to confirm or reject.

Mr. WALSH. I agree fully with the Senator, as we all do. It is most regrettable; but I am speaking of it because it is a state of mind I have never seen before in the years I have been in the Senate, and it is a state of mind with which we

will have to reckon in the future. The House conferees were insistent. Not until we were at the point almost of being unable to agree at all were we able to reach a compromise. I am speaking of this to let my colleagues know what was an awakening to me as to a state of mind on the subject of the civil service, of classification of salaries, and of confirmation by the Senate of which I have not heretofore been aware.

Mr. CONNALLY. I cannot understand the legislative state of mind of the House that would want to deny to the Senate the right of confirmation, because it inures to the benefit of the legislative branch.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BORAH. I think I correctly stated the situation when I said that the conference had reached the point where we had to yield, as we did yield, or have no bill. That was the definite position of the House.

I have never been what may be called an advocate in season and out of season of civil service; but I did think that in this measure, when we were dealing with a wholly humanitarian proposition, and the American taxpayers were taking care of this tremendous problem, we ought not to turn the spoils system into cooperation with other agencies.

Mr. WALSH. Mr. President, I may say for the benefit of the Senator from Texas [Mr. CONNALLY] that I have referred to this matter because, in my humble opinion, we are in danger of being confronted with a movement in our own party to eliminate from the public service the merit system.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. KING. Does not the report indicate that one branch of the Government at least has put itself upon record as favoring the spoils system?

Mr. WALSH. There is no doubt about that. Even in the acceptance of this report the opposition agreed to accept only the almost flimsy civil-service provision applying to clerks and minor employees receiving less than $1,980.

Mr. KING. It seems to me that those who believe in the efficacy of the civil service in the Government would be justified in rejecting the report, and letting the matter go over until next January, when we are again to meet, when a different feeling may be entertained by the body at the other end of the Capitol.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. WAGNER. When the House considered the report the only question raised at all was the civil-service question, and many Members expressed dissatisfaction at even the compromise which the House made with the Senate. So it would have meant no bill at all, as the Senator from Idaho has said, if we had insisted upon the provision we originally put in the measure, which did away with any idea of the spoils system.

Mr. WALSH. Yes. I do not know but that we ought to have insisted upon it; but, having passed the bill, our obligations to the Senate were such that I did not feel that I could go that far. I certainly want the country to know, however, that I refuse to be a party to removing the civil-service system started by a great Democratic President, and which all these years has gone on steadily advancing until recently. I regret very much to see this trend in present political thought. Indeed, the Republican member of the conference committee of the House expressed satisfaction at the situation because, he said, he could conceive of no greater issue with which to go before the country than the fact that we had destroyed the merit system and were now about to substitute the spoils system.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. O'MAHONEY. Am I to understand that the amendments which were inserted by the Senate have been cast out by the conferees?

Mr. WALSH. No; not entirely. The House bill, I repeat, came before us without a scintilla of reference to the civil service or the Classification Act, which means that the Board could hire anybody at any salary; and, in addition, they demanded the elimination of the provision for confirmation by the Senate, so that we would set up a bureau without any civil service, without any requirement to comply with the provisions of the general salary law of the country, and without any provision for confirmation.

That was what was being proposed. After the struggle, which has been referred to by the Senator from Idaho and other Senators, we succeeded in getting at least the words "civil service" in the bill, by providing that employees with salaries under $1,980 would have to be appointed in compliance with the civil-service laws, and that all the employees would be under the Classification Act. In return for that we had to surrender our powers of confirmation in the case of all positions except those carrying with them salaries in excess of $7,500.

Mr. O'MAHONEY. Mr. President, has the Senator the exact language of the conference report?

Mr. WALSH. Yes.

Mr. O'MAHONEY. I should like to read it.

Mr. WALSH. I will give the report to the Senator later.

RESEARCH PROVISIONS

The next subheading is "Research and Experimentation by the Authority on Public Housing Information." The Senate bill provided for research and experimentation by the authority on public housing information. The House bill contained no such provision. The conference agreement eliminated the provision for research and experimentation, but the conferees agreed to permit the authority to publish and disseminate housing information by the authority. I think that amendment was somewhat of an improvement. At least it restricts some of the activities of the authority.

Mr. President, the next important subject in the bill is loans.

Mr. LEWIS. Mr. President, will the Senator yield so that I may ask a question for information?

Mr. WALSH. Certainly.

Mr. LEWIS. Am I correct in assuming that the provision respecting the confirmation by the Senate of appointments read "in excess of $7,500"?

Mr. WALSH. Yes.

Mr. LEWIS. Does that mean that appointees to $7,500 positions do not have to be confirmed? Does the position have to carry a salary in excess of $7,500 before an appointment to it must be confirmed?

Mr. WALSH. I am informed that the provision is "in excess of $7,500."

Mr. LEWIS. Then a position must carry a salary in excess of $7,500 before the appointee to the position must be confirmed? In other words, appointment to a position paying $7,500 does not call for confirmation?

Mr. WALSH. That is true.

Mr. President, I do not want to prophesy, but I hazard the prediction that unless a change of mind takes place, all our future provisions of this kind will be eliminated from bills by the other legislative branch.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. BARKLEY. Is it not true that in all legislation recently enacted in which the Senate has provided for confirmation of appointees the limitation has been $5,000, as a rule, and in some cases as low as $4,000?

Mr. WALSH. The Senator is absolutely correct. We argued that point, and we were confronted with the argument that it was beneath our dignity to try to handle such trifling matters as confirming appointees receiving salaries of $4,000. But behind it all, I believe, is a growing feeling that this power in the Senate tends to make those in authority consult the Members of the Senate rather than Members of the House in the matter of appointments.

Mr. BARKLEY. Mr. President, I am sure the Senator could have convinced Members of the other body of the fallacy of that theory.

Mr. WALSH. When I saw our distinguished and able leader early yesterday afternoon, we had practically completed the bill except for the provisions to which I have referred, and had to go back and spend the whole evening discussing this point. We did everything possible. In fact, I have never before been in a conference in which the pleading was so strong to save the House conferees from having to go back to the House and face its Members, who would denounce their conferees for restoring the civil-service requirement, and for permitting any confirmation of employees on the part of the Senate. Does the Senator from Idaho bear me out in that statement?

Mr. BORAH. Mr. President, I fully support the Senator. We were advised that the House had passed upon the proposition four distinct and different times; that nothing was to be gained by sending it back to the House; that it would be rejected. We were face to face with the proposition of losing the bill. That is the truth about it.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. LEWIS. Did the Senator from Massachusetts gather that it was the feeling on the part of those opposing the provision for confirmation that they were willing to leave to the heads of bureaus authority to designate such employees as they chose for positions paying up to $7,500, with no one to supervise the appointment and no restriction being placed upon them save their own discretion in making appointments?

Mr. WALSH. That is exactly the position that they not only took but argued for, not only to the extent that the Senator has suggested, but with respect to any salary whatever. They took the position that any salary whatever can be fixed without review by the Senate or anybody else. That was the position they took, and they were most insistent upon it. We even argued to them the benefit of the power of confirmation by citing cases that have come up in this body when even the President, who sent down the appointments, did not have information which we were able to obtain after the public knew of the appointments; and how valuable it was to the public service to have a reviewing body to which those who had complaints could bring them and have an investigation made into the ability and integrity of appointees.

There are some cases now pending before some of the committees in which serious charges are being made as to the personal integrity and the capacity of the men concerned. It is decidedly in the public interest to have that known. Even the appointing power often does not know all the facts about an appointee. I recall that when I was Governor of the Commonwealth of Massachusetts I made appointments concerning which later I received information which, had I had it earlier, would have led me not to make the appointments. In such cases I was glad to have the public protected by an executive council to reject appointments if I myself did not withdraw the appointments.

Mr. LEWIS. Does the able Senator contemplate any system that more completely makes for the destruction of democracy than to place heads of bureaus in a position where they may name their own aides at their own discretion, just practically a family of their own selection, and thus control the complete administration of the departments, without any provision for review in any form whatever by the legislative body which made the law and created the office?

Mr. WALSH. Mr. President, the Senator from Illinois in his usual lucid and able manner has stated the objection to the proposal with which we were confronted in the House amendment to this bill.

Let me add that I am speaking to my colleagues as I have felt it my duty to do, not that it is necessary to do so in order to secure the adoption of the report; but I fear an issue in this country against my political party on the basis that it has abandoned the Classification Act and the civil service and is now before the country as a spoilsman-ship party. I know the consequences. I cannot understand how a party that proclaims its liberalism can afford to take such a stand. The first principle of liberalism is not so much with reference to economic, social, and political questions, but the first principle is honest men, able men, capable men, men of merit, to administer the law. Of what avail are economic policies that are perfected and are advanced in favor of "the forgotten man" if those who are to administer the law are not men of the highest integrity and the highest ability and capable of performing the functions required of them?

All this was argued in the conference. We pleaded with the conferees, from a political-party standpoint. I said to the conferees that I could not and would not support a conference report that would abandon the civil service and the Classification Act. It was only after extreme declarations of that kind that we were able to reach the compromise we did reach.

Mr. O'MAHONEY. Mr. President, can the Senator state what the origin was of the demand for abandoning the civil service altogether?

Mr. WALSH. Some of the things stated were in confidence, but I think I can say that there was dissatisfaction with appointments which have been made, there was criticism of the Civil Service Commission itself, complaint as to the result of the appointment of postmasters under the system recently inaugurated, and also that Democrats were not always being appointed to office, but that persons who were not Democrats were getting a good many jobs. It was a combination of all those things that led to the state of mind which, I infer, is in the nature of a revolt against the present system of appointments and the selective civil-service system.

Mr. O'MAHONEY. The provision of this bill that civil service shall apply only to persons having a salary of $1,980 or less is something new. It was not in the bill as passed by the House; it was not in the bill as agreed to by the Senate, as I understand. That apparently was a compromise——

Mr. WALSH. Yes; there is no doubt about that.

Mr. O'MAHONEY. Reached by reason of the conflict between the provision which called for confirmation of officials having a salary of from $5,000 to $7,500, or whatever it was, and the provision as to civil service.

Mr. WALSH. The general blanket civil-service provision for all employees that the bill as passed by the Senate contained except as to lawyers and experts.

Mr. O'MAHONEY. Does the Senator feel that, regardless of this abandonment of the sound principles of the civil service, the abandonment of the principle of establishing a career system, that the housing bill should nevertheless be passed and this authority be set up?

Mr. WALSH. I reached the conclusion reluctantly that, inasmuch as I was chairman of the conferees, an officer of the Senate, and the Senate had passed this bill, it was my duty, after we got the principle recognized, to sign the report. Understand, we succeeded in having the Classification Act recognized; every employee, with certain exceptions, will be under the Classification Act, however high or low. We did get, most reluctantly, recognition at least of the civil service for the minor employees.

The other alternative was to have been a party to destroying the legislation and letting it go over for another session.

Mr. O'MAHONEY. The Senator feels that, nevertheless, the proposed legislation should be enacted?

Mr. WALSH. Yes. I could very easily have submitted this report without discussing this matter, and I know my colleagues here will not feel any prejudice against the report on account of it; but I felt it my duty to tell them of this situation and of a state of mind that is alarming, and one which we ought to know about. In my opinion, unless there is a change of mind, every bill we send to the other branch is going to have eliminated from it the civil-service provisions and also the right of the Senate to confirm nominations.

Mr. O'MAHONEY. So long as we continue to create new agencies. Perhaps we might stop that.

Mr. WALSH. That would be one way to stop it.

LOANS, GRANTS, AND ANNUAL CONTRIBUTIONS

Mr. President, the next provision of this bill relates to loans, annual contributions, and capital grants. The bill as passed by the Senate provided for loans. Understand that in this bill there are three disbursements of Government money that can be made by the authority. The first is loans, the second is grants, and the third annual contributions or what are called "rent subsidies."

The bill as originally presented to the Senate contained provisions for loans by the authority on any housing project up to 100 percent. The so-called Tydings amendment, requiring a local contribution of 5 percent, brought that down to 95 percent. The bill as passed by the House provided for loans up to 85 percent of the cost of the acquisition and development of the project. Thus we were confronted with the House provision of 85 percent and the provision of the Senate bill of 95 percent. That was happily compromised by a provision which is in the report fixing at 90 percent the amount that may be loaned.

The same principle applies to the annual contributions. The Tydings amendment required a local contribution of 5 percent from the State, municipality, county, or whatever local authority should undertake the housing project. The bill as passed by the House required the same percentage to be made in the case of annual contributions as in the case of loans, namely, 15 percent. That, too, was compromised so that a loan upon a project to which is attached an annual contribution can be for only 90 percent. I think that is really an improvement on the bill as passed by the Senate, although many municipalities state that the matter of local contribution is a burden that they ought not to be called upon to assume.

Understand, we are talking about loans; first, a straight outright loan where there is no subsidy; second, a loan where there is a grant by the local housing authority itself; and, third, a loan to which is attached an annual rent contribution. In all these classes under the conference report the loan is limited to 90 percent of the cost of the development.

The next subject matter of considerable interest and importance is the annual rent contributions in assistance of families of low income. Let me add that, in my opinion, all these loans or practically all of them will be made in the last category; in other words, I do not expect that many loans will be made simply for the purpose of developing housing projects without any rent subsidy. I do not expect that many of these loans will be of the class requiring local grants. In my opinion, practically all the loans that will be made will have attached to them a requirement for an annual rent contribution. That seems to be self-apparent. It is important, therefore, for us to know what changes have been made by the conferees in the annual contribution provisions of the Senate bill.

The Senate bill fixed the annual rent contribution in any case at not to exceed a sum equal to the annual yield at the going Federal rate of interest—at the time such contract is made—plus 1 percent upon the development or acquisition cost of the low-rent housing project involved. That is estimated to be about 3½ percent of the cost of the project. This means that annual contributions can be 3½ percent of the cost of the project.

The Tydings amendment affected that annual rent-contribution provision, and required that 5 percent of that 3½ percent be contributed by the State, county, or political subdivision where the project is located. It is important to know that the House amendment conditioned the payment of annual contributions by the authority on annual local contributions of at least 25 percent. However, the local authorities were allowed to deduct contributions from the 25 percent for tax remission or tax exemption by the local agencies. After the 3½ percent for rent contributions is made, the Tydings amendment would require a reduction of 5 percent that the local authorities would have to pay. The House amendment would require 25 percent, but in that 25 percent, which the Tydings amendment did not include, were deductions for taxes and tax exemptions.

The conferees on the part of the Senate finally decided to fix the annual contribution at 20 percent with the allowances made by the House provision instead of 25 percent as provided in the bill as passed by the House and instead of 5 percent as in the bill passed by the Senate by reason of the Tydings amendment.

There is another important item in connection with the bill as it passed the House which I think is helpful and which the Senate conferees accepted. The bill as it passed the House provided that the 3½-percent money must be paid back by the local authorities in the payment of the interest on the loan and the amortization of the loan. That provision was not in the bill as it pasesd the Senate. The local authorities, instead of making its interest payments out of the rent collected from the tenants, must first make its payments for interest and the amortization payments from the 3½-percent subsidy. It is expected this will lead to more prudent management and better handling of the funds which will be available to meet expenses of administration and deterioration.

DISPOSAL OF EXISTING FEDERAL HOUSING PROJECTS

The bill as it passed the House provided means for the disposal of Federal housing or slum-clearance projects which have already been entered upon or constructed by the Government. The bill as it passed the Senate contained no such provision. The Senate conferees accepted the House provision. It permits the sale and disposition of existing housing projects such as those in the city of Atlanta, Ga., such as those in my State, and such as those in other parts of the country which have already been built under the W. P. A. and other Federal agencies. That provision seems to be essential and necessary in order that the Federal Government may move in the direction of getting out of the housing business.

PLAYGROUND PROVISION

Two other important items in the bill as it passed the Senate were the amendment of the Senator from Virginia [Mr. BYRD] and the amendment of the Senator from New Jersey [Mr. MOORE]. It will be recalled that the Senator from New Jersey [Mr. MOORE] offered an amendment providing that no housing project could be accepted without plans and specifications and requirement for a playground. Everyone will agree that in a large and extensive housing project playground facilities are desirable; but, as we construed the amendment, which was mandatory in terms, if some city wanted merely to remove two or three slum houses or one small section of slum houses, it could not get a subsidy without providing a playground. That, of course, would be impossible. The House conferees accepted an amendment which was proposed to that provision making it permissible, instead of mandatory, so that now the language of the bill is that when a substantial loan for a housing project is applied for the Federal authority may in its discretion provide for open space or a playground. That seems to meet in a satisfactory way the position of the Senate on that amendment.

LIMITATION ON COST

The amendment of the Senator from Virginia [Mr. BYRD] was next considered. The conference report embraces the amendment of the Senator from Virginia with a slight modification. The bill, as it passed the Senate, provided that the limitation on the cost of a dwelling unit in any project should be $4,000 per family unit or $1,000 per room, exclusive of cost of land and cost of renovating old buildings, less salvage value. The House amendment fixed the cost at $5,000 and had no limitation upon the cost per room. The House conferees desired us to accept their amendment or even a limitation of $4,000 on a family unit cost, but we were confronted with the question, What is a family unit? Would family units costing $4,000 be two rooms, or three rooms, or seven rooms? Fixing the amount at $5,000 per family unit, what number of rooms would it embrace?

After conferring at length on the subject we agreed upon a provision which the report contains, that the cost per room shall be $1,000 and per family unit $4,000, with an additional provision which meets the objection in part of those who

are interested in the legislation representing the largest cities in the country. It provides that in the case of cities of over 500,000 population the family units, in the discretion of the Authority, may cost as much as $5,000, or $1,250 per room.

The bill, as it passed the House, provided with reference to this subject two limitations in addition to the cost limitation. It provided that the authority should practice economy in construction and administration, and should be limited in the construction of the houses to the average cost of units produced by private enterprise in the same locality. The language indicates that the Congress is desirous of having the housing projects simple and plain and built upon a basis of economy.

FINANCIAL PROVISIONS

The financial provisions have been changed materially. The bill, as it passed the Senate, provided for an aggregate bond issue by the authority totaling $700,000,000. The amendment of the House fixes the aggregate at $500,000,000. The Senate conferees accepted the amendment of the House limiting the aggregate to $500,000,000 in view of the fact that we have only a short period for construction during the present year and also because, after all, this undertaking is experimental. This was satisfactory to the Senator from New York [Mr. WAGNER], who has shown a very great willingness to compromise and help the conferees reach an agreement in order that we might produce a bill that would inaugurate a policy of slum clearance.

LIMIT ON STATE LOANS

The bill as it passed the Senate provided that no more than 20 percent of the funds provided in the act should be expended within any one State. The bill as it passed the House provided that it should not exceed 10 percent. The Senate conferees accepted the House provision in this matter.

DISTRICT OF COLUMBIA

One of the last sections of the bill is a new section which was contained in the bill as it passed the House, authorizing the President to allot some of the money to the District of Columbia Housing Authority.

Mr. President, in brief that is an explanation of the conference report as I understand its provisions. I think, in view of the difficult task we have had to perform, we have produced a bill which in some respects is better than the bill as it passed the House, and in other respects is better than the bill as it passed the Senate.

Mr. BANKHEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Massachusetts yield to the Senator from Alabama?

Mr. WALSH. I yield.

Mr. BANKHEAD. After the Senator began his explanation I was called from the Chamber and I regret very much to have to ask the Senator to give me some information which he has perhaps already stated. Suppose Birmingham, Ala., wanted to apply for a project under the bill to cost $5,000,000. How much would Birmingham be required to contribute?

Mr. WALSH. First of all, the Legislature of Alabama would have to establish what is called a local housing authority.

Mr. BANKHEAD. That has been done.

Mr. WALSH. That local housing authority would prepare plans for a large and expensive housing project, and then come before the Federal authority provided for in the bill and make application for a loan of 100 percent of the cost of the housing project. That is the first step. I am going to modify that statement in a moment. It would, however, because of an amendment which the Senate incorporated in the bill and which I proposed here in the Senate, have to come with a plan in its possession to destroy and eliminate some slums. The local housing authority would have to show the Federal authority that it was not simply in the house-building business, but that it was destroying a certain number of slums, perhaps at no cost at all to the local authority and perhaps at some cost to the local authority, and that it had, in addition, a housing project to replace the slums cleared. After all, this bill is, fundamentally, to do away with unsafe and insanitary housing, and to provide comfortable homes for those of low income.

The next step will be that the Federal authority will say, "We cannot give you 100 percent on this project. Under the Senate conferees' report you will have to put up 10 percent."

Mr. BANKHEAD. Does the Senator mean 10 percent of the cost of construction?

Mr. WALSH. The local authority will have to put up 10 percent if it is a straight loan.

Mr. BANKHEAD. That would be, on a $5,000,000 basis, $500,000.

Mr. WALSH. If you say, "We do not want a straight loan, we want to get the benefit of this subsidy, we want to get lower rents for these people", then the authorities say to you, "We will give you only 90 percent, but in the 20 percent of the annual subsidy that you have to put up you may include the taxes that you lose, and other legitimate assessments named that you have a right to levy, and which you would have if you did not surrender this property to the Federal Government and devote it to public uses."

Mr. BANKHEAD. Over what length of time would the taxes be considered as a reduction of the amount the city must put up?

Mr. WALSH. Only for 1 year, unless the annual contribution extends over a period as it would where there are annual rent contributions.

Mr. BANKHEAD. One year of taxes?

Mr. WALSH. It is a question of the percentage which the taxes represent of the cost of the project as a whole. The local authority would have 60 years to pay back the loan; but, as the Senator will see, the amount provided by the Federal Government depends upon which way the local authorities want to proceed to operate. If it is a straight loan and nothing else, the Federal Government will provide 90 percent of the money. That is the first way. The second way is a combination of local grants and Federal grants. The third way—which I think is the one that will be most generally used—is this: The local authority will say, in effect, "Let me have all the money you can as a loan and let me have all the subsidy you will give me so that I can make the rents to be paid by the occupants of these houses as low as possible."

Mr. BANKHEAD. Which way would require the city to put up the smallest amount of cash? I am asking about Birmingham as an illustration because, as the Senator doubtless knows, the amount of money that the cities must put up is going to be a big element in the program.

Mr. WALSH. In my opinion, the amount of cash the city of Birmingham will have to put up will be reasonably small, after allowing deduction for taxes and tax-exemption.

Mr. BANKHEAD. That is not a large sum compared to the cost of a $5,000,000 project.

Mr. WALSH. Whatever proportion of the total cost the taxes may represent is a deduction. If the project is a $1,000,000 project, 10 percent of that is $100,000.

Mr. BANKHEAD. In the case of a $5,000,000 project, 10 percent would be $500,000.

Mr. WALSH. Ten percent of $1,000,000 is $100,000.

Mr. BANKHEAD. I am asking about a $5,000,000 project.

Mr. WALSH. All right. Ten percent of a $5,000,000 project would be $500,000.

Mr. BANKHEAD. Does the Senator know of any city in the South that could possibly raise $500,000 in cash for one of these projects?

Mr. WALSH. I think New Orleans could.

Mr. BANKHEAD. Has the Senator made any estimate of the number of cities in the United States which would probably be able to qualify under a 10-percent cash requirement?

Mr. WALSH. Personally, I think the item of taxes and tax exemption is elastic. Some of the conferees were of the opinion that it might wipe out the entire 10 percent.

Mr. BANKHEAD. The taxes and what else?

Mr. WALSH. The tax exemption. Let me read the language of the deduction in the case of annual subsidies. The 20 percent may be in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services—"services" is a pretty elastic word; "community facilities" is pretty elastic—for which a charge is usually made, or tax remission or tax exemption in an amount not less than 20 percent.

It may be cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions.

Mr. BANKHEAD. Speaking of land, suppose the city does not own the land; of course, then it must be acquired.

Mr. WALSH. Yes.

Mr. BANKHEAD. What part of the cost of land purchased must the applicant contribute?

Mr. WALSH. Whatever the city pays for the purchase of land is to be deducted from the 10 percent that the authority would require the city to contribute so as to make the investment a joint one.

Mr. BANKHEAD. What proportion of the subsidy for the payment of rent over a 60-year period is the city required to contribute?

Mr. WALSH. Twenty percent.

Mr. BANKHEAD. The Senator sees what I am trying to find out.

Mr. WALSH. Yes; I understand.

Mr. BANKHEAD. And upon what I find out depends my vote in this matter. If we of the South are unable to qualify—and I take Birmingham to be a city that is a fair example—then I am against the bill.

Mr. WALSH. The Senator is making exactly the same objection to these features of the bill which the distinguished Senator from New York [Mr. WAGNER] made. He has insisted right along that the grant ought to be 100 percent, and that there ought to be nothing from the local authorities. The Senator from Alabama is in absolute accord with the views of the Senator from New York. Unfortunately, however, the bill had to run the gantlet of the House of Representatives, the other branch of the Congress, where there was an overwhelming number of Representatives who were not from large cities, and who felt that this bill was for their benefit as well as for that of other sections of the country, and who did not know—to use their own language—how they could justify to their constituents taking money out of the Public Treasury for a few communities without the communities themselves contributing something. That was their argument. It is not my argument. That was their contention; and, indeed, if it were not for the fact that powerful, influential leadership in the administration was behind this bill, I think it would have great difficulty in the House.

Mr. GEORGE. Mr. President, may I ask the Senator one or two questions?

Mr. BANKHEAD. I am not quite through, if I may ask the Senator just one other question. I do not want to detain him.

Mr. WALSH. I am speaking of this matter because all these things have to be taken into consideration in connection with the compromise, as I know the Senator understands.

Mr. WAGNER. Mr. President——

Mr. WALSH. Let the Senator from New York explain that matter.

Mr. WAGNER. I want to make clear that this 20 percent contribution toward the subsidy is not as serious a matter to the community as it may at first seem to be. I think the Senator will agree with me that 20 percent represents approximately the tax exemption that is given in nearly every community. I do not know of a case where a low-cost-housing project has been constructed in which the community has not exempted the property from taxation; and such exemption represents about 20 percent, or a little over 20 percent, of the entire cost.

Mr. BANKHEAD. That is good as far as it goes; but, of course, that removes the tax contribution from the amount the city must pay toward the cost of the project.

Mr. WAGNER. The city ought to be willing to do that.

Mr. BANKHEAD. I know; but then it does not get any credit on the cost of building the houses.

Mr. WALSH. I will say to the Senator from Alabama that it was my information, when the bill was before the Senate without this requirement of a larger contribution from the local authorities, that it was estimated that the projects would cost the Federal Government 101 percent over a period of 60 years, and that in 60 years the project would probably be entirely owned by the local authorities.

Mr. BANKHEAD. Mr. President, I desire to ask one more question and then I will quit. I have frankly stated my position and what I am driving at. I am not criticizing the Senator from Massachusetts for anything that happened. I know there was a difference of opinion, and the Senator had to do the best he could; but will the Senator now state to me, assuming the case of a $5,000,000-construction project, what is the smallest amount of money that Birmingham would have to put up to bring about the construction of the project, plus the cost of acquiring the land for something like 8 or 10 percent of the total cost of the project?

Mr. WALSH. In my opinion—this is very indefinite—the additional amount would be very small.

Mr. BANKHEAD. When we are speaking of millions, a percentage of the total may be said to be very small, but it is large to some people.

Mr. WALSH. In view of the deductions the local authorities may make, I think they have power almost to wipe out the 10 percent.

Mr. BANKHEAD. If that is the judgment of the Senator, I am willing to vote for the bill, but I certainly do not want to vote for a bill under which no medium-sized city in the South, such as Birmingham or Montgomery or Mobile, in the average financial condition of such cities, could qualify.

Mr. WALSH. Of course, the fact is fundamental to the whole discussion that this is not a housing bill.

Mr. BANKHEAD. What is it?

Mr. WALSH. It is a slum-clearance bill. Some persons are trying to make it a housing bill, but it is not a housing bill.

Mr. BANKHEAD. A slum-clearance bill is a housing bill. It involves building houses at a great deal more expense than that of pulling down the slum dwellings.

Mr. WALSH. It is presupposed that in the city of Birmingham there is a slum area, and that the law of the State of Alabama gives authority to the municipality or some other agency to wipe out and destroy that slum area at no expense to the city or to anybody else. And that having done that, so as to benefit the condition of the poor people who are to live there, it is proposed that there shall be the aid and assistance of the Federal Government, with some little cooperation on the part of the municipality, some responsibility on the part of the municipality, in the building of new houses for those removed from the slums.

Mr. BANKHEAD. I am trying to find out how great that responsibility is to be.

Mr. WALSH. I appreciate that. In my opinion—and I think it is the opinion of the Senator from New York—it will be comparatively small.

Mr. BANKHEAD. Something like $100,000, in the scheme to which I referred?

Mr. WALSH. I would venture to say that in the long run it will be not much more than the amount provided in the Tydings amendment, namely, 5 percent, without deductions.

Mr. BANKHEAD. That would be $250,000.

Mr. WALSH. For the amount of money the Senator has named, there could be a pretty extensive slum-clearance area wiped out.

Mr. BANKHEAD. We have one in mind, at least as large as the colored one already established.

Mr. WALSH. I hope the white people will be given equal housing facilities with the colored.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. GEORGE. I did not hear very much of the Senator's statement regarding the bill, and I should like to ask him a few questions.

First, under the bill as it passed the Senate the only contribution to be made by the local authority would be the 5 percent carried in the Tydings amendment, and that applied to the first cost of the property, as I understand.

Mr. WALSH. That is correct.

Mr. GEORGE. As I understand, under the conference report there must be a contribution of 10 percent on the first cost, that is, the cost of construction?

Mr. WALSH. A contribution of 10 percent.

Mr. GEORGE. By the local authority?

Mr. WALSH. It will be 10 percent from the local authorities for the loan and 20 percent of the annual rent contribution.

Mr. GEORGE. Twenty percent?

Mr. WALSH. Yes; 20 percent of the annual contribution, but with deductions, as enumerated.

Mr. GEORGE. I understand the deductions. There is no requirement for matching after the initial transaction, so far as the subsidy is concerned, to enable the houses to be rented at low cost?

Mr. WALSH. There is no other obligation upon the local authority except that it must contribute something toward the annual contribution in the nature of rent, to the exceedingly poor people, who, it is assumed, cannot pay the rent these new houses would bring if owned by private individuals.

Mr. GEORGE. What I want to understand, if there is simply to be a 10-percent contribution by the local housing authority on the subsidy, how the amount of that contribution is to be arrived at, if it is to be made but once and in the beginning; but if it is to be made annually so long as the subsidy is paid, which, as the Senator has explained, may amount to approximately 3½ percent, it is estimated to amount to 3½ percent of the cost.

Mr. WALSH. Yes.

Mr. GEORGE. If it is to be made annually, I can understand, but if it is not to be made annually, but only in the beginning, how is it to be arrived at?

Mr. WALSH. The Senator can understand what the obligations of the local authority will be in the annual contributions for rent.

Mr. GEORGE. That is to be made annually?

Mr. WALSH. It is to be made annually.

Mr. GEORGE. I understand the deductions are for taxes, and things which may be taken off, taxes and services furnished by the State.

Mr. WALSH. Yes.

Mr. GEORGE. The contribution, then, as I understand, against the subsidy which will be paid by the Federal Government, is an annual contribution of 20 percent?

Mr. WALSH. Yes.

Mr. KING. Mr. President, I regret that the conference report contains some provisions discussed by the Senator from Massachusetts which will be disappointing to many persons who favor a sound housing policy. In my opinion, it might be advantageous in the end if action upon the report were deferred. It is possible there will be a special session of the Congress, and if not, we will meet again in January. In the meantime, this bill, with its many provisions, some of which need clarification, will be discussed by the people in the States and municipalities, which will seek to be the beneficiaries of the measure. They will understand it as they do not now, and undoubtedly would make concrete suggestions of a helpful nature.

Moreover, if we adopt this report it will be claimed that Congress is abandoning the merit system and endorsing the spoils system.

Mr. WAGNER. Mr. President, I do not intend to prolong the discussion, and certainly will not attempt to explain any provisions of the bill, which has been outlined so illuminatingly by the senior Senator from Massachusetts [Mr. WALSH]. I merely wish to review the history of this proposed legislation and to state that a further postponement would tend to kill the bill.

This measure, or its forerunners, have been pending for 3 years. For 2 years, before the Committee on Education and Labor, there have been long and searching hearings. The proposal was before the Senate last year, and after discussion was passed, but it failed to come up for consideration in the House. This year there has been debate for a whole week on the floor of the Senate. The country understands this legislation. As a matter of fact, there is a plank in our national platform promising a program of slum clearance and a decent housing.

This is a compromise bill, of course, but I think it a great step forward, and I hope enactment will not be deferred any longer.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. I enjoyed the explanation given by the Senator from Massachusetts, but I am not clear on how much the local authority has to contribute annually toward the rent subsidy. Is it 20 percent?

Mr. WAGNER. Whatever annual contribution the Federal Government makes up to the 3½ percent annually upon the development cost of the project must be matched up to 20 percent by a supplementary local contribution. Let me say to the Senator that this requirement was provided by the House. I do not know of a housing project erected thus far in which the local community has not been willing and able to exempt it from taxation. This tax exemption alone represents an amount equal to more than 20 percent of the 3½-percent Federal contribution allowed under this bill. So the present requirement will work no hardship upon the localities and will enable us to get the rents even lower than if we had to depend upon the 3½-percent Federal contribution alone.

Mr. CONNALLY. Does that represent county and municipal taxation or only the municipal taxation?

Mr. WAGNER. Whatever type of tax remissions or exemptions the property could obtain would count as the non-Federal contribution.

Mr. CONNALLY. The proposed law does not undertake to say that they cannot tax it?

Mr. WAGNER. No; that is something for the localities to determine. They may decide to make their contribution through tax remissions or exemptions, or in cash, or in some other way, by services or the like.

Mr. O'MAHONEY. Mr. President, I wish to detain the Senate long enough only to say that although there are some features of the bill, particularly those having to do with the civil service, with which I am not at all in agreement, I recognize the fact that the Senator from New York has made a very long and arduous struggle to secure this very desirable objective. We accomplish improvements only gradually, and for that reason, though recognizing some of the defects in the measure, I shall be happy to support the Senator from New York in his efforts.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

RAGSDALE & KNAUSS

Mr. PITTMAN. Mr. President, I ask that the Senate proceed to the consideration of House bill 6996, for the relief of Ragsdale & Knauss.

The bill provides for the payment of $799 to stenographic reporters who reported a hearing before the Federal Power Commission. The services were rendered, and the account was approved and sent to the General Accounting Office, but that Office stated it was not according to law, because bids had not been asked for. The answer of the Power

Commission is that it is an emergency matter, and that it had to have this work done.

I hope the Senate will pass the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the bill (H. R. 6996) for the relief of Ragsdale & Knauss was considered, ordered to a third reading, read the third time, and passed.

MERCHANTS NATIONAL BANK & TRUST CO. AND OTHERS

Mr. HARRISON. Mr. President, I thought this morning that a bill in which I am interested had come over from the House, but it had not come over at that time. The bill to which I referred was, however, before the Senate when the discussion of some other matters came up.

I now ask unanimous consent for the immediate consideration of House bill 6682, which has been favorably reported from the Committee on Claims by the Senator from Kentucky [Mr. LOGAN]. The bill involves only about $1,200. It is for the refund of money to three institutions in my State—some money that was recovered from them because of the defalcations of a postmaster. The Government having been reimbursed for this amount, the money should rightfully be paid back to those three institutions. The passage of the bill is recommended by the proper officials.

Mr. AUSTIN. Who are the claimants, Mr. President? Are they the sureties?

Mr. HARRISON. The bill is for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss. Some postal orders were fraudulently issued by the postmaster, who was later convicted, and he had to pay the amount on his bond. The postal orders were honored by the three claimant companies. The bill merely provides for the reimbursement of money to those who rightfully should have it back. The Department states that the acceptance of the money orders cannot be attributed to negligence on the part of the concerns defrauded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

There being no objection, the bill (H. R. 6682) for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss., was considered, ordered to a third reading, read the third time, and passed.

STAMP TAX ON STEAMSHIP TICKETS, UNITED STATES AND PUERTO RICO

Mr. HARRISON. From the Committee on Finance I report back favorably, without amendment, House bill 1481, to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; and I submit a report (No. 1292) thereon.

The purpose of this bill is to remove the discrimination that has existed for many years as to Puerto Rico and all persons traveling there, because of the imposition of a stamp tax on all steamship tickets purchased in the United States for a voyage to the island. Existing law exempts from such stamp tax all tickets purchased for passage to Canada, Mexico, and Cuba; and it is felt that Puerto Rico should be placed on the same basis as the other countries. Only about $50,000 is involved in the measure.

Puerto Rico is very anxious to have this legislation enacted, and I am anxious to do something for Puerto Rico. I could not do much the other day. The bill is favorably reported by the commttee, and the Treasury Department has no objection to its enactment.

I ask for immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

There being no objection, the bill (H. R. 1481) was considered, ordered to a third reading, read the third time, and passed as follows:

Be it enacted, etc., That subdivision 5 of schedule A of title VIII of the Revenue Act of 1926, as amended by section 442 (a) of the Revenue Act of May 29, 1928, be, and hereby is, amended by striking out the word "or" before the word "Cuba" and by adding the words "or Puerto Rico" after the word "Cuba".

ALDEN H. BAKER

Mr. MINTON. Mr. President, I ask unanimous consent for the immediate consideration of House bill 4567. It is a bill for the relief of Alden H. Baker in the amount of $850.55.

In 1918 Mr. Baker was postmaster at Westfield, Ind. He received some war stamps too late to get them into the safety deposit vault, and that night the post office was robbed. The robber was apprehended, largely through the efforts of this postmaster, and convicted. The postmaster paid for the stamps that were stolen in the robbery. The bill simply provides for the reimbursement of the postmaster for the money that he was obliged to pay for the loss of the stamps, which occurred through no fault of his own.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the bill (H. R. 4567) for the relief of Alden H. Baker was considered, ordered to a third reading, read the third time, and passed.

WITHDRAWAL OF CALIFORNIA PETITIONS

Mr. McADOO. Mr. President, a short time ago I filed with the Senate a so-called monster petition from my constituents of California. It was made up of petitions from the various congressional districts. I have been requested by some of the Representatives from California to ask that the petitions from their respective districts be sent to them. Therefore, I ask unanimous consent that I be permitted to withdraw the petitions so I may send them to the Representatives from the various districts from which the petitions came.

Mr. JOHNSON of California. Mr. President, what was the request?

The PRESIDING OFFICER. The request was for the withdrawal of petitions sent in from California and filed with the Senate.

Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

LEAVE TO EXTEND REMARKS

Mr. McADOO. I ask unanimous consent for leave to extend my remarks in the RECORD after adjournment of Congress to contain matters which are not available at the moment, but which I wish to place in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEVELOPMENT OF RESOURCES OF ALASKA

Mr. KING. From the Committee on Territories and Insular Affairs, on behalf of the chairman, the Senator from Maryland [Mr. TYDINGS], I report back favorably the concurrent resolution (H. Con. Res. 24) requesting the President to prepare and submit to Congress a plan for the development of resources and commerce of Alaska. It merely asks the President to obtain information concerning the resources of Alaska. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the concurrent resolution (H. Con. Res. 24) requesting the President to prepare and submit to Congress a plan for development of resources and commerce of Alaska was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is requested to prepare or cause to be prepared by the present departments and agencies of the Government, and within the regular appropriations of such departments and agencies heretofore made for the fiscal year 1938, and to report to the Congress within 30 days after commencement of the second session of the Seventy-fifth Congress, a comprehensive plan for the development of the resources of the Territory of Alaska, and the expansion and development of the facilities of commerce between the United States and Alaska, and within the Territory. The plan so prepared and reported to Congress may, in the discretion of the President, embrace a statement of such works and facilities to be established in Alaska as may be desirable for national defense. Said report to contain such information as will aid the Congress in conducting investigations to determine what is to be done with the resources of Alaska.

SECRETARY OF STATE HULL'S 14 POINTS FOR WORLD PEACE

Mr. KING. Mr. President, there are some who may deem it inappropriate to make any reference to world peace or to policies which are promotive of world peace. I do not accept that view, but, upon the contrary, believe that even when the clouds of war overspread various nations, and international conflicts assume alarming proportions, more vigorous efforts should be made to avert war and promote the cause of peace.

Our Secretary of State, recognized as one of the great statesmen of the world, has zealously striven to bring unity and concord not only among the republics of the Western Hemisphere but among all nations. That his efforts have not been in vain I think will be conceded. Unfortunately, military operations have assumed large proportions in Asia, and Japan is landing armed forces in various parts of China and manifesting a determination to dismember China and either directly to annex Chinese territory or to set up therein puppet governments to be controlled by Japan.

We are all familiar with the so-called four-power and nine-power treaties, as well as the Briand-Kellogg Pact, by the terms of which Japan was committed to policies which, as I view the situation, are being ruthlessly disregarded by her. Under the nine-power treaty Japan is interdicted from interfering with the territorial integrity of China. That treaty imposed obligations upon Japan, as well as the other signatories to it, to respect the Chinese Government.

However, I shall not trespass upon the time of the Senate in these closing hours. I rose primarily for the purpose of calling attention to the statement issued by the Secretary of State on the 12th of July on the United States Government's position in regard to world peace. I regard the statement as one of great importance. It was approved by substantially every government in the world, and in eloquent language many of the governments avowed their purpose to support the views expressed in Secretary Hull's important statement.

I invite the attention of the Senate to the statement, and ask that it be included in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

SECRETARY OF STATE HULL'S "14 POINTS" FOR WORLD PEACE

[From the July 16 statement by the Secretary of State on the United States Government's position in regard to world peace]

This country constantly and consistently advocates maintenance of peace.

We advocate national and international self-restraint.

We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations.

We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement.

We advocate faithful observance of international agreements.

Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation.

We believe in respect by all nations for the rights of others and performance by all nations of established obligations.

We stand for revitalizing and strengthening of international law.

We advocate steps toward promotion of economic security and stability the world over.

We advocate lowering or removing of excessive barriers in international trade.

We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment.

We believe in limitation and reduction of armament.

Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries.

We avoid entering into alliances or entangling commitments, but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

AMERICAN FEDERATION OF LABOR

Mr. KING. Mr. President, the American Federation of Labor, under the leadership of Samuel Gompers, did much to improve labor conditions. Mr. Gompers possessed the confidence of the members of his organization, and enjoyed the esteem of the American people. He laid the foundations of a virile and progressive organization, and upon his passing a strong and able leader in the person of William Green succeeded to the presidency of the American Federation of Labor.

Under Mr. Green's leadership this great labor organization has met, with courage and ability, the problems presented. It has preserved the ideals of Samuel Gompers, and has carried out policies which have materially contributed to the welfare not only of labor but of the entire country. In my opinion, the cause of labor is not best served by divisions and internecine strife, nor by radicalism or theories and practices inspired by communistic philosophy. Any policies that tend to divide the people and lead to class conflicts are harmful not only to labor but to all the people. In a great democracy such as is provided under our form of Government, there should be that spirit of cooperation calculated to unify the people and promote the happiness and welfare of all.

Unfortunately there are segments in labor circles that have contributed to disturbances and conflicts in labor disputes which have seriously affected the industrial and economic life of the people and tended to arouse class feeling. As I have indicated, in this Republic, where all enjoy equal rights and privileges, any movement that tends to divide the people into classes, or to create class hatreds, is inimical to the public welfare, and dangerous to our institutions.

In the groups to which I have referred there are individuals who are doing a great disservice to the cause of labor by their attempts to divide the people, and to spread the doctrines and philosophy which are taught by Communists in other parts of the world. There is no place for communism or communistic organizations in this Republic, and there certainly should be no place for Communists in labor organizations. The American Federation of Labor has repeatedly announced its opposition to all forms of extreme socialism or communism, and has proclaimed its fidelity to democratic institutions and to the Constitution of the United States.

If time permitted, I should be glad further to express my views upon these questions; but in the closing hours of the session it is impossible for me to find the time for that purpose. However, I desire to submit as part of my remarks two statements given to the public by William Green, the president of the American Federation of Labor, and ask that they be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the statements will be printed in the RECORD.

The statements are as follows:

OFFICIAL STATEMENT OF WILLIAM GREEN, PRESIDENT, AMERICAN FEDERATION OF LABOR

WASHINGTON, D. C.

The sit-down strike has never been approved or supported by the American Federation of Labor. Because there is involved in its application grave implications detrimental to labor's interests, it must be disavowed by the thinking men and women of labor.

First, public opinion will not support sit-down strikes. That means labor loses public support when any part of it engages in sit-down strikes. Without such support organized labor cannot win strikes or establish and maintain itself as a vital force in the economic and industrial life of the Nation. Labor cannot afford to lose the support of public opinion.

Second, temporary advantages gained through sit-down strikes will inevitably lead to permanent injury. The public generally will not long tolerate the illegal seizure of property. If persisted in, it will, through State and Federal lawmaking bodies, force the enactment of legislation providing for compulsory arbitration, the incorporation of unions, and other repressive forms of legislation which will deprive organized labor of freedom of association and liberty of action within the limitations of both moral and statutory law. Such action would be a severe blow to labor. Labor should refrain from engaging in sit-down strikes and maintain its freedom of action and association rather than experiment with it and as a result be subjected to oppressive legal regulation and compulsory arbitration. Labor therefore runs the risk of losing more than can be gained by engaging in sit-down strikes. It must be free to strike against injustice and oppression and for higher wages and better living standards. It must be permitted to picket when strikes occur. It may be greatly restricted and perhaps denied the exercise of these elemental rights if it persists in engaging in sit-down strikes.

I therefore publicly warn labor against this illegal procedure. Both personally and officially I disavow the sit-down strike as a

part of the economic and organization policy of the American Federation of Labor.

William Green, president of the American Federation of Labor, issued (July 9, 1937) the following statement regarding the steel strikes:

"It now becomes certain that the steel strikes at Chicago, Cleveland, Johnstown, Youngstown, Canton, and other cities are lost. That means that the Committee for Industrial Organization failed to meet its first major test successfully. The strikes exacted their toll in human life and human suffering. No one can correctly measure the extent of the distress which individuals and whole communities have suffered and will suffer.

"The hosts of labor are truly sorry because of the failure of the costly experiment and its tragic outcome. They regret that thousands of workers were persuaded to sacrifice themselves as victims of ill-advised and untimely strikes. Resentment and disappointment among these workers is bound to follow.

"The query now is, What steps will now be taken by the one who formulates the policies of the Committee for Industrial Organization? He ordered those employed in the mines of the independent steel companies to strike in sympathy with the steel workers. Those workers are idle now for the alleged purpose of preventing the independent steel companies from securing coal. Now that the steel mills are in operation, will he call out on strike those mine workers who are employed at mines where the steel companies will now buy their fuel supply? He is now confronted with the problem of carrying out his threat to call miners on strike who are working under contract in mines where coal will be mined and shipped to independent steel companies or directing those employed at mines owned by said independent steel companies back to work, defeated and demoralized.

"There are two outstanding reasons why the strikes were lost.

"First. Because only a minority of the steelworkers employed at the plants involved were organized when the strikes were called. Apparently, the C. I. O. leaders are strong for minority action and minority control. They sought to win a major battle with only a corporal's guard in action. The C. I. O. was not defeated because the small number of victims who participated in the strike lacked heroism or courage, but simply because the overwhelming majority of the steelworkers refused to join the C. I. O. and participate in the strike. The essential requirement of a strong and complete organization of workers, preliminary to the calling of a strike, was completely ignored.

"Second. Public opinion was aroused because of the violent policies pursued by the C. I. O. in automobile and steel during the past year. It became openly hostile. Here, again, the power and force of public opinion is emphasized. The leaders of the C. I. O. may as well make up their minds that they cannot win strikes against which public opinion sets itself. The reaction of public opinion against the C. I. O. and C. I. O. methods is reflected in the creation of vigilante organizations in different cities, in the enactment of legislation such as the new Labor Relations Act in Michigan, and the threat of repressive legislation in other States, as well as in the Congress of the United States. As a result of the creation of hostile public opinion against the C. I. O., the American Federation of Labor must intensify its fight against the enactment of repressive legislation such as compulsory arbitration, the incorporation of trade-unions and the restriction of the rights which organized labor may exercise both in carrying out contracts and in the inauguration and prosecution of justifiable strikes. We cannot permit all organized labor to be penalized because of the stupid mistakes of the C. I. O.

"The violation of agreements, the seizure of public property, violence, riots, and uprisings can have no place in the social, economic, and industrial life of America. No union of workers who resort to the use of such methods can succeed. Failure for those who pursue such a policy is inevitable. Workers of the United States understand this to be true. They are willing to strike and fight for higher wages and improved conditions of employment, but they will do so as law-abiding people through the exercise of every moral, legal, and economic right to which they are entitled, in an orderly way and in conformity with the laws of the land.

"No hostile employer in America has done the cause of organized labor more harm than those who formulated, executed, and administered the policies of the Committee for Industrial Organization during the past 18 months."

EXCHANGE OF LAND AT NEW CUMBERLAND GENERAL DEPOT, PENNSYLVANIA

Mr. SHEPPARD. Mr. President, I ask unanimous consent for the immediate consideration of House bill 7210, being Calendar No. 1332. It provides for an exchange of land between the Federal Government and the State of Pennsylvania.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the bill (H. R. 7210) to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to convey to the Commonwealth of Pennsylvania all right, title, and interest of the United States in and to that portion of the New Cumberland General Depot, New Cumberland, Pa., consisting of that portion of the said depot lying in the northwest corner thereof and now occupied by the Commonwealth of Pennsylvania under a lease dated June 2, 1936, and to accept in exchange therefor a conveyance from the Commonwealth of Pennsylvania of the fee-simple title to a tract of land adjoining New Cumberland General Depot of approximately the same area, both conveyances to be under such terms and conditions as may be prescribed by the Secretary of War.

INDEFINITE POSTPONEMENT OF A BILL

Mr. SHEPPARD. Mr. President, I move the indefinite postponement of House bill 5593, being Calendar No. 1341, a similar Senate bill having passed the House yesterday. It is a bill to provide for the addition or additions of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

CAROLINA MALDONADO

Mr. CONNALLY. Mr. President, I ask unanimous consent for the immediate consideration of House bill 5846, being Calendar No. 1322. This is a claims bill which passed the House unanimously, and is recommended by the Senate Committee on Claims.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the bill (H. R. 5846) for the relief of Carolina Maldonado was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Carolina Maldonado, of Socorro, Tex., the sum of $3,500, in full satisfaction of her claim against the United States for injuries received while riding in automobile which was struck by Government truck no. 33799 operated in connection with the Civilian Conservation Corps near Ysleta, Tex., on June 22, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ERNESTINE HUBER NEUHELLER

Mr. HUGHES. Mr. President, I ask unanimous consent for the consideration of Calendar No. 1335, being Senate bill 2710.

Mr. BARKLEY. Let the title of the bill be stated.

The PRESIDING OFFICER. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 2710) for the relief of Ernestine Huber Neuheller (nee Ernestine Huber).

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

There being no objection, the bill (S. 2710) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude", shall not hereafter be held to apply to Ernestine Huber Neuheller who is the wife of Fritz Neuheller, an American citizen, on account of a conviction abroad for perjury, the alleged offense having been committed in a civil action where the alien, as a witness, denied for personal reasons, having met the defendant, a friend, at a certain time. The appellate court judge reviewing the case considered the alien's action incomprehensible and declared her to be an otherwise truthful,

faithful, and decent person, in no way immoral or tainted with moral turpitude. If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Ernestine Huber Neuheller (nee Ernestine Huber) under this act upon application hereafter filed.

NOMINATIONS ON EXECUTIVE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the order which I send to the desk may be entered.

The PRESIDING OFFICER. The order will be read.

The Chief Clerk read as follows:

Ordered, That paragraph 6 of Rule XXXVIII be suspended and that all nominations on the executive calendar of the Senate, or pending before any of the standing committees of the Senate, shall remain in statu quo until the convening of the next session of Congress and that the said nominations shall not be affected by the adjournment of the present session of Congress.

Mr. AUSTIN. Mr. President, I understand that the appointees to positions will not collect their compensation or salary until the Senate itself confirms their nominations. I ask the Senator from Kentucky if that is his understanding.

Mr. BARKLEY. The order simply leaves any nominations that have been sent to the Senate and have not been acted on in the same status they now occupy, so that they do not lapse, and the President is not required to send them back to the Senate at the next session. I do not think it will have a bearing on the appointees' ability to draw salary, because unless the President appointed them during the recess, notwithstanding that the nominations might have been sent in to the Senate, they would not be in a position to draw any salary.

Mr. AUSTIN. I understand that unless this order were made their terms would expire with the expiration of this session of Congress, and they would have to be reappointed at the beginning of the next session.

Mr. BARKLEY. They would have to be reappointed at the beginning of the next session.

Mr. SCHWELLENBACH. Mr. President, may I inquire whether or not any nominations have been received today.

Mr. BARKLEY. I do not think so. I do not recall that any nominations have been received today.

Mr. AUSTIN. Mr. President, there is one further inquiry that I wish to make with respect to the order. Does the order apply to nominations that have been referred to committees and on which there is no report?

Mr. BARKLEY. It does.

Mr. AUSTIN. In the case of failure to report because of determination to hold up confirmation, does the Senator from Kentucky understand that those appointees hold over until the end of the next session?

Mr. BARKLEY. No. If they are new appointments, of course, they do not hold over at all. If any nomination has been sent here which constitutes a reappointment, of course, that nomination would simply remain before the Senate without the necessity of sending it back when we meet again. If it is a new appointment, it simply remains here, and the President does not have to send it back when we meet again; but the appointee would enjoy no official status because of that fact.

Mr. AUSTIN. And by virtue of this order the status of the nomination in the committee remains the same as it is today?

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky [Mr. BARKLEY]? The Chair hears none, and the order is entered.

EMPLOYMENT OF PERSONS BY WORKS PROGRESS ADMINISTRATION

Mr. THOMAS of Utah. Mr. President, Senate Joint Resolution 176 provides for employment of persons by the Works Progress Administration and also for the furloughing of persons who are already on relief who might enter private employment. The Committee on Education and Labor has been threatening for several days to attempt to secure the consideration of the joint resolution and its passage, because the committee, along with the Senator from Washington [Mr. SCHWELLENBACH], considered that there was an emergency existing that should be met at the present time.

I should like to report that we have made progress by consultation with Mr. Hopkins, and that he is changing his policy to such an extent that persons who enter upon temporary private employment will be furloughed by the Works Progress Administration. I ask that the letter from Mr. Hopkins be read to the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., August 21, 1937.

Hon. LEWIS B. SCHWELLENBACH,
United States Senate, Washington, D. C.

MY DEAR SENATOR SCHWELLENBACH: Confirming our telephone conversation, may I say that the Works Progress Administration has now a fixed policy of furloughing all persons who receive temporary jobs and guaranteeing them reemployment on the Works Progress Administration at the expiration of those jobs.

The quota reductions have been completed to the extent that, during the remainder of this calendar year and through the winter months, it will not be necessary to remove employable persons from the Works Progress Administration who do not have private employment unless they are removed for cause.

I should say further that it is our desire to continue the policy of replacing workers who receive temporary employment, and I do not believe that it will be necessary to initiate a new policy to forcibly remove otherwise competent workers from the W. P. A. rolls unless they have private employment.

Very sincerely yours,

HARRY L. HOPKINS, *Administrator.*

Mr. THOMAS of Utah. Mr. President, in view of the fact that the Administrator has taken this action, we shall not press at this time the consideration of the joint resolution.

Mr. BARKLEY. Mr. President, I should like to ask the Senator a question. If I understand the policy outlined in the letter which has just been read, it will really encourage the tendency on the part of men employed by the Works Progress program to accept temporary private employment, and to that extent will aid the Works Progress Administration in a wider distribution of the funds available for employment. Men now on the rolls may be induced to accept temporary jobs with the expectation that they may return to the Works Progress projects, if necessary; otherwise they might not feel like relinquishing the Works Progress employment to go into private employment for only a short while.

Mr. THOMAS of Utah. That is entirely correct. Persons who find themselves upon relief rolls have discovered that their employment, while at wages very much less than those received in private industry, is, nevertheless, sure and certain, and the relief rolls become more attractive, especially when the private employment is temporary. As the result of this action, persons who leave the relief rolls can leave safely, knowing that their places there will be preserved for them.

Mr. BARKLEY. I wish to congratulate the Senator from Utah, the Senator from Washington [Mr. SCHWELLENBACH], and others who have been interested in this program on their progress and what seems to me to be a satisfactory consummation of their efforts.

BENEFIT PAYMENTS TO COTTON PRODUCERS

Mr. CONNALLY. Mr. President, I now ask unanimous consent, as I indicated earlier in the day I would, for the immediate consideration of Senate Joint Resolution 205, providing for benefit payments to cotton producers with respect to cotton produced in 1937.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. BILBO. Mr. President, while I am in sympathy with the purposes sought to be attained by the joint resolution, yet, under the agreement we had with the President and the Secretary of Agriculture, I am forced to object.

The PRESIDING OFFICER. Objection is made.

Mr. CONNALLY. Mr. President, do I understand the Senator from Mississippi to object merely on the ground that the President and the Secretary of Agriculture have assured him and other Senators that what is proposed to be done by this resolution will be done by Executive order in substance?

Mr. BILBO. In substance everything except the fixing of the 10 cents a pound instead of 9 as the loan value. Substantially all the other purposes, we have assurance, will be carried out.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. BYRNES. The conferees on the deficiency-appropriation bill reached an agreement as to the cotton-price-adjustment item. Under that agreement the amendment which was adopted by the Senate is to be presented to the other House, with the conferees on the part of the House advocating its adoption. The matter was a very controversial one. It was adopted by the conferees because of their understanding that it carried out the agreement, as I said some days ago, between the Chief Executive and Members of the Senate Committee on Agriculture and Forestry, and I think of the House Committee on Agriculture also.

The amendment in the deficiency bill does not go into the question as to the amount of the loan. It was our understanding that that question was to be determined by the President and by the Commodity Credit Corporation.

I hope the Senator from Texas will not press his joint resolution at this time. So far as I am concerned, I believe that the loans should be 10 cents per pound, but that is a matter that can be determined under the agreement arrived at between the Executive and the Members of the Senate. Certainly the amendment that has been adopted on the deficiency appropriation bill carries out that agreement, and I think the Senate should stand by it just as I have urged that the Chief Executive should stand by it.

Mr. CONNALLY. If that is the agreement, and it seems to be assured by what the Senator is saying, in view of the objection that has been made to my request for unanimous consent, I shall not press the motion to take up the joint resolution, because I realize that other matters are pending which Senators desire to have considered.

CIVIL-SERVICE EXAMINATION FOR POSTMASTER, PORTSMOUTH, VA.

Mr. GLASS. Mr. President, the Secretary of the Senate has furnished me with a copy of the response of the Civil Service Commission to the resolution, unanimously adopted by the Senate yesterday, demanding to know by what authority and at whose suggestion and for what reasons the Civil Service Commission refused to let the two Virginia Senators know the result of an examination held 4 months ago at Portsmouth, Va., for the postmastership at that city.

I stated yesterday that the two Virginia Senators have practically divested themselves of all right of appointment to post offices in Virginia, having conveyed that right to the respective Representatives in Congress from Virginia, and during all this time neither Senator from Virginia has objected to any appointment that any Representative in Congress from that State has suggested and that has been sent in according to his suggestion.

The response of the Civil Service Commission is neither frank nor accurate. When I called the Chairman of that Commission up to know the result of the examination for the post office at Portsmouth he hesitated for awhile and then said it was a very embarrassing question. Well, it should not have been an embarrassing question, for the Senate is equally responsible along with the Executive for these appointments, and Senators from any State are entitled to know the facts in connection with any case.

The Chairman of the Civil Service Commission indicated clearly that some higher authority had intervened and had caused the Civil Service Commission to withhold certification for that office. He knew perfectly well why. It was because a certain person desired to be appointed and had failed in the examination, and the maneuver was to "rig" him in at all events, by either ordering a new examination or otherwise, and for that reason the Senators from Virginia were not to be given the information as to the result of the first examination.

The Civil Service Commission now reports that the action was taken at the request of the President of the United States. Of course, if the President wants to assume responsibility for that kind of procedure, it is all right. The Senate will then assume its responsibility when it comes to confirming the nominations.

ESTABLISHMENT OF A NATIONAL ECONOMIC COUNCIL—LIMIT OF EXPENDITURES

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably Senate Resolution 152 and ask unanimous consent for its immediate consideration.

There being no objection, the resolution (S. Res. 152) submitted by Mr. BULKLEY on July 15, 1937, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Manufactures, authorized by Resolution 114, Seventy-fourth Congress, to investigate the desirability of establishing a National Economic Council, hereby is authorized, in pursuance of such investigation, to expend from the contingent fund of the Senate $5,000 in addition to the amount heretofore authorized for such purpose.

CONFIDENTIAL INFORMATION FURNISHED BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Mr. CLARK. Mr. President, day before yesterday, when the calendar was called, I objected to the consideration of the bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes. On investigation, I find this is an important bill, affording opportunity to the Bureau of Foreign and Domestic Commerce, Department of Commerce, to collect information merely for statistical purposes. Therefore, I not only desire to withdraw my objection, but I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 2940) to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any statistical information furnished in confidence to the Bureau of Foreign and Domestic Commerce by individuals, corporations, and firms shall be held to be confidential, and shall be used only for the statistical purposes for which it is supplied. The Director of the Bureau of Foreign and Domestic Commerce shall not permit anyone other than the sworn employees of the Bureau to examine such individual reports, nor shall he permit any statistics of domestic commerce to be published in such manner as to reveal the identity of the individual, corporation, or firm furnishing such data.

SEC. 2. Any employee of the Bureau of Foreign and Domestic Commerce violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000 or imprisoned not exceeding 1 year, or both.

HENRY T. SHARP AND OTHERS

Mr. REYNOLDS. Mr. President, from the Committee on Military Affairs I report back favorably the bill (H. R. 6893) for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins, and I submit a report (No. 1294) thereon. I ask unanimous consent for the immediate consideration of the bill. It involves a matter of only $300.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (H. R. 6893) for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, notwithstanding the terms and conditions of contract of sale and purchase dated January 14, 1926, as amended, be, and he is hereby, authorized and directed to convey to Henry T. Sharp, Asheville, N. C.; Hilliard B. Atkins, Waynesville, N. C.; and Theodore S. Meekins, Manteo, N. C., as their interest may appear, all the right, title, and interest of the United States of America in and to the Beacon Island Military Reservation, N. C., without payment of the balance due the United States under the aforesaid contract, as amended.

PROMOTION OF EMPLOYEES IN THE CUSTOMS SERVICE

Mr. WALSH. Mr. President, I wish to ask the Senator from Kentucky [Mr. BARKLEY] if it is his intention to have a call of the calendar today?

Mr. BARKLEY. Mr. President, it is not contemplated that we shall have a call of the calendar. We called the calendar so recently that it is now practically clear.

Mr. WALSH. Then, I desire to ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1331, being the bill (H. R. 7948) providing for the promotion of employees in the customs field service. I ask the attention of the Senator from Utah [Mr. KING]. I do not think the Senator was present when the bill was reported, and I believe he had some objection to it. The junior Senator from Maryland [Mr. RADCLIFFE] is especially interested in the bill.

Mr. KING. Mr. President, in view of information which I have received and without desiring to show any hostility to the bill, I object to the request of the Senator from Massachusetts.

The PRESIDENT pro tempore. Objection is heard.

PUNISHMENT FOR TRANSPORTATION OF STOLEN ANIMALS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1375) for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes, which were, on page 1, line 7, to strike out "or", and on the same page, line 7, after the word "mule", to insert a comma and "or domestic fowl".

Mr. HATCH. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

JAMES A. LYONS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1965) for the relief of James A. Lyons, which were, on page 1, line 5, after "Lyons", to insert "of Roanoke, Va."; on page 1, lines 5 and 6, strike out "said sum representing" and insert "in full settlement of all claims against the United States for"; on page 2, lines 2 and 3, to strike out "alleged to have been"; on page 2, lines 4 and 5, to strike out "a public passenger-transportation vehicle, to wit"; on page 2, line 8, to strike out all after "Department" down to and including "there", in line 10, and insert "who was"; and on page 2, line 11, to strike out all after "officer" down to and including line 18 and insert ": *Provided*, That the clerk of the United States District Court for the Western District of Virginia is hereby authorized and directed to satisfy, of record, the said judgment of James A. Lyons against Thomas Bailey: *Provided further*".

Mr. AUSTIN. I move that the Senate concur in the House amendments.

The motion was agreed to.

WORK OF THE SESSION

Mr. BARKLEY. Mr. President, I have prepared a statement concerning the work of the first session of the Seventy-fifth Congress, which I desire to ask unanimous consent that I may have printed in the Appendix of the RECORD under my own name.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the nomination of T. A. M. Craven, of the District of Columbia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1937.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

COURT OF APPEALS, DISTRICT OF COLUMBIA

Mr. BURKE. Mr. President, a vacancy occurred on the United States Court of Appeals for the District of Columbia within the last few days, caused by the death of Justice Josiah A. Van Orsdel. Yesterday the President submitted the nomination of Mr. Justin Miller, at present a member of the Board of Tax Appeals, to fill the vacancy. The Judiciary Committee at its meeting this morning authorized me to report the nomination favorably and to ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

There being no objection, the legislative clerk read the nomination of Justin Miller to fill the vacancy on the United States Court of Appeals for the District of Columbia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. BURKE. I ask unanimous consent that the President be notified.

The PRESIDENT pro tempore. Without objection, the President will be notified.

FEDERAL COMMUNICATIONS COMMISSION

Mr. BARKLEY. Mr. President, the Committee on Interstate Commerce through its chairman, the Senator from Montana [Mr. WHEELER], reported the nomination of Mr. T. A. M. Craven to be a member of the Federal Communications Commission. I ask unanimous consent that the nomination be now considered.

The PRESIDENT pro tempore. Is there objection?

Mr. HOLT. Mr. President, I ask that the nomination go over.

The PRESIDENT pro tempore. The nomination will be passed over.

Mr. BARKLEY. I ask that nominations on the Executive Calendar be stated.

CIVIL SERVICE COMMISSION

The legislative clerk read the nomination of Samuel H. Ordway, Jr., of New York, to be Civil Service Commissioner.

Mr. KING. Mr. President, in view of the complaints we have heard today concerning the Civil Service Commission, I desire to inquire from the appropriate committee as to the competency of the nominee whose name has just been read, Mr. Ordway. Is any member of the Civil Service Committee present?

Mr. LA FOLLETTE. Mr. President, I am not a member of the committee, but I happen to know that Mr. Ordway takes the place of Dr. White, of the University of Chicago, who resigned sometime ago.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. WALSH. I hope an explanation will be made of the qualifications of this appointee.

Earlier in the afternoon I referred to the attitude of Members of the other branch toward the civil-service law, part of which was due to actions attributed to the members of this Commission. I hope we shall have some evidence that the nominee is a man of personal integrity, of courage, and of intellectual capacity. In my opinion, a member of the Civil Service Commission is in many respects a national school teacher. He must have the qualifications and the training and the learning of a great teacher, and he ought to be a man of exemplary character.

Mr. KING. I agree with the Senator.

Mr. GLASS. Mr. President, he ought also to be a man who realizes that United States Senators are largely responsible for the appointment of postmasters.

Mr. KING. In view of the fact that we have had criticisms concerning the Civil Service Commission, and in view of the

information we have had today from the distinguished Senator from Massachusetts in connection with the housing bill, it seems to me we ought to know something about this gentleman before we confirm him. I ask that the nomination be passed over.

The PRESIDENT pro tempore. The nomination will be passed over.

Mr. O'MAHONEY. Mr. President, I observe that the Senator from Tennessee [Mr. McKELLAR] is in his seat. The Senator is a member of the Committee on Civil Service. I inquire of him whether he was present at any meeting of the committee which passed on the nomination of Mr. Ordway.

Mr. McKELLAR. Mr. President, I regret to say that I was not. I have been very busy with the deficiency bill before the Committee on Appropriations.

Mr. O'MAHONEY. Yes; I know the Senator has.

Mr. McKELLAR. I have not been able to attend the Committee on Civil Service, so I do not know anything about this nominee. I regret that I do not.

SOCIAL SECURITY BOARD

The legislative clerk read the nomination of Clarence N. Grey, of Massachusetts, to be principal administrative officer in the Social Security Board.

Mr. WALSH. I move that the nomination of Mr. Grey be confirmed.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

POSTMASTERS

Mr. McKELLAR. Mr. President, on page 2 of the list of postmasters appears the name of George B. Vermilya to be postmaster at Towner, N. Dak. One of the Senators from that State, Mr. FRAZIER, has asked that the nomination be recommitted to the committee; and I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination of Mr. Vermilya will be recommitted to the Committee on Post Offices and Post Roads.

Mr. McKELLAR. I ask unanimous consent that the remainder of the nominations of Postmasters on the Executive Calendar be confirmed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee?

Mr. O'MAHONEY. Mr. President, before the request is granted, I should like to ask the Senator from Tennessee whether, in his opinion, there is likely to be any progress at the next session with respect to the bill which has passed the House and is pending before the Civil Service Committee providing for the extension of the civil-service laws to the appointment of postmasters.

Mr. McKELLAR. I am quite sure there will be. I will say that on the Senate substitute—which, if adopted, would have sent the two bills to conference—I undertook to poll the committee at this time; but I could get only 5 members to sign the report, and for that reason the matter will have to come up in its regular course.

I have no doubt that a bill will be passed at the next session of Congress, and I hope it will be satisfactory to everybody.

Mr. O'MAHONEY. I may say that the Representative from Georgia who is chairman of the House Committee on the Civil Service stated to me only this morning that he was agreeable to an amendment which he understood had been proposed to his bill in the Senate committee; namely, that the confirmation of postmasters should continue as in the past.

Mr. McKELLAR. That is, as to postmasters of the first, second, and third classes. I do not know what his position was about the matter. He had not informed me; but I am quite sure the amendment will be adopted by the Senate.

I renew my request for unanimous consent for the confirmation of the remaining nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the remaining nominations of postmasters on the Executive Calendar are confirmed.

Mr. McKELLAR. Mr. President, from the Committee on Post Offices and Post Roads I report favorably the nominations of four additional postmasters, and ask that they may be considered at this time.

Mr. KING. Mr. President, before the request is acted upon, I ask whether any of these postmasters are in Virginia.

Mr. McKELLAR. No; three of them are in Missouri, and one in Tennessee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the nominations will be read.

The legislative clerk read the nomination of William T. Scott to be postmaster at Centerville, Mo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William O. Vinson to be postmaster at Lilbourn, Mo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Basil V. Jones to be postmaster at Pleasant Hill, Mo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William F. English to be postmaster at Pulaski, Tenn.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. McKELLAR. I ask unanimous consent that the President may be notified of the confirmation of all the nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the President will be notified.

That concludes the Executive Calendar.

FEDERAL COMMUNICATIONS COMMISSION

Mr. JOHNSON of Colorado. Mr. President, in connection with the report from the Interstate Commerce Committee recommending the confirmation of the nomination of Mr. McNinch and Mr. Craven as members of the Federal Communications Commission, I agree with the President in his selection of them; I voted in the committee for their confirmation, and believe they should be confirmed by the Senate.

I have long felt that some corrective measures are necessary in the workings of the Commission. For example, I have just learned from Colorado that a constituent of mine practicing before this Commission, a man of splendid reputation in Colorado, had accusations made against him by one member of the Commission. Instead of following the generally accepted practice of referring such charges to the recognized bar association and its grievance committee, the Federal Communications Commission has been spending months in fooling around with these charges, with a great deal of publicity.

I understand that the chairman of the bar association wrote to the Commission and offered the services of the bar association, but the same member of the Commission who brought the accusation also refused to accept the bar association's offer.

It seems to me that the confirmation of men of wide experience and courage would result in putting a stop to such practices. In my opinion the President has made a wise choice in these men, and their addition to the Commission will be very wholesome.

LEGISLATIVE SESSION

Mr. BARKLEY. Mr. President, for the time being I move that the Senate return to the consideration of legislative business.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate resumed legislative session.

EXTENSION TO PUERTO RICO OF SECTION 21 OF BANKHEAD-JONES ACT

Mr. SMITH. Mr. President, from the Committee on Agriculture and Forestry, I report back favorably without amendment the bill (H. R. 7908) to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico.

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 7908) to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

RED LAKE BAND OF CHIPPEWA INDIANS

Mr. WHEELER. Mr. President, I ask unanimous consent for the present consideration of House bill 4539, Calendar No. 1326, authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation. This is their money. The bill simply provides that they are to receive a per-capita payment out of their own money. The bill is approved by the committee and approved by the Department.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 4539) authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

The PRESIDENT pro tempore. The Senator from Montana asks unanimous consent for the present consideration of the bill. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

METLAKAHTLA INDIANS OF ALASKA

Mr. WHEELER. Mr. President, I ask unanimous consent for the present consideration of House Bill 6042, Calendar No. 1327, making further provision with respect to the funds of the Metlakahtla Indians of Alaska. This is a bill to put some of their funds in trust, to be paid out by the Secretary of the Interior. The bill is approved by the Department and by the House committee, and has been passed by the House.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 6042) making further provision with respect to the funds of the Metlakahtla Indians of Alaska.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

UINTAH, WHITE RIVER, AND UNCOMPAHGRE BANDS OF UTE INDIANS

Mr. WHEELER. Mr. President, House bill 4399, Calendar No. 1328, is a bill authorizing payment for certain lands appropriated by the United States, and for other purposes. This is a bill which has passed the House. A similar bill passed the Senate last year. It was introduced, as I recall, by the Senator from Utah [Mr. KING] last year, and passed the Senate at that time. I ask unanimous consent for the present consideration of the House bill.

The PRESIDENT pro tempore. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 4399) authorizing payment for certain lands appropriated by the United States, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. AUSTIN. Mr. President, I inquire to what use these lands were appropriated.

Mr. KING. Mr. President, may I reply to the inquiry of the Senator from Vermont? A number of years ago more than a million acres of land belonging to the Indians of the Ute Tribes, some of whom are in Colorado and some of whom are in Utah, were taken by Executive order and added to a forest reserve. Subsequently the Congress passed a bill appropriating a dollar and a quarter an acre for a large part of the land. The residue of it was presumed to contain coal, and, indeed, it did contain coal; and it was recommended that an appropriation be made to pay the Indians for the coal land which had been taken at the same time with the rest of the land to which I have referred. This bill is to compensate the Indians for the coal land.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1226) to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia.

The message returned to the Senate, in compliance with its request, the bill (S. 2188) to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

The message also announced that the House had agreed to a resolution (H. Res. 340), as follows:

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn, unless the President has some other communication to make to them.

NEW EPOCH IN THE LABOR MOVEMENT—ADDRESS BY SENATOR GUFFEY

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD, pursuant to the authority granted on request of the Senator from Kentucky [Mr. BARKLEY] a day or so ago, a speech to be delivered on August 24 over the radio by the junior Senator from Pennsylvania [Mr. GUFFEY].

Mr. BYRD. I object. Is this the speech that was delivered last night?

Mr. MINTON. Oh, no; this is a speech on the subject of labor.

Mr. BYRD. Are there in the speech any offensive references to any Member of the Senate?

Mr. MINTON. No. I will say to the Senator that I have read the speech, and there is no reference in it to anyone to which objection might be made.

Mr. WHEELER. Is this one of the speeches of the Senator from Pennsylvania [Mr. GUFFEY].

Mr. MINTON. It is to be delivered by the Senator from Pennsylvania in New York on next Tuesday night, and I hope the Senator will tune in.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

VERNICE MAY M'BROOM

Mr. MURRAY. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1343, being Senate bill 2090, the purpose of which is to confer citizenship on Vernice May McBroom, who was born in the United States, but through some technicality lost her residence here. The bill has been favorably reported.

Mr. KING. Mr. President, was she naturalized in some other country?

Mr. MURRAY. No, she was not. She was born and raised in Boise, Idaho, but her parents went to Canada

when she was a child. She returned to this country, and is a teacher in the State of Idaho.

Mr. McGILL. Mr. President, I should like to explain this case further in response to the question propounded by the Senator from Utah.

This lady's parents were native-born citizens of the United States, as were her grandparents also, and she was born in the United States at Boise City, Idaho. During her girlhood her parents moved to Canada. Her father became naturalized in Canada, but before she arrived at her majority they returned to the United States. After she had reached 21 years of age her father became again naturalized in the United States.

Mr. KING. I have no objection.

Mr. POPE. Mr. President, I merely desire to say, in connection with this case, that I happen to be acquainted with this lady, and she is a teacher by profession, and one of very high character

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the bill (S. 2090) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Labor is authorized and directed to permit Vernice May McBroom, a native-born citizen of the United States, who involuntarily lost her citizenship during her minority by reason of the naturalization of her father as a citizen of Canada, to remain in the United States.

SEC. 2. Notwithstanding any other provision of law, said Vernice May McBroom may be naturalized as a citizen of the United States by filing a declaration of intention and taking the oath of allegiance, in the manner prescribed in the naturalization laws, before any court having jurisdiction of the naturalization of aliens.

NOTIFICATION TO THE PRESIDENT

Mr. BARKLEY. Mr. President, I send a resolution to the desk, which I ask to have read.

The resolution (S. Res. 189) was read and agreed to, as follows:

Resolved, That a committee of two Senators be appointed by the President of the Senate to join a similar committee appointed by the House of Representatives to wait upon the President of the United States and inform him that the two Houses, having completed the business of the present session, are ready to adjourn unless the President has some further communication to make to them.

RECESS

Mr. BARKLEY. Mr. President, the only immediate matter engaging the attention of the Senate is the necessity of waiting on the House to adopt the conference report on the deficiency bill. Therefore, I move that the Senate take a recess subject to the call of the Chair.

The motion was agreed to; and at 4 o'clock and 40 minutes p. m. the Senate took a recess subject to call of the Chair.

At 5 o'clock and 55 minutes p. m. the Senate reassembled, being called to order by the President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate nos. 24, 35, and 52 to the bill and concurred therein.

The message also announced that the House had passed the bill (S. 1567) authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

PRODUCTION AND CONTROL OF HELIUM

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1567) authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes, which were, on page 5, line 18, to strike out all after the word "use", down to and including "airships" in line 19, and insert "except that helium may be sold for the inflation of only such airships as operate in or between the United States and its Territories and possessions, or between the United States or its Territories and possessions and foreign countries."

On page 5, line 19, after the word *"Provided"*, to insert "That no helium shall be sold for the inflation of any airship operating between two foreign countries notwithstanding such airship may also touch at some point in the United States: *Provided further,"*.

On page 5, line 22, after the word "properties", to insert "and the payment of interest at a rate of not less than 3½ percent per annum on capital hereafter expended (except from the special fund established in subsection (c) of section 3 of this act) for properties, facilities, and helium-bearing gas lands, as are";

On page 5, line 23, after the word "production", to insert a colon and *"Provided further,* That notwithstanding the foregoing provision helium shall be sold for medicinal purposes at prices which will permit its general use therefor";

On page 7, line 3, to strike out "and approved by the President" and insert "on the joint recommendation of all of the members of the National Munitions Control Board and the Secretary of the Interior"; and

On page 7, line 20, to strike out "211" after "exportation", down to and including "sold" in line 24.

Mr. THOMAS of Utah. Mr. President, I move that the Senate concur in the House amendments. I make this motion with reluctance. The House has added a provision that the helium which is sold for the purpose of inflating foreign-owned airships shall be used only in those ships which are flown from a foreign country to and from America and her possessions. The practical effect of the amendment is to limit the foreign sale to particular lines which can fly their ships to the United States or to our possessions. That is contrary to the spirit of the Helium Act, which was conceived for the purpose of improving and making possible the use of lighter-than-air craft throughout the world.

The amendment means that, so far as American helium is concerned, if Great Britain, for example, wished to run a line from London to South Africa, she would be prevented from getting American helium for that purpose. It means that France could not run a line from France to Africa using American helium. It means that Holland would be deprived of using American helium for the purpose of running a line from Rotterdam to the Dutch East Indies. The amendments even go so far as to prevent the operation of foreign ships using American helium between two foreign countries, although such ships touch the United States.

Nevertheless, there is so much in the bill of good that I feel the Senate is justified in accepting the amendments of the House because they do make helium a Government monopoly; they do give to us control of that monopoly; they do make it possible for those airship companies which are ready to buy and use our helium in lines running to American ports to experiment further, and thereby develop the industry.

While it is with reluctance, therefore, that we accept the amendments, at the same time we feel that the whole world will be served as the result of the enactment of the bill.

Mr. BARKLEY. Mr. President, I realize how the Senator from Utah feels with respect to the House amendments, but, in view of the fact that the industry is in its infancy, and no one can at this time tell to what extent lighter-than-air craft will be utilized later in the commercial world, it seems to me that under all the circumstances it

is better to accept the amendments, with the assurance that we will have the benefit of whatever experience this may bring to us in the administration of the law, and if helium or lighter-than-air craft should make an extensive development, as probably will be the case in the future, guided by the experience we may obtain from the existence of the act on the statute books, including the amendments, we may be in a better position to legislate on the subject in the future than we are now. Only with that assurance in mind do I myself feel that we are justified in accepting the amendments adopted by the House.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Utah [Mr. THOMAS] that the Senate concur in the amendments of the House.

The motion was agreed to.

TRIBUTE TO THE SENATE AND DECLARATION OF ITS PATRIOTISM

Mr. LEWIS. Mr. President, will Senators allow me to impose upon them for what will not exceed 1 minute of time?

I deem it very appropriate that we direct the thought of the American public at this moment that it may not be misguided.

Earlier in the day, on the floor of the Senate there were expressions from able Senators disclosing differences of views upon very important subjects, fundamental in the extreme, both to the Constitution and to the country. These views will on tomorrow morning take some form of expression throughout the world, and there be greatly exaggerated, both as to their expression and their effect. Because these conflicts were expressions within a party, and that party the party of Government control, there will be those in different parts of the earth who will conclude that it means a division, and that it means a conflict, and perchance a destruction that will lead to confusion, and, therefore, sir, the division of devotion, if not the withering of patriotism.

From the great Far East this morning we have the news of an unfortunate catastrophe befalling the vessels of the Navy of our United States. In any part of the Orient at the present time something may arise of very serious import. In Europe it is also evident that there are nations whose attitude of mind is that here in America we are so distracted generally that such a thing as unity of purpose cannot be relied upon by us, and need not be feared by them.

Mr. President, here at this moment we proclaim to mankind that though other nations may with partisan spleen rip their institutions to fragments, or by the swing of sword and bayonet shiver the spirit of affection and slit their union of life, driving all to the flames of anarchy, it shall not be so with this our United States. Here in the Senate we may assail with contest and conflict. Still the world shall know that when the hour calls to repress every emotion but that of patriotism, it is then, as with Samuel, when called to sacred duty, that we all respond, "Here am I." Ever faithful to our devotion to America we stand, and stand we will, a united people in a united Nation, with our Constitution as our shield, and our oath registered in heaven, pledging our lives to God and country.

I thank the Senate. [Applause on the floor.]

DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8245) "making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 12, 19, 26, 27, 33, 36, 37, 47, 55, 68, and 74.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 20, 23, 28, 29, 30, 32, 38, 39, 40, 41, 42, 43, 44, 45, 46, 49, 50, 51, 53, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 70, 71, 75, 76, 77, 78, 79, 80, 81, 82, 83, and 84, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$115,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Public Schools: The authorization for the acquisition of a site for the Jefferson Memorial Junior High School and Library contained in the Act making appropriations for the fiscal year 1938, approved June 29, 1937, shall not be available for the purchase of a site prior to April 1, 1938."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: Omit the last sentence of the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"THE SUGAR ACT OF 1937

"To enable the Secretary of Agriculture to carry into effect the provisions of the Sugar Act of 1937, fiscal year 1938, $250,000: Provided, That such sum shall become available when such Act becomes a law."

And the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"General Committee of Accident Prevention Conference: For salaries and expenses of the general committee of the Accident Prevention Conference, authorized in the Act entitled 'An Act to advance a program of national safety and accident prevention', including personal services in the District of Columbia and elsewhere, printing and binding, traveling expenses, and all other expenses authorized in said Act, fiscal year 1938, $17,500."

And the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Bonneville project: For administering and carrying out the provisions of an Act entitled 'An Act to authorize the completion, maintenance, and operation of the Bonneville project, for navigation and other purposes', approved August 20, 1937, including necessary personal services in the District of Columbia and elsewhere; the purchase of easements and rights-of-way; purchase, exchange, and operation of automobiles; purchase of office furniture and equipment; stationery and office supplies; purchase of equipment and other supplies; rent, traveling expenses, telegraph and telephone expenses, printing and binding and all other necessary expenses, fiscal year 1938, $100,000."

And the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Commission to investigate reclamation projects: For expenses and all necessary disbursements, including salaries, to be expended under the direction of the Secretary of the Interior, of the Commission authorized by the Act entitled 'An Act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects', fiscal year 1938, $30,000: *Provided*, That such sum shall not become available unless and until the aforesaid legislation is enacted into law."

And the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: Before the period (.) at the end of the matter inserted by such amendment, insert the following: ": *Provided*, That under the funds made available by this paragraph contracts shall not be made with private shipbuilders or orders placed with navy yards for more than two of such vessels and the cost of either shall not exceed the estimated cost thereof set forth on pages 524 and 525 of the hearings of the House Committee on Appropriations on the Third Deficiency Appropriation Bill for the fiscal year 1937"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$10,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$70,000"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"American Printing House for the Blind: To enable the American Printing House for the Blind more adequately to provide books and apparatus for the education of the blind as provided by law, fiscal year 1938, $50,000."

And the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Improvement of Indian River Inlet and Bay, Delaware: For the improvement of Indian River Inlet and Bay, Delaware, in accordance with plans and conditions set forth in report of the Chief of Engineers dated July 7, 1937, submitted in response to resolution of the Committee on Rivers and Harbors of the House of Representatives, adopted February 21, 1935, at an estimated cost of $443,000, $160,000, payable from the appropriation for rivers and harbors contained in the War Department Civil Appropriation Act, 1938; and in addition there shall be contributed by local interests $160,000."

And the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Flushing Bay, New York: For improvement in accordance with River and Harbor Committee Document Numbered 35, Seventy-fifth Congress, $505,000, payable from the appropriation for rivers and harbors contained in the War Department Civil Appropriation Act, 1938."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 24, 35, and 52.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
JAMES F. BYRNES,
FREDERICK HALE,
Managers on the part of the Senate.

C. A. WOODRUM,
JOHN J. BOYLAN,
CLARENCE CANNON,
LOUIS LUDLOW,
JOHN TABER,
R. B. WIGGLESWORTH,
Managers on the part of the House.

Mr. ADAMS. I move that the conference report be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Colorado if the amendment adopted by the Senate providing for the operation of the apprentice-training program was agreed to?

Mr. ADAMS. It was agreed to.

Mr. MINTON. Mr. President, I wish to make an inquiry. I ask the Senator from Colorado what was done with reference to the new building for the Government Printing Office.

Mr. ADAMS. The House receded from its amendment, and the Senate provision was agreed to.

Mr. TRUMAN. Mr. President, what was done with the amendment regarding the Soldiers' Home?

Mr. ADAMS. That amendment was rejected.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Colorado that the conference report be agreed to.

The report was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

FEDERAL COMMUNICATIONS COMMISSION—T. A. M. CRAVEN

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of the nomination of T. A. M. Craven, of the District of Columbia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1937. In that connection I will state that I have talked with the Senator from West Virginia [Mr. HOLT], who objected to the consideration of the nomination when we were in executive session at an earlier hour, and I have also conferred with the Senator from Nebraska [Mr. BURKE], and the Senator from Nebraska is prepared to make a statement on the subject.

Mr. KING. Mr. President, I indicated that I should object to the consideration of this nomination.

Mr. BURKE. Mr. President, will the Senator from Kentucky withhold his request for a few moments?

Mr. BARKLEY. Yes.

Mr. KING. Mr. President, I should like to have a short time to consider the matter.

Mr. BARKLEY. At the request of the Senator from Utah, who desires to think over this nomination for a minute or so, I withdraw the request temporarily.

The PRESIDENT pro tempore. The Senator from Kentucky temporarily withdraws his request.

CIVIL SERVICE COMMISSION—SAMUEL H. ORDWAY, JR.

Mr. BARKLEY. I now request that the nomination of Samuel H. Ordway, Jr., of New York, to be a Civil Service Commissioner be considered by the Senate.

Mr. KING. Mr. President, I should like to have the Senator from Kentucky make a statement in connection with that nomination.

Mr. BARKLEY. Mr. President, the Senator from Utah objected to the consideration of this nomination earlier in the day, because he had been unable to obtain information concerning the appointee. I will state to the Senate that since that time I have been able to ascertain something about Mr. Ordway. Of course, the Senate understands that the Civil Service Commission is a bipartisan Commission. The appointment is a Republican appointment, and therefore it had to go to some Republican.

Mr. Ordway is the son of the late Samuel Ordway, of New York City, who was an outstanding advocate of civil-service reform during the administration of Grover Cleveland. He distinguished himself in that field, and was well recognized by all those throughout the country who believed in genuine civil-service reform. The appointee under consideration is the son of that illustrious father, and he has followed in his father's footsteps with respect to his devotion and his sincerity in that field. He served for 2 years as Civil Service Commissioner in the city of New York, from which position he resigned to resume the practice of law in that city. He is about 40 years of age, a man of the highest character, and stands well not only among these in his profession, but among all those in the city of New York who know him.

While I have not been able to get in touch with the Senator from New York [Mr. WAGNER], I have been able to confer with those in his office, and I am assured by them that the Senator from New York knows about this appointee, regards him very highly, and sincerely hopes that his nomination may be confirmed.

Mr. CLARK. Has the Senator conferred with the senior Senator from New York [Mr. COPELAND]?

Mr. BARKLEY. He has not been here today, and I have not been able to get in touch with him.

Mr. CLARK. The junior Senator from New York [Mr. WAGNER] was here today.

Mr. BARKLEY. Oh, yes; the junior Senator from New York [Mr. WAGNER] was here until an hour or so ago.

No. The Senator from New York [Mr. COPELAND] is not here today.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PITTMAN. Can any Senator by an objection prevent the confirmation of a nomination?

The VICE PRESIDENT. He cannot.

Mr. PITTMAN. My understanding is that under our practice, to facilitate business, the Chair ordinarily says, "Without objection, the nomination is confirmed." Nevertheless, the nomination is required to be submitted to a vote, is it not?

The VICE PRESIDENT. That is correct.

Mr. KING. Mr. President, when this nomination was called this afternoon I objected to its immediate consideration in order that we might learn something about the qualifications of the nominee. During past days we have had some discussion of the civil service and the merit system. A feeling has grown up that the civil service is being sacrificed and that there is too much of a disposition to return to the spoils system. If we are going to have a civil-service system I believe it should be a real civil service and merit system, and not be used or prostituted for partisan purposes.

I desired to make some inquiries as to the qualifications of the gentleman who was named. I went to the chairman of the Senate Committee on the Civil Service, and he stated he did not know the nominee. Upon inquiry from the two Senators from New York it was ascertained that neither of them knew Mr. Ordway. I felt I was justified in making objection.

Since then the Senator from Kentucky has made inquiry, as I am advised, and has been informed that Mr. Ordway is a man of ability and integrity, that he has given considerable attention to civil-service matters and to the merit system, and he, as well as the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], advised me that the man is qualified and that he would be a proper addition to the organization. I am glad, if a Republican is to be named—and one ought to be named under the law—that he is to be a man of merit, who will add prestige to the organization.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. What legislative day is this?

The VICE PRESIDENT. Legislative days do not count in executive session.

Mr. CLARK. Then, I will propound another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. We are in executive session. When was the nomination reported?

The VICE PRESIDENT. Yesterday. The question is——

Mr. CLARK. No, Mr. President. I should like to propound another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Was the nomination reported yesterday on a legislative day or on a calendar day?

The VICE PRESIDENT. The Chair is informed that the nomination was reported yesterday by the committee.

Mr. CLARK. I make the point of order that the nomination is not now properly before the Senate under the rules of the Senate.

The VICE PRESIDENT. The Chair understands there are two rules with reference to legislative days. In executive session and in considering executive business, a legislative day is construed to mean a calendar day of 24 hours. In legislative session, a legislative day may continue for 200 calendar days, more or less. The report was made yesterday, and it is now subject to the will of the Senate as to whether the nomination shall be confirmed.

Mr. CLARK. I withdraw my point of order.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL COMMUNICATIONS COMMISSION—T. A. M. CRAVEN

Mr. BARKLEY. Mr. President, I now ask unanimous consent for the immediate consideration of the nomination of T. A. M. Craven to be a member of the Federal Communications Commission.

The VICE PRESIDENT. The nomination will be stated.

The legislative clerk read the nomination of T. A. M. Craven, of the District of Columbia, to be a member of the Federal Communications Commission.

Mr. KING obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BARKLEY. I merely wish to say, under all the circumstances which exist, that it is extremely important that this nomination be confirmed in order that there shall not be a vacancy on the Commission at a time when very important work is to be taken up by the Commission. If the nomination should fail of confirmation it would be necessary for the President to make a recess appointment, either of this man or someone else.

The Committee on Interstate Commerce, which had jurisdiction, after going thoroughly into the matter and having Mr. Craven before the committee, unanimously reported the nomination yesterday, and I have every reason to believe that if he had not measured up to the requirements a unanimous report would not have been made.

Mr. BURKE. Mr. President, I have examined very carefully into the matter of the appointment of Mr. Craven to the Communications Commission. I think the Senator from Utah [Mr. KING] will agree that it would be better to make the appointment at this time and if it should be necessary later to pass a resolution for a thorough senatorial investigation of the Commission, that will be done; but it will aid the situation very much if the nomination of Mr. Craven is confirmed at this time.

Mr. KING. Mr. President, I have hesitated to interpose an objection to the confirmation of the nomination of Mr. Craven for lack of full information concerning his relations to the organization heretofore. Statements have been made that he has been a large stockholder in various radio stations and radio corporations which have been the beneficiaries of some action upon the part of the Radio Commission. There has been considerable criticism of the Radio Commission. I am not attempting to defend or confirm the validity of the criticisms, but there has been a considerable demand that there be some sort of change or reorganization in connection with this very important Commission.

I shall be glad to hear the statement of the chairman of the Interstate Commerce Committee, the Senator from Montana [Mr. WHEELER], as to the attitude of the committee and his views in regard to the testimony which was adduced at the hearing. I am very glad to learn there will be an examination and an investigation of the activities of the Commission in the past. It may be very useful to guide the Commission in the future. I shall be glad if the Senator from Montana will advise us whether the nomination should be confirmed.

Mr. WHEELER. Mr. President, when the names of Mr. Craven and Mr. McNinch were sent to the Senate for confirmation they came before the Interstate Commerce Committee. I had never known and had never seen Commander Craven. We asked him to come before the committee. We examined him with reference to past transactions. Telegrams were sent to some members of the committee and some Members of the House of Representatives making charges against him which seriously reflected upon his character and upon his right to sit as a member of the Commission.

Mr. Craven is a graduate of the Naval Academy at Annapolis. While he was in the Navy he studied radio communication. I have been told by two or three Members of the Senate that he is one of the outstanding experts and engineers in his line. He is not only recognized in the United States as such by people who understand the business but throughout the entire world.

Commander Craven represented, I believe he testified, some 100 different radio stations in the United States. He testified that at the time he was appointed engineer for the Commission he had retainers or a business which brought him approximately $49,000 gross revenue and $32,000 net revenue, and that he gave them up in order to accept a $9,000 position with the Commission. He stated that he did so because of the fact that the President of the United States had asked him to do so, and that he thought it was his duty to comply with the President's request.

At the time Mr. Craven accepted the position of chief engineer, he owned stock in three or four different radio companies. He entered into contracts with the companies to take back the stock. He assigned those contracts to his lawyer here in the city of Washington. The contracts provided that money should be paid to him over a period of something like 52 months. My recollection of the testimony is that he received from these companies, perhaps, $20,000 or $23,000 in cash for his shares, and that he deposited the money in a safe-deposit box rather than in the bank. In explanation of that fact, he stated that he was having some marital troubles, and for that reason he deposited the money in the safe-deposit box rather than in the bank, and that he did it on the advice of his attorney.

Mr. Craven likewise testified that the attorney to whom he had assigned these contracts was a very well known lawyer here in the city of Washington who constantly practiced before the Commission, and that this lawyer had consulted him and visited his office on numerous occasions in connection with matters connected with radio and with other matters.

By reason of the fact that Mr. Craven's nomination was sent to the Senate only a few days ago, the committee did not have a chance to go into it thoroughly and check up on all phases of the testimony given before the committee, or his connection with the companies. After a hearing before the committee, and after the contracts were presented and put in evidence, and after I had received from several Senators the assurance that they believed in Mr. Craven's honesty and integrity and felt that he would make a good member of the Commission, I did not object to his confirmation.

I desire to say with reference to the Radio Commission in this city that according to all the reports that have come to us, during the Republican administrations and during this administration it has been a political football, and I have so reported from time to time.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WALSH. Is that opinion entertained also by other members of the Senator's committee?

Mr. WHEELER. I think all the Members of the Senate who know anything about the Radio Commission—members of the committee and others who know anything about it—feel that the Radio Commission has been used as a political football.

Mr. WALSH. I have heard rumors and had suspicions to that effect, but I wondered if the members of the committee had actually reached that conclusion from any evidence presented to them.

Mr. WHEELER. I do not think there is any doubt that that conclusion has been reached. The best indication of that fact is that the Senator from Maine [Mr. WHITE] submitted a resolution for an investigation of the Commission and for a study of the various laws relating to radio, and so forth.

Mr. WALSH. Is that resolution pending?

Mr. WHEELER. The resolution came before the Interstate Commerce Committee, and in my absence it was unanimously reported out by the committee, and is now pending before the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WALSH. I think it is very significant that the committee unanimously reported the resolution of investigation. They must have had some basis for undertaking a project of that kind.

Mr. WHEELER. I do not think there is any question about the fact that during the entire life of the Commission, a period of something like 10 or 12 years, there has been no study of the laws relating to the radio, and nothing has been done about it. I can say as chairman of the Interstate Commerce Committee—and the same thing is true of other members of the committee—that tales have repeatedly been brought to us of political influence being brought to bear. As a matter of fact, one of the Commissioners himself has publicly made the charge, as I recall, that there was corruption in the Commission. I cannot believe that that is true; but that charge has been publicly made.

Mr. WALSH. What I wanted to know was whether that conviction was strengthened by other members of the committee entertaining similar views.

Mr. WHEELER. I do not think there is any doubt about it, because, as I say, of the fact that in my absence the resolution providing for an investigation was taken up and unanimously reported out of our committee, and is now before the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WALSH. I can conceive of nothing more harmful and injurious to the public interest than to have the Communications Commission politically controlled, or controlled by any sinister influences, or by any group except those actuated by the highest motives of serving the whole public.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CLARK. In view of the very great importance of the control of the radio of the United States—really a rival organization of the public press of the United States—and in view of the further fact that there is now in course of development a process of transcription which may make it possible for the radio concerns of the United States to all intents and purposes to put out of business the newspapers of the United States, does not the Senator believe the question involved is really a question of the liberty of the press, guaranteed by the Constitution of the United States?

In other words, if the Crosley Co., for instance, is permitted to operate a 500,000-watt station, and a few other superpower stations are permitted to do likewise, but the same privilege is withheld from others, and scientific developments as they have been progressing during the past few years make the radio similar to ticker tape, whereby developments of the day before will be taken into the people's homes by radio, will not control of radio either by chains or by superstations make it certain that the constitutional provision with regard to liberty of the press will be circumvented?

Mr. WHEELER. I thank the Senator for his statement.

Mr. BURKE and Mr. SCHWELLENBACH addressed the chair.

The VICE PRESIDENT. Does the Senator from Montana yield, and, if so, to whom?

Mr. WHEELER. I yield first to the Senator from Nebraska.

Mr. BURKE. Mr. President, referring to the question raised by the Senator from Massachusetts [Mr. WALSH] in reference to the political aspect of the Communications Commission, I ask the Senator if it is not true that that does not apply at all to Mr. Craven; that there is no objection to him because of his being politically inclined one way or the other? Is not that correct?

Mr. WHEELER. I do not think Mr. Craven is politically inclined, either as a Republican or as a Democrat. I think he is an engineer.

The only question in my mind with reference to Mr. Craven is that he has been closely associated with many of the companies, and I would not hold that against him in the slightest degree, because when he was in the field as an engineer—and he was a competent engineer—there is no question but that he was employed by a number of these companies because they thought he was competent.

I am not one of those who believe that because a man has represented some company or some radio station he is disqualified from serving upon the Commission. I think it is unfortunate for Mr. Craven himself, and unfortunate for the Commission, that the committee did not have an opportunity to go thoroughly into the nomination and sift the charges which have been made in the other House of the Congress with reference to these matters. But time did not permit us to go into those matters as thoroughly as some of the members of the committee would have liked to go.

Mr. BURKE. One of the vacancies on the Commission occurred within the last few days, I believe. I do not know how they are allocated.

In reference to the point raised by the senior Senator from Missouri concerning the freedom of the press, in which we are all interested, is it not true that nothing has been introduced before the committee that would in any way indicate that Mr. Craven would not be a valuable member of the Commission, and fully preserve the freedom of the press, and all of the other guaranties we have in mind?

Mr. WHEELER. I have not any worry on that score.

Mr. BYRNES. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. BYRNES. As chairman of the subcommittee of the Committee on Appropriations having in charge the independent offices appropriation bill, I may say that the budget for the Federal Communications Commission is presented to us. I have never spoken to Mr. Craven outside of the committee room, but he is the best-informed man of whom I know in the engineering division of the Commission, and we have come to accept his statements without question as to matters before the Commission. The impression made upon us is that he is not only an unusually efficient man, but that he is a patriotic public servant.

Mr. WHEELER. I thank the Senator.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator from Montana a question. In view of the fact that the Senator from Maine [Mr. WHITE] introduced a resolution for an investigation—and I might say that, so far as I am concerned, I think, with all due respect to all other Members of the Senate, the Senator from Maine has had a broader background, so far as radio is concerned, than anyone else in the Senate—I should like to inquire, if I may, as to the attitude of the Senator from Maine as a result of the investigation the committee made of Mr. Craven?

Mr. WHEELER. The Senator from Maine can speak for himself, but I am sure that he will concur in the statement that Mr. Craven is a very able and a very intelligent man, and that his nomination should be confirmed.

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. WHITE. I am very glad to express my view of the situation and my opinion of this nominee.

I think I may say, without immodesty, that for a number of years I have given, perhaps, more time to communications problems than has any other Member of the Senate. In connection with my legislative work, and with my activities outside of the legislative bodies, I have had occasion to know Commander Craven.

As the chairman of the committee said, he was graduated from Annapolis and served thereafter in the Navy for a number of years. He was ultimately approached and offered a very advantageous contract to enter into private engineering services, and he did that.

During his life as an engineer outside of the governmental service Commander Craven acquired a large clientele. I think the testimony before the Senate was that, at various times, he had represented probably 100 different radio interests. But he emphasized, and I think it is important to the Senate to understand it, that, with all of his employment, he was serving and acting only as an expert on engineering matters, and at no time had he ever appeared before the Commission or ever represented clients in any matters involving policy or public relations. Always technical engineering problems had been his work.

At the time he was asked to take a position with the Federal Communications Commission as engineer he had a private practice approaching something like $50,000 a year, netting him $32,000 a year. He had no desire whatsoever to go onto the Federal Communications Commission as its engineer, but it was reported to him that it was the President's desire that he render this service to his country.

He was told, according to his testimony, not by the President himself, but by someone purporting to speak for the President, that the President entertained the view that this man had received his education at the cost of his country, that he had served his country in time of war and served the country afterward in the Naval Establishment; that he had worn the uniform of his country, and that here was a call coming to him to render further service to his Nation. He testified, and I believe it to be true, that he gave up this lucrative private practice in order that he might meet that call upon him.

When he left the Navy and began his private practice he entered into a contract with four different radio concerns under which he was to be paid a stipulated salary, and under which he was to receive a 10-percent stock interest in each of the companies. When he was asked to go into the Federal Communications Commission as its engineer, it became necessary for him immediately to divest himself of that stock interest in order to qualify as engineer.

He testified, and there is no evidence to contradict it, that he did divest himself of the stock interest by assigning the certificates of stock and by turning back the certificates of stock to the issuing company. He did, however, enter into a contract providing for the payment for that returned stock over a period of time. There was no other way in which he could meet the situation. There was no market for the stock; no place where he could sell it, no person to whom he could sell it, except to the issuing companies, and he had, as a matter of fact, to accept their terms of payment in order to divest himself of this disqualifying stock. That he did.

Mr. CLARK. Mr. President, will the Senator from Montana yield to me to ask a question of the Senator from Maine?

Mr. WHEELER. I yield.

Mr. CLARK. Does the Senator from Maine understand that the nominee still has a substantial interest, whether it is in payments over a period of years, or otherwise, in radio companies which may have cases before the Federal Communications Commission, matters of substantial interest?

Mr. WHITE. No, I do not. I understand that he has divested himself of all interest in these companies, and I believe him in this respect. He testified further that when any matter has come before the Commission for any client whom he had previously represented he had disqualified himself, and had never acted.

Mr. CLARK. Mr. President, will the Senator from Montana yield further?

Mr. WHEELER. I yield.

Mr. CLARK. Of course, that simply means we are putting a man on the Federal Communications Commission who will agree to disqualify himself whenever he thinks he has a personal interest.

Mr. WHITE. I do not know why anyone should disqualify himself unless he thinks that there is a situation which requires him to disqualify himself.

Mr. CLARK. Does the Senator think the Senate ought to confirm the appointment to a Commission of a man who has a known personal interest in many cases before it?

Mr. WHITE. He does not have such an interest at the present time. He has entirely divested himself of all interest.

Mr. CLARK. According to the Senator's own statement he has unpaid fees outstanding.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MINTON. Let me say to the Senator from Maine that, as I remember Commander Craven testified before the committee that he had now been paid in full.

Mr. WHITE. That is what I remember and what I understood.

Mr. CLARK. Then, Mr. President, I am entirely in error in my understanding of the statement of the Senator from

Maine. If the nominee has been paid in full and has no personal interest, of course, it is only the force of old associations that would influence him as a member of the Commission.

Mr. WHITE. Mr. President, I understand that the man has entirely disassociated himself from these possible relationships.

If I may say one more word, I will then sit down. I have had occasion to know this man and to know something about the esteem in which he is held by the radio industry of this country and by the radio experts of the world. I say to the Senate that he is an outstanding engineering authority in America today. I say to the Senate that he is recognized by the communications authorities of the world as one of the outstanding authorities in the world.

Mr. President, engineering problems constitute a major part and most difficult part of the problems presented to the Radio Commission. No engineer is now a member of the Commission. In this instance the President of the United States has gone to the very highest sources of authority in radio matters. He has presented to the Senate of the United States, as I believe, an outstanding nominee, a man of unquestioned knowledge and ability in his chosen field, and, I believe, a man of unquestioned personal character.

I personally have had as much to say in criticism of the Federal Communications Commission as has any other Member of this body. I think I know of many particulars in which that criticism is justified; but I personally was delighted when the President of the United States sent this nomination to the Senate, because I believe that throughout the length and breadth of this land he could not have found a man better qualified to serve the country and to meet the problems which are presented by this amazing industry.

I hope the nomination of Commander Craven will be confirmed.

Mr. KING. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. KING. May I ask the Senator again what has become of the resolution for an investigation of the Commission?

Mr. WHITE. I should like very much to see it adopted at this time.

Mr. KING. Why has it not been adopted, in view of the criticism in which the committee apparently have indulged?

Mr. WHITE. I shall have to refer the Senator from Utah to Senators on the Democratic side of the aisle. I cannot give the information.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BURKE. I should like to ask the Senator from Maine a question. Is it the view of the Senator from Maine that if a nominee of the outstanding qualifications of Commander Craven should be placed on the Commission, it may not be necessary to hold any investigation? Is it believed that he will straighten out the matters of the Commission so that it will perform its duties as Congress and the President conceived they should be performed?

Mr. WHITE. Mr. President, I think Commander Craven will improve conditions there, but I do not think his appointment will obviate the necessity for a serious study by the Congress of the principles and the policies that should be followed by the regulatory body.

Mr. BORAH. Mr. President——

Mr. WHEELER. I yield to the Senator from Idaho.

Mr. BORAH. I trust that the confirmation of Commander Craven will not dampen the ardor of the Senate to pass the resolution providing for an investigation of the Federal Communications Commission and then to make the investigation. Though the situation may be taken care of for the future, yet if there were some past transactions that were improper they ought to be revealed, and the persons who indulged in them ought to be punished.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BURKE. In the light of what the Senator from Idaho has said, I will state my position. Although I feel that the confirmation of the nomination of Mr. Craven to the Commission might so straighten out the affairs of the Commission that no investigation would ever be necessary, for myself I shall be very glad to support the resolution now pending and have the investigation made.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WHITE. Of course when a resolution is introduced, there is always a suspicion that someone is hunting for things to criticize in the conduct of affairs by persons charged with public responsibility. I have heard many things and I know many things about this Commission of which I do not approve, but I know that during the past 25 years there has been only one study, and that a brief and casual study, of radio problems by any committee of the Congress of the United States. In 25 years' time we have seen a great industry developed in the United States. We have seen conflicts of interest. We have seen problems of the greatest complexity and difficulty presented not only to our regulatory body but also presented to the Congress of the United States.

I should not for one moment concede that the appointment of new men to this Commission would obviate the necessity for a study. As a matter of fact, it almost seems to me that as new men are put on this Commission—men not familiar with the past, perhaps not familiar with what has been taking place in the radio industry, and certainly not familiar with what has been taking place in the regulatory body—there is even greater need for the study to be made for their benefit as well as for the benefit of the sitting and older members of the Commission.

So far as I am concerned, I do not care who is named to the Commission. However brilliant I think the appointees are, however honest I think they are, I should not want their appointment to stand in the way of, not an investigation, but rather a study of the problems involved.

Mr. WHEELER. I thank the Senator.

Mr. President, let me say in concluding that if I thought the confirmation of the nomination of Commander Craven would prevent a study being made of the Radio Commission and the radio industry, I certainly should not vote for confirmation. I agree entirely with what the Senator from Maine [Mr. WHITE] has said. I think the industry itself wants to see an investigation and a study made of the whole subject of radio. I think it would be exceedingly unfortunate for the radio industry itself and for the Radio Commission if a study were not made of the laws which are now upon the statute books, and generally of the industry, such as the Senator from Maine has suggested.

There is no man in the Senate of the United States and no man in the Congress who has given more study to the subject of radio than has the Senator from Maine. No man in this body is more competent to carry on a study of the subject than is the Senator from Maine.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MINTON. Does not the Senator from Montana think, under all the circumstances as he understands them from his contact with Senators who know Commander Craven and from the evidence we heard before the committee, that the nomination of Commander Craven ought to be confirmed?

Mr. WHEELER. In justice to Commander Craven, I feel that I could not possibly say anything against him. I think it is unfortunate that his nomination came in at this last moment, and that we did not have time thoroughly to sift the charges and innuendoes that have been made against him. I feel that if we had had such an opportunity, we should have dispelled all the suggestions that have been made with reference to Commander Craven, and that his nomination would not have been held up.

So far as I am concerned, I am in favor of the confirmation of his nomination. While I am in favor of it, I believe

the Interstate Commerce Committee ought to make a thorough study of the Commission at the next session of the Congress, for the benefit of the industry and for the benefit of the country.

We now have before the committee for study some of the most important questions that have ever confronted the Nation. One of those questions is whether or not concerns are to be granted licenses to operate high-powered stations similar to the Crosley station and a group of half a dozen other stations. If such grants are to be given, we shall be granting to a few people a monopoly in the matter of radio which will be one of the greatest forces ever known for controlling the economic and the political situation in this country.

No Member of the Senate at the present time has given serious consideration to that particular question, but it is a question that is being agitated before the Federal Communications Commission, and the Commission now has that question before it. It ought to be studied by the Congress of the United States.

Let me say to the Senator from Utah, likewise, that unless we stop this political manipulation of the Commission on the part of anyone, whether it be on the part of Members of Congress or on the part of the executive branch of the Government, it will bring into disrepute the radio industry and everyone connnected with it.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. CHAVEZ. If Senators want to keep politics out of the Radio Commission, if they want good technical advice, if they want the Radio Commission to function in the way it should function, we might as well confirm Commander Craven now. He is the only one named to the Commission up to this particular time who understands radio. He is honest, a man of the highest integrity, a man who understands what it is all about. I believe it is the best appointment that could possibly be made. He will do something for radio.

Mr. WHEELER. Mr. President, I hope the Senator is right. Of course, I pretty nearly fainted a few moments ago, in fact tears came to my eyes when I was told he had given up a $32,000-net job to take a $9,000 job with the Government. [Laughter.]

Mr. TRUMAN. Mr. President, I entered upon the investigation of Commander Craven with a violent prejudice against him. After listening carefully to the testimony of Commander Craven and considering his willingness to furnish all the information that was necessary, I came to the conclusion his nomination ought to be confirmed.

The VICE PRESIDENT, Without objection, the nomination is confirmed, and the President will be notified.

LEGISLATIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate resume legislative session.

The motion was agreed to; and the Senate resumed legislative session.

STUDY AND RESEARCH OF TRAFFIC CONDITIONS AND MEASURES FOR THEIR IMPROVEMENT

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on traffic conditions with recommendation for creative legislation, which, with the accompanying report, was ordered to lie on the table.

INVESTIGATION OF LOBBYING ACTIVITIES

The VICE PRESIDENT. The Chair appoints the Senator from Rhode Island [Mr. GREEN] as a member of the special committee to investigate lobbying activities in connection with the so-called holding-company bill (S. 2796, 74th Cong.), authorized by Senate Resolution 165, Seventy-fourth Congress, and subsequent resolutions, to fill the vacancy caused by the resignation from the Senate of Hon. Hugo L. Black.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1431. An act limiting the operation of sections 109 and 113 of the Criminal Code, and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 2010. An act to authorize the appointment of an additional judge for southern district of Ohio;

S. 2688. An act to provide for preliminary examination and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers; and

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes."

The message also announced that the House insisted upon its amendments to the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BEITER, Mr. O'MALLEY, and Mr. CLASON were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence; and

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2888) granting a leave of absence to settlers of homestead lands during the year 1937.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 46. An act for the relief of Ernest S. Frazier;

S. 53. An act for the relief of the Perkins-Campbell Co.;

S. 57. An act extending the benefits of the Emergency Officers' Retirement Act to Walter Conner;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 703. An act for the relief of John T. Armstrong;

S. 707. An act for the relief of Lucille McClure;

S. 772. An act for the relief of F. P. Delahanty;

S. 869. An act for the relief of John A. Flagg;

S. 886. An act for the relief of L. J. Powers;

S. 937. An act for the relief of Harry W. Dubiske;

S. 1052. An act to provide for the further development of cooperative agricultural extension work;

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota;

S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 1402. An act for the relief of P. S. Everest;

S. 1438. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1457. An act for the relief of Samuel Richard Mann;

S. 1548. An act for the relief of William A. Devine;

S. 1637. An act for the relief of Mrs. Charles T. Warner;

S. 1640. An act for the relief of Harry Bryan and Alda Duffield Mullins and others;

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes;

S. 1764. An act for the relief of Ruth Gaskins;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 1965. An act for the relief of James A. Lyons;

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2152. An act for the relief of Sue F. Melton;

S. 2154. An act for the relief of Hattie Tolbert;

S. 2159. An act for the relief of George R. Slate;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2241. An act for the relief of W. G. Adams;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2262. An act for the relief of Park B. Brandon and Robert G. Teer;

S. 2299. An act for the relief of M. M. Twichel;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay;

S. 2317. An act for the relief of Robert L. Summers;

S. 2374. An act for the relief of F. A. Gross and others;

S. 2455. An act to amend the Merchant Marine Act, 1936 (Act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2476. An act for the relief of R. F. Lassly;

S. 2487. An act for the relief of Leah P. Rice;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers;

S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended;

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. 2761. An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes;

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes;

S. 2866. An act for the relief of Vincent Ford;

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes;

H. R. 1093. An act for the relief of Cleveland L. Short;

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 2888. An act to grant relief to homesteaders and purchasers of public and ceded Indian lands and to authorize advance of amounts due on delinquent homestead entries on certain Indian reservations;

H. R. 3493. An act to amend section 76 of the judicial code with respect to the terms of the United States District Court at Tallahassee, Fla.;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 5495. An act for the relief of Anne E. Felix;

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 5846. An act for the relief of Carolina Maldonado;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.;

H. R. 7646. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936;

H. R. 7709. An act to incorporate the American Chemical Society;

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence;

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport;

S. J. Res. 135. Joint resolution to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes";

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes;

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942, commemorating the landing of Cabrillo, and for other reasons; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

INDIAN LANDS IN ARIZONA

The PRESIDENT pro tempore laid before the Senate the message from the House of Representatives returning to the Senate, in compliance with its request, the bill (S. 2188) to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

Mr. THOMAS of Oklahoma. I move that the Senate reconsider the vote by which the amendment of the House was disagreed to and conferees were appointed.

The motion was agreed to.

Mr. THOMAS of Oklahoma. I now ask the Chair to lay before the Senate the amendment of the House to the bill.

The PRESIDENT pro tempore laid before the Senate the amendment of the House, which was, on page 2, line 5, to strike out all after "reservation", down to and including "358)" in line 9.

Mr. THOMAS of Oklahoma. I now move that the Senate concur in the amendment of the House.

The motion was agreed to.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. Caraway, from the Committee on Enrolled Bills, reported that today, August 21, 1937, that committee presented to the President of the United States the following enrolled bills and joint resolutions:

S. 537. An act to provide suitable accommodations for the district court of the United States at Glasgow, Mont.;

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson;

S. 2263. An act providing for per-capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake;

S. 2862. An act to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho;

S. 2901. An act to amend subsection (e) of section 9 of the Trading with the Enemy Act, as amended;

S. J. Res. 162. A joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof;

S. J. Res. 197. A joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba; and

S. J. Res. 199. A joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938.

FINAL ADJOURNMENT RESOLUTION

The PRESIDENT pro tempore laid before the Senate the House Concurrent Resolution 25, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Saturday, the 21st day of August 1937, and that when they adjourn on said day they stand adjourned sine die.

Mr. BARKLEY. Mr. President, I move the adoption of the concurrent resolution.

The PRESIDENT pro tempore. The question is on the adoption of the concurrent resolution.

The concurrent resolution was agreed to.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

The PRESIDENT pro tempore laid before the Senate the concurrent resolution, House Concurrent Resolution 26, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That, notwithstanding the adjournment of the first session of the Seventy-fifth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

Mr. BARKLEY. Mr. President, I move the adoption of the concurrent resolution.

The PRESIDENT pro tempore. The question is on the adoption of the concurrent resolution.

The concurrent resolution was agreed to.

GREETINGS FROM THE PRESIDENT

The PRESIDENT pro tempore. The Chair lays before the Senate the following communication from the President of the United States, which will be read:

The Legislative Clerk read as follows:

THE WHITE HOUSE,
Washington, August 21, 1937.

MY DEAR MR. VICE PRESIDENT: Before the adjournment of the Congress, will you be good enough to extend to the Members of the Senate my regards and good wishes?

I hope that during the coming months all of you will have a pleasant and a happy vacation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

THE VICE PRESIDENT OF THE UNITED STATES AND PRESIDENT OF THE SENATE,
United States Senate, Washington, D. C.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. BARKLEY. Mr. President, on behalf of the Senator from Vermont [Mr. AUSTIN] and myself, who were appointed a committee to wait on the President and ascertain whether he had any further communications to make to the Senate, I have to report that we have discharged our duty and the President has no further communication to send to the Senate at this session.

ADJOURNMENT SINE DIE

Mr. BARKLEY. Mr. President, before I make the motion which I shall presently make, I wish to thank not only the Members of the Senate but the President of the Senate and all the officials of the Senate for the very genuine and cordial cooperation which I have received from all of them in the performance of my duties during recent weeks.

I wish for everyone of them the most delightful vacation. I wish to express my appreciation without regard to party, without regard to which side of the aisle Senators are on, for the splendid cooperation and courtesy which has been extended to me. I wish for all of you not only a delightful vacation, but that when we meet again you may return strengthened in mind and body, strengthened in the faith that we all feel in the fundamental institutions of the United States of America.

I move, in accordance with the terms of Concurrent Resolution 25, that the Senate do now adjourn sine die.

The motion was agreed to; and (at 6 o'clock and 55 minutes p. m.) the Senate adjourned sine die.

JOINT COMMITTEE ON HAWAII

Subsequent to the final adjournment of the Senate, the Vice President announced the appointment of Mr. TYDINGS, Mr. KING, Mr. CLARK, Mr. MCADOO, Mr. GIBSON, Mr. BONE, Mr. LUNDEEN, Mr. BROWN of Michigan, Mr. BURKE, Mr. GILLETTE, Mr. O'MAHONEY, and Mr. CONNALLY as the members on the part of the Senate of the Joint Committee on Hawaii, created by Senate Concurrent Resolution No. 18, agreed to August 21, 1937.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore, under the authority of House Concurrent Resolution 26, signed, on August 23, 1937, the following enrolled bills and joint resolutions, which had been previously signed by the Speaker of the House of Representatives:

S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia;

S. 1431. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes;

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes;

S. 2010. An act to authorize the appointment of an additional judge for the southern district of Ohio;

S. 2188. An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona;

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers;

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court of the District of Columbia, and for other purposes";

H. R. 6468. An act to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor;

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico; and

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The following enrolled bills and joint resolutions, heretofore duly signed by the Presiding Officers of the two Houses, under authority of House Concurrent Resolution 26, were presented on August 23, 1937, to the President of the United States by the Committee on Enrolled Bills:

S. 46. An act for the relief of Ernest S. Frazier;

S. 53. An act for the relief of the Perkins-Campbell Co.;

S. 57. An act extending the benefits of the Emergency Officers' Retirement Act to Walter Conner;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 703. An act for the relief of John T. Armstrong;

S. 707. An act for the relief of Lucille McClure;

S. 772. An act for the relief of F. P. Delahanty;

S. 869. An act for the relief of John A. Flagg;

S. 886. An act for the relief of L. J. Powers;

S. 937. An act for the relief of Harry W. Dubiske;

S. 1052. An act to provide for the further development of cooperative agricultural extension work;

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota;

S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia;

S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 1402. An act for the relief of P. S. Everest;

S. 1431. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 1438. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1457. An act for the relief of Samuel Richard Mann;

S. 1548. An act for the relief of William A. Devine;

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by United States of properties for the production of helium gas, and for other purposes;

S. 1637. An act for the relief of Mrs. Charles T. Warner;

S. 1640. An act for the relief of Harry Bryan and Alda Duffield Mullins, and others;

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes;

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes;

S. 1764. An act for the relief of Ruth Gaskins;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 1965. An act for the relief of James A. Lyons;

S. 2010. An act to authorize the appointment of an additional judge for southern district of Ohio;

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2152. An act for the relief of Sue F. Melton;

S. 2154. An act for the relief of Hattie Tolbert;

S. 2159. An act for the relief George R. Slate;

S. 2188. An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2241. An act for the relief of W. G. Adams;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2262. An act for the relief of Park B. Brandon and Robert G. Teer;

S. 2299. An act for the relief of M. M. Twichel;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay;

S. 2317. An act for the relief of Robert L. Summers;

S. 2374. An act for the relief F. A. Gross and others;

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2476. An act for the relief of R. F. Lassly;

S. 2487. An act for the relief of Leah P. Rice;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers;

S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended;

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes;

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. 2761. An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes;

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes;

S. 2866. An act for the relief of Vincent Ford;

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes";

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes;

S. J. Res. 135. Joint resolution to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River valley, and for other purposes";

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes;

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

APPROVAL OF SENATE BILLS AND JOINT RESOLUTIONS

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fifth Congress, notified the Secretary of the Senate that he had approved acts and joint resolutions of the Senate, as follows:

On August 19, 1937:

S. 854. An act for the relief of James O. Cook;

S. 2639. An act to authorize the Secretary of War to lease the Fort Schuyler Military Reservation, N. Y.;

S. 2871. An act for the protection of certain enlisted men of the Army; and

S. 2882. An act to authorize the construction of bridges in Caddo Parish, La.

On August 20, 1937:

S. 1282. An act to amend Articles of War 50½ and 70; and

S. 2401. An act for the relief of sergeant-instructors, National Guard, and for other purposes.

On August 21, 1937:

S. 413. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects;

S. 1551. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to the collection of State taxes;

S. 1696. An act to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington;

S. 1816. An act to amend section 77 of the Judicial Code, as amended, to create a Brunswick division in the southern district of Georgia, with terms of court to be held at Brunswick; and

S. 2751. An act to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the West Point Military Reservation, N. Y., for the construction thereon of certain public buildings, and for other purposes.

On August 23, 1937:

S. 1918. An act to authorize the award of a decoration for distinguished service to Acors Rathbun Thompson.

On August 24, 1937:

S. 1216. An act authorizing the Secretary of the Interior to convey certain land to the State of Montana to be used for the purposes of a public park and recreational site;

S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia;

S. 1889. An act authorizing the Secretary of the Interior to convey all right, title, and interest of the United States in certain lands to the State of New Mexico, and for other purposes;

S. 2614. An act authorizing the Secretary of the Interior to patent certain tracts of land to the State of New Mexico and Cordy Bramblet;

S. 2647. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost while engaged in emergency-relief expe`tions during the Ohio Valley flood in January and February 1937;

S. 2682. An act to authorize the Secretary of the Interior to issue patents to States under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976) subject to prior leases issued under section 15 of the said act;

S. 2901. An act to amend subsection (e) of section 9 of the Trading With the Enemy Act, as amended;

S. J. Res. 197. Joint resolution authorizing an appropriation for the expenses of participation by the United States in the Inter-American Radio Conference to be held in 1937 at Habana, Cuba;

S. J. Res. 199. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Eighth International Road Congress in 1938; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

On August 25, 1937:

S. 707. An act for the relief of Lucille McClure;

S. 772. An act for the relief of F. P. Delahanty;

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota;

S. 1283. An act to increase the extra pay to enlisted men for reporting;

S. 1431. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 1637. An act for the relief of Mrs. Charles T. Warner;

S. 1764. An act for the relief of Ruth Gaskins;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 2010. An act to authorize the appointment of an additional judge for southern district of Ohio;

S. 2152. An act for the relief of Sue F. Melton;

S. 2241. An act for the relief of W. G. Adams;

S. 2249. An act providing for the manner of payment of taxes on gross production of minerals, including gas and oil, in Oklahoma;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2262. An act for the relief of Park B. Brandon and Robert G. Teer;

S. 2281. An act to regulate proceedings in adoption in the District of Columbia;

S. 2317. An act for the relief of Robert L. Summers;

S. 2487. An act for the relief of Leah P. Rice;

S. 2613. An act for the relief of certain applicants for oil and gas permits and leases;

S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes;

S. 2851. An act to authorize the reservation of minerals in future sales of lands of the Choctaw-Chickasaw Indians in Oklahoma;

S. 2888. An act to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes;

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes; and

S. J. Res. 135. Joint resolution to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes."

On August 26, 1937:

S. 29. An act to require certain common carriers by railroad to install and maintain certain appliances, methods, and systems intended to promote the safety of employees and travelers on railroads, and for other purposes;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 537. An act to provide suitable accommodations for the district court of the United States at Glasgow, Mont.;

S. 703. An act for the relief of John T. Armstrong;

S. 869. An act for the relief of John A. Flagg;

S. 1548. An act for the relief of William A. Devine;

S. 1965. An act for the relief of James A. Lyons;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2154. An act for the relief of Hattie Tolbert;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2476. An act for the relief of R. F. Lassly;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2866. An act for the relief of Vincent Ford;

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes; and

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as the Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons.

On August 28, 1937:

S. 1402. An act for the relief of P. S. Everest;

S. 1640. An act for the relief of Harry Bryan and Alda Duffield Mullins, and others;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2159. An act for the relief of George R. Slate;

S. 2188. An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona;

S. 2299. An act for the relief of M. M. Twichel;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay;

S. 2374. An act for the relief of F. A. Gross and others;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2831. An act to approve a compact or agreement between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake; and

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes.

On August 30, 1937:

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes; and

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes.

On August 31, 1937:

S. 1438. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; and

S. J. Res. 162. Joint resolution to permit the States of Maryland, Virginia, West Virginia, Pennsylvania, and the District of Columbia to enter into a compact or agreement respecting the creation of a Potomac Valley conservancy district for the prevention or abatement of harmful pollution of the waters thereof.

On September 1, 1937:

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes;

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes; and

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes.

On September 2, 1937:

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

DISAPPROVAL OF SENATE BILLS

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fifth Congress, transmitted to the Secretary of the Senate a list of

Senate bills and Senate joint resolutions disapproved by him, with his reasons for such action, as follows:

On August 26, 1937:

ERNEST S. FRAZIER

S. 46. I have withheld my approval of Senate bill No. 46 entitled "An act for the relief of Ernest S. Frazier."

The bill, in effect, would direct that the War Department and the Veterans' Administration eliminate the words "illiterate and degenerate" from the records of those two agencies insofar as they relate to Ernest S. Frazier, late of the Texas National Guard in Federal service. It is my understanding that none of the substantial rights of this former soldier are affected by this item in his record and that he has received both compensation and hospitalization from the Veterans' Administration, based on his military service.

The reasons for the proposed legislation appear to be altogether sentimental, and inasmuch as approval of this bill would constitute a precedent for the introduction and passage of others, many of which would undoubtedly impose obligations of a pecuniary nature upon the Government, I feel that such an exception should not be made in this case.

FRANKLIN D. ROOSEVELT.

PLACING PROVISIONAL WORLD WAR OFFICERS IN THE SAME STATUS WITH EMERGENCY WORLD WAR OFFICERS

S. 1040. I have withheld approval of S. 1040, an act placing provisional officers of the World War in the same status with emergency officers of the World War and extending to them the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers, and for other purposes, for the following reasons:

This bill reads as follows:

That all persons who served as provisional officers in the Army, Navy, or Marine Corps of the United States during the World War, or who were appointed to commissioned or warrant grades or ranks in the Navy from civil life, or who entered the Navy from civil life and who were promoted to commissioned or warrant grades or ranks subsequent to April 6, 1917, and were honorably separated from such service prior to December 31, 1921, are hereby placed in the same status with all persons who served as emergency officers in the Army, Navy, or Marine Corps of the United States during the World War and extended the same benefits and privileges as are now or may hereafter be provided by law, orders, and regulations for said emergency officers: *Provided*, That application under this act for benefits and privileges must be made within 1 year after the passage of this act: *And provided further*, That the provisions of this act shall not be extended to those provisional officers retired under Regular Army retirement law.

SEC. 2. That all acts and parts of acts in conflict with or inconsistent with the provisions of this act are hereby repealed.

The principal result of this bill, if approved, would be that it would, in effect, amend section 202 (b) of the World War Adjusted Compensation Act, as amended, which reads as follows:

In computing the adjusted-service credit no allowance shall be made to—

* * * * * * *

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade, in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer * * *.

During the closing days of the Seventy-fourth Congress the Congress passed S. 3257, to change the last sentence of said section 202 (b), quoted above, to read as follows:

This subdivision shall not apply to any noncommissioned officer nor to any provisional, probationary, or temporary officer of the military or naval forces under the grade of major or lieutenant commander, who was honorably separated from the military or naval service prior to January 1, 1922: *Provided*, That applications under this act must be made within 1 year from the date of enactment.

I withheld my approval of S. 3257, and on June 26, 1936, set forth my reasons therefor in a memorandum reading in part as follows:

The legislative history of the World War Adjusted Compensation Act, as amended, indicates that in the framing of the original measure in 1924 the Congress gave careful consideration to this particular subsection of the act, provisional and temporary officers being considered precisely the same as Regular Army or Navy officers from the standpoint of enjoying the privileges and emoluments of the regular commissioned service and therefore not entitled to be beneficiaries of adjusted-service credit. The view which the Congress apparently took in this connection was that persons who held commissions in the Regular Army, Navy, or Marine Corps, as was the case with provisional and temporary officers, may be said to have adopted service in the Regular Establishment as their life work; that being an officer of the Regular Establishment they would not return to a civil vocation at the conclusion of the war; and that, therefore, there was no reason for paying them adjusted compensation, the purpose of which was, in large part, to compensate civilians serving for the duration of the war for the loss they suffered during the period of military or naval service, which, in fact, was an interruption to their ordinary vocation in private life.

Of the nine groups excluded under the present law, the provisional officer group would be the first to be brought in should this bill become law. Moreover, each adjusted-service compensation proposal submitted to date for Executive approval has been vetoed both by myself and by my predecessors in office. It would, therefore, not be consistent now to extend approval to this liberalizing amendment.

My objections to S. 3257, set forth above, have equal application to the subject bill, S. 1040. Furthermore, this bill would not only provide for the same benefits to the same classes of persons as proposed by S. 3257, but would go much further and provide that persons coming within the provisions of the bill shall be placed in the same status with all persons who served as emergency officers in the military or naval forces during the World War and shall be extended the same benefits and privileges as are now or may hereafter be granted to said emergency officers.

This bill is so broadly worded that it is extremely difficult to foresee what its complete effect would be, the complications that would arise in its administration, and the new or alleged inequalities that it would establish. Provisional officers of the World War have already had benefits and privileges under their contracts of service which were not accorded to emergency officers. Therefore, if provisional officers are granted the same benefits as emergency officers, as proposed by this bill, inequality in benefits as between the two groups would still exist.

For the reasons stated above and the fact that the War and Navy Departments and the Veterans' Administration recommend that this bill be not approved, I do not feel justified in giving it my approval.

FRANKLIN D. ROOSEVELT.

PUNISHMENT OF PERSONS TRANSPORTING STOLEN ANIMALS IN INTERSTATE COMMERCE

S. 1375. I have withheld approval of a bill (S. 1375) to provide for the punishment of persons transporting stolen animals in interstate commerce for the following reasons:

The bill would make it a Federal offense knowingly to transport in interstate commerce any stolen cattle, hog, sheep, horse, mule, or domestic fowl, or the carcass or hide or any part of the carcass or hide thereof. The receipt of such stolen property would likewise be made a Federal offense. It will be observed that the scope of the measure is so broad as to bring within its terms numerous offenses of the petit-larceny type. It would seem best that cases of this class should be handled by the local authorities, as they have been heretofore, and that Federal jurisdiction should not be extended to them.

Cattle and poultry depredations on a large scale, in instances involving interstate transportation, can be prosecuted under the National Stolen Property Act if the value of the property involved is $5,000 or more. A different question might perhaps be presented if it were merely sought to reduce the minimum jurisdictional amount of $5,000 to some extent.

FRANKLIN D. ROOSEVELT.

CONSTRUCTION OF BRIDGES OVER NAVIGABLE WATERS IN THE STATES OF MARYLAND AND VIRGINIA

S. 2761. In view of objections raised by the War Department with respect to interference with navigation facilities I have withheld approval of the act (S. 2761) recently passed by Congress, which authorized the construction by the State of Maryland of four bridges over navigable waters within that State and in Virginia, including a bridge across the Chesapeake Bay and a bridge across the Patapsco River,

both located between the city of Baltimore and the sea. Objection was based upon the fact that the construction of these two bridges would tend to prevent full use of the maritime facilities of this important port, both from the standpoint of commerce and of national defense.

The Federal Government has expended more than $16,000,000 to improve and develop the port of Baltimore for commerce. Commercial statistics reveal that the exports and imports, foreign and domestic, handled through the port of Baltimore for the calendar year 1935 totaled over 17,000,000 tons, with a value of approximately $615,000,000. This commerce is constantly increasing. It is apparent that the investment of the Federal Government and the heavy commerce must be adequately safeguarded for the unobstructed use of ships from the oceans of the whole world.

FRANKLIN D. ROOSEVELT.

CHANGING THE NAME OF THE DISTRICT POLICE COURT TO THE CITY COURT

S. 2909. I have withheld approval of the bill (S. 2909) to change the name of the police court for the District of Columbia to the city court of the District of Columbia, for the following reasons:

The court is clothed only with criminal jurisdiction and, therefore, "police court" seems to be an appropriate designation. The proposed change of name might be taken as an indication that civil jurisdiction has been conferred on that tribunal in addition to criminal jurisdiction. Moreover, in view of the fact that there is a municipal court in the District of Columbia, which has civil jurisdiction, confusion may possibly result from the similarity of names, "city court" and "municipal court."

FRANKLIN D. ROOSEVELT.

On August 28, 1937:

PERKINS-CAMPBELL CO.

S. 53. I have withheld approval of S. 53, an act for the relief of the Perkins-Campbell Co.

It appears that the Perkins-Campbell Co. was the contractor for furnishing leather satchels to the Post Office Department; that 1,000 satchels were rejected by the Post Office Department because of noncompliance with the specifications; and that subsequently, because of the urgent need of satchels in the Postal Service, the satchels were accepted at a reduction of 33⅓ percent of the contract price, following a conference by representatives of the contractor, the Post Office Department, and the Bureau of Standards.

The contention of the contractor that it was agreed at this conference that the Post Office Department would pay the balance on the satchels at the end of a year if they proved satisfactory is not supported by any evidence of record in the Post Office Department, and does not seem reasonable since it would obviously have been impracticable for the Department to keep a record of the life of the 1,000 satchels for the purpose of determining whether they equaled from a service standpoint other satchels which had been furnished in full compliance with the specifications.

The claim does not appear to me as being a just one, nor do I care to establish, by the approval of this bill, a precedent tending to encourage contractors to furnish materials to the Government falling below the standards agreed upon when the contract was entered into.

For the above reasons and because of the adverse recommendation of the Post Office Department, I do not feel justified in approving this bill.

FRANKLIN D. ROOSEVELT.

WALTER CONNER

S. 57. I have withheld my approval of S. 57, Seventy-fifth Congress, "An act extending the benefits of the Emergency Officers' Retirement Act to Walter Conner", which reads as follows:

That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to extend the benefits of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty, while in the service of the United States during the World War" (U. S. C., Supp. III, title 38, secs. 581, 582) to Walter Conner, formerly major, One Hundred and Forty-eighth Regiment United States Infantry, National Army, during the World War, if such Walter Conner files application with the United States Veterans' Administration for the benefits of such act within the period of 1 year after the enactment of this act. For the purposes of this act the terms of Public Law No. 506, Seventieth Congress, are hereby reenacted: *Provided*, That no back pay or allowances conferred by this act shall be held to have accrued prior to the passage of this act.

Mr. Conner did not file claim for benefits under the Emergency Officers' Retirement Act of May 24, 1928, within 12 months after its passage as was definitely required by that law. There are many other emergency officers who likewise failed to file application within the prescribed time limit, but it is proposed to single this officer out for preferred consideration to the exclusion of others. No facts or circumstances are evident which, in my judgment, would warrant this discrimination.

Furthermore, other provisions of the bill are not clear as to their intent to accord to or withhold from Mr. Conner privileges not now enjoyed by a large number of emergency officers whose cases are equally meritorious, and who, notwithstanding timely filing of their claims, are not presently on the emergency officers' retired roll.

The general laws providing relief for veterans and their dependents are applicable to such large numbers of persons that it is especially desirable, not only in the interest of good administration but also in the interest of justice, that no individual should be singled out for preferred consideration over and above others of similar merit. I recognize the propriety of affording relief in exceptional and meritorious cases where the general law, because of a technicality, does not cover. However, such does not appear to be the case here.

FRANKLIN D. ROOSEVELT.

ANNUAL APPROPRIATIONS TO STATES AND TERRITORIES FOR THE FURTHER DEVELOPMENT OF COOPERATIVE AGRICULTURAL EXTENSION WORK

S. 1052. I have withheld my approval of Senate bill 1052, which would authorize annual appropriations totaling $2,580,000, to be paid to the States and Territories for the further development of cooperative agricultural extension work. The total amount of such grants now authorized is approximately $14,000,000, and I feel that this amount should be made to suffice in view of the very great demands upon the Treasury, present and prospective, in the interest of agriculture. It would seem that the particular classes of extension work sought to be provided for by this bill might well be taken care of by amending existing law without increasing the total amount of present authorizations.

FRANKLIN D. ROOSEVELT.

AUTHORIZING CERTAIN PAYMENTS TO THE AMERICAN GOLD-STAR MOTHERS ET AL.

S. 1516. I have withheld my approval of S. 1516, an act to authorize certain payments to the American Gold Star Mothers of the World War and the American War Mothers, Inc., the Veterans of Foreign Wars of the United States, Inc., and the Disabled American Veterans of the World War, Inc.

This bill would appropriate out of the Treasury of the United States the sum of $294,852.97 to be divided among the above-mentioned organizations for use in aiding and assisting destitute or unemployed veterans and their dependents.

While the money to be appropriated represents the unexpended balance of certain funds accumulated by military organizations during the World War, Congress has already provided that, because of the impossibility of returning this money to the sources from which it originated, it be covered into the general fund of the Treasury and has authorized an equivalent amount to be appropriated, in the event of war, for the recreation, amusement, comfort, contentment, and health of the enlisted personnel of the Military Establishment.

The reports of the committees of Congress which considered this bill, stressed the fact that a portion of the money formerly in this fund was authorized to be appropriated to the American Legion to be used in connection with the liquidation of indebtedness against Pershing Hall Memorial in

Paris, thereby implying that other national organizations engaged in aiding and assisting veterans and their dependents are likewise entitled to share in this fund. The premise on which this argument is based seems to me an incorrect one. The appropriation which was made to the Secretary of the Treasury to liquidate the indebtedness connected with Pershing Hall was conditioned on the vesting of the legal title to the property in the Government of the United States for the use and benefit of all American veterans of the World War. In no sense could this former appropriation be considered as being for the benefit of any one organization of veterans. The purpose of that appropriation was entirely different from the one authorized by the pending bill.

I find myself unable to agree with the present proposal to provide, out of the general fund of the Treasury, for the donation to private agencies of funds to which they have no claim and to the expenditure of which the usual governmental safeguards would not apply.

FRANKLIN D. ROOSEVELT.

CONSTRUCTION OF A PUBLIC-SCHOOL BUILDING AT WORLEY, IDAHO

S. 2862. Authorizes an appropriation of $30,000 for cooperating with the public-school board of district 57, Kootenai County, Idaho, for the construction and equipment of a public-school building at Worley, Idaho.

There are several reasons why this legislation is objectionable.

A number of similar bills have heretofore been passed by the Congress. They were approved with reluctance, because no provision was made for reimbursement to the United States of money expended in improving property the title to which was not in the United States. S. 2862 makes no provision for the reimbursement of the proposed expenditure.

The need for the construction from an Indian standpoint is not apparent. Figures given in the adverse report of the Acting Secretary of the Interior dated June 17, 1937, on H. R. 6701 showed 160 white children and 9 Indian children attending the public school at Worley. The enrollment would be increased by 40 pupils if additional classroom space were provided; of this number, perhaps 10 would be Indians.

The present Indian enrollment at this school is less than 6 percent of the total, and it would not be increased beyond 10 percent if the new construction were undertaken. The ratio of Indian and white benefits clearly demonstrates that the construction of any addition at the Worley School is not a Federal responsibility, notwithstanding the fact that there are large areas of nontaxable land within the district.

If the appropriation were made, and as a condition thereto repayment over a period of 30 years with interest at 3 percent on unrecouped balances should be required, the district would not earn an amount sufficient to meet the annual payments. Representatives of the Coeur d'Alene Indians have urged that this legislation be not enacted, inasmuch as there would be a very few Indian children receiving any benefit from this expenditure.

Approval of this legislation is withheld.

FRANKLIN D. ROOSEVELT.

On August 30, 1937:

SAMUEL RICHARD MANN

S. 1457. I have withheld my approval of S. 1457, Seventy-fifth Congress, an act for the relief of Samuel Richard Mann, which reads as follows:

> That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to cancel the charge entered against Samuel Richard Mann, C-905813, in such amount as remains unpaid at the date this act becomes effective, which amount will represent the balance remaining due and unpaid on account of an overpayment of emergency officers' retirement award to the said Samuel Richard Mann due to an error of the Veterans' Administration.

This act proposes to relieve Samuel Richard Mann of the balance of the indebtedness to the Government which, as of July 31, 1937, was $1,298.34. This indebtedness was originally in the amount of $2,215.64 and resulted from the erroneous payment of emergency officers' retirement pay concurrently with active-duty pay. Liquidation of the indebtedness is being effectuated by withholding part of the monthly disability compensation benefits otherwise payable.

The facts in this case are similar to those in other overpayment cases, and there is no reason evident why this particular case should receive special consideration as proposed.

FRANKLIN D. ROOSEVELT.

On August 31, 1937:

HARRY W. DUBISKE

S. 937 is a bill to authorize and direct the Commissioner of Internal Revenue to receive, consider, and determine, in accordance with law, but without regard to any statute of limitations, any claim filed by Harry W. Dubiske, of Chicago, Ill., for a refund of income and profits taxes claimed to have been erroneously collected for the year 1919.

A suit for a recovery of the refund has been brought in the United States District Court for the Northern District of Illinois. One of the questions in controversy in that case is whether or not the taxpayer filed in due time a waiver which would have extended the running of the statute of limitations. The trial court has found "that plaintiff has not sustained the burden of proving the filing of the waiver." The litigation, however, has not as yet been concluded. Aside from any other considerations, it is premature to extend to the claimant any relief by legislative action while the matter is still pending in the courts.

It should be observed that the situation here presented materially differs from that involved in another case during the last Congress in which I approved the granting of legislative relief and in which it appeared that the court found that the taxpayer handed a waiver to a subordinate in the office of the Collector of Internal Revenue, and apparently, through no fault of the taxpayer, the waiver was not thereafter transmitted to the proper officials.

I have, on previous occasions, expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts, statutes of limitations, by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. I have pointed out that such legislation selects a small class of taxpayers for special treatment by excepting them from that policy, thus discriminating against the whole body of Federal taxpayers and establishing a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

For the foregoing reasons, I have withheld my approval of S. 937.

FRANKLIN D. ROOSEVELT.

SEMINOLE INDIANS IN OKLAHOMA

S. 2263. Authorizes a per-capita payment of $35 to the Seminole Indians in Oklahoma from their tribal funds.

The Acting Secretary of the Interior, in his report to the Committees on Indian Affairs, listed the balances to the credit of the Seminole Indians and indicated that, exclusive of the Seminole school fund and interest thereon, only $81,099.54 would be available for making the payment, if authorized, and that the Seminole income during the fiscal year 1936 was only $2,525.70. The Seminole school fund was established by the agreement of December 16, 1897, approved July 1, 1898 (30 Stat. p. 567). This fund was—

> set apart as a permanent school fund for the education of children of the members of said tribe, and shall be held by the United States at 5 percent interest, or invested to produce such amount of interest.

In the instant case the Acting Secretary of the Interior recommended that the remaining tribal funds, or at least a portion thereof, be set aside as a revolving loan fund for loans to needy Indians, such loans to be used for improving homes, acquiring farm machinery or livestock, or otherwise improving the economic status of the Indians.

There does not appear to be any emergency demanding immediate relief. The local superintendent advises that crop

conditions are good; that there is no prospect of additional tribal income; that 630 individuals have incomes from oil operations; that more than $120,000 was paid out in monthly allowances during the last 6 months of the fiscal year 1937 to Indians having funds to their credit; and that special payments to, or in behalf of, those Indians for the same period were approximately $327,900.

For the reasons stated, approval of S. 2263 is withheld.

FRANKLIN D. ROOSEVELT.

On September 1, 1937:

L. J. POWERS

S. 886. I have found it necessary to withhold my approval of the bill S. 886, for the relief of L. J. Powers in the amount of $1,000 in settlement of his claim against the United States for the redemption of two documentary revenue stamps, one bearing serial no. 928 for $500, and one bearing serial no. 3577 for $500.

Mr. Powers' claim for redemption of the stamps presented in July 1925 was rejected by the Commissioner of Internal Revenue in January 1926 on the grounds that the claimant had not satisfactorily traced the history of such stamps from the time of their issuance, as required by statute and regulations, and that the claim had not been filed within the prescribed statutory period of 4 years after purchase.

The claimant alleged that he received two documentary revenue stamps, one for $500, serial no. 928, and the second, for $500, serial no. 3577, from the Couch Cotton Mills, of Atlanta, Ga., in payment for compensation due him as an officer of that company. It was further alleged that these stamps had been purchased from the collector of internal revenue at Atlanta, Ga., in October 1921. The records of the Treasury Department, however, indicate that the collector of internal revenue at Atlanta, Ga., did not sell any $500 documentary revenue stamps during a 2-year period beginning 1920 and ending in 1922. These records further show that the documentary revenue stamps covered by the claim for redemption bore serial nos. 337 and 928, although S. 886 would grant relief on account of stamps nos. 928 and 3577, as to which latter stamp no claim for redemption was ever filed by Mr. Powers.

After the Commissioner of Internal Revenue rejected the claim, Mr. Powers failed to pursue the prescribed statutory remedy for securing relief, namely, the filing of a suit within 2 years from the rejection of such claim. Consequently, in this regard, S. 886 does not differ from other bills to except certain taxpayers from the operation of the statutes of limitations, a number of which bills I have disapproved. On those occasions I expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts statutes of limitations, by the operation of which, after a fixed period of time, becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. I pointed out in each instance that such legislation selects an individual taxpayer, or a small class of taxpayers, for special treatment by excepting them from that policy, thus discriminating against the whole body of Federal taxpayers and establishing a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

I must again express my belief that the field of special legislation should not be opened to relieve special classes of taxpayers from the consequences of their failure to protect their claims for the refund of taxes within the period fixed by law.

FRANKLIN D. ROOSEVELT.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 21 (legislative day of Aug. 20), 1937

UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA

Justin Miller to be an associate justice of the United States Court of Appeals for the District of Columbia.

FEDERAL COMMUNICATIONS COMMISSION

T. A. M. Craven to be a member of the Federal Communications Commission.

CIVIL SERVICE COMMISSION

Samuel H. Ordway, Jr., to be a Civil Service Commissioner.

SOCIAL SECURITY BOARD

Clarence N. Grey to be principal administrative officer in the Social Security Board.

POSTMASTERS

CALIFORNIA

Blanche A. Ross, Winterhaven.

COLORADO

Clarence Patterson, Steamboat Springs.

FLORIDA

Minnie Blanch Payne, Longwood.

IOWA

John H. Petersen, Sabula.

LOUISIANA

Emily D. Straughan, Colfax.
John E. Harris, Olla.

MASSACHUSETTS

Edward H. Leary, Middleton.
Anna R. Ellis, Norwood.

MICHIGAN

Alden E. Derrie, Champion.

MISSISSIPPI

Nettie Dorsett, Lucedale.
Thomas E. Goodman, New Albany.

MISSOURI

William T. Scott, Centerville.
William O. Vinson, Lilbourn.
Basil V. Jones, Pleasant Hill.

NEW JERSEY

William H. Hitchcock, Keyport.

NEW YORK

Gus Di Savino, Chadwicks.
Roxa A. Youker, Dolgeville.
Marshall A. Crawford, Keene Valley.

NORTH CAROLINA

Henry Folger, Mount Airy.

OHIO

Walter W. Farra, Lewisburg.

TENNESSEE

William F. English, Pulaski.

TEXAS

John K. Ford, Bogata.
Frank J. Williams, Lipan.

WASHINGTON

Gustaf Norman Dalstead, Anacortes.

HOUSE OF REPRESENTATIVES

SATURDAY, AUGUST 21, 1937

(Legislative day of Friday, Aug. 20, 1937)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a. m.

CENSUS OF PARTIAL EMPLOYMENT, UNEMPLOYMENT, AND OCCUPATIONS

Mrs. NORTON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2705) to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes.

The SPEAKER. The gentlewoman from New Jersey moves to suspend the rules and pass the bill S. 2705. The Clerk will report the Senate bill as amended.

The Clerk read as follows:

Be it enacted, etc., That to provide information concerning the numbers, classes, and geographical distribution of persons in the United States partially employed and unemployed and their dependents and income, and concerning industries and occupations of partially employed and unemployed persons to aid in the formulation of a program for reemployment, social security, and unemployment relief for the people of the United States, the President shall cause to be taken on or before April 1, 1938, a census of partial and total unemployment, and occupations, and including such other related information as shall be deemed in the public interest in the 48 States and the District of Columbia and the Territories of Hawaii and Alaska.

(a) The questions to be included in this census and the detailed information to be enumerated shall be determined upon by a committee consisting of the Secretary of Commerce, the Secretary of Labor, the Works Progress Administrator, the Chairman of the Social Security Board, the Chairman of the Central Statistical Board, and the Director of the Census, or their authorized representatives.

SEC. 2. The provisions, including penalties, of the act approved June 18, 1929 (46 Stat. 21; U. S. C., Supp. VII, title 13, ch. 4), except sections 9 to 11, inclusive, thereof, shall, so far as not inapplicable, apply to the taking of the census provided for in section 1 of this act: *Provided, however,* That temporary personnel required to carry out the purposes of this act shall be appointed without regard to the Classification Act of 1923: *Provided further,* That the administering agency is authorized to call upon the other departments or agencies of the Federal Government for information relating to, and for assistance in connection with the census herein provided for; and the administering agency is authorized to cooperate with and to use the information secured by such State and local agencies as may have data pertinent to this census.

SEC. 3. To meet the expenses of this act the Secretary of the Treasury is authorized to make available from the Emergency Relief Appropriation Act of 1937 such an amount as the President may determine to be necessary.

SEC. 4. The President is authorized to make such rules and regulations as are necessary to carry out the provisions of this act and such provisions of the Census Act of 1902, as amended, as are applicable.

The SPEAKER. Is a second demanded?

Mr. O'CONNOR of New York. Mr. Speaker, I ask that the bill may be considered under unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the gentlewoman from New Jersey a question.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it was my impression that the Labor Department was keeping quite up to the minute in the matter of a census of the unemployed; also that the W. P. A. had reported to the President on a census taken by them in February of this year. What is the object of this census to be taken in the future?

Mrs. NORTON. I may say to the gentleman from Pennsylvania that none of the others is complete. This is to try to provide as complete a census of the unemployed as we can in order that we may know exactly what the condition is with regard to unemployment. May I say, too, that the facilities of post offices and unemployment agencies will be used. It is not a compulsory census.

Mr. RICH. The only criticism is that we have taken a census of various kinds during the last 2 or 3 years.

Mrs. NORTON. Not since 1930.

Mr. RICH. According to the reports of the Labor Department and according to the reports of W. P. A., we had a census within the last year.

Mrs. NORTON. Not a complete census.

Mr. RICH. I cannot quite understand the necessity for taking another census unless it be for the purpose of getting people back to work on the Government pay roll. This administration has made a success of that.

Mrs. NORTON. I may say to the gentleman from Pennsylvania that under the provisions of the bill I do not think the expense will be very great, and we are hoping to get a more complete census so that we have some authentic figures on the unemployment situation throughout the country.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the gentlewoman from New Jersey a question.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I think the gentlewoman knows that I am very much interested in a census of children, minors under 18 years of age.

Mrs. NORTON. Yes, I know; we talked about that.

Mrs. ROGERS of Massachusetts. I introduced a bill asking for an employment census of children 18 years of age and under. I believe the following letter from Miss Lenroot, of the Children's Bureau, shows that children will be included in the census, and I am extremely glad.

UNITED STATES DEPARTMENT OF LABOR, CHILDREN'S BUREAU,
Washington, August 17, 1937.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: Following our conversation of yesterday, I have considered the provisions of the Black bill (S. 2705) in connection with the objectives of your bill (H. R. 3475). It had occurred to me that a simple amendment to the Black bill specifically providing for the inclusion of information concerning the education, employment, and family status of minors under 18 years of age would accomplish, in the main, the objectives of your proposal. However, I find on studying the Black bill and discussing the matter with persons in the Department of Labor that the items which the bill directs should be obtained would necessarily include information as to family status, income, and occupation. It is provided that the Secretary of Labor is to be on a committee which is to formulate the information to be enumerated. I can assure you that if a census is taken, this Department will make sure that the information is broken down so as to show the situation with reference to children under 16 and minors between the ages of 16 and 18 years.

Sincerely yours,

KATHARINE F. LENROOT, *Chief.*

Mrs. NORTON. I think the gentlewoman from Massachusetts is quite right. I believe Miss Perkins will provide for the inclusion of children in the proposed census.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter I have written to the Gold Star Mothers.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a clipping from the Evening Star.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. BIGELOW asked and was given permission to extend his remarks in the RECORD.)

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1093. An act for the relief of Cleveland L. Short;

H. R. 6468. An act to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor; and

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 53. An act for the relief of the Perkins-Campbell Co.;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 1402. An act for the relief of P. S. Everest;

S. 1548. An act for the relief of William A. Devine;

S. 1810. An act for the relief of Carl E. Padgett;

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 2154. An act for the relief of Hattie Tolbert;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay.

S. 2374. An act for the relief of F. A. Gross and others; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1882) entitled "An act for the relief of the Consolidated Aircraft Corporation", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SCHWELLENBACH, Mr. LOGAN, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 67) entitled "Joint resolution conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CONNALLY, Mr. DIETERICH, and Mr. AUSTIN to be the conferees on the part of the Senate.

PIPESTONE NATIONAL MONUMENT, MINN.

Mr. DEROUEN. Mr. Speaker, I call up the bill (S. 1075) to establish the Pipestone National Monument in the State of Minnesota, and ask for its immediate consideration.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, has the National Park and Planning Commission approved this monument?

Mr. DEROUEN. Yes, it has.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the lands lying in Pipestone County, Minn., within the area hereinafter described are hereby dedicated and set apart as a national monument for the benefit and enjoyment of the people of the United States, under the name of the "Pipestone National Monument": Beginning at a point 22.4 feet north and 45.08 feet west of the southwest corner of section 1, township 106 north, range 46 west, fifth principal meridian; thence north 1,655 feet; thence north 89°15′ east, 708 feet; thence north 0°45′ west, 607.3 feet; thence north 62°5′ east, 987.1 feet; thence south 27°55′ east, 264.5 feet; thence south 88°19′ east, 967.5 feet; thence south 0°24′ east, 144.3 feet; thence south 83°43′ west, 472.4 feet; thence south 2°17′ east, 2,249 feet; thence south 89°20′ west, 458.2 feet; thence south 0°0′ east, 101.1 feet; thence south 90°0′ west, 137.2 feet; thence north 0°0′ west, 100 feet; thence south 89°20′ west, 1,683.8 feet to the point of beginning; containing approximately 115.86 acres, including concourse, excluding from the area described herein forty-seven one hundredths acres, constituting a right-of-way of the Chicago, Rock Island & Pacific Railway.

SEC. 2. The administration, protection, and development of such monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended.

SEC. 3. The quarrying of the red pipestone in the lands described in section 1 is hereby expressly reserved to Indians of all tribes, under regulations to be prescribed by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAMMOTH CAVE NATIONAL PARK, KY.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5594) to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky., with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 4 and 5, strike out "or which hereafter may be allocated and made available."

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

KETCHIKAN, ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2912) to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes.

Mr. RICH. Mr. Speaker, reserving the right to object, I wish to say to the Delegate from Alaska that I wish a lot more cities in this country would do the same as this city is trying to do, help themselves.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the city of Ketchikan, Alaska, is hereby authorized and empowered to construct, reconstruct, enlarge, extend, improve, and repair all or any portion of its streets and sidewalks, and also to make such changes, extensions, betterments, and replacements as may thereby be rendered necessary or advisable in its sewers, water systems, electric current lines, telephone lines, and other public utilities; and for such purposes to issue bonds in any amount not exceeding $250,000.

SEC. 2. Before said bonds shall be issued, a special election shall be ordered by the common council of the said city of Ketchikan, Alaska, at which election the question of whether such bonds shall be issued in the amount above specified for the purpose hereinbefore set forth shall be submitted to the qualified electors of said city of Ketchikan, Alaska, whose names appear on the last assessment roll of said city, for purposes of municipal taxation. The form of the ballot shall be such that the electors may vote for or against the issuance of bonds for the purposes herein specified up to the amount herein authorized. Not less than 20 days' notice of such election shall be given to the public by posting notices of same in three conspicuous places within the corporate limits of the city of Ketchikan, Alaska, one of which shall be at the front door of the United States post office at Ketchikan, Alaska. The election notice shall specifically state the amount of bonds proposed to be issued for the purposes herein specified. The registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality; and such bonds shall be issued for the purposes herein authorized only upon condition that not less than 65 percent of the votes cast at such election in said municipality shall be in favor of the issuance of said bonds for such purposes.

SEC. 3. The bonds herein authorized shall be coupon in form and shall mature in not to exceed 20 years from the date thereof. Such bonds may bear such date or dates, may be in such denomination or denominations, may mature in such amounts and at such time or times not exceeding 20 years from the date thereof, may be payable in such medium of payment and at such place or places, may be sold at either public or private sale, may be nonredeemable or redeemable (either with or without premium), and may carry such registration privileges, as to either principal and interest or principal only, as shall be prescribed by the common council of said city of Ketchikan. The bonds shall bear the signatures of the mayor and of the clerk of the city of Ketchikan and shall have impressed thereon the official seal of said municipality. The coupons to be annexed to such bonds shall bear the facsimile signature of the mayor and of the clerk of said municipality. In case any of the officers whose signatures or countersignatures appear on the bonds shall cease to be such officers before delivery of such bonds, said signatures or countersignatures, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if said officers had remained in office until such delivery. Said bonds shall bear interest at a rate to be fixed by the Common Council of the City of Ketchikan, not to exceed, however, 6 percent per annum, payable semiannually, and said bonds shall be sold at not less than the principal amount plus accrued interest.

SEC. 4. The bonds herein authorized to be issued shall be general obligations of the city of Ketchikan, Alaska, payable as to both interest and principal from ad-valorem taxes which shall be levied upon all of the taxable property within the corporate limits of such municipality in an amount sufficient to pay the interest on and the principal of such bonds as and when the same become due and payable.

SEC. 5. No part of the funds arising from the sale of said bonds shall be used for any purpose or purposes other than those specified in this act. Said bonds shall be sold only when and in such amounts as the Common Council of the City of Ketchikan shall direct; and the proceeds thereof shall be distributed only for the purposes hereinbefore mentioned and under the orders and direction of said common council from time to time as such proceeds may be required for said purposes.

SEC. 6. The city of Ketchikan is hereby authorized to enter into contracts with the United States of America or any agency or instrumentality thereof for the sale of bonds issued in accordance with the provisions of this act, and for the acceptance of a grant of money to aid said municipality in financing any of the public works hereinbefore mentioned, or for either; or to enter into contracts with any persons or corporations, public or private, for the sale of such bonds; and such contracts may contain, subject to the provisions of this act, such terms and conditions as may be agreed upon by and between the common council of said city of Ketchikan and the United States of America or any agency or instrumentality thereof, or any other purchaser of the bonds.

SEC. 7. The provisions of the act approved May 28, 1936, entitled "An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes" (49 Stat. 1388), as amended, shall not affect the issuance or payment of the bonds authorized by this act or any proceedings taken hereunder.

With the following committee amendment:

Page 3, line 8, after the word "payable", strike out the words "in such"; and in line 9, strike out the words "medium of payment and."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THREE HUNDREDTH ANNIVERSARY OF FIRST PERMANENT SETTLEMENT IN DELAWARE RIVER VALLEY

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 135, to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes."

The Clerk read the joint resolution, as follows:

Senate Joint Resolution 135

Resolved, etc., That section 1 of Public Resolution No. 102 of the Seventy-fourth Congress is amended by inserting a comma and the words "the Government of Finland" after the words "Government of Sweden" and before the word "and"; and by inserting the words "and Finnish" after the word "Swedish" and before the word "colonists."

That section 2 be amended by inserting the words "the Government of Finland" after the words "Government of Sweden" and before the word "and."

The SPEAKER. Is a second demanded?

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand a second.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The gentleman from Tennessee [Mr. McREYNOLDS] is recognized for 20 minutes.

Mr. McREYNOLDS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Speaker, this bill merely amends public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President of the United States to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley."

It is proposed by the present resolution to include Finland in that invitation. That is all there is to it. It does not involve the expenditure of money or anything else except the invitation just referred to.

There is a good reason for doing so. Three States are involved in this celebration; namely, Delaware, New Jersey, and my own State of Pennsylvania. The Governors of the States of New Jersey and Pennsylvania have wired our Foreign Affairs Committee and asked that Finland be included in the invitation, and our committee favorably reported the pending resolution.

The background of this situation should be understood, because there is some opposition to the resolution.

Finland, at the time of this colonization, was an integral part of Sweden. Finland and Sweden were one and the same as far as governments were concerned, and the colonists who came to this country were composed largely of Finnish people. Like all the other colonization efforts of that day, this particular colony was promoted by a trading company. The admiral of one of the fleets that first came to this country was a Finn, Admiral Klass Fleming, and in one boatload that came 92 out of the 105 colonists were Finns. That was the expedition of March 1656. Ninety-two of the total number of colonists were Finns, and it is pretty safe to assume that at least one-third of all the colonists in this little Swedish colony were Finns or of Finnish extraction.

Mr. RANKIN. Will the gentleman yield?

Mr. ALLEN of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. RANKIN. May I suggest to the gentleman from Pennsylvania that probably that is one reason they are so willing to pay their debts, whereas other nations have refused.

Mr. RICH. Will the gentleman yield?

Mr. ALLEN of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. RICH. I understand the State of Delaware invited Sweden to participate in this celebration and now we are trying as a Federal Government to have included in that invitation by Delaware the country of Finland. I cannot understand why the invitation should not come from the State of Delaware rather than the Federal Government taking action.

Mr. ALLEN of Pennsylvania. At the time of the original grant, parts of Pennsylvania and New Jersey were included, and in this celebration Pennsylvania and New Jersey are definitely included. It is not Delaware alone. The Governors of Pennsylvania and New Jersey want Finland included and although we have not a telegram from the Governor of Delaware I understand that a Finnish delegation visited him and he expressed his approval that Finland should be included in the invitation.

Mr. McCORMACK. Will the gentleman yield?

Mr. ALLEN of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. A State cannot invite the representatives of another country. That has to be done through the Federal Government.

Mr. ALLEN of Pennsylvania. Yes; and that is the purpose of the bill. In bringing this matter to a close, I want to emphasize the fact that we are going to celebrate the three hundredth anniversary of the founding of the first permanent colony in the Delaware Valley.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. ALLEN of Pennsylvania. We are inviting that little country that had a very definite part in the colonization of this territory, whose people played a prominent part and probably were a majority of the colonists. We are also extending the invitation to a nation that has been very friendly to the United States in recent years, and whose sense of honor and responsibility stands out above all others in the payment of its national debt to us.

All we are doing is holding a party, you may say. We have invited Sweden, and they should be invited. We want to extend the same invitation to Finland, and two of the three states involved in this celebration have requested that we include Finland in the celebration. There is nothing selfish about it. It is not going to detract from the glory of Sweden in any respect. It is merely extending a little recognition to Finland.

Mr. Speaker, I sincerely hope when this bill comes to a vote I will have the support of all the Members who have a friendly and kindly feeling toward this little nation of

Finland for what they did in the past and for what they are doing now. [Applause.]

The SPEAKER pro tempore (Mr. WARREN). The gentleman from Massachusetts [Mr. MARTIN] is recognized for 20 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 13 minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES. Mr. Speaker, I have no quarrel at all with my colleagues from Pennsylvania in their desire to include the little country of Finland in this three hundredth anniversary. Personally I have nothing but the highest regard for that little country. However, we have here a somewhat complicated situation.

Early in 1936 at the request of the State of Delaware the House passed a resolution which was signed on June 5, 1936, inviting the Government of Sweden to participate in the celebration commemorating the three hundredth anniversary of the first permanent settlement in the Delaware River Valley. This was done at the request of the State of Delaware. It is true at the time of that colonization the land which was first purchased from the Indians by the Swedes did include a section of New Jersey and Pennsylvania. The Government of Sweden naturally would not do anything or take any steps whatever to participate before receiving an official invitation from the United States Government.

When it did receive the invitation in August 1936 Sweden accepted and, as I understand it, the Swedish Government appropriated 350,000 crowns for expenses incidental to the preparation in Sweden and for expenses connected with the voyage to America. In addition to that, the Swedish people raised something like 250,000 crowns and they are at the present time carving a monument to be erected on a plat of land which was known as "The Rocks" in Delaware, where the first landing of these colonists took place. That monument will be here erected in time for the dedication in June 1938.

A group of Swedish-American people has worked on this celebration for nearly 30 years. Some 12 years ago they raised $450,000. The first step in connection with this celebration was the building of a museum in Philadelphia. During the last year this same group of people has received public subscriptions from the Swedish-American throughout the United States of over $50,000 to help entertain the officials and representatives of the Swedish Government who will come here in 1938. In July 1936, a month after the original resolution was passed which invited the Government of Sweden, the Legislature of Pennsylvania passed a resolution asking the United States to invite the Government of Finland.

I certainly have no quarrel with the desire to have invited to the celebration the representatives of this splendid country, which has such a fine type of people, but I do not think it is quite fair to the Government of Sweden at this stage to include a resolution inviting Finland as a coequal of the government which was originally invited to participate in the celebration. Three hundred years ago Finland was a province of Sweden, and the two countries were under one flag, the Swedish flag. The expedition was financed jointly by the Swedish Government and the trading company, and the land was purchased in the name of the Swedish Government.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOLMES. I am pleased to yield to the gentleman from Michigan.

Mr. DONDERO. I think it would be of interest to know how long ago the two countries separated. When was Finland divorced from Sweden, and when did it become a separate country?

Mr. HOLMES. I cannot tell the gentleman exactly the date.

Personally, I feel there is more involved than simply the question of an invitation. There is also here a diplomatic situation which to my mind is somewhat serious. I think it would have been far better if the Legislature of Pennsylvania had directed its attention to one invitation, in view of the fact that Delaware had already made this request and the President had sent the invitation to Sweden. The resolution of the Legislature of the State of Pennsylvania was passed 30 days after the resolution here was approved. I think we are making a rather serious mistake in adopting this resolution today.

Mr. ALLEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. Does the gentleman really believe it is a serious mistake to refuse to recognize the desire of the Finnish Government to participate in this celebration? They have expressed a desire to participate in this celebration, for Finland, at the time of the colonization, was a part of Sweden.

Mr. HOLMES. I do not know that such a desire has been expressed by the Government of Finland. There are some Finnish-American people who have been very active in wanting to participate, but as far as the Government itself is concerned, I do not know that it has ever evinced such a desire.

Mr. ALLEN of Pennsylvania. The ancestors of these Finnish-Americans played a very important part in the colonization, and it is only natural they would be interested in participating in the celebration.

Mr. HOLMES. That is quite true, I may say to the gentleman. The record shows there were quite a number of Finnish people who took part in later expeditions. However, there were a good many other nationalities who took part in the expedition.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOLMES. I yield to the gentleman from Michigan.

Mr. DONDERO. The complication in this situation arises not through any fault of the United States Government so much as it does from the failure on the part of the States which intend to participate in this celebration to request the Government of the United States to extend the invitation to Finland. I think this is where the complication arises.

Mr. HOLMES. Does the gentleman mean originally?

Mr. DONDERO. Originally; yes.

Mr. HOLMES. The gentleman is correct. However, the Congress passed a resolution at the request of the State of Delaware to invite the Swedish Government.

In further answer to the gentleman from Pennsylvania, I may say that I should like to see the United States some time honor the fine little country of Finland in some more outstanding and creditable way, and do it separately. Finland is the only nation which has met her obligations to the United States. She has demonstrated the fine type of her people, the quality of her people, the character of her people, and the honesty of her people. I should like to see some time set aside, when appropriate in the future, when that fine country will be the whole show and can receive proper recognition, and when we can pay Finland a proper tribute for being one of the most outstanding little countries in the world so far as concerns its friendliness to the United States in meeting its obligations, and its good will and friendly feeling for the people of the United States.

The source for the following article on the early settlement of the Swedes in Delaware Valley is Amandus Johnson, Ph. D.:

Two little vessels came from Sweden early in 1638 bearing colonists to establish a settlement on the Delaware River. They anchored in front of what is now part of Wilmington, Del., and five Indian chiefs came on board and sold land, from the cape to Schuylkill, to the Swedish Government, thus including the State of Delaware and part of the Commonwealth of Pennsylvania. Later these chiefs sold more land to the Swedes, so that eventually New Sweden on the Delaware, founded in 1638, included all of Delaware and part of Pennsylvania, New Jersey, and Maryland.

The Swedish colony on the Delaware was small, but it made large and lasting contributions to American history and civilization. In the Delaware Valley the Swedes elected the first judges, built the first schools, held the first law courts, established the first towns. In this district they laid out the first roads, con-

structed the first mills, and built the first churches. Three descendants from the Delaware Swedes signed the Declaration of Independence and one of these, John Morton, cast the deciding vote for that immortal document as chairman of the Pennsylvania delegation. Descendants of these same colonists helped to draft the Constitution, and one of them, John Hanson, was elected the first President of the United States in Congress assembled. He stood at the helm of this young Republic at a critical time when Sweden was the first nation to recognize our independence and the first to make a treaty of friendship and commerce with us.

The log cabin, which has played such a conspicuous part in American history, has been traced to the Swedes in Delaware. The first meteorologist and the first translator of a Protestant book into the Indian language, John Campanius, lived in New Sweden from 1643 to 1648. The founder of painting as a fine art in this country and the first organ builder in America was the Swede, Hesselius.

Since these early days there have been many leaders of Swedish descent. John Ericsson's invention of the *Monitor* came at the crucial moment in the Civil War that not only saved the naval supremacy of the North, but strengthened its courage to win. John Dahlgren invented the gun that carried the *Monitor* to fame, and John Warden commanded it—a complete Viking ship. Even in our own time, Charles Augustus Lindbergh has added a glorious contribution.

The Thirteen Original States were settled by three European nations; the English, the Dutch, and the Swedes. The first two have had their celebrations and it is only fitting and proper that the Swedes should have their tercentennial.

[From the Delaware Tercentenary Bulletin]

THE DEDICATION OF THE SWEDISH MONUMENT

On June 27, 1938, as a part of the celebration of Delaware's Tercentenary, the monument presented by the Swedish people and erected in the new State Park at The Rocks will be unveiled and dedicated in a ceremony in which representatives of the Kingdom of Sweden along with representatives of the United States and the States of Delaware, Pennsylvania, and New Jersey, among others, will take part.

It is planned that the Swedish Royal Commission shall arrive in the Delaware River on a Swedish warship, convoyed by American warships and accompanied by one of the great Swedish liners, with perhaps a thousand unofficial tourists aboard. It is expected that the ships will be docked at the Wilmington Marine Terminal in the morning of June 27 and the official party thence conveyed in small yachts up the Christina River to The Rocks, where they will disembark and be received by the official representatives of the United States Government and the State of Delaware. The ceremony of unveiling and dedication of the monument will then take place. It has been officially announced that the Swedish Commission will be headed by the Crown Prince and Crown Princess of Sweden.

Crown Prince Gustaf Adolf of Sweden, Duke of Skane, is the eldest son of King Gustaf Adolf V and his late wife, Queen Victoria. He was born in Stockholm, November 11, 1882. His college education was begun in the University of Stockholm and finished at Upsala University. In accordance with the traditions of his family, he entered the army at an early age and now holds a general's commission.

On June 15, 1905, he married Princess Margareta of Great Britain, daughter of the Duke of Connaught and granddaughter of the English Queen Victoria. Of this marriage five children were born, Princes Gustaf Adolf, Sigvard, Bertil, and Carl Johan and Princess Ingrid, now Crown Princess of Denmark. Princess Margareta died May 1, 1930.

On November 3, 1923, the Crown Prince married his present wife, Lady Louise Mountbatten, daughter of Prince Louis of Battenberg and Princess Victoria of Hessen and granddaughter of Queen Victoria of England.

The royal government of Sweden is notably democratic in its relations with the people. Besides his interest in archaeology, the Prince's especial hobby is gardening. The Princess takes part in charity work and other forms of social activity.

The Prince and Princess were in the United States in 1926 to take part in the unveiling in Washington of a statue of the great Swedish inventor, John Ericsson, designer of the original *Monitor*, the first warship with revolving turrets, which defeated the Confederate ironclad *Merrimac* during the Civil War, and to attend the dedication of the John Morton Memorial Museum in Philadelphia. Having arrived at the Pennsylvania Station in Wilmington May 31, they were received by Mayor G. W. K. Forrest and a committee of citizens, and bouquets of flowers were presented to the Princess. The party was then escorted to Old Swedes' Church, where a large crowd had assembled. Boy Scouts lined the walk from the street to the church door and gave a salute with bugles and drums.

Rev. Dr. F. M. Kirkus, rector of Trinity Parish, and Rev. Robert Bell, vicar of Old Swedes, greeted the party at the church door. Bishop Philip Cook delivered an address and presented a silver plaque engraved with a picture of Old Swedes Church and a commemorative inscription, to which the Prince made a fitting response. The ceremonies ended with a prayer by the bishop.

After the ceremonies in Philadelphia and Washington, the royal party crossed the country to San Francisco, visiting the chief centers of the Swedish-American population on the way. During this visit to America the Prince, who is internationally known as an archaeologist and an expert on ancient Chinese art, received honorary degrees from Princeton, Yale, University of Chicago, and other institutions of learning.

The Delaware Tercentenary Commission takes pleasure in presenting in this bulletin portraits of these expected guests, furnished by American-Swedish News Exchange.

HISTORIC NAMES REVIVED

By act of the legislature the name of the Christiana River has been changed to Christina River, its original title. It was so named by the first settlers in 1638 in honor of Queen Christina of Sweden. In the course of time, no one knows when or why, an additional letter "a" crept in, which has now been legally eliminated.

By similar action the new Northeast Boulevard is to be called Governor Printz Boulevard after the Swedish officer, who was Governor of the colony here from 1643 to 1653.

SWEDISH TERCENTENARY LECTURES

One important element in Sweden's participation in the Tercentenary is furnished by her universities. Thirty professors of the highest standing in the various arts and sciences will be in this country during the academic year 1937–38, to deliver lectures in American universities and colleges. Scholars of high repute in the fields of architecture, art, archeology, astronomy, botany, chemistry, economics, engineering, geology, literature, medicine, philosophy, physics, and theology are included in the list.

The University of Delaware has been alert to avail itself of the opportunities thus provided in connection with the opening of its new chemistry building. On October 15 and 16 of this year, this building will be dedicated and at the same time a conference on chemistry will be held at which the principal speaker will be Dr. The Svedberg, professor of physical chemistry in the University of Upsala.

Dr. Svedberg is a scientist internationally known and honored. Besides conducting his courses in the great University of Upsala, he has lectured in this country at the Universities of Wisconsin, Chicago, and Harvard. In 1925 he was awarded the Nobel prize in physics.

Besides this definite arrangement, the University of Delaware has invited Dr. Gregor Paulsson of Upsala, who is also curator of the national museum, to lecture on art; Dr. Eli Heckscher, president of the Economic Institute of Stockholm, to lecture on the economic problems of the world, and Dr. Axel F. Endstrom, director of the Swedish Engineering Academy, to lecture on some engineering subject. No definite dates for these lectures have yet been arranged.

The new chemistry building to be dedicated in October is a gift of "a generous citizen of Delaware." It will be one of the finest and best-equipped buildings of its kind in this country, planned according to the best and most-advanced ideas for the construction of such buildings.

NEW JERSEY AND CALIFORNIA WILL PARTICIPATE

The State of New Jersey has authorized the creation of a commission to arrange an appropriate celebration of the three hundredth anniversarry of the settlement and to "participate in the interstate and international celebration to be held in the city of Wilmington."

The State of California is also preparing to be represented in the tercentenary. A resolution is now before its legislature, authorizing the appointment of a State commission to attend the celebration.

Mr. McREYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. ANDERSON of Missouri. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER pro tempore (Mr. WARREN). The Chair will count.

Mr. ANDERSON of Missouri. Mr. Speaker, I withdraw the point of order.

Mr. HOOK. Mr. Speaker, in about 1350 Finland was an integral part of the Kingdom of Sweden, and then later, in 1809, Finland was taken over by Russia, and later became an independent nation. At the time of the establishment of this colony there were a number of Finnish people who came with the Swedish people to locate in the Delaware Valley. During all those years the Finnish people were a separate nationality. They remained loyal to themselves and fought down through the ages until they established themselves as a democracy, and now they are a nation themselves loved and respected by all the leading nations of the world.

There is one thing that is paramount in that country, and that is the integrity they have kept with themselves throughout their entire history, the integrity they have kept with the world, and with this country today. [Applause.]

It is the only nation that has paid its debt to the United States [applause], and in recognition of that fact alone they should be given a right to participate in this celebration. The sons and daughters of those pioneering ancestors who have adopted the United States as their home will appreciate this recognition, because they are rightly proud of the Finnish blood which flows through their veins. I have the pleasure and honor to enjoy the confidence of thousands of those people, and I know how loyal they are to honesty and justice.

There is no quarrel with Sweden. I have not heard the Swedish people say they did not want the Finnish Government to participate. They do want them to participate. Sweden is proud of the fact that at one time they were the owner of this wonderful little nation, and they are happy to have this nation participate in the celebration. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, I would like to support the Governor of New Jersey in the invitation to the people of Finland, but I support him for an entirely different reason than, perhaps, an historical one. I support him because I think the people of Finland should be invited to every celebration that is held in the United States. [Applause]. If there is one country in the world that we should invite to a celebration or that we should have a special celebration for, it is Finland. They are an incentive to the whole world, they are an example to the whole world, and they have certainly shown us that if there is one country in this world friendly to the United States, it is Finland, by having paid its obligations to us on the day they were due, and I hope this resolution passes. [Applause].

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am just going to say a few words in explanation. I feel there is no opposition, or very little opposition, to this bill. It was passed unanimously by the Senate. There is not much to it. Last year we passed a bill at the request of the States of Delaware, New Jersey, and Pennsylvania, to invite the Swedish Government to participate in this celebration, the invitation stating "and other individuals."

The Historical Society of Pennsylvania, through this act, extended an invitation to the Finnish Minister to participate, and he went down to the State Department and they concluded the language was not quite broad enough, and that is what brought the matter up.

When the bill came over to the House from the Senate, we waited until at least two States had joined in the request, and they were the State of Pennsylvania and the State of New Jersey. They requested that the Finnish Government be invited.

It would be very embarrassing if we did not do this, and I hope the Members of the House will pass this little amendment. I know it will give great satisfaction to them and to the people at large who so greatly admire the Finnish Government for keeping their obligations with the American people. [Applause.]

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield gladly.

Mr. SUMNERS of Texas. I want to join respectfully in the suggestion of the distinguished chairman of this committee. I am not sure I understand the resolution, but it seems to me under the circumstances, if we possibly can, this resolution ought to be unanimously passed by the House.

Mr. McREYNOLDS. I really hope the gentleman from Massachusetts [Mr. HOLMES] will withdraw his objection, so we can pass it unanimously.

Mr. SUMNERS of Texas. It ought to be passed unanimously.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

MONEY AND CREDIT—FEDERAL RESERVE SYSTEM

Mr. DORSEY. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

GOVERNMENT OWNERSHIP OF 12 FEDERAL RESERVE BANKS NECESSARY

Mr. DORSEY. Mr. Speaker, from coast to coast and from the Great Lakes to the Gulf our Nation is torn by conflict between employer and employee. Everywhere, it seems, the press reports little but strikes. It is a struggle on the part of the man who toils for a greater share in the fruits of his labor. But the greatest and most important strike is yet to take place, and it must be won if the American people are to win back that freedom which was won through so much sacrifice in the days of our founding fathers. That strike, which should be called immediately if the principle of majority rule is to be perpetuated in our democracy, is a strike against control of the Nation's money by a handful of selfish, irresponsible individuals.

Workers everywhere are striking for recognition, for higher wages, and shorter hours, striking for a fuller share of that freedom and opportunity which only our democracy can offer. But up to the present time there has been little effort to gain recognition of Congress' right to control money and credit in behalf of the people and to exert authority over money and credit which vitally concern wages, working conditions, rents, prices, and the whole economic and social well-being of our people.

The Constitution specifically gives to Congress, and to Congress alone, the power "to coin money and regulate the value thereof", an inherent attribute of national sovereignty. Congress has exerted this authority insofar as the coinage and printing of money is concerned. But specie and paper money comprise only a fraction of the money used in business, commerce, finance, and personal transactions today. So in carrying out its mandate, Congress has given value to approximately six and a half million dollars now in circulation. But there are more than $53,000,000,000 deposited in banks. Credit, not gold, forms the basis for our currency, and the bank check has largely replaced the dollar bill as the circulating medium.

Once Congress alone could give to a piece of paper the power to buy goods and services. Today, you or I, by writing our signatures, can transform a piece of paper into an instrument with a purchasing power equivalent to the amount of credit a bank will extend. If the founding fathers believed in 1787 that it was essential to the welfare and progress of the Nation to place in the hands of Congress sole control over money—and events have demonstrated their wisdom in doing so—then it is just as vital today that Congress have sole control over bank-check currency which has largely replaced coin and paper money. Congress has not only failed to exert proper control over credit currency but it has actually delegated to a private agency, the Federal Reserve System, the control which should rest in the hands of the Government.

It is time for the people to strike, to protest against the loss of this primary power, and to maintain their picket lines and continue their demonstrations until they regain the control they should never have abandoned.

The Federal Reserve System was originally intended to provide a fiscal agent for the United States Government to aid the Treasury in the financing of the Government and its agencies. Today we see the Board of Governors of the Federal Reserve System dominating the whole credit structure and apparently working at cross purposes with the aims of the administration.

The Federal Reserve System was established purposely to correlate banking throughout the Nation, but only since the Banking Act of 1935 has the Board at Washington been able to exert real authority over the 12 district banks. Congress in 1935 did take unto itself some of the power over

money and credit granted to it by the Constitution but, as events will show, it did not go far enough.

Furthermore, the Federal Reserve System was originally intended to provide an elastic currency to be expanded or contracted as the Government saw fit. Yet with all the powers that have been granted it recently to assist the administration in smashing the chains of deflation, the Board has acted in accordance with the conservative opinions of private wealth and has been seeking to raise interest rates and check the rising tide of recovery. The Board and the System have demonstrated that where public and private interests clash, private interests prevail. Far from serving as a fiscal agent and ally of the Government, the Federal Reserve System has become an outright opponent of the liberal aims of the White House.

Unfortunately, discussions of money and banking, and credit and finance are carried on in terminology which is rather baffling to the average citizen. Because his relations with banks are usually most fleeting, consisting mainly of operating a small checking account, he is inclined to shrug the whole matter aside as of little concern to him. Yet the future of every man and woman, whether a wage or salaried worker, whether a skilled or unskilled laborer, a business or professional man, depends on how the control of credit is exercised.

By manipulating credit, the operator can actually raise or lower real wages by affecting the price level. He can produce an inflationary boom or a deflationary collapse. He can encourage new building or he can virtually extinguish construction activity. He can embroil us in domestic or foreign conflict, or he can work for local peace and amicable foreign relations. He can insure vigorous economic health for the Nation by providing adequate and continued supply of credit or he can weaken the economic body by starving it of its lifeblood—credit.

It is in violation of the intent if not the letter of the Constitution to delegate to a privately owned system of banks the power to surfeit or starve business and industry. It is the height of folly to permit a group of private citizens to affect the interest rate that the Government must pay to obtain working capital. We all recall with shame the time when President Cleveland was forced to beg J. P. Morgan to replenish the Nation's gold supply. It is not pleasant to remember that one individual was able to demand and obtain terms from our great Nation. Yet such is the power that we have vested in private hands today that the Government can be compelled to pay a higher rate for money just because a group of individuals think it better that the money market be tightened.

At a time when new capital is sorely needed to finance the building of new homes, factories, and other necessities of our individual and group life, it is sheer folly to let a group of individuals place a chilling hand on recovery by freezing two and a half billions of bank credit. It is almost inconceivable that a Congress, representative of a great democracy, would delegate its power over money and credit to a private agency.

The whole history of the Federal Reserve System from 1913 to the present is a record of action in behalf of private gain and studied disregard of what the people through their Representatives in Congress believe to be essential. There was the horrible example in 1920 when the Reserve Board willfully precipitated a panic. And the even more glaring example in 1928–29 when the Reserve failed to act in the interests of the public and use its powers to curb overspeculation. What of the recent deflationary policy of the new Board in tightening credit and increasing interest rates with recovery only starting?

Criticism is not enough. Restrictive legislation on the actions of these private groups will not suffice. Congress must act and act immediately to recapture the essential right to regulate the value of money, in this case bank check or credit money, and to use it for the benefit of the Nation and not the stockholders of the Federal Reserve System and the big-money interests.

There is now pending before the House of Representatives a bill sponsored by Representative WRIGHT PATMAN and 152 Members of this House, which provides for the purchase of the Federal Reserve banks by the Government. The cost in dollars would be one hundred and thirty-two millions, only a fraction of the billion dollars spent to buy and sterilize gold, and the benefits to be gained from Government ownership of the system would be incalculable.

In discussing this bill with Dr. Luther A. Harr, secretary of banking of Pennsylvania, he made the following comment:

> The purchase of the banks would make the system in fact as well as in fancy the Government's fiscal agency. Gone would be the clashes between the Treasury and the Federal Reserve. The bill would end the anomalous situation whereby the privately owned system has sought to tighten money markets when the President, acting in the interests of the Nation, has sought to maintain easy money.

Dr. Harr's opinion carries more than ordinary weight. He is an authority on finances and banking and has made an enviable reputation as secretary of banking in the State of Pennsylvania. A student of public affairs and an ardent supporter of the President, he has done much to revitalize the banking situation in my native State. His work has been of such a high character and his authoritative opinions have been respected to such an extent that the people of Philadelphia will, next November, undoubtedly elect him to the high office of city treasurer to straighten out the badly tangled financial situation in that city.

Passage of the Patman bill would end banker domination of credit. I am not concerned so much about the private gain which flows to the bankers as a result of their control as I am over the fact that bankers are notoriously timid, outrageously shortsighted, ridiculously conservative, and frequently completely out of touch with current conditions.

Intelligent control of credit is essential if the Nation is to obtain a balanced recovery. And we can never have intelligent control as long as credit is subject to the fears and alarms of the most reactionary group in the Nation.

With nine to ten million still unemployed, with billions of dollars of new building needed, with our Nation facing an agricultural crisis because of wind and water erosion, with one-third of the Nation still denied equality of economic opportunity, the leaders of the Federal Reserve, exhibiting their traditional shortsightedness, have been prating of inflation and using all their influence to curb recovery.

The influence of the private owners of the System is apparently being exercised to prevent the Patman bill from receiving the attention and discussion it merits. There is nothing sacred about the Federal Reserve. Let us have a public hearing on the Patman bill during this term of Congress and give its proponents and opponents an opportunity to discuss its provisions. The Patman bill is the first attempt which has been made at this session of Congress to win back public control over credit. The least Congress can do is to give it the closest scrutiny.

I cannot conceive that our people, when they realize what dangers are inherent in the continued private control over credit, will permit such domination any longer. I am convinced that the rank and file of the Nation will demand that Congress and Congress only control credit.

The Patman bill seems to afford a splendid opportunity for those of us who resent banker domination of our national economic life to convert our belief into action. Let us make our demand so loud, so determined, and so continuous that those who would seek to bury the Patman bill will no longer dare to thwart the public and will, at the earliest opportunity, grant a public hearing on this most important measure.

RECESS AT DISCRETION OF THE SPEAKER

Mr. RAYBURN. Mr. Speaker, I think we have reached the point in the proceedings where we should grant the Speaker power to declare a recess at his will. I have discussed this matter with the minority leader and with the Speaker. I ask unanimous consent that for the remainder of the day the Speaker be granted the privilege of recessing the House.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, if a recess is declared, it will be arranged to ring the bells 10 minutes before the House assembles.

The SPEAKER pro tempore. Without objection, that will be done.

There was no objection.

CLASSIFICATION AND PAY OF LIGHTHOUSE KEEPERS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the present consideration of S. 2578, to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of S. 2578, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding the provisions of section 2 of the act approved July 3, 1930 (46 Stat. 1003), the Secretary of Commerce is authorized, in his discretion, to continue the existing system governing the classification and pay of the positions of lighthouse keepers, pending the enactment by the Congress of legislation establishing and prescribing a system of classification and pay applicable to these positions.

The SPEAKER pro tempore. Is there objection?

Mr. KELLER. Mr. Speaker, I object.

JOINT CONGRESSIONAL COMMITTEE ON HAWAII

Mr. O'CONNOR of New York. Mr. Speaker, I call up Senate Concurrent Resolution 18, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a joint congressional committee to be known as the Joint Committee on Hawaii, which shall be composed of not to exceed 12 Members of the Senate, to be appointed by the President of the Senate, and not to exceed 12 Members of the House of Representatives and the Delegate from Hawaii, to be appointed by the Speaker of the House of Representatives. The committee shall select a chairman from among its members. The committee shall cease to exist upon making its report to Congress pursuant to this resolution.

SEC. 2. The committee is authorized and directed to conduct a comprehensive investigation and study of the subject of statehood and of other subjects relating to the welfare of the Territory of Hawaii. The committee shall report to the Senate and to the House of Representatives not later than January 15, 1938, the results of its investigation and study, together with its recommendations for such legislation as it deems necessary or desirable.

SEC. 3. For the purposes for this resolution, the committee is authorized to sit and act, as a whole or by subcommittee, at such times and places as it deems advisable, to hold such hearings, to administer such oaths and affirmations, to take such testimony, and to have such printing and binding done as it deems necessary.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. RICH. Does not the gentleman think a committee composed of 12 Members of the House and 12 Members of the Senate would be such a big party that they would have too good a time over there? It will be too large to be of any good for business; about right for a pleasant trip, however. I think the committee ought to be cut down to three and then they would do better business, if there is to be any business connected with the trip.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts.

This is a Senate concurrent resolution to create a congressional committee to visit Hawaii, which, I understand, is a very delightful place. Different from most resolutions, it does not entail any expense to the Government of the United States.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. COCHRAN. Does not the gentleman think that the gentleman should add the word "now"—that it does not incur any expense to the Government of the United States now? When they come back with their report and ask for a whole lot, is it then going to cost the Government nothing?

Mr. O'CONNOR of New York. I do not know. I am informed that the Hawaiian Legislature has appropriated money to defray the expenses of this trip and to entertain and instruct the delegation in the forms and uses of government.

Mr. RICH. Notwithstanding the fact that the Hawaiian Legislature furnishes the money for this trip and this inspection, is it not a fact that Hawaii is now asking the Federal Government for so many things that require money out of our Treasury that it would be most difficult for anyone to reach the conclusion that it is not going to cost this Government anything? I am sure it will cost us a plenty.

Mr. O'CONNOR of New York. Of course, the Hawaiians are so happy at the moment over the sugar bill that they want to show their appreciation and entertain these 24 Members of Congress.

Mr. RICH. But does not the gentleman think that 24 going over there constitute such a large number that they will have a real party. Perhaps if they would take 350 Members of Congress over there they then could still have a real good time and make it a unanimous congressional party or joy ride.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. SHANNON. This is a gratuity on the part of Hawaii to make the boys feel good, at no expense to themselves. Would it not be far better for this great Government to pay their expenses, and perhaps not have them influenced by this pleasure trip? Does the fact that there is a gratuity in this make it somewhat doubtful of real effectiveness?

Mr. O'CONNOR of New York. Oh, I would not be suspicious at all.

Mr. SHANNON. The gentleman is familiar with Henry George's theory that the underlying thing that destroys all government is gratuities.

Mr. O'CONNOR of New York. I cannot say. I never had much experience with those gratuities.

Mr. SHANNON. Does not the gentleman think it wrong in principle?

Mr. O'CONNOR of New York. I do not think so. That is a matter of opinion.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. McCORMACK. What is the gentleman's own opinion as to the effect of our appointing a special committee and the Hawaiian people, through their legislature, paying the expenses of the committee?

Mr. O'CONNOR of New York. It was considered quite a novel idea for the legislature to invite a congressional committee to come there and pay their expenses, though the gentleman will recall that the Philippines did the same thing a few years ago, a very large committee, so that the Members of the House might become more familiar with the Philippine Islands and their problems.

Mr. McCORMACK. That was a different situation.

Mr. O'CONNOR of New York. It may have had the same motive behind it.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. RANKIN. Let me say to the gentleman from New York and to the Members of the House that I have served on the Committee on the Territories practically ever since I have been a Member of this body. We have to deal with Hawaii and Alaska. I gained more information in 2 weaks in Alaska by personal investigation than I have gained in 16 years reading reports and correspondence with reference to the conditions that prevail in that Territory. Whether this is paid for by the Federal Government or not, there ought to be some provision made for members of the Insular Affairs Committee to visit Puerto Rico and the Philippine Islands occasionally. There should also be some provision made for the Committee on the Territories, that has to do with the legislation for Hawaii and Alaska, to visit those Territories and make personal investigation. In my opinion, they can save this Government many millions of dollars by doing so.

Mr. BLAND. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BLAND. And there should be included the members of the Fisheries Committee, so far as the fisheries of Alaska are concerned.

Mr. RANKIN. By all means. I wonder if the Members of the House know that the fish taken from Alaskan waters every year are worth more money than the wheat crop of Ohio or the cotton crop of Louisiana?

Mr. McCORMACK. And the Ways and Means Committee on the tax question?

Mr. O'CONNOR of New York. I understand that in 1919 Puerto Rico issued the same invitation. Was that the correct date, may I ask the distinguished gentleman from Virginia [Mr. BLAND]?

Mr. BLAND. That is correct; and the gentleman from Texas [Mr. MANSFIELD] and I are the only two Members in the House now who were on that trip.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. CRAWFORD. I think it should be placed in the RECORD at this time that the people of Hawaii contribute to the Federal Treasury of the United States the same as the citizens of Michigan, California, Colorado, or any other State. Is that not true?

Mr. O'CONNOR of New York. I so understand.

Mr. CRAWFORD. And that they have the same right at all times to invite Members of this Congress over there, paying their expenses—and I might say I am not going on the trip—as any State of this Union has the right to invite Members of Congress there to look into their affairs.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. SUMNERS of Texas. Would it not be possible to show the proper appreciation for this invitation and amend the resolution so that this Government will pay the expenses?

Mr. O'CONNOR of New York. Well, a plan has been pretty well worked out, as the Delegate from Hawaii has stated many times, and some offense might be taken. It is better to let it go as it is.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. DONDERO. It seems to me that in face of the passage of the sugar bill the people of Hawaii might be very unhappy at the present time, and by the tendering of this generous offer they are heaping coals of fire on our heads, but does not the gentleman think that the committee that goes to the Hawaiian Islands would be more independent in their thought if the expenses of that journey were paid by the United States Government rather than by Hawaii, because it is simply the people of one State, almost, visiting the people of another State.

Mr. O'CONNOR of New York. Oh, I do not think this delegation will be unduly influenced by the payment of their expenses by the Hawaiian Government.

Mr. MASSINGALE. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. MASSINGALE. I was just thinking about the situation we are in today. We just sent a committee that has returned from a similar mission to Hawaii. Does not the gentleman think it would be a hardship, probably unnecessarily imposed on the members of the Committee on Territories, to force them to go over there again on a similar mission?

Mr. O'CONNOR of New York. Oh, I imagine they will be quite reluctant.

Mr. COLDEN. Mr. Speaker, will the gentleman yield for a short observation?

Mr. O'CONNOR of New York. I yield.

Mr. COLDEN. It seems to me this invitation should be accepted in the spirit in which it is given. No Member of Congress who has not visited the Hawaiian Islands can realize what the American flag has done for those islands. It is the greatest melting pot on the face of the earth, and the American flag with the American schoolhouse has brought about a transformation. It is certainly enlightening to every person who has visited the islands to see the effect the American schoolhouse has had on the young Chinese, the young Japanese, the young Koreans, the young Malayans, and other varied groups of people who live on those islands. I trust the House will support this resolution.

Mr. SHANNON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. SHANNON. If the gentleman will not consent to an amendment to do away with the evil this will have upon this new element that has grown up who have the idea that the way to get things is by giving, I am going to insist upon a roll call. Let the United States Government pay for it.

Mr. O'CONNOR of New York. I trust the gentleman will not do that.

Mr. FLANNERY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. FLANNERY. Do I understand this is an invitation from Hawaii?

Mr. O'CONNOR of New York. Yes.

Mr. FLANNERY. And we propose, as the guests, to pay for our own dinner, as it were? I say it would be an affront to the hospitality of those people. It would be a gesture of insult to a generous people.

Mr. O'CONNOR of New York. I am afraid it would.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. KING. Mr. Speaker, under leave to extend my remarks in reference to the consideration of Senate Concurrent Resolution 18, to provide for the creation of a Joint Committee on Hawaii, authorized and directed to conduct a comprehensive investigation and study of the subject of statehood and of other subjects relating to the welfare of the Territory of Hawaii, I desire to make the following statement:

When the great English circumnavigator, Capt. James Cook, discovered the Hawaiian Islands in 1778, he started a train of events that has logically and in natural sequence led up to this moment, when I stand before you as the representative of the people of those islands asking the Congress of the United States to grant their plea for admission into the Union as a sovereign State.

Hawaii was made known to the world when America was just beginning its long fight for independence, when the United States of America had yet to be born out of the aspirations of the Thirteen Colonies to perpetuate that independence, when the western empire was yet to be carved out of the wilderness and organized into States that were taken into the Union on terms of equality with the original group, and when this Nation had yet to absorb into its vast domain the many peoples that found here a refuge against tyranny and an opportunity to enjoy the fruits of liberty denied them in their former homes.

The Nation created in that period has endured since then because its principles of government were based on fundamentals of democracy and because its institutions applied those principles to all alike. The right of a free people to rule themselves, the right of the governed to participate in their Government, is the keystone of this edifice of freedom. New lands were promptly organized as Territories and as promptly admitted as States; new peoples were offered the privilege of joining with their predecessors in allegiance to this Nation and in sharing with the older peoples the duties and responsibilities, and the rights of American citizenship.

Thus has America grown great in moral leadership, in area, in population, and in wealth. Soon the young Nation had spanned a continent, and faced the Pacific Ocean as well as the Atlantic. A war fought to gain the blessings of freedom for a neighboring people brought America out of its continental isolation to the position of a colonial empire, a condition not previously experienced nor contemplated. Now comes the time when America must decide what place in the Nation these new communities may take, whether the American ideals and the historical precedents shall be followed or

whether a new, an undemocratic, and an un-American policy shall be adopted.

As an American, as one whose Yankee forebears helped conquer the wilderness to create this Nation and fought to throw off the colonial yoke, whose immediate ancestors helped bring Hawaii under the American flag, and one who speaks for a people loyal to that flag, proud to serve it and anxious to do so as full-fledged citizens, I say there can be only one answer. When a community can show it possesses the fundamental necessities for self-government, this Nation can only answer, "The right to become a State is yours. We grant you that inestimable right on proof of your capacity for self-government, of your ability to maintain a republican form of government for your people, of your loyalty to the National Government, and of your desire to share its burdens."

Hawaii is in every respect fit for statehood. In area it exceeds three States, and is nearly equal to two others. In population it exceeds that of four States, and is running a close rate with four others. In taxes it pays into the Federal Treasury more than some 16 States and five times more than is expended upon it for local purposes. As an organized territory for over 35 years it has developed into a modern American community on a par with any other part of the Union by the ordinary standards of American life.

Historically, Hawaii has even a better claim to an affirmative answer to its plea. From the time of Captain Cook to the time of annexation in 1898, Hawaii maintained itself as an independent nation; first as a monarchy and later as a republic. Through the influence of the American missionaries who first brought Christianity to Hawaii in 1820, through its own Hawaiian leaders and through the work of later missionaries of different religious sects, Hawaii has been a Christian nation for over 100 years.

Its government follows the best western models. Its statute law was adopted from that of New York; its public-school system from Massachusetts.

The language of Hawaii is English. English will carry you from one end of the Territory to the other without the slightest difficulty. English is the one language that we all know; the language of the government and the schools; of business and social usage; and it is the American idiom that we know and use.

Hawaii has no other background than that of independence until it came under the American flag. At the time of annexation its entire body of law and its administrative organization was incorporated as part of the new Territorial government with a minimum of adjustment. Its president became the first Governor and its public-service employees retained their positions with practically no changes.

The reason for this is the fact that the influence of America, closer by far to Hawaii than any other nation, had been paramount for many years. There had been times when Hawaii's destinies might have been diverted into other channels. Russia showed some interest in the islands when that nation was still in possession of Alaska and had outposts in California. France had at one time the desire to add Hawaii to its South Pacific establishment. Great Britain might easily have become Hawaii's ruler but for its own indifferent policy and the active efforts of Hawaii's American colony to prevent such an end to their hopes. But certainly from 1875 to the time of annexation the entire trend of Hawaiian history was toward union with America.

In every step toward such a consummation, it was recognized that Hawaii had certain inalienable rights, that her status must be an honorable one under the American flag, that the surrender of her sovereignty to the United States carried with it an obligation on the part of the latter to see that the citizens of Hawaii should have no just cause of complaint as to the treatment accorded them. These considerations were accepted by America, were incorporated in the joint resolution of annexation, and were further expressed and carried out in the organic act.

There is no argument against Hawaii as to size, as to numbers, as to wealth, as to its capacity to maintain a republican form of government, nor as to the historical obligation of the United States to at some time grant it statehood. I quote the late great Champ Clark, former Speaker of the House, that—

> A perpetual chrysalis existence as a territory is repugnant to the genius of our institutions and out of harmony with our entire history. Home rule has been our policy from the beginning.

What, then, might be the arguments against our plea? Is it the racial ancestry of our citizenry? Is that an argument that can be raised against a community already under the American flag, any more than it can be raised against any other part of the United States? In a population of 396,715 there are only 85,759 aliens. Many of these would be American citizens if they were eligible for citizenship. Of the citizen population, comprising 310,956, the great majority are native-born Americans.

Is it a doubt as to the loyalty of our citizenry? How anyone can possibly seriously doubt that loyalty is inconceivable. Our absolute American patriotism during the World War, in every phase of the national effort, the National Guard, the naval volunteers, the Liberty bond drives, the food-conservation exactions, is a matter of record. Are we to be found lacking through fear or suspicion of our people without just cause? Is a community that will soon be peopled almost entirely by native-born citizens, whose young formative years have been thoroughly American, to be judged in advance as to their loyalty when every item of evidence shows their complete assimilation of American ideals?

In all sincerity, as one with 20 years' service in the Navy and a wide acquaintance with mainland communities, I doubt if there is under the American flag a more loyal part of America than Hawaii. We accepted annexation wholeheartedly, with all its implications, its burdens, and responsibilities, and we have welded our people into a community united in a spirit of devotion to America, its institutions, and ideals that needs only a brief acquaintance to be recognized.

There is no nationalistic group in Hawaii; no other desire than to continue to be a part of America. There is no group among its citizens looking toward any other nation under whose flag it might work out its destiny. Hawaii is as American as Maine or Texas, as Florida or Washington.

Perhaps the last question that might arise is, "Do the people of Hawaii desire statehood at this time?" Yes; of course, they do. They have desired this culmination of their aspirations since that day in Honolulu when the Hawaiian flag was hauled down and the American flag was hoisted in its place. The platforms of both political parties in Hawaii have always carried a plank in favor of statehood; my bill to grant statehood to Hawaii is but a repetition of similar bills introduced by my predecessors; and no candidate has ever attempted to run for office without pledging his support of this desire. In other words, the people of Hawaii, the great majority of them ardently desire statehood. The Hawaiian people as a whole will never be satisfied with any other political organization but that of a sovereign State of the Union.

The people of Hawaii already share every burden that is laid upon the people of America. Every Federal law of national import applies to Hawaii as it does to continental United States. At the time of annexation American immigration and tariff laws became effective in Hawaii immediately.

The whole body of Federal taxation is just as much in force in the Territory as in any other part of the Union. Whether it be income taxes or inheritance taxes or other internal-revenue imposts. customs, or gas taxes, or processing taxes and code levies, Hawaii pays its share on exactly the same basis as the rest of the country. Indeed, the only difference the change of status would make is in Hawaii's participation in national elections and in the deliberations of the United States Congress and the elections, rather than the appointment of some of the Territorial officers.

As to Hawaii's place in the scheme of national defense, the question of statehood has no adverse effect on that important phase of Hawaii's value to the Nation. Other communities contain major military establishments without destroying the liberties of the adjacent civilian population. I have yet to hear of any military authority seriously advocating that the Hawaiian people must be denied their civil rights as a measure of national defense; that an area greater than Connecticut and Rhode Island, with nearly 400,000 people, organized into a highly developed community, representing hundreds of millions of dollars of capital, and responsible for an average annual trade of $200,000,000, should be denied any degree of self-government as a preventative measure.

Such hypotheses are the talk of jingoes, of an occasional irresponsible layman, of unauthorized and self-appointed spokesmen for the military services.

I have discussed this question with many ranking officers of the Army and Navy, and it is simply ridiculous to consider a military menace in our population there.

The national defense will be loyally supported by the people of Hawaii, whatever their status, and their cooperation would be obtained in the fullest degree if their condition were the most honorable attainable—that of citizens of a state.

There are many more pertinent facts I might submit in amplification or support of the above statements, but I have tried to bring these remarks into as brief a compass as possible.

I hope that the Joint Committee on Hawaii will be able to verify by personal acquaintance the fact that Hawaii is as thoroughly American as any other part of this great Nation and that its people are as loyal citizens as any under the flag.

Mr. BATES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain matter prepared by myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LIGHTHOUSE KEEPERS

Mr. RAMSPECK. Mr. Speaker, I renew my request for the immediate consideration of the bill (S. 2578) to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothwithstanding the provisions of section 2 of the act approved July 3, 1930 (46 Stat. 1003), the Secretary of Commerce is authorized, in his discretion, to continue the existing system governing the classification and pay of the positions of lighthouse keepers, pending the enactment by the Congress of legislation establishing and prescribing a system of classification and pay applicable to these positions.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS SINEPUXENT BAY, OCEAN CITY, MD.

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7806) authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, after "Street", insert "or South Division Street or Wicomico Street."

Page 2, line 4, after "act", insert "*Provided*, That notwithstanding the designation made in this act, if, within 3 months after the passage of this act, in response to a duly called and authorized election, the duly qualified and registered voters of Ocean City, Md., should, after participation in such special election, designate a preference for the erection of said bridge at some point other than at one of the three locations set forth in this act, then such designation of the location of said bridge shall be the point fixed for the building of said bridge, anything in this act to the contrary notwithstanding: *Provided further*, That in the event any site for said bridge be selected of which there is no record in the Office of the Chief of Engineers, said site shall be subject to the final approval of the Secretary of War."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

ELECTION CONTEST—ROY *v.* JENKS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 339.

The Clerk read as follows:

House Resolution 339

Resolved, That the Committee on Elections No. 3, as a whole or by subcommittee, is authorized, pursuant to order of the House, August 18, 1937, to sit and act during the recesses of the Seventy-fifth Congress, in the District of Columbia or elsewhere, and to hold such hearings as the committee may determine in connection with the contested-election case of *Roy* v. *Jenks*. For the purpose of this resolution, the committee may require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee, and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the matter herein authorized, shall be held to the penalties provided by sections 102, 103, and 104 of the Revised Statutes of the United States, as amended (U. S. C., title 2, secs. 192, 193, and 194).

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, reserving the right to object, I could not tell just exactly what this resolution provided, but I was under the impression as I heard it read that it is simply to carry out the direction of the House on day before yesterday relative to the contested-election case of *Roy* v. *Jenks*.

Mr. NICHOLS. The gentleman is exactly correct. The resolution passed the other day provided that the whole Committee on Elections should go to Newton, N. H. The pending resolution provides that the whole committee or a subcommittee may go. This makes it so that if some Members cannot go a subcommittee, which would be a portion of the committee, could sit.

The resolution passed the other day did not provide for the administration of oaths. This resolution provides for the administration of oaths and also for the issuance of subpenas.

Mr. SNELL. It is practically the usual resolution we pass in such circumstances.

Mr. NICHOLS. It is the same kind of resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House, by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 17, 1937:

H. R. 1770. An act for the relief of the Farmers' Storage & Fertilizer Co., of Aiken, S. C.;

H. R. 3192. An act for the relief of Clifford L. Bonn;

H. R. 6045. An act authorizing and directing the Secretary of Commerce to transfer to the government of Puerto Rico a portion of land within the Catano Range Rear Lighthouse Reservation, P. R., and for other purposes;

H. R. 7472. An act to provide additional revenue for the District of Columbia, and for other purposes; and

H. R. 7823. An act to authorize the Secretary of Commerce to exchange with the people of Puerto Rico the Guanica Lighthouse Reservation for two adjacent plots of insular forest land under the jurisdiction of the commissioner, department of agriculture and commerce, and for other purposes.

On August 20, 1937:

H. R. 827. An act for the relief of Fred P. Halbert;

H. R. 1767. An act for the relief of the Rowesville Oil Co.;

H. R. 3960. An act for the relief of the Southern Overall Co.;

H. R. 6167. An act to provide a surcharge on certain air mail carried in Alaska;

H. R. 6762. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended;

H. R. 7642. An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes; and

H. R. 7949. An act to exempt State liquor-dispensing systems from the requirement of keeping certain records and rendering transcripts and summaries of entries with respect to distilled spirits.

RESOLUTIONS LAID ON TABLE

Mr. O'CONNOR of New York. Mr. Speaker, I move to lay on the table House Resolution 191, House Calendar No. 72, providing for the consideration of H. R. 1611, a bill to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890.

This is a matter that has been disposed of other than under the rule.

The motion was agreed to.

Mr. O'CONNOR of New York. Mr. Speaker, I move to lay on the table House Concurrent Resolution No. 20, House Calendar No. 187, to provide for the creation of a joint committee on Hawaii. This is the matter we just disposed of a moment ago.

The motion was agreed to.

RECESS

The SPEAKER. The House will stand in recess for 10 minutes.

Accordingly, at 11 o'clock a. m., the House stood in recess until 11:10 a. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11:10 o'clock a. m.

UNITED STATES HOUSING ACT

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill S. 1685, to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

Mr. FADDIS. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-three Members present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 151]

Allen, Del.	Brewster	Cannon, Wis.	Cole, N. Y.
Allen, La.	Brooks	Cartwright	Cox
Bacon	Buck	Celler	Crosser
Bell	Buckley, N. Y.	Clark, N. C.	Crowther
Biermann	Bulwinkle	Cluett	Culkin
Bindsrup	Cannon, Mo.	Coffee, Wash.	Curley
Deen	Greenwood	McGroarty	Scrugham
Douglas	Harrington	Maas	Sirovich
Drewry, Va.	Hartley	Maloney	Smith, Maine
Duncan	Hendricks	Meeks	Smith, Va.
Eaton	Hill, Ala.	Mott	Smith, Wash.
Elliott	Hobbs	Nelson	Smith, W. Va.
Fernandez	Hoffman	O'Day	Stack
Fish	Jarrett	O'Neal, Ky.	Sullivan
Fitzpatrick	Kerr	Pace	Taylor, Colo.
Ford, Calif.	Kirwan	Patman	Taylor, S. C.
Fulmer	Kleberg	Pettengill	Tobey
Gasque	Knutson	Pierce	Wadsworth
Gifford	Lambeth	Ramsay	Wigglesworth
Gilchrist	Lewis, Md.	Reed, N. Y.	
Green	Ludlow	Richards	

The SPEAKER. Three hundred and forty-eight Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill S. 1685, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

"DEFINITIONS

"SEC. 2. When used in this Act—

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.

"(2) The term 'families of low income' means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

"(3) The term 'slum' means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

"(4) The term 'slum clearance' means the demolition and removal of buildings from any slum area.

"(5) The term 'development' means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

"(6) The term 'administration' means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

"(7) The term 'Federal project' means any project owned or administered by the Authority.

"(8) The term 'acquisition cost' means the amount prudently required to be expended by a public housing agency in acquiring a low-rent-housing or slum-clearance project.

"(9) The term 'non-dwelling facilities' shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

"(10) The term 'going Federal rate of interest' means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of ten years or more.

"(11) The term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

"(12) The term 'State' includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(13) The term 'Authority' means the United States Housing Authority created by section 3 of this Act.

"UNITED STATES HOUSING AUTHORITY

"SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

"(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

"(c) The Administrator shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

"SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such officers, attorneys, and experts, and such employees as may be necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such employees whose compensation is in excess of $1,980 per annum, as may be necessary to carry out the purposes of this Act.

"(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of $7,500 per annum shall be subject to confirmation by the Senate.

"(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

"(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this Act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this Act.

"SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

"(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

"(c) The Authority shall have an official seal, which shall be judicially noticed.

"(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

"(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

"SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

"(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than $300.

"(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

"(d) No annual contribution, grant, or loan, and no contract for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.

"SEC. 7 (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

"(b) In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance project undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

"SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

"LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

"SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition cost of such project. Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of one per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority.

"ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

"SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash or tax remissions, general or special, or tax exemptions, at least 20 per centum of the annual contributions herein provided. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families

of low income is so acute as to force dangerous overcrowding of such families.

"(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield at the going Federal rate of interest at the time such contract is made plus 1 per centum, upon the development or acquisition cost of the low-rent housing or slum-clearance project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

"(c) In case any contract for annual contributions is made for a period exceeding twenty years, the Authority shall reserve the right to reexamine the status of the low-rent-housing project involved at the end of ten years and every five years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding sixty years.

"(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

"(e) The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than $5,000,000 per annum, on or after July 1, 1938, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than $7,500,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

"CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

"SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent-housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however*, That no capital grant shall be made for the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project, except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

"(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent-housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

"(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

"(d) The Authority is authorized, on or after the date of the enactment of this Act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than $10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than $10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than $10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

"(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

"(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

"DISPOSAL OF FEDERAL PROJECTS

"SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

"(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

"(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

"(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the Act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this Act.

"(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

"GENERAL POWERS OF THE AUTHORITY

"SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale or otherwise acquire, and may administer, any low-rent-housing project which it previously owned or in connection with which it has made a loan pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

"(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

"(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

"(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mort-

gages), in such amounts, and from such insurers, as it deems desirable.

"(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

"SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this Act. Any rule of law contrary to this provision shall be deemed inapplicable.

"SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

"(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

"(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

"(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

"(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this Act shall be entered into by the Authority with respect to any project hereafter initiated costing more than $4,000 per family-dwelling-unit or more than $1,000 per room (excluding land, demolition, and non-dwelling facilities); except that in any city the population of which exceeds 500,000 any such contract may be entered into with respect to a project hereafter initiated costing not to exceed $5,000 per family-dwelling-unit or not to exceed $1,250 per room (excluding land, demolition, and non-dwelling facilities), if in the opinion of the Authority such higher family-dwelling-unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs. With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent-housing projects as it finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials, and economy will be promoted both in construction and administration, and (b) that the average construction cost of the dwelling units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this Act.

"SEC. 16. In order to protect labor standards—

"(1) The provisions of the Act of August 30, 1935, entitled 'An act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings' (49 Stat. 1011), and of the Act of August 24, 1935, entitled 'An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work' (U. S. C., 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

"(3) The Act entitled 'An Act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes', as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

"(4) The benefits of the Act entitled 'An Act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes' (39 Stat. 742), shall extend to officers and employees of the Authority.

"(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U. S. C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

"(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this Act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within five days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

"FINANCIAL PROVISIONS

"SEC. 17. The Authority shall have a capital stock of $1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipt for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

"SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26,000,000 for the fiscal year ending June 30, 1938, of which $1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

"SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this act.

"SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this Act. The Authority may issue such obligations in an amount not to exceed $100,000,000 on or after the date of enactment of this Act, an additional amount not to exceed $200,000,000 on or after July 1, 1938, and an additional amount not to exceed $200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury

"(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

"(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

"(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

"(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

"SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

"(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

"(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

"(d) Not more than 10 per centum of the funds provided for in this Act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

"PENALTIES

"SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

"SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or makes any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than $1,000 or imprisonment for not more than 1 year, or both.

"SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"SEC. 26. No individual, association, partnership, or corporation shall use the words 'United States Housing Authority', or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding $1,000.

"SEC. 27. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other Act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

"SEC. 28. The President is hereby authorized to make available to The Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

"SEC. 29. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"SEC. 30. This Act may be cited as the 'United States Housing Act of 1937'."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JESSE P. WOLCOTT,
HAMILTON FISH,
Managers on the part of the House.

DAVID I. WALSH,
ROYAL S. COPELAND,
WM. E. BORAH,
ROBERT M. LA FOLLETTE, Jr.,
ELBERT D. THOMAS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1685) to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

FINDINGS AND DEFINITIONS

The Senate bill (sec. 1) contained a statement of findings as to housing conditions in rural and urban communities in the United States, and declared it to be the policy of the United States to remedy such conditions. The House amendment did not contain such findings but contained the declaration of policy with a clause expressly applying such policy to rural and urban communities. The conference agreement adopts the provisions of the House amendment.

The Senate bill defined the term "low-rent housing" (sec. 2 (1)) to include in any project desirable as well as necessary appurtenances, and to include administrative, educational, recreational, commercial, and other lands, buildings, and facilities. The House amendment included only "necessary appurtenances" in the definition. The Senate provision limited the availability of the low-rent housing to families whose net income did not exceed five times the rental, and in cases of families with three or more minor dependents, six times the rental. The House amendment fixed these ratios at four and five times, respectively, and limited availability to families of citizens of the United States. The conference agreement adopts the definition of "low-rent housing" contained in the House amendment; adopts the ratios of five and six times the rental, respectively; and omits the language with reference to families of citizens.

The Senate bill included in the definition of "slum clearance" the adaptation of slum areas to public purposes, including parks, parking areas, or other recreational or community facilities (sec. 2 (4)). Such items were not included in the House amendment. The conference agreement adopts the provisions of the House amendment.

The Senate bill (sec. 2 (7)) defined the term "demonstration project." The House amendment contained no corresponding definition. The conference agreement substitutes a definition of the term "Federal projects", as demonstration projects are omitted from the conference agreement. The term "Federal projects" is applied to projects owned or administered by the Authority.

The Senate bill (sec. 2 (8)) defined the term "acquisition cost" to mean the acquisition cost of a project to the Authority or to a housing agency. The House amendment (sec. 2 (7)) defined such cost to be the amount prudently required to be expended by a public housing agency in acquiring or developing a project. The conference agreement adopts the provisions of the House amendment but omits the reference to cost of development, which is covered in a definition of the term "development" in section 2 (5).

The House amendment defined the term "average family-dwelling-unit cost" (sec. 2 (8)), which was used in section 15 (5) of the House amendment. The Senate bill did not use such term. The conference agreement omits the definition of the term, which is not used in the conference agreement.

ADMINISTRATIVE PROVISIONS

The Senate bill (sec. 3(b)) provided for vesting the powers of the Authority in a board of directors of three members. The House amendment provided for a single Administrator appointed for a term of five years by the President with the consent of the Senate, and for an unpaid advisory board of nine members representing various interests and geographical areas of the country. The conference agreement adopts the provisions of the House amendment except those providing for an advisory board.

The Senate bill (sec. 4(a)) provided for the appointment and fixing of compensation of employees of the Authority subject to the civil-service laws and the Classification Act of 1923, except that in the case of attorneys, officers, and experts, appointment

might be made under regulations to be prescribed by the Civil Service Commission. The House amendment provided for the appointment and fixing of compensation of employees of the Authority without regard to such laws. The Senate bill (sec. 4(b)) provided for the confirmation by the Senate of employees with an annual salary of $4,000 or more, a provision which was not contained in the House amendment. The conference agreement provides that the compensation of all employees shall be subject to the Classification Act of 1923, as amended, provides that all officers, experts and attorneys, and those employees receiving salaries of over $1,980 per annum, shall be exempted from the provisions of the civil-service laws, and provides that employees with an annual salary of more than $7,500 shall be subject to confirmation by the Senate.

The Senate bill (sec. 4 (c)) authorized the President to transfer housing or slum-clearance projects to the Authority. The House amendment limited such power of transfer to projects which have been constructed or are in process of construction on the date of enactment of the Act. The conference agreement retains the Senate provision with the House limitation thereon.

The Senate bill (sec. 6 (a)), in addition to auditing requirements, contained a provision requiring the showing of necessity for all expenses and expenditures by the Authority to the Bureau of the Budget and to the Congress. The House amendment contained no corresponding provision. The conference agreement omits the Senate provision.

The Senate bill (sec. 7 (a)) provided for research and experimentation by the Authority and the publication of housing information. No corresponding provision appeared in the House amendment. With respect to the annual report of the Authority to Congress contained in the Senate bill (sec. 7 (b)), the House amendment included in its requirements for a like report a statement of expenses and of annual contributions, in addition to the loans and grants covered in the Senate provision. The conference agreement omits the provision for research and experimentation, but permits the publication and dissemination of housing information by the Authority. The agreement also adopts the provisions relating to the annual report as modified in the House amendment.

The Senate bill (sec. 8 (b)) contained a provision relating to the review of administrative actions of the Authority. There was no corresponding provision in the House amendment. The conference agreement does not contain any provision relating to such review.

LOANS, ANNUAL CONTRIBUTIONS, AND CAPITAL GRANTS—LOCAL CONTRIBUTIONS

The Senate bill (sec. 9 (a)) provided that loans on any project should not exceed the development or acquisition cost, less capital grants and less loans by third parties.

The House amendment, in the case of loans in connection with capital grants under section 9, limited the amount of loans on any project to the development or acquisition cost less any capital grants, but in any event not to exceed 85 percent of such cost. The House amendment required that in the case of annual contributions under section 10 the total of loans on any project be limited to 85 percent of such cost. The House amendment also required that any loan by the Authority be secured by a first and a paramount lien against the project and its revenues. The conference agreement limits all loans to 90 percent of the cost of the projects and provides that the loans be secured in such manner as the Authority deems advisable.

In connection with the annual contributions provided for in the Senate bill (sec. 10 (a)) the House amendment conditioned the availability of the annual contribution by the Authority on local contributions by the State or political subdivision in which the project is situated constituting at least 25 percent of the annual contribution as provided for in the Senate bill (which fixes the maximum annual contribution at the going Federal interest rate plus 1 percent (sec. 10 (b)). The same section of the Senate bill required that any project providing for new dwellings must include the elimination or compulsory improvement of a substantially equal number of unsafe or insanitary dwellings in the locality or metropolitan area. The House amendment required such demolition or improvement to be provided for under arrangements satisfactory to the Authority, with power in the Authority to defer elimination of old housing if there is an acute shortage of decent, safe, or sanitary housing available to low-income families. The conference agreement adopts the provisions of the House amendment requiring local contributions to make up a part of the annual contribution provided for in the Senate bill, except that the contribution is fixed at 20 percent. The agreement requires the elimination or improvement of unsafe or insanitary dwellings to be included in the project for new dwellings, and adopts the provisions of the House amendment permitting such elimination or improvement to be deferred in case of an acute shortage of decent, safe, or sanitary housing for low-income families.

The House amendment added a proviso to section 10 (b) of the Senate bill to require that the annual contributions be used first to apply for the payment of interest or principal on loans due the Authority from the public-housing agency. The House amendment (sec. 10 (c)) provided for an examination of the status of low-rent-housing projects at the end of the first 10 years of the contract for annual contributions and each 5 years thereafter, instead of 20 years and 10 years, respectively, as provided in the Senate bill. The conference agreement adopts the provisions of these House amendments.

In connection with capital grants in assistance of low rentals, the Senate provision (sec. 11 (a)) providing for the elimination or compulsory improvement of unsafe or insanitary dwellings as part of a project involving the construction of new dwellings was modified by the House amendment (sec. 11 (a)) in the same manner as in the case of the provision relating to annual contributions (sec. 10 (a)). The Senate requirement for local contributions in case of capital grants (sec. 11 (f)) was modified by the House amendment to permit such contributions in the form of community facilities or services only if of the kind for which a charge is usually made, and to include tax exemptions with tax remissions, and to increase the contribution from 20 percent to 25 percent of the development or acquisition cost of the project. The conference agreement requires the elimination or improvement of unsafe or insanitary dwellings as part of a project, and adopts the provision of the House amendment permitting the deferment of such elimination or improvement under the same conditions as in the conference agreement under section 10 (a). The agreement fixes the amount of the local contributions in connection with capital grants at 20 percent of the development or acquisition cost.

The Senate bill contained no provisions for the disposal of Federal projects for low-rent housing or slum clearance, and the House amendment (sec. 12) made provision for the disposal of projects transferred to or acquired by the Authority. Such disposal might be by sale to a public housing agency at the fair value of the project for housing purposes of a low-rent character, or by lease to a public housing agency, which lessee must assume management, operation, and maintenance costs. The conference agreement adopts the provisions of section 12 of the House amendment.

GENERAL POWERS OF THE AUTHORITY

The Senate bill (sec. 12 (a)) contained provisions for the acquiring of real or personal property by purchase, eminent domain, donation, or otherwise, a provision which was not included in the House amendment. The House amendment did not contain any provision corresponding to the Senate provision (sec. 12 (f)) permitting the Authority to subordinate its securities or obligations to those which may be sold by it. The conference agreement does not include the provisions of the Senate bill with respect to such acquisition of property or the subordination of securities.

STANDARDS FOR PROJECTS

The Senate bill (sec. 14) contained various standards relating to the making of loans, annual contributions, and capital grants, which were not included in the House amendment. The conference agreement does not include these provisions.

The Senate bill (sec. 15 (4)) contained a provision for the maintenance of playground facilities in connection with housing projects which was not included in the House amendment. The conference agreement provides that any contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with a housing project when deemed necessary by the Authority for the safety or health of children.

The Senate bill (sec. 15 (5)) contained a limitation on the cost of dwelling units in any project limiting the cost to $4,000 per family unit, or $1,000 per room, exclusive of the cost of land and the cost of renovating old buildings, less value of salvage. The House amendment prescribed limitations requiring that the projects not be of elaborate or expensive design or materials and that economy be promoted both in construction and administration, and that the construction costs of dwelling units be not greater than the average construction costs of units currently produced by private enterprise in the locality or metropolitan area concerned, and that the average family-dwelling-unit cost shall not exceed $5,000. The conference agreement limits construction costs in projects to $4,000 per family-dwelling unit and $1,000 per room (excluding land, demolition, and nondwelling facilities), except that in any city the population of which exceeds 500,000, if in the opinion of the Authority a higher dwelling-unit cost or cost per room is justified by reason of higher costs of labor or materials, or other construction costs, the per family-dwelling-unit cost is limited to $5,000 and the per-room cost is limited to $1,250. The conference agreement adopts the provisions of the House amendment relating to design, materials, economy in construction and administration, and the provision limiting the dwelling-unit cost to the average construction cost of units produced by private enterprise in the same locality or metropolitan area.

FINANCIAL PROVISIONS

The Senate bill (sec. 20 (a)) provided for an aggregate bond issue by the Authority totaling $700,000,000. The House amendment fixed the aggregate at $500,000,000. The conference agreement adopts the aggregate amount fixed in the House amendment.

The Senate bill (sec. 21 (d)) provided that not more than 20 percent of the funds provided for in the act for loans, grants, or contributions should be expended within any one State. The House amendment substitutes 10 percent in lieu of 20 percent. The conference agreement adopts the figure fixed in the House amendment.

The House amendment contained an additional section (sec. 28) providing specifically for the District of Columbia Alley Dwelling Authority. The Senate bill contained no similar provision. The conference agreement adopts the provision of the House amendment.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JESSE P. WOLCOTT,
HAMILTON FISH,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, the Senate bill provided for a board consisting of an administrator and two assistants, the administration to be under the board and subject to the general supervision of the Secretary of the Interior. The House bill provided for an administrator under the supervision of the Secretary of the Interior and an advisory board of nine members to serve without compensation except expenses incurred in attending meetings and remuneration for the time spent in conference. The conference report provides for an administrator under supervision of the Secretary of the Interior and eliminates the provision for an advisory board.

The Senate bill provided the sum of $700,000,000 for the purpose of making loans by the Federal Housing Authority. Under the House bill this amount was reduced to $500,000,000, and the House provision was adopted.

The Senate bill provided that loans on any project should not exceed the development or acquisition cost, less capital grants and less loans by third parties.

The House amendment, in the case of loans in connection with capital grants, limited the amount of loans to the development or acquisition cost less any capital grants, but in any event not to exceed 85 percent of such cost. The House amendment required that in the case of annual contributions under section 10 the total of loans on any project be limited to 85 percent of such cost. The conference agreement limits all loans to 90 percent of the cost of the projects. In connection with annual contributions the House amendment required local contributions at least 25 percent of the annual contributions. The conference agreement fixes the local contribution at 20 percent. In the case of local contributions in connection with capital grants the Senate had fixed a figure of 5 percent, the House amendment fixed it at 25 percent, and the conference agreement makes it 20 percent.

The conference report followed the language of the Senate bill in defining low-rent housing and adopts, in respect of the income of and the rent payable by the tenant, the ratio of 5 to 1 and 6 to 1 the standard by which the benefits of rental privileges are to be extended. The House language provided that the salary should not be more than four times the rental fixed, in one instance, and five times in the other. The Senate bill provided five and six times the rental fixed. The conference report adopts the Senate amendment, for the reason that under the Senate amendment a smaller percentage of salary is required for the payment of rent, the intent being to extend the benefits, as far as may be done, to those most in need.

In the Senate bill the cost of construction of a family unit was limited to $4,000 and to $1,000 a room. The House bill provided for limitation of $5,000 per family unit as a maximum and required that the construction of projects could not exceed the cost of similar projects undertaken by private enterprise in the particular communities to be served.

The conference report provides a general limit of $4,000, as provided in the Senate bill, and retains the other restrictions and limitations imposed in the House bill. A proviso is added that permits projects for dwelling units to cost as much as $5,000 in cities where the population exceeds 500,000. In the case of the $4,000 limitation a room-cost limit of $1,000 is provided, and in the case where construction of family units may reach $5,000 in cities of over 500,000 population a room limitation of $1,250 is provided.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. Is there any leeway allowed in the bill for a city with a population, such as Omaha, Nebr., for instance, of 225,000 for an extension or an increase in the amount per room, if it becomes necessary?

Mr. STEAGALL. No. The limit is $4,000 a family unit and $1,000 a room, except in cities of above 500,000 population, where the room limit is $1,250 and the unit limit is $5,000.

Mr. McLAUGHLIN. Did the committee arrive at this 500,000 figure with reference to any data which assisted it, or was it an arbitrary alinement of some kind?

Mr. STEAGALL. There were all kinds of figures and suggestions. Of course, in conference we were acting within the limits of the provisions of the two measures as passed by the House and the Senate. This is a compromise worked out in conference, and it seems to me to be about the best arrangement that has been suggested.

Mr. McLAUGHLIN. If it develops in actual practice that it does not work out satisfactorily as far as the arbitrary limitation is concerned, it can be amended subsequently?

Mr. STEAGALL. Yes. As has been stated over and over, this bill is simply a beginning of a program, if we are to go forward toward anything approaching the fulfillment of the desires of those who are responsible for this legislation.

Under the provisions of the Senate bill no State could receive more than one-fifth of the funds. The House changed the figure to one-tenth of the total amount, and the House provision was adopted in conference.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. COLMER. May I inquire of the chairman of the committee whether or not any provision was made for the benefits of this beneficient measure to be extended to the rural communities, by which I mean communities of 25,000 or less?

Mr. STEAGALL. Of course. The gentleman invites a repetition of discussion which took place on the passage of the bill in the House. As far as I know, this inquiry does not involve any difference between the House bill and the Senate bill. However, I may say to the gentleman that this bill contemplates a housing program and a slum-clearance program, and there is no limitation in the bill in respect of the area to be benefited, rural or urban. On the contrary, under the specific language of the bill, it is made applicable to both rural and urban communities. It applies to communities far below 25,000 population, as suggested by the gentleman from Mississippi. The conferees made no change in this provision of the bill.

Mr. COLMER. As a practical matter, will the smaller communities come under this bill, in the opinion of the distinguished chairman of the committee?

Mr. STEAGALL. Undoubtedly they will if this law is administered in accordance with its letter and with its purpose, as we have a right to assume it will be.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there retained in the bill the provision that the cost per unit shall be commensurate with the cost of building in the locality where the work is being undertaken?

Mr. STEAGALL. Yes; all this language is in the bill, plus the limitation embodied in the Senate bill of $4,000 with respect to projects in cities of less than 500,000 population, with the other provisions to which I have referred.

Mr. MAY rose.

Mr. STEAGALL. I yield to the gentleman from Kentucky. I know what the gentleman wants me to talk about. I am coming to that right now.

Mr. MAY. Probably the chairman is right, but what I have in mind is that, as I understand, this bill sets up a national housing authority with power and authority to deal with a State housing authority or other local housing authorities.

Mr. STEAGALL. The gentleman is correct; States, counties, and other subdivisions.

Mr. MAY. Suppose the State has no housing authority, or the county has no housing authority, would a small town which happened to have a slum area be able to establish a housing authority?

Mr. STEAGALL. If it has a municipal-housing authority dealing with that question, it comes under the provisions of this bill.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. Is the provision which the House inserted in the bill limiting the benefits of this act to American citizens retained in the conference report?

Mr. STEAGALL. I may say to the gentleman that this matter was not regarded as of serious importance by some members of the conference, and it was not considered necessary to include such a provision in the bill. For this reason, the provision in the House bill is not embodied in the conference report.

Mr. LEWIS of Colorado. May I say to the distinguished chairman of the committee that some of us regard it of very great importance that American citizens should not be taxed for the benefit of uninvited guests who owe no allegiance to our flag or to our Government.

Mr. STEAGALL. Of course, it is not expected that any such thing as that would happen under the administration of this bill.

Mr. LEWIS of Colorado. I hope not; but under the conference report it can still happen. Under the provision which the House voted to insert in the bill, and which the conferees agreed to eliminate, it could not happen.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. SADOWSKI. Following up the point discussed by the gentleman from Kentucky [Mr. MAY] in regard to a municipality establishing a housing authority to deal with the National Housing Administration, suppose there is a State that has not a municipal housing authority, a county housing authority, or a State housing authority; would it then be necessary for the State legislature to set up such authorities?

Mr. STEAGALL. No. A municipality or the county commissioners, can set up a housing authority without the necessity for the steps suggested by the gentleman.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I was not able to hear the question of the gentleman from Colorado [Mr. LEWIS], but I believe he was asking with regard to my amendment in reference to the qualification of citizenship.

Mr. STEAGALL. Yes; that is what the gentleman mentioned.

Mr. CASE of South Dakota. Did the chairman state this amendment was eliminated in conference?

Mr. STEAGALL. It was.

Mr. CASE of South Dakota. I am very sorry to hear that, because it seems to me it is difficulty to justify the cost of these so-called low-cost housing projects to the country. How can you say to people who themselves cannot live in houses as good as these that they shall contribute to the cost of building houses for the benefit of people who are not citizens of the United States?

Mr. STEAGALL. Of course, there is no such provision in the bill that the benefits shall apply to those who are not citizens of the United States.

Mr. CASE of South Dakota. Yes; but they may be so applied.

Mr. STEAGALL. As far as I am concerned, I do not think we need fear that anything of that kind will happen.

Mr. Speaker, the House upon a roll call expressed its desire with reference to the provisions of the two bills dealing with the matter of civil-service requirements to be applied to the personnel to be employed in carrying out this work.

The Senate bill required the application of civil-service and classification rules to all employees except attorneys and officials and experts, but with a provision that the employment of experts and officials should be under civil-service regulations. These requirements were not incorporated in the House bill. The conference report provides that civil-service rules shall be applied to all employees drawing up to and including $1,980, and all employees above $1,980 are exempt from civil-service requirements, but the Classification Act is made applicable to all employees.

I call attention to the fact that under the Classification Act only three grades would be embraced within the civil-service requirements provided in the conference report.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question?

Mr. STEAGALL. In just a moment.

There are 16 grades established under the Classification Act. This organization is peculiarly one that will call for a large percentage of experts, specially trained men, engineers, men experienced in real-estate matters, and all the things that go to make up the necessary qualifications for service in the administration of this law. I dare say we could not find a parallel in any other act passed in recent times as to the special types of personnel required. The conferees agreed to put under civil-service rules all employees embraced in the first three classes of the Classification Act. The other 13 classes under the Classification Act are excluded from the operations of civil-service rules.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. In just a moment. I want the House to understand the provision to which I am about to call attention, because it was not discussed when the bill was under consideration in the House, and I think it very important in connection with the action taken in connection with civil-service provisions.

Under the Senate bill all employees whose compensation amounts to $4,000 would be made subject to confirmation by the Senate. That provision has been incorporated in one or two other recent acts of the Congress, as I remember. I do not care to go into a discussion of that, but I do want to call the attention of the House to the provision of the Senate bill, and I wish to say to the House that, under the provisions of the conference report, no employee under this organization will be subject to confirmation by the Senate unless his salary exceeds $7,500. The conferees on the part of the House regard the elimination of the original provisions of the Senate bill of such importance as that it must meet the unqualified approval of the membership of the House.

Mr. McFARLANE. Mr. Speaker, will the gentleman now yield for a question?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. McFARLANE. Could the gentleman tell us about what percentage of the employees under this act will not be under the direct supervision and control and appointment of the Senate under the conference report you have agreed to, that all except the first three classifications will be under Senate jurisdiction?

Mr. STEAGALL. My answer to that would be, possibly, a few engineering experts and a few attorneys, but the number would be infinitesimally small.

Mr. McFARLANE. Under this proposition that the first three classifications will be under civil service and all others will be out from under, what percentage of the employees under this bill will be under civil service and what percentage will not be under civil service?

Mr. STEAGALL. There is no way to give those figures. As I have suggested, this is an organization that peculiarly demands a large percentage of employees of the type that would not be embraced within the $1,980 limitation or the first three classes embraced in the Classification Act, but there are only three classes of employees under the Classification Act that will be subject to civil service, and the Classification Act embraces 16 classes.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. COCHRAN. While I am not satisfied with the civil-service provisions, nevertheless I want to ask the gentleman, is it not a fact that when we vote on this conference report it is a question of take it or leave it?

Mr. McFARLANE. Not necessarily.

Mr. COCHRAN. I am addressing the chairman of the committee. If we vote down this conference report, I insist it must go back to the Senate, the conferees must meet again, and the rules of the House provide that the report must lay over a day.

Mr. COLLINS. No.

Mr. COCHRAN. Will the chairman who has the floor yield to me to submit a parliamentary inquiry?

Mr. McFARLANE. Mr. Speaker, will the gentleman yield to me with respect to a conflicting statement that has been made here?

Mr. COCHRAN. Mr. Speaker, the gentleman from Alabama has yielded to me to submit a parliamentary inquiry. I desire to know if this conference report is voted down, if it will not then be necessary to go back to the Senate and have the conferees meet again.

The SPEAKER pro tempore (Mr. RAYBURN). The gentleman is correct.

Mr. COCHRAN. Therefore I am sure if we vote the conference report down we are endangering the entire bill, and while I am not satisfied with the bill, because it does not entirely meet my viewpoint, I am going to vote for the conference report, as it is the best we can possibly get at this time.

Mr. STEAGALL. Mr. Speaker, how much time have I used?

The SPEAKER pro tempore (Mr. RAYBURN). The Chair has not yet answered the parliamentary inquiry submitted by the gentleman from Missouri [Mr. COCHRAN]. Of course, if the conference report is voted down, the bill will have to go back to conference, and if another report is agreed upon, unless it is brought up by unanimous consent, it would have to lay over for a day and be considered the day following.

The gentleman from Alabama has used 25 minutes.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield for a question.

Mr. WALTER. I rather imagine that the managers on the part of the Senate are very strongly in favor of this provision. When the gentleman compared this bill with the social security legislation I wondered what his experience had been with that organization when he endeavored to place people he knows are infinitely better qualified than the people selected arbitrarily by this group downtown, and I am wondering now whether he wants a repetition of the things that we have experienced under that law.

Mr. STEAGALL. Mr. Speaker, I think the position of the gentleman to whom the gentleman from Pennsylvania is addressing his inquiry is very well understood by the House.

I yield 5 minutes to the gentleman from Ohio [Mr. White].

Mr. WHITE of Ohio. Mr. Speaker, I think we are all inclined to stretch a point because this bill is supposed to deal with slum dwellings. When the original bill was under consideration in the House I strongly felt the provision for civil service should be included in it. I felt there should be specific limitation imposed upon the cost of units, and of rooms, and also felt that there should be provision in the bill to provide a check on expenditures, by the Comptroller General. Now, by the inclusion of the civil-service provisions as just outlined by the chairman of the committee, this housing bill is taken out of the spoils system to a very large degree, and by the change of the conference report in making the limitations on the cost per room and cost per unit more specific I think it has brought the bill a great deal closer to the target of low incomes and low rentals. In view of these changes and with a hope that further corrections will be made at the next session of Congress, I think many of us who did not feel justified in favoring the bill in the form originally presented can now be grateful for the work accomplished by the conference committee and be prepared to support the bill as submitted by the conferees.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WHITE of Ohio. Yes.

Mr. MAY. The gentleman stated that the conferees have taken the spoils system out of this bill. What the gentleman means is that it has left only two spoilsmen to handle it, and that is another body, and the Civil Service Commission.

Mr. WHITE of Ohio. I think they put civil-service limitations upon the bill. That constitutes the merit system and I think that ought to be extended from one end of the Government to the other.

I yield back the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when I first came to Congress I was told that all major legislation was a matter of compromise. I did not know quite what that meant until I took part in some conferences with the Senate on legislation. I did not fully realize what it meant until the conference on this bill when, after spending 11½ hours yesterday giving and taking, adding and subtracting, sparring for advantage back and forth, we finally succeeded in coming to an agreement on what I consider to be a better bill than that which the Senate passed or that which the House passed. We have clarified many points in controversy in both the House and Senate bills.

Briefly, I should like to tell the House how the bill will operate if the conference report is adopted. First, we set up an administrator within the Interior Department. The administrator is a body corporate. That might seem unusual, but there are precedents for it in our Federal system whereby an individual becomes, by act of Congress, a body corporate. We provide that the personnel of this new bureau—because it is a new bureau within the Department of the Interior—shall be chosen partly under the civil service and partly outside of the civil service. As the chairman of the committee has stated, all employees within the classifications who receive an annual salary less than $1,980 per year, come within the civil-service laws, and those employees who receive over $1,980 per year are patronage employees, and are appointed without regard to the civil-service laws, but their salaries are determined by the Classification Act. That is a decided improvement on the House bill because as the House passed the bill there was no limitation upon the salary which could be paid any employee. A clerk in the Department could, within the discretion of the administrator, be paid a salary of $50,000 a year. There was no limitation upon it. Employees receiving a salary of over $7,500 per year must be confirmed by the Senate.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. COCHRAN. The gentleman knows that the House is divided upon the question of personnel. Part of the House is in favor of no civil-service provision, and another part of the House is in favor of a civil-service provision.

A moment ago I made a statement in which I said that if those who insisted on eliminating the provisions, as they now are, voted down the conference report, it naturally must go back to conference. I further stated that when the next report was made it would have to lie over for a day. I have confirmed that by talking to the Parliamentarian. The only way this conference report can be called up again, in the event this one is voted down, would be for the Senate to agree to the resolution for adjournment. Prior to the time the resolution for adjournment is agreed to by the Senate, there is absolutely no way that this conference report could be called up, because under the rules of the House it must lie over for a day.

Mr. WOLCOTT. I think the gentleman is correct.

Mr. COCHRAN. Therefore, despite my feelings in the matter, I am going to set those aside, because I want to see some legislation passed, and vote for the conference report. Those who want a housing bill should do likewise.

Mr. WOLCOTT. Nobody has given any more in this conference report on civil service than I have by accepting the language which we agreed upon in conference. If you will recall, I stood here and got several headaches trying to convince this House that we should provide that all employees come under the civil service. Because I wanted to see a housing program started, and realizing that we were going to have no housing bill unless we accepted the provisions which we have written into this conference report, I then decided I should go along with the conference report and the agreement which we entered into concerning the civil service. If I, a Republican, am willing to modify my stand on this deep-seated principle that I have concerning this question, then surely you Democrats, who are going to get at least some of the "gravy" and who want a housing bill, should at least do likewise. I want you to meet me half way on this, because I am telling you in all sincerity that unless we do accept this provision, and I say it without any fear of successful contradiction, we are not going to have a housing bill at this session of Congress. So to vote down this conference report because of some misguided convictions which you may have with reference to the civil service means the death of the housing bill. Is it more important that we have a housing bill or is it more important that you should have patronage? I say at the present time it is more important that we vote for this conference report and give the administration an opportunity to evolve a sound housing program.

Mr. MEAD. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MEAD. As one who supported the civil-service provisions of the bill, and as one who wants a housing bill at this session of Congress, I can see where it is easy for a Member to compromise his position, no matter whether he stands for the civil-service or the patronage system. In the provisions that you bring to us in the conference report, it is very easy for the Civil Service Commission to give this new department an abundance of well-qualified applicants for the minor positions, and it will be very easy for those in charge of the organization of this new set-up, and because of the very nature of it, it being rather a new undertaking on the part of the Government, to secure outside of the civil-service personnel for those key positions that will fall in what we may call the expert assignments. In other words, the rank and file will be taken from the civil service, and the higher positions may be drawn from the industry that has produced experienced personnel in housing matters.

Mr. WOLCOTT. The gentleman is absolutely correct.

Mr. McMILLAN. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McMILLAN. Following the remarks of the gentleman from New York [Mr. MEAD], the question occurs to me what is going to be the solution of your problem with regard to these civil-service employees after they have, by the efficiency of their ratings, been promoted to a point beyond the $1,980 salary. In other words, it seems to me that unless some provision is made here, the very civil-service employee who, by his rating and his efficiency, is promoted will be penalized once he is beyond that rate of $1,980. That is the question I would like to hear the gentleman say something about.

Mr. WOLCOTT. We gave some consideration to that. This is a compromise. We must realize that none of these employees will be advanced beyond that grade during the next year, and so Congress being in session next January, and undoubtedly called upon to practically rewrite this bill in the light of experience between now and then, may give consideration to just that question. On the other hand, I may say to the gentleman it is my understanding that the majority side has in mind bringing in a reorganization bill at the next session of Congress, which would blanket all of these employees into the civil service and make them amenable to the Classification Act.

Mr. McMILLAN. I think that is a fundamental question involved in this problem.

Mr. MEAD. I will say the gentleman is correct in his statement. The contemplated reorganization bill will bring every permanent agency under the classified civil service.

The SPEAKER. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Speaker, this conference report is nothing but a cutthroat report which would require the House to do a thing that the House is clearly opposed to. If the conferees had wanted to treat this House fairly, they should have come in here with a favorable report on the question that the House had so decidedly voted upon. Not 10 percent of all the Members on the Democratic side voted against the amendment eliminating the civil-service feature, yet the conferees would make us vote this report up or down when they know that it is not fair. It has been my experience in the past, especially under Republican administrations, that except where they tried to ram something down the throats of the Members, they stood by the position of the House when the House had decided so overwhelmingly upon a proposition; they would bring the matter back to the House for decision.

The only Members who have today defended the conference report have been those who were wild on the theory of civil service, as you know from their record here. They are trying to get us to do a thing that they know we do not want to do. They tell us that one objection can stop it. No one is going to object to this report being taken up under unanimous consent, and if they did, it could be called up under a suspension of the rules, for any rule can be suspended by a two-thirds vote of the House; and every one of the Members, even if they are opposed to this civil-service provision, will vote to suspend the rules.

It is just a question of trying to ram it down our throats. The thing to do is to have another conference, for the conferees to bring back another report. If we stand by our guns and ask for a further conference, we know they will recede. The conferees have done nothing to carry out the will of this House, not a thing in the world, notwithstanding the overwhelming majority of the Members who voted on the proposition. It is an insult to 95 percent of the Democrats on this side of the House. The report ought to be voted down.

Who do they say was exempted? They exempted lawyers; they are experts and always are exempted. They exempted architects and engineers, and they are always exempted, and it was intended that they should be exempted. All of those positions are going to go to the Senate. There will not be a Representative get a single job, not one; and I do not expect any of them anyway, but I want a fair square deal, especially in regard to the matter about which the House has expressed itself so decisively.

Every Member of the House knows that one objection will not stop consideration of the conference report despite what is said by these civil-service enthusiasts, such as the gentleman from Missouri, the gentleman from Buffalo, N. Y., who come in here and try to put up a bugaboo and say that one objection can stop it. They know, the Speaker knows, and the Parliamentarian knows that that is not true. The rules can be suspended and there is not a question of doubt in the world, regardless of what their report might be when they bring it back, that all of us will allow them to bring it up under unanimous consent. Not only that, but the deficiency appropriation bill is in the same condition now that this bill will be if it goes back to another conference.

If we want to sacrifice our rights, if we want to let a little minority control this House and ram down our throats something that we are opposed to, if we want to set a precedent of that kind, we can; and they will continue to do such things in the future. Send it back to conference; vote

against it. We who take this position are not opposed to civil service in the permanent departments and want to do no harm to the real merit system. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Speaker, in one particular, if not in any other, this conference report is grossly unfair to the smaller municipalities, as I shall attempt to demonstrate. First, if the Members will excuse a personal reference to bring out a point, I had the honor to be the mayor of my city, Stamford, Conn., 2 years ago when the Federal Government placed there at the earnest solicitation of Democrats and Republicans alike a $980,000 slum-clearance project, a so-called demonstration low-cost housing project; and right over my desk as mayor of the city were assembled the staff of engineers, of architects, and all of the staff that, put together, built that project. The project is eminently successful. It is supported today by everybody in the community. We have 800 family applications for 146 family units.

What did that cost per room in a city of something less than 50,000 people? It cost $1,601 per room. What did the project cost in Oklahoma City? One thousand five hundred and sixty-three dollars per room. What did the Dallas, Tex., project cost per room? One thousand six hundred and fifteen dollars. What did the Atlantic City, N. J., project cost per room? One thousand three hundred and seventy-one dollars. And these costs do not include the cost of land. These are the smaller cities, cities under 500,000 population. According to this bill, therefore, you would limit the cost per room for cities under 500,000 population to $1,000 per room. This would rule out of consideration, I believe, speaking as a past chief executive of a city and speaking from the record, almost every city in the United States under 500,000. Understand that the cost of land is not included in this amendment. It relates to the cost of construction of the room only. In some instances, in the smaller cities, the cost of construction is even higher than it is in the larger cities because the smaller cities are farther removed from the source of supply of raw material thereby increasing transportation charges. Invariably the prevailing rates of wages are the same in smaller as in our larger centers of population.

I wish I had time to refer to the building costs per room on every project in the United States today, but I have not. I put them in the Appendix of the RECORD, pages 2168–2169. To aid you in considering this matter I will include these figures again by appending them herewith.

Low-cost-housing developments in various parts of the United States

COMPLETED PROJECTS

City	Name	Rooms	Cost
Atlanta, Ga	Techwood Homes	2,124	$1,027
Do	University Homes	2,343	961
Atlantic City, N. J	Stanley S. Holmes Village	928	1,371
Buffalo, N. Y	Kenfield	2,756	1,581
Charleston, S. C	Meeting Street Manor (white)	700	1,793
Do	Cooper River Court (colored)		
Cleveland, Ohio	Cedar-Central Apartments	2,296	1,221
Do	Outhwaite Homes	2,166	1,295
Columbia, S. C	University Terrace	415	1,508
Dallas, Tex	Cedar Springs Place	598	1,615
Indianapolis, Ind	Lockefield Garden Apartments	2,538	1,131
Jacksonville, Fla	Durkeeville	701	1,301
Miami, Fla	Liberty Square	860	1,066
Milwaukee, Wis	Parklawn	2,018	1,197
Montgomery, Ala	Riverside Heights	324	1,210
Do	Wm. B. Paterson Courts	524	872
New York City, N. Y	Harlem River Houses	1,940	1,577
Oklahoma City, Okla	Will Rogers Courts	1,232	1,563
Stamford, Conn	Fairfield Court	499	1,601

PROJECTS UNDER CONSTRUCTION

Birmingham, Ala	H 2902	1,588	$1,300
Boston, Mass	H 3302	3,860	1,534
Cambridge, Mass	H 8501	1,172	1,359
Camden, N. J	H 6002	1,852	1,666
Chicago, Ill	H 1401	2,501	1,715
Do	H 1405	1,070	1,534
Do	H 1406	3,254	1,621
Do	H 1408	1,733	1,659
Cincinnati, Ohio	H 1801	3,362	1,615

Low-cost-housing developments in various parts of the United States—Continued

PROJECTS UNDER CONSTRUCTION—continued

City	Name	Rooms	Cost
Cleveland, Ohio	H 1003	2,311	$1,418
Detroit, Mich	H 1201	2,360	1,588
Do	H 1205	2,827	1,532
Enid, Okla	H 5401	311	1,695
Evansville, Ind	H 3801	563	1,334
Lackawanna, N. Y	H 6202	1,126	1,368
Lexington, Ky	H 5103	947	1,756
Louisville, Ky	H 2502	797	1,543
Do	H 2503	407	1,698
Memphis, Tenn	H 3401	2,004	1,466
Do	H 3403	1,574	1,727
Minneapolis, Minn	H 4201	1,708	1,810
Nashville, Tenn	H 2101	1,045	1,691
Do	H 2102	1,261	1,369
New York City, N. Y	H 1301	5,688	1,686
Omaha, Nebr	H 2001	1,114	1,480
Philadelphia, Pa	H 3001-C	999	1,951
Schenectady, N. Y	H 5801	717	1,781
Toledo, Ohio	H 2601	907	1,749
Washington, D. C	H 1705-A	903	1,948
Wayne, Pa	H 9001	168	1,774

Average cost per room—completed projects $1,290
Average cost per room—projects under construction ..... [1] 1,587

[1] Estimated.

NOTE.—Cost does not include land.

Mr. Speaker, in closing may I say that I hope we get a housing bill out of this session of Congress. I would like to have this bill recommitted to the conference committee to change this limitation of $1,000 per room as affecting the smaller cities, because it is unfair; but if the bill is going to fail of passage at this session because of recommitment then I say pass the bill, but let us change it, let us improve it, at the next session of Congress.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MCKEOUGH].

Mr. MCKEOUGH. Mr. Speaker, I have sat with the House Committee on Banking and Currency during every session that hearings were held in connection with the proposed so-called public-housing bill. I know every member of that committee with great devotion, consistent performance, and attendance at the hearings attempted very seriously to bring out of their study and deliberations such amendments to the Senate bill as would make for as nearly a perfect initiation of low-cost housing from a national viewpoint as was possible. I feel that those who now criticize the efforts of that committee either in its deliberations, in its committee room, or on the part of those who are the conferees of the House, are manifestly unfair. I am quite sure they do not intend to be, but we who have so ceaselessly devoted our efforts to bringing forth a public-housing bill most earnestly ask the Members of this body to join with those who are the conferees of the House and the Senate and at least assure the initiation now of a housing program by the adoption of this initial legislation. There is nothing in this bill or the conference report that would prohibit those amendments that are sought by those who criticize the action of the conferees securing attention in the next regular session of the Congress.

I want to point out to those who are now objecting that this program on the part of those who sponsored it indicates it is merely an initial effort. The limitations in this bill provide only for 3 years. There is nothing that would stop this Congress or any other Congress when it convened in session to make such amendments, such adjustments, and refinements in the initial effort as the experience of the housing authorities might suggest.

I am sure the gentleman from Connecticut [Mr. PHILLIPS], who has just spoken and who called attention to the fact that the $4,000 limit might handicap cities of less than 500,000 population, will fully realize that we of the cities with the larger populations who happen to be members of the House Banking and Currency Committee, did everything we possibly could to convince the full membership

that the amendment adopted in the Senate limiting it to $4,000 would destroy the program in its initiation.

I recall that when this bill was before the House for consideration, my colleague, the gentleman from Pennsylvania [Mr. McGRANERY] called specific attention to the fact that if the $5,000 limit were reduced the bill would be destroyed, and it might just as well be voted down. Let us be fair about the situation. We who have fought for an hour and wage bill in this House have been denied even the opportunity of considering it because a minority of the Democratic membership in conjunction with the Republican members of the rules committee have denied a vote to the membership of the House of Representatives on that important measure.

I go home from this session confident that when a soberness reaches those who have denied us a vote, that when we reconvene, we will have a vote on the wages and hours bill, and I venture the prophecy that is all that will be necessary, because when a vote is taken on the wage and hour measure it will be enacted into law, as it should be. I say to those who complain about the work of the conferees on this housing bill that we will have a session again, either a special or regular session, and if the sincerity that is indicated by the heat of the remarks is then present, we will have an opportunity to amend the bill if necessary to make it a better law.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, may I say finally that the House gained 13 classes under the Civil Service Classification Act and yielded as to three classes in order that we might bring in a conference report to the House at a time when we believed the House desired the report in order to carry out the program so much wished by its Members.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker, I have been very much interested in this bill. It does not entirely satisfy me yet. I think it is worse than it was as we passed it insofar as the smaller cities are concerned, and the meager way they have been treated.

Of course, as to the civil-service provision, neither side has won. The amendment is a compromise.

I appreciate the sincerity with which both sides have approached the civil-service question. I have no criticism of them in that respect. In fact I sympathize with those gentlemen who complain of the way in which alleged civil service or the so-called merit system is administered.

But we face a practical situation here. In my opinion we will get a housing bill right now or we will not get one. If this conference report is voted down, to restate what has been said before, the bill goes back to conference, and a new conference report must come back if agreed upon. Under the rules that report must lie over for 1 day, unless the adjournment sine die resolution is agreed to in the meantime. I understand the other body does not intend to adopt that adjournment resolution until all these matters are disposed of. I do not follow the suggestion of bringing up the second conference report under suspension of the rules.

Mr. FULLER. You can do it, though.

Mr. O'CONNOR of New York. Of course it could be done, but I do not follow the practicability of the suggestion. If there is any chance of defeating the conference report now and cause it to be sent back to conference by a majority vote, if a second conference report were brought back in here again with a substantially similar civil-service provision, there would be required only a one-third vote to block the adoption of the report and defeat the bill. That suggestion, in my opinion, therefore, should not be followed.

Mr. Speaker, the conference report should be voted up now. It is the best bill we can get at the present. It does not satisfy all of the various elements who are interested in the bill or opposed to it or those concerned with the civil-service provisions. At the close of every session of Congress we are faced with this practical situation and often in several instances. If we are going to have a "housing bill", then we should have one, and now. If we are going to have a "housing bill", the only way to get one is to vote for this conference report, and I sincerely hope the House will so proceed.

Mr. STEAGALL. Mr. Speaker, I yield one-half minute to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HIGH-COST HOUSING

Mr. LORD. Mr. Speaker, this bill, as it passed the House was opposed by me. The Senate bill provided for a total expense of $4,000 in building a house or an apartment. This was increased in the House to $5,000, not including the land, grading, and so forth, which may bring the expense up to around $8,000 per unit. The bill is called the low-cost housing bill, but to my mind it should be termed the high-cost housing bill.

Perhaps not a quarter of the people of our Nation are housed in structures costing five to eight thousand dollars per unit, and comfortable houses can be constructed at a very much less cost. Of course, if we are to assume that the construction under this act will be along the line that Government construction has been for the last few years we know it will be expensive. Under Tugwellism it is reported that houses for the underprivileged have been constructed at a cost of sixteen to twenty thousand dollars per unit, and these houses are for the underpaid individuals.

It is obvious that no one with a small income can afford to live in a house which costs from eight to twenty thousand dollars, nor is it desirable or necessary to do so. This legislation is going at the whole subject back end to. For example, this legislation will apply to housing only in our largest cities. For instance, New York City has a population of some 7,000,000 people, while the whole State has a population of only 13,000,000. There is no rhyme nor reason for constructing more apartments in New York City to house still more people when we do not have employment for those who are already there. It just is not good business. If it is desirable, as I believe it is, to furnish quarters for people who are in such circumstances that they cannot furnish homes for themselves, then we should buy up tracts of good land outside the cities. Land can be had perhaps for $100 an acre, and provide each home scattered throughout the length and breadth of our Nation with at least 1 acre, or more, of land and construct on that land a four- or five-room bungalow which can be built for not more than $1,000. Then these persons will have some chance of paying for and owning their own home. They can raise a good share of their living on an acre or two of land, keep some hens, a pig, some goats, or a cow, and be almost independent. While cooped up in a small apartment in the city, and in many instances on relief, it will never be possible for them to own a home of their own.

Homes that have been constructed under the Tugwell regime, as I have said before, run from eight to twenty thousand dollars per unit and the rent alone on a place of this kind is more than any of the workers can afford. I should like to support legislation which would give real relief to those receiving modest salaries, or no salary, to give them a chance to own a home of their own. But this legislation will do very little, if any, good and will tend to make a bad matter worse by concentrating more people in our large cities when there are already too many there. On the other hand, out in the wide-open spaces where we have sunshine, pure water, and air there will be ample ground for children to play in the open and the people can live where they can take some comfort out of life.

It may be necessary to relocate some of our industries so that these people can have employment, but to keep congregating more people in the centers where homes have to be run way up in the air instead of building two-story homes will never tend to better living conditions. In the South I understand some manufacturing concerns insist that all of their employees live out on the land and will not take city

dwellers to do the work. I am also told that in Switzerland each worker in the factories must live out on the land, and as a result many small farms are owned by the workers. So when a pinch comes and the factory closes down they still have their land to support them. We must learn to advance conditions of this kind, be progressive, and looking forward to decentralizing our people, get back to the land where the people can live in contentment and plenty, and stop this herding millions of people on some small point of land by constructing skyscrapers.

Mr. STEAGALL. Mr. Speaker, I yield one-half minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The question was taken; and there were on a division (demanded by Mr. O'MALLEY and Mr. COLLINS)—ayes 128, nays 48.

Mr. FADDIS. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

So the conference report was agreed to, and a motion to reconsider was laid on the table.

Mr. SHORT. Mr. Speaker, I demand the yeas and nays.

Mr. MEAD. Mr. Speaker, I make the point of order that the request of the gentleman comes too late.

The SPEAKER pro tempore. The gentleman's request comes too late. The conference report had already been agreed to and a motion to reconsider laid on the table.

SIGNING OF ENROLLED BILLS

Mr. RAYBURN. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

House Concurrent Resolution 26

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the first session of the Seventy-fifth Congress, the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized to sign any enrolled bills or joint resolutions duly passed by the two Houses and which have been examined by the Committee on Enrolled Bills of each House and found truly enrolled.

The concurrent resolution was agreed to.

APPOINTMENT OF COMMISSIONS AND COMMITTEES

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the first session of the Seventy-fifth Congress the Speaker be authorized to appoint commissions and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSERVATION, PRODUCTION, EXPLOITATION, AND SALE OF HELIUM GAS

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1567) authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. MAY and Mr. HARLAN) there were—ayes 85, noes 57.

Mr. O'MALLEY and Mr. THOMAS of New Jersey objected to the vote on the ground there was not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty Members are present, a quorum.

Mr. O'MALLEY and Mr. ELLENBOGEN demanded the yeas and nays.

The yeas and nays were refused.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1567, with Mr. NICHOLS in the chair.

Mr. MAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, my statement on this bill will be very brief. I hope the Members will give me their attention so I may eliminate as much as possible of the misunderstanding which appears to exist here.

Under existing law helium gas may be produced and marketed under a license granted by the Secretary of State. This bill undertakes to strengthen and does, in my judgment, materially strengthen the provisions of the existing statute, particularly in the restrictions it throws around the export sale or exportation of the gas. On the other hand, this bill attempts to, and I believe does, liberalize the provisions of existing law only on the subject of making helium gas available for medicinal purposes. These are the two questions to which I desire to direct my attention for just a few moments.

Your Committee on Military Affairs held extensive hearings on this measure. We heard the representatives of the State Department, the War Department, the Navy Department, the Department of the Interior, and the Bureau of Mines. We heard all those who were opposed to the bill, of whom there were very few. There was very little opposition to the bill.

After extensive hearings, in which the committee members, to my great delight, showed an unusual interest in that phase of the matter which deals with the exportation of this gas, the committee amended the Senate bill in several particulars; and I want to pay tribute to the membership of the committee by saying I have never presided during the consideration of any matter where men were more alert, more careful, and more diligent in seeking to protect the interests of the United States than during the consideration of this bill.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes; I yield to the gentleman.

Mr. COLDEN. Is there any possibility of imperialistic nations obtaining large quantities of helium that might be used for war purposes?

Mr. MAY. Not unless the Secretary of State, the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the President of the United States all become unfaithful in their duty to their country.

Mr. DORSEY. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. DORSEY. And for practical purposes, what could helium be used for in time of war?

Mr. MAY. I may answer that by saying the evidence is conclusive and undisputed from all the witnesses, without exception, that helium, as a war material, can be used only for one purpose, and it is not particularly valuable for that purpose.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield myself 5 additional minutes.

The only purpose for which it can be used in connection with military activities is for observation planes or balloons of the lighter-than-air type.

It was proven before our committee that there has been such advancement in the development of heavier-than-air planes and machines that it would be impossible in case of war to use helium gas in these lighter-than-air planes to any advantage whatever. The truth of the matter is that

Dr. Hugo Eckener, the distinguished German aviator, who was invited to testify before the committee, said that Germany had, in fact, abandoned the use of lighter-than-air craft as a war machine.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman.

Mr. THOMAS of New Jersey. On page 140 of the hearings there is a statement by Commander Rosendahl. Commander Rosendahl said this about the military use of dirigibles or, rather, lighter-than-air craft:

However, in a navy such as ours for the national defense of our country, I do believe that dirigibles, both large and small, have very definite usefulness.

Then he went on from that point to tell what the uses are; and if they can be used by our Navy, they can be just as useful in the case of other navies.

Mr. MAY. Yes; but the bill provides they cannot get it for military purposes in any foreign country under any circumstances unless our Board of Munitions Control decides they want to let them have it.

Mr. HARTER. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. HARTER. Is it not a fact there is no country in the world that is in the same geographical position as the United States, with oceans, thousands of miles wide, on our east and west coasts, so that we could use an airship as a scout to advantage, while no other nation in the world could so use it?

Mr. MAY. The question is so self-evident, it answers itself.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Florida.

Mr. WILCOX. When this bill was first before the committee I had grave fears as to the possibility of the exportation of helium gas for war purposes. After carefully listening to the evidence I became convinced that that danger was very small, but I am still concerned greatly about another feature of this bill, and that is its commercial aspect. This country has gone to great trouble and expense in developing its trade relations with the Latin-American countries. We know that Germany is our principal competitor in that field.

Mr. MAY. I know what my friend has in mind.

Mr. WILCOX. Let me finish my question, please. Will the gentleman, and will the committee, accept an amendment which will restrict the sale of helium gas for airship purposes to those corporations and companies operating exclusively between the United States and other countries, and not between foreign points, and in which companies American citizens own as much as 51 percent of the stock?

Mr. MAY. I will say in answer to the gentleman's question that I prefer very much to leave that matter in the hands of the President of the United States, under his own restrictions, because he is Commander in Chief of the Army and the Navy of this country, and he has back of him his Secretary of State, who is familiar with every foreign alliance that may be in existence, and he also has back of him the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield myself 2 minutes at this time to refer to another subject of vital interest to the Military Affairs Committee in connection with legislation finally passed last night having to do with the improvement of the Washington-Hoover Airport.

We all agree that the airport will not be a perfect one with the passage of the new legislation, and I rise to bring before the Members of the House what seems to me a very important matter affecting the airport and its operation through some information that came to me from the International Pilots Association. The Department of Commerce is charged with the regulation of safety on air lines, including airports—in fact, everything else affecting the safety or regular schedule of airport operation—and I quote from the Department of Air Commerce Act, as amended:

SEC. 5. Subdivision (d), as amended, of such section 3 (U. S. C., Supp. VII, title 49, sec. 173 (d)) is amended by inserting before the period at the end thereof a comma and the following: "and provide for the examination and rating of all air lines engaged in interstate or foreign air commerce and establish minimum safety standards for the operation thereof."

Recently a private flier, with a pilot's license, flew to Baltimore in the afternoon and upon his return finally landed at night for his first night landing at the Washington-Hoover Airport. This flyer, not obeying some restrictions, narrowly escaped a crash. About a month ago the Pilots' Association after a meeting addressed certain recommendations to the Department of Air Commerce in the Department of Commerce. Hearing of their expression through the press I contacted a member of the Air Pilots' Association, and at my solicitation obtained a copy of the letter which they addressed to the Air Commerce Bureau on July 17, 1937, having to do with certain restrictions which, as I understand it, are mandatory at the Washington-Hoover Airport, and which I believe are not being completely carried out as they should be by the Department of Commerce, and I may say that as late as this morning I am informed by the International Pilots Association that they have had no reply.

COPY OF LETTER BY DAVID L. BEHNCKE, PRESIDENT OF AIR LINE PILOTS' ASSOCIATION

JULY 17, 1937.

MR. FRED D. FAGG, JR.,
Director of Air Commerce, Department of Commerce,
Washington, D. C.

DEAR MR. FAGG: Pursuant further to our letter dated July 7, your wire dated July 11 and the conference that was held at the Bureau of Air Commerce on July 16, we are submitting herewith a drawing which shows to what extent, in the opinion of the pilots using the field, it should be immediately restricted in the interest of public safety. This, of course, contemplates that the short runway will not be used for *DC–2's* or *DC–3's*.

Due to the fact that the conference at the Bureau on July 16 was informal, we have listed the names of the pilots and other representatives that attended the conference.

Those representing the Pilots' Association were: David L. Behncke, president, A. L. P. A.; Edward G. Hamilton, executive representative, A. L. P. A. Pilots: Larry Pabst, E. A. L.; Usher Rousch, A. A.; Robert Chew, E. A. L.; Charles Carneal, E. A. L.; Winfield Shannon, A. A.

Those representing the Bureau were: Howard Rough, Bryan Jacobs, John Jaynes.

As far as the pilots are concerned, we would like to have it clearly understood that our main interest at this time is to secure proper safety restrictions on the present landing site which is the Washington-Hoover Airport, and as far as arrangements are concerned for taking care of traffic when landings are not possible at this airport, that is a matter that we feel should be worked out by the Bureau.

The pilots' committee did, however, look over the new Bolling Field and they were favorably impressed with this landing field. The committee was of the opinion that if Bolling Field is designated as an alternate when the Washington-Hoover Airport cannot be used safely that the same ceiling and visibility limitations now in effect at Washington-Hoover Airport be used when air-line ships land at Bolling Field. The pilots' committee was also of the opinion that further restrictions, if any, on Bolling Field if used for commercial purposes could be determined by actual use of the field.

The pilots' committee is further of the opinion that when the restrictions outlined on the attached drawings are placed into effect on the Washington-Hoover Airport and another airport is designated as an alternate, the matter of stating when this field is open or closed for use should be left in the hands of the Traffic Control Division of the Bureau of Air Commerce, this information to be given to the pilot sufficiently ahead of arrival time in order that the company and the Post Office Department will know where the ship is going to land, so they can be governed accordingly.

We repeat that in view of the urgency of this matter action should be taken immediately to place the pilots' safety recommendations into effect.

Very truly yours,

AIR LINE PILOTS' ASSOCIATION,
DAVID L. BEHNCKE, *President.*

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD. The Bureau of Air Commerce should do something as suggested by the Air Pilots' Association.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, this proposed legislation appeals to me from the standpoint of trade and its possibilities as related to the future relationship of the countries involved and what we might term the "family of nations." We all know at the present time what England is doing from the standpoint of an armament program. We can somewhat comprehend the great responsibility which rests upon England with reference to her far-flung empire and what she will have to do in policing the peace of the world. At the same time, we are somewhat cognizant of what is taking place on the Asiatic front, and that of course ties in very directly to the long ago enunciated policy of Japan with reference to what students know as the Asiatic Monroe Doctrine, and which in substance means that Japan has made it very clear to the world that insofar as Asia is concerned she proposes to dominate the picture over there. We also have to bear in mind that insofar as the United States is concerned we long ago enunciated the Monroe Doctrine, and that, to me, imposes upon us the responsibility of acting as the chief of police for the Americas for both coasts, Atlantic and Pacific, from the Antarctic to the Arctic Ocean. Japan has furthermore made it very clear to me through releases which she has made in recent years that her attitude is that England shall dominate Western Europe, that Japan shall dominate Asia, and that, insofar as the United States is concerned, if she so desires, she may dominate the two Americas.

I think that is the program that is cut out for us insofar as Japan is concerned, and in my opinion Japan has quite a lot to say about what shall go on at the present time, as well as in the future, especially if she continues to make the progress she has made during the last few years. All other world powers seem to have most unusual respect for Japan just now.

Coming directly to the question of trade in helium, I am not yet ready to concede that our genius and engineering ability cannot design and operate lighter-than-air craft without special assistance from Germany. It seems to me that if we are to produce and dispose of helium, we should proceed to do so insofar as the Americas are concerned. Certainly I do not desire to take action which would prevent the production of helium, but insofar as hospitals are concerned, and the use of helium from a medicinal standpoint, if our people are not consuming it today simply because the cost of production is too high, why do we not proceed to produce on a quantity basis which will lower the price and then quote that lower price to the hospitals of the United States and to our people so that they may use it in those hospitals. I think that will take care of this plea that it should be produced in quantities so as to sell it at a lower price.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. HARLAN. The gentleman understands, of course, that when he is talking about production for medicinal purposes in quantity, he is not even touching the surface of the quantities that would have to be produced to get this cheap price.

Mr. CRAWFORD. That is just one factor in the part I propose to follow with. If we accept the philosophy that we must depend upon Germany for our technical skill, insofar as designing and operating these lighter-than-air craft, that is one proposition, but to that I do not subscribe. If we accept the proposition that we must go to Germany and help them build ships through furnishing helium in order to have them train our technical operators, that is a proposition to which I do not subscribe.

So, not accepting that philosophy, it brings me back to the proposition of building our own ships and equipping them with helium and developing trade between the United States and other countries making up North and South America. Because if you go to Europe with your lighter-than-air craft, certainly anyone who has experience in any type of trading knows that you must have landing facilities over there and you must have reciprocal arrangements between this country and Europe. But my contention is we should develop our lighter-than-air craft and develop trade between the Americas along with the reciprocal trade agreement policy, if that is to be followed.

The thought was developed a day or two ago that helium was not to be used for war purposes. We have all experienced enough in the history of the world to know that when you entrench a country in commercial activities you automatically entrench and fortify that country for the purposes of prosecuting a war. So I come back to the proposition that our duty lies, first, between North and South America, because, in my opinion, the influence of that lowly Nazarene has not yet touched the hearts of mankind sufficiently to do away with war. I think there is plenty of notice in the headlines today and throughout the activities of the world to convince us that some day, sooner or later, the United States will have to protect primarily that territory included in the Monroe Doctrine which we have so far attempted to support.

In that connection, Mr. Chairman, in a brief way these thoughts indicate why I am opposed to this legislation. Although its failure may keep buried in the soil of our country for the time being some of these deposits of helium which we have, although it may prevent, in a territory in which I am vitally interested, our going ahead with development at this time, I am still willing to make the sacrifice in that respect to the end that we see a little farther down the road before we turn this helium over to European countries. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. HARTER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES. Mr. Chairman, I am very much interested in this legislation, especially in view of the fact that the Government plant is located in the district which I have the honor to represent, and the Government has helium rights in 50,000 acres of land, covering an entire gas structure, owning in fee some 13,000 acres of that land. For that reason I have naturally studied the proposition some, although I have not had a chance to study this legislation in detail as much as I would have liked. I read over the measure when it was first presented. I think the committee has done a very fine job; has thoroughly safeguarded the provisions under which the operation will be had.

The Government plant is the most modern and efficient plant of its kind. In fact, the only plant of its type and extent in the world. They are compelled to keep experts. This is a commodity that was little known a few years ago, as my friend Mr. LANHAM, who has been a thorough student of it, will verify. It requires for its extraction and handling men who know the technical side. There must be some outlet in order to maintain a proper executive and technical staff. I would like to see enough of the helium deposit disposed of, not only for commercial purposes but also for medicinal purposes, to enable them to maintain at least a nucleus of a technical staff in the development of the fine possibilities of this great commodity, of which the United States has a practical monopoly. I cannot see any objection to the export features as they are outlined in this bill. As a matter of fact, they are more restricted than they are in the present law. Under the present law the President may permit any amount to be shipped abroad, may even permit it to be shipped abroad without putting a ban on its use for military purposes. Under the provisions of this bill there must be approval of several different Cabinet officers, if I construe the language correctly, and then it can be exported only for commercial purposes. I think it is pretty well safeguarded; and even if there was an attempt to divert some of it to war purposes, the fact is that there is about 100-percent loss per year of operation of any ship in the amount of helium that is used in the ship. In other words,

there is 100-percent loss during the year. Therefore there could not be enough reserve supply on hand, if the supply were cut off in this country, for them to do much in foreign countries on a war basis.

Mr. SMITH of Connecticut. Will the gentleman yield?

Mr. JONES. I yield.

Mr. SMITH of Connecticut. Any helium produced by the Government under the present law may not be disposed of except by lease to American citizens or American corporations.

Mr. JONES. That is true; but, as I remember the law, the President may permit its exportation abroad.

Mr. SMITH of Connecticut. If it is purchased here from some private corporation or individual. But the Government-produced helium may not be disposed of under the present law except by lease to American citizens or corporations.

Mr. JONES. Can the gentleman see any particular objection, when its use is limited by the terms of the proposed law to commercial enterprises, and then only to ships operating between our country and some other country?

Mr. SMITH of Connecticut. Not if we had an effective method of limiting its use to commercial purposes, and if we eliminate the fact that the Government is undoubtedly subsidizing the purchaser of this helium. If they were all American citizens, I would not object.

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. JONES. I certainly would not favor sale for commercial purposes to other countries at anything less than cost. I would not favor a subsidy for any use except medicinal or scientific purposes. If they are willing to help us and let us use their technical studies along medicinal and scientific lines, it would seem wise to avail ourselves of that assistance. I think for medicinal and scientific purposes that it might be furnished at less than actual cost, but for commercial purposes, if the bill is not definite in that respect as it now reads, I think it should be so worded that for commercial purposes helium may not be sold to foreign countries at any less figure than would pay the Government for its pro-rata cost of production.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. DICKSTEIN. In the first place, we all agree that the Government is not going to make any money out of the sale of helium that is sold to foreign governments. Would the gentleman agree to an amendment that any foreign government which buys helium shall stop sending propaganda into this country as a consideration for the right to purchase helium?

Mr. JONES. I may state to the gentleman from New York that I am not on the committee. I would not want to go into the technical wording of the bill on that proposition. I do not, of course, believe that any government should be permitted to send any subversive propaganda into this country under any circumstances; that is, any propaganda calculated to destroy our philosophy and form of government.

Mr. DICKSTEIN. What objection could there be to such an amendment?

Mr. JONES. That, it seems to me, is another question that should not be dealt with in a bill like this. I think that is a matter that probably should be handled by another committee.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. SNELL. The gentleman made the statement that the bill was more restrictive than the present law. As a matter of fact, as I understand it, Germany has never bought any helium from us under the present law.

Mr. JONES. I understand the statement was made in the hearings that that was because the price was too high and she could not afford to pay the price that was charged. I may say that there is a greater safeguard in this bill; that it is more restrictive than the present law; but in making this statement I want it understood that I have given only a hurried reading to the bill and may be in error. I helped on the other bill because I had the time to do it, but I have had little time to devote to a study of this bill.

Mr. SNELL. Will the gentleman answer another question? Does the gentleman think that if Germany had this gas she would sell it to us? I believe this is a very pertinent question in connection with the consideration of this bill.

Mr. JONES. That calls for an opinion and conclusion of the witness. I would not want to pass judgment on that. I think we should determine our course on its merits rather than on someone's guess as to what another country would do.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 8 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Chairman, first I want to pay tribute to the chairman of the committee and the members of the committee for having devoted so much time as they have to the consideration and preparation of these helium bills. I cannot understand, however, why we spent many days of hearings on a House bill but in the last days of the meetings of the Military Affairs Committee we switched from the House bill to the Senate bill. I admit that there were objections to the House bill on two different occasions on this floor, but when we were asked to attend that last meeting of the Military Affairs Committee we were asked to attend by written notice to discuss another bill. No mention was made in the written notice that we were going to take up the helium bill. Nor can I understand why the Committee on Rules will decline to give a rule on the wage and hour bill, yet will call a special meeting of their committee to grant a rule on the helium bill. I cannot understand, either, why, in the course of debate on the helium bill in the Senate two whole days were devoted to its consideration yet in the House we are allowed but 1 hour and that almost the last hour of the session.

Why should we rush this thing through and not wait until January of next year, at which time we would have plenty of time to debate the bill? These are just a few of the things I cannot understand.

Getting down to the bill there are these specific objections to it: The large increase that will be brought about in the operation of the Bureau of Mines if this bill goes through; and in this connection I want to read a part of section 1 of the bill appearing on page 2. The Bureau of Mines is authorized to—

> construct or acquire plants, wells, pipe lines, compressor stations, camp buildings, and other facilities for the production, storage, repurification, transportation, and sale of helium and helium-bearing gas; and to acquire patents or rights therein and reports of experimentation and research used in connection with the properties acquired or useful in the Government helium operations.

In other words, the Bureau of Mines is going to extend its service very greatly. So, one great objection to the bill is the large increase in cost that it will bring about in the operation of the Bureau of Mines.

There are good features to the bill. I agree that we should sell helium for medical purposes, that we should sell helium for commercial purposes in this country; but just as soon as we export helium we are going to run into real trouble part of which will be, as the gentleman from Michigan [Mr. CRAWFORD] brought out, that when we export helium to a country in a position to use it, and there is only one country, Germany, in a position to use it for commercial purposes, how will another country feel that may be competing with the first country in, we will say, the South American trade?

Another question I want to ask in this connection is: Who uses the dirigibles that are going to be flown across the ocean? Is it the average man? No, the average man cannot use them for the simple reason that the cost is prohibitive to the average man. Yet we are passing a bill to enable rich men to transport themselves in dirigibles across

the sea and at the same time we are risking the lives of millions of people simply because despite all the safeguards we throw around the export of helium for commercial purposes it still can be used for military purposes.

Mr. KNUTSON. Will the gentleman yield?

Mr. THOMAS of New Jersey. In 2 minutes.

Mr. Chairman, I think the greatest danger in the bill is the possibility it may be used for military purposes. On page 140 of the hearings Commander Rosendahl, of the United States Navy, stated that there are various ways that helium could be used for military purposes.

Mr. HARTER. Will the gentleman yield?

Mr. THOMAS of New Jersey. In a couple of minutes.

Dr. Eckener stated in the Senate hearings that the main reason why Germany or any other country in Europe could not use helium for military purposes is because there is no helium available to them. Many of us served in the last war. We saw the observation balloons and the sausage bags that were used by Germany and by the Allied armies. Dr. Eckener in the military affairs hearing told us if we deflate one dirigible with approximately 7,000,000 cubic feet of helium, we could refill 100 to 150 sausage-bag balloons. I want to say that question was asked by me in the Military Affairs Committee hearings. That answer was given by him and yet when the record was printed my question and answer to me had been stricken out.

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DORSEY].

Mr. DORSEY. Mr. Chairman, I had not intended to debate this bill because I felt that after the membership of the House had read it and the hearings they would have been thoroughly conversant with the bill and very little explanation would have been necessary. However, looking at this from a very practical angle we now have an immense deposit of helium which is not being used for any definite purpose. We do not have any lighter-than-air program in this country. On the other hand, we have a deposit at Amarillo estimated in terms of gas at about 120,000,000,000 cubic feet, with a helium content of 1.8, which when figured down will show that at a maximum production of 24,000,000 cubic feet of helium a year we have a supply that will last for 90 years, or at the present rate of production a supply which would last for 350 years.

What are we going to do with it? Of what use is it at the present time? We have heard here discussed this afternoon the possibility of its being used for military purposes. We have heard much about the good-neighbor policy. Suppose that in time of war some of these foreign countries, upon which we depend at the present time for our supply of manganese, tin, chromium, and other useful war materials, would take the same attitude toward this Nation? Where would we be in time of war? We must depend on other nations for our supply of manganese, even in peacetime. If that same policy were carried out by them, we, too, would be in a very dangerous situation.

What are the possible safeguards that we have in this bill? We have heard that perhaps one of these dirigibles, holding 7,000,000 cubic feet of gas, could be deflated and 100 balloons inflated for observation purposes in time of war. But let us be practical from that angle.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. DORSEY. I yield to the gentleman from New York.

Mr. DICKSTEIN. The gentleman is making a very strong argument, and I am inclined to believe that some of the things he has said have merit. Would the gentleman agree to an amendment since we are going to sell this gas to foreign countries, that they be prohibited from sending their propaganda against America and the American form of government over here?

Mr. DORSEY. I have enough confidence in our State Department, in the President of the United States, and in the Cabinet officers to take care of all the safeguards which are given to them by this bill.

When it comes to inflating observation balloons for military purposes, the Members, I am sure, are conversant with the dangerous mission in time of war that the observation balloon must perform. It would be no time before 100 of these balloons would be shot down. The gas is gone.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. DORSEY. I want to complete my statement.

Mr. DICKSTEIN. All of these countries are full of gas. They have their own gas. They can get along without our helium.

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DORSEY. Mr. Chairman, with the restrictions that we have on the supply and the guaranty that quantities of this gas under license cannot be shipped because of the expense involved, the argument concerning the use of it for military purposes has no merit. As a matter of fact, the cost of transporting helium from Amarillo to New York, because of the containers that must be used, is $25 a thousand cubic feet. When you attempt to transport it across the sea to Europe you will very readily see the cost is absolutely prohibitive.

Mr. THOMAS of New Jersey. Will the gentleman yield?

Mr. DORSEY. Not at this time. Furthermore, the question of cost and return to the Government has been raised. It is stated we are practically subsidizing the foreign nations so far as securing this gas is concerned. If you will read the bill, you will find that a reasonable price must be set, which reasonable price must include the cost of production, operating charges, and also depreciation and depletion, and must also include a 3½-percent return on investment. That is the very lowest price at which the gas may be sold. But that is not the price that has definitely been set. The Department of the Interior in selling the gas must use that as a base and it may charge any price it sees fit. So this argument about subsidizing foreign countries certainly falls by the wayside.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, when this bill was first before the Committee on Military Affairs, my natural inclination was to oppose it. I shared the apprehensions of the gentleman from Florida [Mr. WILCOX], the gentleman from New Jersey [Mr. THOMAS], and others. I asked myself the question propounded here awhile ago by the gentleman from New York [Mr. SNELL]:

> If Germany had the sole supply of helium, would she be willing to sell that helium to the United States?

This is a reasonable question, and it is a pertinent question. However, as the gentleman from Pennsylvania [Mr. DORSEY], who just preceded me, has so clearly pointed out, there are many necessary war materials which the United States does not produce and upon which she must depend in case of conflict. We import manganese from Soviet Russia, India, and Brazil. We must depend pretty largely upon Great Britain, which has a monopoly of rubber, for our supply of rubber. We have to import our tin from China. We must import chromium from South America and other countries. Of course, if we should take the attitude that we were going to have a monopoly of helium in this country and refuse to export it to any other country, those nations would be perfectly right in retaliating on the United States.

I want the members of the Committee to bear in mind that no helium under the provisions of this act is allowed to be exported for a military purpose. The use of the gas exported is to be confined to commercial purposes in the countries with which we deal. Dirigibles flying between the United States, its Territories, and insular possessions and any foreign nation must be refilled in the United States, and it would be almost impossible because of the large percentage of leakage and loss of the gas, for any foreign

power to accumulate a sufficient quantity to be of any considerable danger to the United States.

Furthermore, the members of the Committee should bear in mind that the President of the United States and the Munitions Control Board, consisting of the Secretaries of State, War, Navy, Commerce, and the Interior, can at any time they deem fit shut off the export supply even for commercial purposes.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York.

Mr. ANDREWS. The exportation must be upon the unanimous recommendation of the Munitions Control Board.

Mr. SHORT. Absolutely. The more I study this bill, which was so carefully drawn and which received such minute and careful consideration in the Committee on Military Affairs, the more I believe the fear that some foreign nation could bootleg enough gas to endanger the United States in case of conflict is utterly preposterous and ridiculous. There is no basis for such an apprehension or fear. I do not need to remind the Members of this House that the members of the Committee on Military Affairs believe in national defense and are charged with the direct responsibility of seeing to it that the interests of the United States are at all times safeguarded. We have done this, and we have reached almost a unanimous report on this bill. I trust the Members will pass it by an overwhelming majority.

Mr. THOMASON of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Is it not probable that the President of the United States and the Secretaries of State, War, Navy, Commerce, and the Interior would also feel the same way as the Committee on Military Affairs?

Mr. SHORT. Certainly; furthermore, this gas is to be used not only for commercial purposes, but also for medicinal purposes, in the treatment of asthma, pneumonia, and other respiratory diseases whose methods of treatment are being advanced and developed.

I trust the Members of the House who have not read the bill will take the word of the Committee on Military Affairs that it safeguards every interest of the United States.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Texas.

Mr. DIES. I am particularly eager to make possible the use of helium in the treatment of asthma and similar diseases. Would the exportation of helium interfere in any way with the maintenance of a sufficient supply in the United States for such medicinal purposes?

Mr. SHORT. I may say to the gentleman it would not. Representatives from the Bureau of Mines and other scientists testified before our committee that the potential supply of helium in this country equals if it does not surpass the supply of petroleum, a fact which was amazing to me. [Applause.]

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I do not want to repeat the rather lengthy statement I made yesterday in regard to this bill. During the course of last evening and this morning I have become aware that certain Members of the House who are possibly more politically inclined than others in connection with this bill might vote against the bill for some slight political advantage to themselves in their own districts.

I was opposed to the original bill before the House committee and signed the minority report, but following passage of the Senate bill I discovered, as did most of us on the Republican side of the committee, that our objections to the original bill were overcome either by the amendments adopted in the Senate or by further amendments to the Senate bill adopted in the House committee prior to its reporting out this bill and which will be offered here today.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. The previous speaker stated this helium would not be used for military purposes. What guarantee has the United States that it will not be so used?

Mr. ANDREWS. It is stated in the bill that the gas cannot be sold to be used for military purposes. The bill further provides that there can be no exportation for any purpose except upon the issuance of a license by the Secretary of State on the unanimous recommendation of the National Munitions Control Board, which includes the Secretaries of State, War, Navy, Commerce, and the Interior. Has the gentleman no faith in them?

Mr. McGRANERY. What guarantee does the Government have, after it has parted with the helium, that the gas will not be used for a military purpose?

Mr. ANDREWS. There is no guarantee, but they could control to whom they sell the helium.

Mr. McGRANERY. They have no guarantee, and if they did have a guarantee they could not enforce, nor could this Government enforce, nonuse of the gas for military purposes once the gas has been parted with.

Mr. ANDREWS. I may ask the gentleman what guarantee we have today under the present act?

Mr. McGRANERY. None whatever, although we are not parting with our helium.

Mr. ANDREWS. Not at the moment.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Florida.

Mr. WILCOX. Is it not a fact that for military purposes helium would have to be exported in enormous quantities in metal containers? The Secretaries of State, War, Navy, Interior, and Commerce, upon the recommendation of the President, are in this bill directed to see to it that helium is not exported in quantities which could be used for military purposes. Regardless of what purpose it is intended to be used for, the bill prohibits exportation in quantities which could be used for military purposes.

Mr. SHORT. And the ships must be refilled here.

Mr. WILCOX. And ships may only be refilled in the United States.

Mr. DONDERO and Mr. BARDEN rose.

Mr. ANDREWS. I yield first to the gentleman from Michigan.

Mr. DONDERO. Suppose the helium was exported and got into foreign hands, for what military purposes could it be used outside of its use in airships for observation purposes?

Mr. WILCOX. It could only be used for the inflation of airships; and Commander Rosendahl, of the American Navy, who, I presume, knows more about this subject than any other man—in America, at least—testified that in view of the development of antiaircraft guns and the modern type of airplane, the lighter-than-air ship is of no military value except for observation purposes, and then only for a country situated like ours, which is separated from its neighbors by large expanses of water.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I am somewhat concerned about the military use of this gas. Had this law been in force and effect at the beginning of the World War, three dirigibles would have given Germany enough gas to inflate from 300 to 450 observation balloons.

You and I know that if an explosive bullet goes through a balloon inflated with hydrogen gas it means that the balloon is going up in flames. This is not true of a balloon inflated with helium gas.

I would like to ask that at the conclusion of my remarks some member of the committee answer the statement made by the gentleman from New Jersey [Mr. THOMAS]. Was there testimony before this committee to the effect that one dirigible would contain enough of this gas to inflate from 100 to 150 balloons? Was this testimony given; and if it

was, was it stricken from the record; and if so, why was it stricken?

Mr. FADDIS. Mr. Chairman, let me say to the gentleman that testimony was given by Dr. Eckener, and I drew the statement from him myself. He stated there would be enough gas in one of these Zeppelins to fill at least 100 balloons. I cannot say whether it was stricken out of the record or not.

Mr. ENGEL. The gentleman from New Jersey said it was stricken from the record. If it was, why was the information withheld from this House?

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. ANDERSON of Missouri. The gentleman realizes, I presume, that Dr. Eckener is the foremost authority in this or any other country——

Mr. ENGEL. I yielded for the purpose of getting an answer to my question. Was that testimony given, and was it stricken from the record?

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, for the past dozen years I have given considerable study to military questions and, particularly, as that subject touches the use of airplanes and lighter-than-air ships. I believe I can say without fear of contradiction that the Army regards the rigid airship as an obsolete weapon. The balloon, in my opinion, likewise has become an obsolete weapon for observation. The autogyro has completely eliminated the captive balloon for observation purposes.

The sooner we get rid of nonrigid dirigibles, as well as captive balloons, and supplant them with more modern weapons, the sooner we shall have an effective military establishment.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I should like to, but my time is limited.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield? I am a member of the committee.

Mr. COLLINS. I decline to yield. All of the reports we have coming into our possession with regard to the present war in Spain, which seems to be the proving ground for all of the nations of the world in the use of modern implements of war, is to the effect that even the larger airship has not proven to be as useful as some of us had been led to believe, although we are continuing to spend large sums of money upon its development.

It is my understanding that the Navy has reached the point where the last two Chiefs of Naval Operations have been against the dirigible as a war instrument, especially Admiral Standley, who was very critical of it, and I make the statement today that the primary reason for the Navy buying any dirigibles is because of the lighter-than-air industry. Their motive is to encourage the industry. The only type of airship that should be built, in my opinion, even for commercial purposes, is one of metal-clad construction, invented or sponsored by a man named Ritchie. I should like to see someone develop for commercial purposes a metal-clad dirigible, which we often have spoken of as the future freight train of the air. It has little value as a military weapon because of its size, because of the fact that it is easy to shoot down, and you have to have some object in warfare that is hard to hit, and everybody who has sense enough to come in out of the rain knows that a big dirigible is easily shot down. Let us have somebody develop it who wants to. We are not going to do it in this country. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense, and to the development of commercial aeronautics, and for other purposes", approved March 3, 1925, as amended, is amended to read as follows:

Mr. ENGEL. Mr. Chairman, I move to strike out the last word. I would like to have my question answered now.

Mr. WILCOX. Will the gentleman yield?

Mr. ENGEL. I have only 5 minutes and the gentleman can answer when I get through. The autogyro can be destroyed with a machine gun, and a balloon inflated with hydrogen gas will go into flames with one explosive bullet, but you can put five bullets or a 1-pounder through a helium-inflated balloon, and then pull it down and repair it and it is still a balloon. The present criticism of the balloon is that they must use hydrogen gas, and that they do not have helium. I ask this question, and I think it is a fair question. Why did this committee strike out the testimony of Dr. Eckener from the record, if it was stricken out?

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. The gentleman can take 5 minutes and answer in his own time. The statement was made on the floor of this House by a member of the committee that Dr. Eckener testified that you could inflate from 100 to 150 observation balloons with the helium gas from one dirigible, and that that testimony was taken down, but it is not now a part of the record. I want to have my question answered: Was this testimony stricken from the record, and if so, why, and why is not this House entitled to hear it?

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. McGRANERY. The gentleman has stated that a 30–30 bullet, shooting through a hydrogen-gas bag, would utterly destroy it and start it into flame. I served in the Balloon Corps. I say that a bullet need not puncture that gas bag. All it need do is to get so close to it as to follow the gas leak from the bag and it would burst into flames. The gentleman is right. I would like the gentleman now to yield to me further with respect to the gyro.

Mr. ENGEL. Everybody knows that we are sitting on top of dynamite over in Europe and over in Asia. Everybody knows that every European country and all of Asia and Japan are trying to obtain every military weapon, from scrap iron up, and everyone knows that if we went to war over there and they had these balloons they would pump that helium out of those dirigible ships into observation balloons. Why hurry this thing; why not wait until the next session of Congress? Perhaps the war clouds will be gone by that time.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. MAY. Under the present statute it can be disposed of in any way they please.

Mr. ENGEL. Let me answer. The fact remains right now that no helium gas is being exported to European countries, and if none is going to be exported under this act, why pass it?

Mr. ANDERSON of Missouri. Would the gentleman like to see a recurrence of the *Hindenburg* disaster?

Mr. ENGEL. That has nothing to do with the situation at all. I would rather see a recurrence of the *Hindenburg* disaster than to see another war in Europe destroying hundreds of thousands of human lives.

Mr. WILCOX. Mr. Chairman, will the gentleman yield to answer his question?

Mr. ENGEL. I yield.

Mr. WILCOX. I think I can clear up the gentleman's mind.

Mr. ENGEL. I would like to support this bill, but I have stated a question that is in the minds of many Members here.

[Here the gavel fell.]

The CHAIRMAN. Permit the Chair to make a comment. There is only one section to this bill. The sections in the formal part of it are sections amendatory of other sections. Therefore it is the ruling of the Chair that the Clerk read

the entire bill, at which time it will then be subject to amendment.

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry. There is a pro-forma amendment now before the Committee.

The CHAIRMAN. This will interfere with no rights of the Members to be heard.

Mr. MERRITT. Mr. Chairman, I move that the bill be considered as read.

Mr. DICKSTEIN. Mr. Chairman, on page 6 I have an amendment which is on the Clerk's desk. Would that deprive me of considering my amendment?

The CHAIRMAN. This would deprive no Member of his right to have his amendment considered.

Mr. MERRITT. Mr. Chairman, I ask unanimous consent that the bill be considered as read.

Mr. O'MALLEY and Mr. DICKSTEIN objected.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

SECTION 1. That for the purpose of conserving, producing, and selling helium gas the Secretary of the Interior, through the Bureau of Mines, is authorized:

(a) To acquire by purchase, lease, or condemnation, lands or interests therein or option thereon, including but not limited to sites, rights-of-way, and oil or gas leases containing obligations to pay rental in advance or damages arising out of the use and operation of such properties; but such lands or interests in lands may be acquired by condemnation only when necessary for the production or conservation of helium to meet the needs of the Army and Navy and other agencies of the Federal Government;

(b) To make contracts and agreements (with optional provisions where necessary) for the acquisition, processing, or conservation of helium-bearing gas;

(c) To construct or acquire plants, wells, pipe lines, compressor stations, camp buildings, and other facilities, for the production, storage, repurification, transportation, and sale of helium and helium-bearing gas; and to acquire patents or rights therein and reports of experimentation and research used in connection with the properties acquired or useful in the Government's helium operations;

(d) To dispose by lease or sale of wells, lands, or interests therein, not valuable for helium production; to dispose of oil, gas, and byproducts of helium operations not needed for Government use; and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without interfering with the production of helium.

The Secretary of the Interior is hereby directed, if possible under the terms hereof, to acquire by purchase all properties developed or constructed by private parties prior to the passage of this act for helium production, such purchase to be at a price or prices recommended to be fair and reasonable by at least two of a board of three appraisers, the members of which shall be selected as follows: One by the Secretary of the Interior, one by the owner of the properties sought to be acquired, and one by the two appraisers so selected. The Secretary of the Interior is authorized to incur obligations and enter into agreements for the purchase of such properties, and every such agreement shall be deemed a contractual obligation of the Government for the payment of the cost thereof, such payment to be made from any appropriations hereafter made for such purpose. Prior to the date of execution of an agreement or agreements for the purchase of such properties, the Government shall not sell helium as authorized in section 3 (b) of this act: *Provided*, That the foregoing restriction upon the sale of helium by the Government shall be inoperative in the event that (1) the owner of any such properties shall refuse or neglect to appoint an appraiser within 30 days after approval of this amendatory act, or (2) the owner of any such properties having so appointed an appraiser shall refuse or neglect to execute an agreement or agreements for the sale thereof, at the price recommended by at least two members of the board of appraisers, within 30 days after said appraisers shall have recommended such price.

Any known helium-gas-bearing land on the public domain not covered at the time by leases or permits under the act of February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", as amended, may be reserved for the purposes of this act, and the United States reserves the ownership and the right to extract, under such rules and regulations as shall be prescribed by the Secretary of the Interior, helium from all gas produced from lands so permitted, leased, or otherwise granted for development: *Provided*, That in the extraction of helium from gas produced from such lands, it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof.

SEC. 2. That the Bureau of Mines, acting under the direction of the Secretary of the Interior, is authorized to maintain and operate helium production and repurification plants together with facilities and accessories thereto; to store and care for helium, to conduct exploration for and production of helium on and from the lands acquired, leased, or reserved; and to conduct experimentation and research for the purpose of discovering helium supplies and improving processes and methods of helium production, repurification, storage, and utilization.

SEC. 3. (a) That the Army and Navy and other agencies of the Federal Government may requisition helium from the Bureau of Mines and make payments therefor from any applicable appropriations by advancing or repaying to and for the use of said Bureau proportionate shares of the expenses incident to the administration, operation, and maintenance of the Government's helium plants and properties.

(b) That helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President, for medical, scientific, and commercial use, including inflation of passenger-carrying airships: *Provided*, That such sales of helium shall be at reasonable prices (established by said regulations) based upon the cost of acquiring, developing, maintaining, and operating the Government properties used for such helium production; and such sales of helium shall be upon condition that the Federal Government shall have a right to repurchase helium so sold that has not been lost or dissipated, when needed for Government use, under terms and at prices established by said regulations.

(c) All moneys received under this act, including moneys from sale of helium or other products resulting from helium operations (except moneys received in payment for helium from Government departments or agencies under subsection (a) hereof), shall be credited to a special helium-production fund from which purchasers of helium may be reimbursed for payments for helium in excess of deliveries, and the Secretary of the Interior through the Bureau of Mines may draw on said fund to pay expenses of acquiring, administering, operating, maintaining, and developing helium properties. Amounts accumulating in said fund in excess of amounts the Secretary of the Interior deems necessary to assure payment of such expenses shall be deposited in the Treasury to the credit of miscellaneous receipts: *Provided*, That the Secretary of the Interior shall render to Congress on or before the 1st day of January of each year a report showing the amount of moneys credited to such helium-production fund and the amount of disbursements made therefrom during the preceding fiscal year, and the unexpended and unobligated balances on hand in such fund as of the end of such fiscal year.

"SEC. 4. No helium gas shall be exported from the United States, or from its Territories and possessions, until after application has been made to the Secretary of State and a license authorizing said exportation has been obtained from him and approved by the President: *Provided*, That under regulations governing exportation of helium approved by the National Munitions Control Board and the Secretary of the Interior, export shipments of quantities of helium that are not of military importance as defined in said regulations, and which do not exceed a maximum to be specified therein, may be made under license granted by the Secretary of State without such specific recommendation. Such regulations shall not permit accumulations of helium in quantities of military importance in any foreign country, nor the exportation of helium to countries named in proclamations of the President issued pursuant to section 1 (a) or (c) of the Neutrality Act of May 1, 1937 (Public Resolution No. 27 of the Seventy-fifth Congress) while such proclamations are in effect, and shall require exporters to submit a sworn statement to the Secretary of State showing the quantity, destination, consignee, and intended use of each proposed exportation. The National Munitions Control Board shall report on January 1, and on July 1, of each year all sales of helium made to foreign governments, or to the citizens of foreign governments giving the amount sold and to whom sold.

"Any person violating any of the provisions of this section or of the regulations made pursuant hereto, shall be guilty of a misdemeanor and shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment; and the Federal courts of the United States are hereby granted jurisdiction to try and determine all questions arising under this section.

"The National Munitions Control Board shall include in its annual report to the Congress full information concerning the licenses issued hereunder, together with such information and data collected by the Board as may be considered of value in the determination of questions related to the exportation of helium gas.

"SEC. 5. The Secretary of War and the Secretary of the Navy may each designate representatives to cooperate with the Department of the Interior in carrying out the purposes of this act, and shall have complete right of access to plants, data, and accounts."

Mr. ANDERSON of Missouri (interrupting the reading of the bill). Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count.

Mr. ANDERSON of Missouri. Mr. Chairman, I withdraw the point of order.

Mr. DONDERO (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. DICKSTEIN. Mr. Chairman, I object.

Mr. O'MALLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

Mr. DICKSTEIN. Reserving the right to object, I will not object if the right to offer amendments to this bill is preserved.

The CHAIRMAN. The Chair will say to the gentleman from New York and to all members of the committee that no one will be prejudiced in the offering of amendments. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 5, line 18, strike out "including inflation of passenger-carrying airships" and insert "except that helium may be sold for the inflation of only such airships as operate in or between the United States and its Territories and possessions, or between the United States or its Territories and possessions and foreign countries."

Mr. WILCOX. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, when the original House bill was reported by the House committee I prepared the minority report which was signed by myself and nine other members of the Committee on Military Affairs. In that minority report I undertook to set forth the dangers that I saw in the bill as reported. At that time I called specific attention to the necessity for tightening up the provisions of this bill concerning the exportation of helium in quantities that might make it possible for it to be used in military operations. I also called attention to the necessity for tightening up the provisions for its exportation for use in commercial airships.

Since the bill has been reported it has come back to us in the form of a Senate bill and the Committee on Military Affairs has proposed certain amendments, including the one which is now before you.

I would be the last man in Congress to vote for any bill that would make any instrumentality of war available to any country, but I believe that the provisions of the bill as amended are sufficient to protect the United States against the exportation of any helium, which may be used for military purposes. The bill now prohibits its exportation in such quantities as would make its use in military operations possible.

Now, if I may have the attention of the gentleman from Michigan [Mr. ENGEL], who propounded several questions relative to testimony alleged to have been delivered before the committee and stricken out of the record, I want to call the gentleman's attention to the fact that the testimony to which he refers was simply a matter of arithmetic; a simple calculation. It is true that the doctor testified that a dirigible airship containing 6,000,000 cubic feet of gas contained 100 times as much gas as a balloon containing 60,000 cubic feet, but that is simply a matter of arithmetic.

However, the reason that this evidence does not appear in the record if in fact it does not so appear is probably due to the fact that the doctor was testifying before the committee in executive session and no part of his testimony delivered in executive session was reported in the record. But the point covered by the gentleman, to wit, whether or not a dirigible held more gas than an observation balloon is simply a matter of computation. It is simple as if I testified now before this House that a bushel measure contains enough grain or enough of whatever is in the measure to fill four peck measures. That is a matter of simple computation. So that there is nothing strange or remarkable about that testimony. There is nothing crooked about it not appearing in the report of the testimony.

Now, with reference to the amendment before the committee, I want to call attention to the necessity of adopting this particular amendment.

Mr. Chairman, I think one of the most serious provisions in this bill, one that I think needs to be still further cleared up, is this matter of permitting the sale of helium for commercial purposes, for use in commercial airships. My objection to the bill, which I set forth in the minority report, was to the effect that if we sell helium for the inflation of commercial airships operated by foreign countries or by companies owned by foreign capital that we are, in effect, furnishing the means for our competitors to enter our trade field against us. I am particularly concerned about the South American trade.

[Here the gavel fell.]

Mr. WILCOX. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. O'MALLEY. Mr. Chairman, reserving the right to object, can the gentleman inform us how many committee amendments there are?

Mr. WILCOX. Probably half a dozen. They are printed in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. I yield.

Mr. THOMAS of New Jersey. In regard to the question that was asked Dr. Eckener as to how many observation balloons could be filled by the quantity of helium necessary to inflate one of these dirigibles, I asked the question, but the question is not in those hearings. It was answered by Dr. Eckener. He said it would fill approximately 100 observation balloons. That question was not asked in the executive session.

Mr. WILCOX. I may say to the gentleman from New Jersey that if he will turn to page 124 of the hearings he will find that the gentleman from Pennsylvania, Mr. FADDIS, asked that question and Dr. Eckener's answer was "One hundred of them, roughly, if the size is appropriate." That testimony is in the printed record.

Mr. THOMAS of New Jersey. That may be very true, but I also asked the question, and my question is not in the record.

Mr. WILCOX. Do not take up all of my time on that, please.

Mr. Chairman, I was discussing the amendment and was just about to make the statement that our administration had negotiated reciprocal trade agreements with our Latin-American neighbors. We are making a desperate effort to develop trade relations with Latin America. In accomplishing this certain trade agreements have been negotiated which I conceive are of distinct disadvantage to my own congressional district; nevertheless they have been negotiated and I have every desire to see them become eminently successful. I am not willing, therefore, to permit the use of helium gas in the inflation of airships which are to be used by any country to enter our South American field in competition with American manufacturers and American business.

The committee amendment now under consideration seeks to prohibit this sort of thing. The amendment limits the use of helium gas to the inflation of airships which operate only between the United States and foreign countries. I believe, however, that a further amendment is necessary in order to prohibit the operation of helium-filled airships between foreign points and South American points, and a little later in the debate I shall offer such an amendment.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. I yield.

Mr. LANHAM. I was going to ask the gentleman that very question, as to whether or not this language was sufficiently specific to insure the stopping of the use of these dirigibles in trade at the United States before proceeding to some South American country.

Mr. WILCOX. I am afraid not, although undoubtedly this amendment was intended to accomplish that purpose. It does not, however, actually accomplish it.

Mr. LANHAM. Does the gentleman intend to offer an amendment to the amendment?

Mr. WILCOX. I intend to offer an amendment to this amendment. The language of the amendment reads simply that airships inflated with helium shall be operated only between the United States and foreign countries. On first reading, one would reach the conclusion that the provisions of the amendment would be all the limitation necessary, but I ask the Members to visualize a triangle, with the United States forming one point, Germany another point, and South America the third point. Under the amendment as drawn I believe it to be possible for an airship to operate from the United States to Germany, to South America, and back to the United States. I have no objection whatever to the operation from the United States to Germany and from Germany to the United States, nor do I object to the operation of such airships from the United States to South America. In fact, I want to encourage such operation, but not from Germany to the United States, to South America, and back. I do not want that third leg of the triangle to be completed. That is to say, I do not want these airships to operate from Germany to South America and simply stop by here to refill their gas tanks on the way home. I want the amendment sufficiently specific that no airship inflated with American helium may fly from Germany to South America and come back through the United States to refill on its way back. I believe the amendment can be perfected, and I shall offer a perfecting amendment.

Now, in conclusion, let me say that I would never have voted for this bill if it had not been perfected so as to prevent the exportation of helium in quantities possible for military use. Neither would I support any measure making our helium supply available for foreign owned and operated airships which could enter our trade field in competition with us. But with the adoption of this amendment and the further amendment which I will shortly propose, the measure will safeguard American interests. It will encourage development of lighter-than-air craft by American capital and it will prevent exportation of helium for war purposes. It will then be a good bill and I shall vote for it. But unless both amendments are adopted I shall be forced to vote against the bill.

[Here the gavel fell.]

Mr. O'MALLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, history has a strange way of repeating itself in this country. Back in 1917 we shipped our money to Europe, but did not get any of it back. All we got back was trouble. "Uncle Sucker Samuel", as they call this country in Europe, is going to offer the Europeans a supply of helium gas, one of the few monopolies that we have, and is going to ship that gas, if this bill passes, to countries that never kept any agreement with us, to nations which defaulted on their war debts, and whose word is not worth a thing in any agreement they might make to get their hands on this gas. Personally, I think that the American people are a little sick and tired of their Legislature making suckers of them in favor of foreigners and foreign countries.

Billions of dollars are owing to us which we are never going to get back. We lent Europe our officers and helped win the war. We gave them the lives of thousands of young American citizens, and the only thing we get in return is polite notes declining payment of their debts which they owe us and ridicule for being naive enough to suggest that our taxpayers would like their money back.

Mr. Chairman, I am going to offer an amendment to the bill that no helium gas may be sold to any country for any purpose that is in default upon its war-debt payments to our Government. I trust that no Member of this body will vote against such an amendment, because I say that any agreement we may make with these countries will be broken just as they have broken their word with us on the war debt. If one of those countries over there gets its hands on this helium in sufficient quantities to use for military purposes, it will tell us to go to the place they told us to go when we asked them to make payments on the war debt. They will use this gas for military purposes, and once we have parted with it we will have nothing to say about it unless we are willing to go to war with them to control its use.

Mr. BARDEN. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from North Carolina.

Mr. BARDEN. Did not Germany recently disregard its agreement with us with reference to armaments?

Mr. O'MALLEY. Yes. These countries laugh at us. They think we are suckers over here. In fact, they print pictures of "Uncle Sucker Sam." Now we propose to part with the only thing we have that they are afraid we might use against them. Permit them to buy it and they will come over here with their ships and tell us, "Now, try to collect the war debts."

I hope the gentlemen will support my amendment that not one of the countries can get a thing this country owns which is of value to us until they make payments on the war debt.

Mr. O'CONNELL of Rhode Island. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Rhode Island.

Mr. O'CONNELL of Rhode Island. Suppose Germany had control of this helium gas and America wanted to get it, does the gentleman suppose we could get it?

Mr. O'MALLEY. I do not believe we could get anything from Germany or any of the other nations if we cannot get our war debts paid by them. Our Secretary of State has sent them polite notes for 15 years and they laugh at us. After they get this gas they will laugh at us when we ask them to keep their agreements about its use.

Mr. MAY. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Kentucky.

Mr. MAY. Would the gentleman prefer to leave it open like it is at the present time, under a license, or would he trust the President of the United States and the Control Board?

Mr. O'MALLEY. I would be happy to trust the President of the United States, but the man who is now President will not always be President. We have had some Presidents that the gentleman has not trusted any more than I have.

[Here the gavel fell.]

Mr. SMITH of Connecticut. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Connecticut to the committee amendment: Page 5, line 20, after the word "airship", insert "as are wholly owned by citizens of the United States and."

Mr. SMITH of Connecticut. Mr. Chairman, the purpose of the amendment is to prohibit the sales for airship purposes of helium produced by our country to any foreign nation or any foreign national. It seems to me there are two objections which cannot be overcome to the bill as it stands in relation to the sale of helium abroad; one the fact that we cannot obtain proper safeguards against the use of the helium for military purposes. I do not think we can obtain any real safeguard against that use. There has been a good deal of difference of opinion as to whether helium can be used for military purposes, but we have the testimony of men like Commander Rosendahl, Dr. Eckener, and others that there are military uses for helium. As long as our Government is producing and selling it I do not think we should sell it to the foreign nations if it may be used for military purposes.

It is a pretty well-defined policy of ours not to sell war materials to foreign governments, although we are now considering leasing warships to a foreign government in order to get around the policy of selling them. I do not think we should establish the policy of our Government's selling war materials to foreign governments.

The second reason is that under this bill we are subsidizing the purchasers of the helium. I am perfectly willing to subsidize American purchasers of airships and operators of airships. I am perfectly willing to subsidize the

use of helium for medical purposes. But I do not think we ought to subsidize foreign nations and foreign governments.

If you will look on page 6 you will find that the things taken into consideration in setting a price for this helium include interest at the rate of not less than 3½ percent per annum on capital hereafter expended. That does not take into consideration the cost already involved in the plant. The main reason for Germany wanting to acquire helium from us is that they cannot produce it commercially in this country or any other at a price which would make it economically advisable for the Germans to use in their airships.

Mr. MAY. Will the gentleman yield?

Mr. SMITH of Connecticut. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman not know that the investment of the United States in the lands that bear this helium is so large that if you calculated the cost of production on that basis you would never get it even for medicinal purposes in this country?

Mr. SMITH of Connecticut. I would be perfectly willing to produce it and provide it free for the Bureau of Public Health to be turned over to genuine medical use.

Mr. FADDIS. That is already taken care of in the bill, as far as medicinal purposes are concerned.

Mr. GREEN. Does the gentleman think any country similarly situated as we are would let our Government take their limited supply of helium where it is easily exhausted and the supply is so small?

Mr. SMITH of Connecticut. I do not agree with the gentleman it is easily exhausted.

We have a large supply of helium, and I would like to see it developed for use by our own citizens. I should not like to see us subsidize other countries in their use of this gas.

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut.

May I say to the Members of the Committee that I referred to this matter yesterday in discussing this bill. This Government has under this administration entered into many reciprocal agreements. If we are to have lighter-than-air ship development in the United States and are to build airships in America, they will be built for use in international trade along transoceanic routes. The only way in which they will be used in such foreign trade is in cooperation with the airship companies of other nations. They will be on a cooperative basis in just the same way the airplane lines, the heavier-than-air lines, are now being developed between this country and Bermuda and between this country and England across the North Atlantic. We are not sending Pan-American alone to Bermuda or to England. No; the British are not going to give us landing rights and refueling facilities without having some interest in those air trade routes. They are insisting that the British Imperial Airways cooperate with us in the establishment of such lines across the transoceanic routes. The same thing is going to be true with reference to the development of commercial lighter-than-air ships, that is, the development is going to be through the cooperation of this country with other countries.

We Americans have had one or two observers on every trans-Atlantic trip which has been made by the *Hindenburg*. These are men who are skilled in the operation of the smaller type of blimps. Representatives of the Navy who are assigned to lighter-than-air development have traveled across in the *Hindenburg* in order to get experience so they may be in position to navigate the airships when they are constructed in this country.

May I correct one statement made by the gentleman from Connecticut with reference to cost? The bill itself specifically provides, on page 5:

> That such sales of helium shall be at reasonable prices (established by said regulations) based upon the cost of acquiring, developing, maintaining, and operating the Government properties.

There is no question here about a subsidy to any foreign nation. Such nations are going to pay for anything they get. However, in order to develop lighter-than-air in this country we must have helium at a reasonable price. If we are to develop helium, we must offer it at a fair price, because our nationals will not go to Europe on a helium-filled ship and come back on a hydrogen-filled ship.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HARTER. I yield to the gentleman from Michigan.

Mr. DONDERO. If we mean to advance the policy of being a good neighbor, this is a chance to act it as well as say it.

Mr. HARTER. The gentleman's statement is absolutely true.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. SMITH] to the committee amendment.

The question was taken; and on a division (demanded by Mr. SMITH of Connecticut) there were—ayes 32, noes 56.

So the amendment to the committee amendment was rejected.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

> Committee amendment: Page 6, line 1, after the word "properties", insert "and the payment of interest at a rate of not less than 3½ percent per annum on capital hereafter expended, except from the special fund established in subsection (c) of section 3 of this act for properties, facilities, and helium-bearing gas lands, as are."

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, the question has been raised as to whether or not the Zeppelins have any military value. I have here the statement of the Assistant Secretary of the Navy, Mr. Edison, before the House Committee on Naval Affairs, on July 26, 1937. Because of lack of time I shall only briefly refer to it. The statement reads in part as follows:

> We have not built enough of these airships, in my opinion, to know whether they are any good from a military standpoint or not. It is much the same as if the Wright Brothers had made a flight at Kitty Hawk, and then we had ordered two or three airplanes of that vintage, and tried them out in flight when we had only built about three or four airplanes. I do not think anybody is competent to say at the present state of the development whether lighter-than-air has any military value or not.

Mr. Edison further states that he believes Dr. Eckener does not have enough of such information. Mr. Edison recommended to the Committee on Naval Affairs that we build three Zeppelins, and stated that in his opinion the Zeppelin may not be any more vulnerable to attack than an airplane carrier on the surface of the sea. It is also his opinion that possibly the Zeppelin can carry a number of bombing planes.

I have here an article from the New York Times of May 19, 1937, which states:

> Dr. Hugo Eckener, head of the German Commission * * * is coming to Washington to see the President, trying to get helium.

The same day, in the Washington Post appeared the following:

> German planes shower death daily on defenseless Bilbao. German and Italian bombers shower death daily on 400,000 huddled in Bilbao.

The article goes on to state that there is no defense against these planes, and that the German and Italian planes go on and on killing helpless people.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. No; I have not the time.

I now refer to the report of the committee on page 4. The committee in reporting out this bill, which is being considered today, states:

> No humanitarian measure deserves a more immediate hearing because of its life-saving possibilities—

And so on.

Life-saving possibilities, indeed!

Mr. HARTER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I have not the time, I am sorry.

The report goes on to state:

Any helium sold may be recaptured for Government use in time of national emergency.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I cannot yield.

How are you going to go over to Germany and get the helium and bring it back here?

Then the report goes on to state that under such an agreement the United States will serve as a sort of helium filling station, and the report further states that the exportation of helium as authorized by the bill, is consistent with our good-neighbor policy and will do much to promote international good will by making helium available for the alleviation of human suffering, if you please. The alleviation of human suffering, indeed. Look at these newspaper clippings telling of the killing of helpless women and children by foreign bombing airplanes.

Let us defeat the bill.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute for the committee amendment offered by Mr. FADDIS: On page 6, lines 1 to 6, strike out the committee amendment and insert in lieu thereof the following:

"And the payment of interest at a rate of not less than 4½ percent per annum on all capital heretofore or hereafter invested, after making due allowance for depreciation and deterioration and deducting one-third of the entire investment to be allowed for purposes of national defense, except from the special fund established in subsection (c) of section 3 of this act for properties, facilities, and helium-bearing gas lands as are."

Mr. FADDIS. Mr. Chairman, I believe this amendment is in every respect fair. I do not believe this Nation should subsidize foreign interests, and neither should we subsidize domestic interests in lighter-than-air craft, but especially do I object to foreign interests being subsidized.

Under the provisions of this bill, unless my amendment is adopted, foreign nations will receive the advantage of all our prior investments in the development of helium. They will receive the advantage of our prospecting work and our experimental work as well as all our valuable patents with respect to the apparatus used to extract this helium from natural gas. I have provided that in computing the cost of this helium for sale, the cost shall be computed taking the entire investment into consideration, allowing for depreciation and deterioration and subtracting one-third of the entire cost for purposes of national defense.

I believe it is no more than fair that this amendment should be adopted and that the United States of America and the taxpayers thereof should not be subjected to this subsidization.

As far as domestic lighter-than-air craft are concerned, everyone within the hearing of my voice knows full well once they are put into operation they will be amply subsidized by mail contracts. Therefore it would be unfair and unjust to the American taxpayer to subsidize them doubly.

Mr. Chairman, I trust this amendment to the committee amendment will be adopted.

[Here the gavel fell.]

Mr. HARTER. Mr. Chairman, I rise in favor of the committee amendment and against the substitute amendment offered by the gentleman from Pennsylvania.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARTER. Yes.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. McGRANERY. I object, Mr. Chairman.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. DICKSTEIN. Mr. Chairman, I have an amendment which I wish to offer at the same page.

The CHAIRMAN. The Chair will state to the gentleman that the request would not bar the consideration of the gentleman's amendment.

Is there objection to the request of the gentleman from Kentucky?

Mr. CLASON. I object, Mr. Chairman.

Mr. WILCOX. Mr. Chairman, am I correct in my understanding of the Chair's ruling that amendments to any part of the bill are proper to be submitted at any time?

The CHAIRMAN. The gentleman is correct.

Mr. WILCOX. And the fact that amendments have been passed on with respect to that portion of the bill does not bar such amendments.

Mr. HARTER. Mr. Chairman, first I address my remarks to the committee amendment found on page 6, following the language:

That such sales of helium shall be at reasonable prices (established by said regulations) based upon the cost of acquiring, developing, maintaining, and operating the Government property.

The committee amendment reads as follows:

And the payment of interest at a rate of not less than 3½ percent per annum on capital hereafter expended.

The Committee on Military Affairs in the consideration of this measure gave great thought to the matter of a proper charge to be made for the helium which is to be sold for commercial purposes. Despite the arguments that have been presented here, this is in no wise a subsidy bill. The language of the bill itself as I have read it to you provides that those purchasing the helium must pay the cost of acquiring, developing, maintaining, and operating the Government property. It is obvious that the Government property is already invested in those facilities and that no returns on this investment would be expected or received by the Government. As long as a commercial purchaser pays a price which includes proper allowance for depreciation and depletion, then the Government's original investment remains unimpaired and unaffected by the addition of the commercial production. To charge the commercial purchaser an additional amount for interest is unfair because through these charges he would be in reality paying the only interest charge on this capital and would be paying an undue share of the expense entailed by the military requirements that these facilities be kept available for wartime production.

In regard to the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS] he bases an interest rate of 4½ percent per annum, which is away in excess of the rates of interest paid by the Government for funds which it invests in public property, and he makes his interest rate retroactive so that it applies not only to property hereafter purchased but to property acquired years ago as a reserve. As long as those who are purchasing this helium pay such an amount based on depreciation and depletion, they are taking care of any expense that the Government may have been put to. In addition thereto the committee amendment provides the purchaser of commercial helium must pay interest at the rate of 3½ percent per annum on property hereafter acquired or constructed for helium production.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. FADDIS) there were—ayes 21, noes 54.

So the substitute amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 6, strike out the period after the word "production", insert a colon and the following: *"Provided further,* That

notwithstanding the foregoing provision, helium shall be sold for medicinal purposes at prices which will permit its general use therefor."

Mr. HARTER. Mr. Chairman, I rise in favor of the committee amendment. I take it there will be no question on the part of anybody with reference to the adequacy or the desirability of this amendment to make helium available for medicinal purposes at prices which will permit its general use.

I move the adoption of the committee amendment.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 14, after the word "him", strike out "and approved by the President" and insert "on the joint recommendation of all of the members of the National Munitions Control Board and the Secretary of the Interior."

Mr. HARTER. Mr. Chairman, this amendment comes about by reason of the action taken in the Senate when the bill was passed by the Senate. Both the House bill and the bill S. 1567 which we are now considering contained the language originally which constitutes this House amendment. The Senate struck it out and inserted approval by the President. It has been the thought all along and it is the recommendation of the five secretaries and the President, that the control of the exportation of helium should be placed under the National Munitions Control Board and the Secretary of the Interior.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WILCOX. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: Page 5, line 23, after the word *"Provided"*, insert "no helium shall be sold for the inflation of any airship operating between two foreign countries notwithstanding such airship may also touch at some point of the United States: *Provided further*."

Mr. WILCOX. Mr. Chairman, this is the amendment that I suggested a few moments ago when I discussed the triangle of the trade route. Under the amendment adopted by the committee we sought to prohibit the use of helium gas for the inflation of airships competing with our American trade.

Mr. MAY. Mr. Chairman, the committee will accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. RAYBURN. Mr. Chairman, is there not another committee amendment?

The CHAIRMAN. If there is another committee amendment, of course, the Chair would like to know it.

Mr. HARTER. There is not another committee amendment, but there is an amendment which I sent to the desk with reference to some repetition that occurs in the bill on account of the Senate action.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. HARTER: Page 8, line 8, after the word "exportation", strike out all of the remaining language in line 8 and all of lines 9, 10, 11, and 12.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: Page 6, line 13, after the word "regulations", insert *"Provided, however,* That no helium shall be sold for any purpose whatsoever to any country or to concerns or persons in any country that is in default to the United States on the payment of any interest or principal of its World War debt to the United States."

Mr. O'MALLEY. Mr. Chairman, I think my amendment is self-explanatory. It provides that no country that is in default upon any part of the payment of its war debt to this country may purchase this helium if this bill is passed, to use it for any purposes whatsoever. I certainly do not think that anybody in this Chamber is in favor of selling any more things to European nations who have not yet paid any of their war debts to us or kept their agreements upon their debts. If in the last days of this Congress we are willing to put the American taxpayer in the same position he was put in by loans of great amounts of money during the World War, there is nothing I can do to prevent it beyond using every effort to defeat this bill. I will never vote for a bill to sell a valuable national resource to countries that have not paid us anything they owe us and who have broken their pledges to us time and again.

Mr. ANDREWS. Will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. ANDREWS. Is the gentleman in favor of reciprocal trade agreements?

Mr. O'MALLEY. From what I have seen of the working of those reciprocal trade agreements, I am not in favor of them. I am against Uncle Sam being made a sucker of by European countries any more, and would vote to stop making any treaties with countries that have failed to pay their debts.

Mr. GREEN. Will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. GREEN. Does the gentleman have any idea that any country that owes our country any money would sell us helium or anything else that it needed?

Mr. O'MALLEY. When those countries would not keep their agreements on their war debts, when they say by their dictators and kings that treaties and agreements are scraps of paper, they will not keep any agreement entered into under this bill. Although in the last days of any session some bad legislation passes, I do hope, if this bill passes, we will adopt the amendment I have offered and see that the chislers in Europe do not get in on this helium until they keep their word.

Mr. ANDERSON of Missouri. Will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. ANDERSON of Missouri. The gentleman realizes that Germany does not owe this country any money, doesn't he?

Mr. O'MALLEY. Oh, the gentleman is incorrect. Germany and all the rest of the nations who participated in the World War owe us money, and owe our citizens millions on defaulted war bonds.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. THOMAS of New Jersey. Reserving the right to object, I have an amendment on the Clerk's desk.

The CHAIRMAN. This does not prejudice the gentleman's right to offer an amendment.

Is there objection?

There was no objection.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. GREEN. Mr. Chairman, I ask unanimous consent to speak in favor of the amendment.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. GREEN. Mr. Chairman, it seems to me that the amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY] is a very timely amendment. I have serious doubt that a single foreign nation who owed the United

States a dime would be willing for us to purchase or obtain in any manner any valuable resource that they have.

As I understand the situation, there is very little helium in the world. Only about 1.8 percent of the gas that is usable is helium gas. All these stories we have heard about our great supplies of helium gas are simply fantastic, so I have been told, and that there is far less helium gas in America than many persons believe.

I wonder when a commodity is so rare and so useful if it is a wise policy for our Government to sell it to a country that only a few years ago was fighting our country. I wonder if it is a safe policy for our country to divide our national resources with Europe, which today is on the verge of anything except American friendship.

Now, these commodities that are rare and are useful for our Nation should not be divided with European countries. It is not a wise policy to divide them. Why not give it to Japan? How would you like to have Japan have this agreement that you are about to enter into with another country? How would you like to have any European country have the standing and status and privilege which this bill proposes to give to a foreign country?

It seems to me it is a very unwise policy for us to continue to play Santa Claus to European countries, continue to let their financial brains undertake to dominate American finances and our international bankers, and to continue to borrow from American banks and American institutions, and their war lords undertake to dip their hands into our American resources and get possession of them.

I believe it is a dangerous policy. I believe we should adopt the amendment offered by the gentleman from Wisconsin.

[Here the gavel fell.]

Mr. McGRANERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, today I rise for the first time in opposition to a report and recommendation of one of the major committees of the House, but I do so because I feel that if the bill as reported by the committee were to prevail, serious harm to our Government would flow from it. I have had experience in the balloon corps. I have seen a flaming balloon come to the ground, so I can appreciate very acutely the value of the helium we possess. Dispute has been raised as to its value in warfare, and question has been raised as to how many bags could be filled by the helium it would take to inflate the *Hindenburg*. The number 100 is correct. There are more than 7,000,000 cubic feet of gas in a ship the size of the *Hindenburg*, whereas these bags and sausage balloons that float over the lines have a capacity of about 91,000 cubic feet. The amount of gas necessary to inflate the *Hindenburg* is sufficient to fill the bags of four army divisions in combat on any front.

I am in thorough accord with the good-neighbor policy of the reciprocal trade agreements, but this has nothing to do with reciprocal trade. I say further that Germany is one of the great competitors of the United States. Our officials say that we have not yet begun to experiment with lighter-than-air craft. Germany will be our great competitor, and she is a country that has never regarded any agreement, any time, anywhere. Only a few months ago, in violation of every agreement, she sent her troops on the march. We all know what they have done. It is foolish to say here that they would be bound by an agreement to use it only for commercial purposes. Once the *Hindenburg* leaves these shores she is not going to come back to the United States and say to Uncle Sam, "Take your helium and fill your bags; you will need it in this war."

When a bag filled with helium is pierced by a bullet it does not explode, it floats gently to the ground without loss of life. They can patch the hole and send the balloon up again. We will find ourselves compelled to fall back on the use of hydrogen if we sell our helium to the nations of the world.

Furthermore, we cannot sell helium to Germany alone. If there is to be a good-neighbor policy we cannot confine its sale to Germany. What if Japan or the other nations ask for it? Can we refuse? Would they not ask: "Are you going to discriminate against us? Is Germany the only nation on the face of the earth with which the United States can do business? Is Germany, a country that has flagrantly violated every agreement she ever entered into, the only nation with which Uncle Sam will do business?"

In conclusion, Mr. Chairman, I say that if we support the O'Malley amendment we shall do something we shall not regret. If we support the Military Affairs Committee on this bill we shall regret it, for I do not think they have given sufficient study to this question. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired; all time has expired.

The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 47, noes 81.

So the amendment was rejected.

Mr. DICKSTEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKSTEIN: Page 6, line 13, after the word "regulation" change the period to a colon and insert: "*And provided further*, That no helium shall be sold to any foreign country which directly or indirectly engages in or sponsors distribution and dissemination in the United States or its Territories or possessions of any propaganda inconsistent, derogatory, or destructive to the democratic form of government of the United States and its people."

Mr. THOMASON of Texas. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill and has nothing to do with the sale and distribution of helium.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. DICKSTEIN. I do.

The CHAIRMAN. Does the gentleman from Texas desire to be heard further on the point of order?

Mr. THOMASON of Texas. No; I do not desire to be heard further on it. The amendment is not germane to the bill. That is all that can be said.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. DICKSTEIN. Mr. Chairman, I am a little surprised that the committee should raise the point of order. Here is a case where we are going to sell a quantity of helium to a foreign government out of which sale the United States Government will receive no profit at all; in other words, we are practically giving it away for no consideration. We are practically giving away one of our few natural monopolies, whether it be to Germany, Russia, England, or some other country, without consideration, selling these large quantities of this valuable helium without even the requirement that they stop spreading in the United States propaganda that is inimical to our form of government.

I respectfully submit, Mr. Chairman, that the amendment is germane because it deals with something directly affecting the United States of America.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. O'TOOLE. This government to which it is proposed to sell helium is already behind in its obligations to the United States.

Mr. DICKSTEIN. Yes; there is no question about that.

The CHAIRMAN (Mr. NICHOLS). The Chair is ready to rule. The gentleman from New York [Mr. DICKSTEIN] offers an amendment to subsection (b) of section 3. Subsection (b) provides as follows:

That helium not needed for Government use may be produced and sold upon payment in advance in quantities and under regulations approved by the President for medical, scientific, and commercial use—

And so forth. This gives the President of the United States discretion and authority to dispose of helium. The amendment offered by the gentleman from New York [Mr. DICKSTEIN] places a limitation on the powers of the President, and says that under certain conditions the President will not be permitted to dispose of helium to those countries.

The Chair is of opinion the amendment offered by the gentleman from New York [Mr. DICKSTEIN] is germane, and therefore overrules the point of order.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DICKSTEIN. Mr. Chairman, the Committee has voted down almost every amendment that has been offered. If the Committee is serious it can accept this amendment. As a matter of fact, under section 3, the United States Government is going to invest close to a million dollars in order to buy the plants of the independents. We already have invested eight or nine million dollars in this helium. We are practically giving the helium away.

Mr. Chairman, we all know that Germany is anxious to get this helium. Not since the *Hindenburg* disaster, and I am sorry for those in the ship, but, on the other hand, they had a lobby in Washington many months before to obtain this helium from the United States Government. I say we are going to lose money on this.

It is a well-known policy of the German Government to flood this country with subversive un-American literature and activities. It sends spies over here and it has flooded this country with such propaganda that is arraying one American against another and I beg of the Committee that they take heed.

I do not care how much helium you want to give Germany. I am not objecting to the sale of helium to Germany, but at least we should expect Germany to stop flooding this country with vicious propaganda against our people. I submit in fairness to the American people that the amendment I have offered should be adopted.

Mr. ENGEL. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Michigan.

Mr. ENGEL. On page 117 of the record of the hearings, Dr. Eckener testified as follows:

> As long as 8 years ago I had the opportunity of discussing this question here in Washington with Government authorities—

Which supports the gentleman's statement.

Mr. DICKSTEIN. I thank the gentleman.

Mr. ANDERSON of Missouri. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. The gentleman has no objection to this helium being sold?

Mr. DICKSTEIN. No. I would give Hitler enough helium to blow him up. But there ought to be some consideration for giving up this valuable chemical, and we should insist that they stop flooding the country with propaganda against you and the other people of the country and myself.

Mr. O'TOOLE. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from New York.

Mr. O'TOOLE. They want this gas for the same type of airship that they used to bomb defenseless cities during the war?

Mr. DICKSTEIN. Yes. I do not care what the terms are upon which we give them the gas, but we ought to exact a condition which is fair, and make them stop flooding this country with propaganda.

Mr. Chairman, I ask that the amendment be agreed to.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DICKSTEIN].

The question was taken; and on a division (demanded by Mr. DICKSTEIN) there were—ayes 32, noes 69.

So the amendment was rejected.

Mr. DICKSTEIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DICKSTEIN. Would it be in order, if I desire to exercise the privilege, to move to recommit the bill at this time?

The CHAIRMAN. That is within the province of the Speaker of the House and not the chairman of the Committee of the Whole House on the state of the Union.

Mr. THOMAS of New Jersey. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. THOMAS of New Jersey: Page 5, line 23, after the word "that", insert "no helium shall be exported for commercial purposes other than for casual replenishment in American airships: *And provided further*, That."

Mr. THOMAS of New Jersey. Mr. Chairman, there is only one part of this bill that is controversial. We all agree this helium should be sold for medical purposes. We all agree it should be sold for commercial purposes in this country. The controversy in the bill lies in the export feature of it as far as commercial purposes are concerned.

If the amendment I have just offered is agreed to, we will not be able to export helium to Germany or to any other country. May I say incidentally that Germany is the only country at the present time that wants this helium. Germany is the only country, other than perhaps Italy to a small degree, that can use helium.

Mr. Chairman, I would like an answer to this question: If Germany had the monopoly on helium and we asked them to sell it to us, do you think that Germany would sell it to us?

Mr. KNUTSON. Will the gentleman yield?

Mr. THOMAS of New Jersey. I yield to the gentleman from Minnesota.

Mr. KNUTSON. When the Germans had a monopoly of dyes, they never refused to sell to any country, did they?

Mr. THOMAS of New Jersey. Exactly. When Germany had a monopoly of dyes, as my colleague says, we were never able to get any of those dyes.

Mr. KNUTSON. Oh, yes; we were.

Mr. THOMAS of New Jersey. No; we were not.

Mr. KNUTSON. Yes. I said that Germany at no time refused to sell dyes to us.

Mr. THOMAS of New Jersey. I know what the gentleman said—Germany has leased dyes to us. Germany never has sold dyes to us.

Mr. KNUTSON. We can lease them the helium.

Mr. THOMAS of New Jersey. We can do that under the present law.

Mr. GREEN. The nations the gentleman mentioned, Germany and Italy, are recognized today as the two most militaristic nations which threaten the peace of the world, and this probably is why they want the helium.

Mr. THOMAS of New Jersey. May I say, also, there is a close connection between the American Zeppelin Co., the company which sent the lobbyist around to see us, and the Deutsche Zeppelin Co. We know an officer of the American Zeppelin Co. is also an officer of the Deutsche Zeppelin Co. This definitely proves that we are asked to pass this bill, not just so all the countries can get helium, but so that Germany can get helium. I looked up the stockholders of the American Zeppelin Co., and I find that 27 percent of the stock of the American Zeppelin Co. is owned by three international bankers. We know those same international bankers persuaded us to sell German bonds to our investors in this country. We sold these German bonds at about 90 cents on the dollar, and then Germany made a settlement with the American investor without asking whether or not the American investor wanted to agree to it. The settlement was made on the basis of 40 cents on the dollar and the American investor had to take it. Now Germany, through these international bankers, wants us to sell helium to her.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. THOMAS].

The question was taken; and on a division (demanded by Mr. PHILLIPS) there were—ayes 42, noes 78.

So the amendment was rejected.

Mr. MAY. Mr. Chairman, I move that all debate on the bill do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NICHOLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1567) authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes, pursuant to House Resolution 323, he reported the bill back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'MALLEY. At what time is it proper for me to offer a motion to recommit?

The SPEAKER. After the third reading of the bill:

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. O'MALLEY. Mr. Speaker, I offer a motion to recommit, which is on the Clerk's desk.

The SPEAKER. The Chair will first endeavor to qualify Members of the minority.

Is there any member of the Committee on the minority side who desires to make a motion to recommit, and who is opposed to the bill? If not, is there any Member of the minority who is opposed to the bill, and who desires to make a motion to recommit?

Mr. O'MALLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman from Wisconsin opposed to the bill?

Mr. O'MALLEY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. O'MALLEY moves to recommit the bill S. 1567 to the Committee on Military Affairs with instructions to report the bill back forthwith with the following amendment: Page 6, line 13, after the word "regulations", insert "*Provided, however,* That no helium shall be sold for any purposes whatsoever to any country or to concerns or persons in any country that is in default to the United States on the payment of any interest or principal of its World War debt to the United States."

The previous question was ordered on the motion to recommit.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 59, noes 152.

Mr. O'MALLEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. O'MALLEY and Mr. CITRON) there were—ayes 151, noes 78.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

VETO MESSAGE FROM THE PRESIDENT—MEMORIAL TO WILL ROGERS

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H. R. 6482, an act "providing for cooperation with the State of Oklahoma in constructing a permanent memorial to Will Rogers."

Will Rogers was a beloved figure in our national life, and I shared in full measure the admiration and affection which his fellow countrymen everywhere accorded him. He was for many long years my personal friend.

Yet it is in large part because of my personal friendship for him that I am certain that if he could speak he would be the last to desire the enactment of Federal legislation of this character.

The act provides for the designing and construction at Claremore, Okla., of a suitable permanent memorial to his memory. The type of that memorial is nowhere set forth in this act.

I am sure, as one who knew the depth of Will Rogers' love for his fellow man, that he would have desired a living memorial—something that would carry joy and gladness into the hearts of those he left behind.

With these thoughts in mind, I cannot forbear to mention Will Rogers' deep love of children. You and I who knew him through the years are well aware of his devotion to childhood. He contributed generously to the care of handicapped children and in providing education for boys and girls who could not afford it.

It is my thought, therefore, that the Congress at the next session may care to reconsider the form that a memorial to Will Rogers should properly assume. I believe the Congress, upon further deliberation, could devise a more appropriate means of perpetuating Will Rogers' memory which, at the same time, would be more in consonance with sound Federal practice.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1937.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. KELLER. Mr. Speaker, I move that the message and the bill be referred to the Committee on the Library.

The motion was agreed to.

INDIAN LANDS IN ARIZONA

The SPEAKER. The Chair lays before the House the following message from the Senate of the United States:

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
August 20, 1937.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 2188) to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

COMMITTEE TO WAIT UPON THE PRESIDENT

Mr. RAYBURN. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That a committee of two members be appointed by the House to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed the business of the session and are ready to adjourn unless the President has some other communication to make to them.

The resolution was agreed to; and the Chair appointed Mr. RAYBURN and Mr. SNELL as members of the committee on the part of the House.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7950) to amend the District of Columbia Alcoholic Beverage Control Act, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, strike out "this subsection" and insert "The provisions of this subsection relating to notice by advertisement in some newspaper of general circulation."

Th SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

SAFETY ON HIGHWAYS OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1226) to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 3 and 9 of the act entitled "An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes", approved May 3, 1935, are amended by striking out the phrase "in excess of $100" where it appears in such sections.

SEC. 2. Section 4 of such act is amended by striking out the phrase "over $100 in amount."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THIRD DEFICIENCY APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I submit a conference report on the bill (H. R. 8245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

The Clerk read the conference report.

(For conference report see Senate proceedings, p. 9601.)

Mr. WOODRUM. Mr. Speaker, I ask recognition on the report. We bring you a conference report on the third deficiency appropriation bill, which is a complete report on all matters with the exception of the following three items: An amendment put on in the Senate to take care of the payments to the cotton producers in conformity with the understanding and agreement had between the administration and the representatives from the cotton-producing States. That being legislation, of course, had to come back to the House for a vote. We bring back for a separate vote an item providing for the acquisition of some sugar-pine forest land in California to be added to Yosemite National Park. An authorization for the purchase of that property passed both Houses of Congress and became law. The House Committee on Appropriations presented it when we considered the bill the other day, but it went out on a point of order. It has been reinserted in the bill in the Senate, and it is back for a vote. We bring back a small item providing for the expenses of delegates to the Interparliamentary Union. That being a change in legislation had to come back for a separate vote.

If the House adopts the conference report and concurs in the recommendations of the committee on these three items, then, so far as this bill is concerned, we are through with it, and so far as the third deficiency appropriation bill is concerned, Congress can adjourn and go home.

I wish to make a very short statement with reference to several of the major items in the bill. I do not wish to take up much time unless there is something about which some Member is particularly interested. There were several items in the bill which seemed to excite considerable interest in the House when the bill was under consideration. An item of $20,000 was inserted in the bill by the Senate for the Thomas Jefferson Memorial Commission. That amount is to enable the Commission to pay administrative expenses and discharge some obligations they have incurred. It does not contemplate any construction in the Tidal Basin area. The committee brings that back in the general conference report.

One of the matters that elicited considerable interest and that gave the conferees considerable difficulty was the estimate that came to the House for the beginning of the construction of the six naval vessels which were recently authorized. It will be recalled that an amendment was offered on the floor of the House and defeated by a small vote to insert that item in the bill. It was inserted in the Senate, and it was brought back in the conference report with an amendment permitting the Navy Department to go ahead with their plans and specifications, but not to lay down more than two vessels, or to contract for more than two vessels. I hope I may be pardoned for speaking in a personal vein, but I favored the inclusion of this amendment when the bill was in the House. Being in charge of the bill, however, I felt it my duty to protect the bill, and I did protect the bill and led the movement which defeated it. My personal views are that the vessels should be built. They are authorized by the Congress, and the Navy Department should go ahead.

My colleagues on the committee differed with me, and our colleagues on the Naval Affairs subcommittee felt they should be given an opportunity to go into that matter. I think there is great merit in that contention. We found the Senate conferees also had very decided opinions on this program, and after all debate up one side and down the other, we bring what we hope will be a solution to the House, and that is to permit the expenditure of a small amount of money on plans and specifications and to provide that they shall not proceed with the construction of more than two of the six vessels until the regular subcommittee of the House Naval Affairs Committee has had opportunity to have hearings on it.

An amendment was placed in the Senate providing for the acquisition of land for a medical center for the Navy. The committee felt that that could wait until the regular naval appropriation bill next session.

An amendment providing for $50,000,000 was placed in the bill in the Senate for payments under the Sugar Act of 1937. We eliminated that, except for some administrative expenses, leaving $250,000 in the bill until the need for these payments under the Sugar Act has developed.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. TABER. That is, if the bill is signed by the President.

Mr. WOODRUM. Yes; we have provided that, if the bill becomes a law, and that amount will be available for administrative expenses.

We provided a small amount for the beginning of the operations under the Bonneville Dam project.

Mr. MANSFIELD. How much was that?

Mr. WOODRUM. One hundred thousand dollars, and we provide funds for the Cancer Institute, which has been authorized by law.

Mr. MAVERICK. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAVERICK. How much is appropriated for the Cancer Institute?

Mr. WOODRUM. Two hundred thousand dollars for the purchase of radium and $200,000 for training and research.

Mr. MAVERICK. The amount authorized by the Budget was $750,000 for the first year, was it not?

Mr. WOODRUM. The Budget estimate was $400,000 for the first year. We left the Budget estimate, which was the Senate amendment.

We provided funds for the continuation of the apprentice-training project under the Department of Labor, about which a great many Members have expressed interest. This is a function formerly carried on by the National Youth Administration.

Mr. McCORMACK. Will the gentleman state the amount?

Mr. WOODRUM. About $50,000 is my recollection.

There was considerable interest expressed, if you will recall, about the Maritime Commission. The House reduced the authorization for building ships from $150,000,000 to

$75,000,000. The Senate restored the $150,000,000, and the compromise in the conference was $115,000,000 which was $35,000,000 less than the Budget estimate.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mrs. ROGERS of Massachusetts. What did you do with the appropriation for $25,000 for national safety and accident prevention? You know, the deaths alone from automobiles it is estimated will run about 38,000 this year, an appalling toll.

Mr. WOODRUM. The committee allowed $17,500 for the continuation of that work.

Mrs. ROGERS of Massachusetts. Undoubtedly we can come back later for more funds.

Mr. WOODRUM. I am sure the lady knows the way back. [Laughter.]

Mr. O'CONNOR of Montana. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR of Montana. Yesterday the House passed a bill authorizing the construction of Federal court facilities at Glasgow, Mont., and provided for an authorization of $100,000. As I understand, an amendment was submitted by the Senate and was written into the bill in the Senate. What has become of that?

Mr. WOODRUM. It was found upon investigation that the Congress has increased the estimate of cost for construction of the Federal court project to which the gentleman alludes, and that the Procurement Division already had the money, and the authorization to which the gentleman alludes made the amendment placed in by the Senate unnecessary. So that the Procurement Division can go ahead with the project without the necessity of retaining the amendment which was placed in by the Senate.

Mr. O'CONNOR of Montana. In other words, the Federal court facilities may be built and paid for out of money heretofore appropriated?

Mr. WOODRUM. That is correct.

Mr. MASSINGALE. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MASSINGALE. Would the gentleman inform the House, please, whether or not the money appropriated for farm tenancy is in the report?

Mr. WOODRUM. Just as it left the House; yes.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. RICH. How much more is added to this third deficiency bill since it passed the House?

Mr. WOODRUM. All of the large Senate amendments were deleted and the Senate yielded on practically all of them. There were quite a number of projects placed in the bill in the Senate, for which there has been no authorization or Budget estimates, and practically, without exception, the Senate yielded on those amendments. The bill, as it stands now, strange as it may seem, is less than it was when it passed the House.

Mr. RICH. How could it happen?

Mr. WOODRUM. Well, we hope that is a good omen.

Unless there are further questions, Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I think this conference, insofar as it goes, is fairly satisfactory, everything considered. As the gentleman from Virginia [Mr. WOODRUM] has stated, this bill is several million dollars below what it was when it passed the House, when you consider alone the items that are covered by the conference report. If one of the three amendments is adopted, the money that will be taken out of the Treasury as a result of it will be better than $50,000,000 more.

Mr. RICH. When it came back from the Senate, before this conference report, it was a great many million more, was it not?

Mr. TABER. Oh, it was a hundred million more than it is.

Mr. RICH. Then this conference committee ought to receive the gratitude of the House for getting the Senate to realize that they ought to cut down on Government expenses.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, I regret very much that the conferees did not see fit to agree on an item which was placed in the deficiency bill, providing an appropriation to complete the Great Smoky Mountains National Park.

The Senate passed a bill providing for this appropriation. That bill came to the House and went to the Committee on Public Lands, where hearings were held. Along with the Tennessee delegation in the House, I appeared before the committee and urged the legislation. That committee unanimously reported the Senate bill back to the House. Of course, this happened within the last 2 or 3 days, and therefore we did not have an opportunity to get the measure before the House.

Most of you are familiar with the fact that the Great Smoky Mountain National Park has become one of the leading and most scenic recreation centers in the country. The Great Smoky Mountains are the greatest mountain mass in eastern America, and here the last remaining large tract of virgin hardwood forest is to be preserved for the benefit and enjoyment of the people who may visit this great reservoir of nature. The completed park will contain 450,000 acres and comprises the greatest variety of plant life to be found in any equal area of the world.

Mr. Speaker, there only remains about 26,000 acres needed to complete this great park. This is the first time that we have come to Congress and asked for an appropriation to purchase land in connection with the park. Over $9,000,000 has been spent by the States of Tennessee and North Carolina along with a contribution of $5,000,000 from the Rockefeller Foundation to buy this large area, and it seems to us but fair that the Government should make this comparatively insignificant contribution toward the completion of this great project. The Great Smokies are the oldest mountain range in the United States. This gorgeous chain of mountains meander through the park for a distance of 71 miles. For 36 consecutive miles it is more than 5,000 feet in altitude. There are 16 peaks more than 6,000 feet in altitude. Clingman's Dome, the highest peak in the park, is 6,642 feet, and the altitude in the park varies 5,800 feet. The number of species of trees in the park is approximately 150.

In this picturesque laboratory of nature mountain laurel attains a diameter of 82 inches with a height of 40 feet. There are yellow poplar 9 feet in diameter and other trees of equal proportion. There are approximately 1,500 varieties of higher plant life, including mosses, fungi, lichens, and algae, and 3,700 species of plant life. There are 202,000 acres of virgin forest. Verily the Great Smokies is indeed a botanist's paradise. While, under the parliamentary situation, you cannot help us today, but when Congress meets in January we shall earnestly hope for your support. [Applause.]

Mr. WOODRUM. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will read the first amendment in disagreement.

The Clerk read as follows:

Page 19, line 8, amendment no. 24:

PRICE ADJUSTMENT PAYMENT TO COTTON PRODUCERS

Notwithstanding any other provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended, not to exceed $65,000,000 of the funds available under said section 32 in each of the fiscal years 1938 and 1939 shall be available (at such times and in such amounts as the Secretary of Agriculture may determine) until expended for a price-adjustment payment, upon such terms and conditions as the Secretary of Agriculture may determine, with respect to the 1937 cotton crop to cotton producers who have complied with the provisions of the 1938 agricultural adjustment program formulated under the legislation contemplated by Senate Joint Resolution No. 207, Seventy-fifth Congress. Such payments

to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton on the 10 designated spot cotton markets on the dates of sale of such cotton, but in no case shall exceed 3 cents per pound. The bases for any such payment, or the amount thereof, when officially determined in conformity with rules prescribed by the Secretary of Agriculture shall be reviewable only by the Secretary of Agriculture.

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate no. 24 and agree to the same.

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, this amendment starts a new farm program. On yesterday this House voted by a large majority to make a general and comprehensive farm program the first order of business at the beginning of the next session. There are many here who had hoped we could pass farm legislation at this session. One reason it was not done was because it was felt that further study should be given so that all commodities and all farmers might be included. Yet just the day after we passed that resolution, we have before us a new farm program applicable to only one crop, to cotton, proposing to set aside $65,000,000 to be paid to the producers of that crop as a subsidy. I do not know how those of you who come from the corn belt or from the wheat belt or from the dairy sections of the country may feel about that but I think you are going to have a hard time explaining to your farmers why we should pass a resolution one day merely promising them legislation in a future session of Congress and on the very next day should enact a program actually giving $65,000,000 from the Federal Treasury to cotton farmers. Every cotton farmer has received this year the same benefit payments from the agricultural conservation program as have been received by the producers of other agricultural commodities. Now we propose to give him this additional subsidy which will be received by no other agricultural group.

I do not know how you people who have been working for a wage and hour bill in this Congress feel about it, but I do not see why you should feel under any necessity of voting for a bill which is applicable to only one section of the country, when you have to go home and tell your constituents that you were not able to get a wage and hour bill in this session of Congress. [Applause.]

This amendment has not received the approval of either the House or Senate Committees on Agriculture. It has not even been considered by them or by any other legislative committee. It is not an emergency matter, because under the provisions of the amendment payments, while made applicable to producers of this year's crop, are not to be paid until the producer has complied with the 1938 program, whatever that may be. This means that it will be a year before payments can be made. We will be here in January to enact a general farm program. If the producers of cotton can make out a case at that time this program can be included in the general farm plan and payments could and would be made at the same time as proposed in this amendment.

I think the members of the Committee on Agriculture and other Members of the House will bear me out when I say that I have been friendly toward legislation for cotton. I want a bill brought out in January which will be eminently fair to the cotton producers of this country. At the same time I want to see a program which will deal fairly with every farm commodity.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HOOK. Has this matter ever been before the Committee on Agriculture, or has the Committee on Agriculture been given any information with regard to this amendment which is now brought before us?

Mr. HOPE. I am sure there have been no hearings before the Committee on Agriculture of the House. This is an effort on the part of the Appropriations Committee of the Senate to write farm legislation. I think it ought to be written in the Committee on Agriculture.

Mr. DOWELL. Is there not the same demand and necessity for other farm products to have protective legislation passed at this session of Congress? Why should not farmers who produce corn, hogs, wheat, or any of the commodities produced outside of the South have equal treatment with the cotton farmer?

Mr. HOPE. They should have. In the gentleman's State, Iowa, there is just as much need to take care of the producers of corn as there is to take care of the cotton producers of the South. Certainly the gentleman is correct. If a cotton producer who gets 9 cents for cotton is entitled to a 3-cent subsidy, then the farmer who sells his corn for from 50 to 60 cents this fall is just as much entitled to a subsidy of from 15 to 20 cents per bushel.

Mr. ANDRESEN of Minnesota. Is it not a fact that the Administration now has the authority under existing law to lend money on cotton and other commodities without securing any appropriation?

Mr. HOPE. There is no question about it. We do not need to pass a single line of legislation to make loans. This bill provides for a subsidy above the amount which is loaned. It singles out cotton alone for this favored treatment.

Mr. HOOK. Does the gentleman know how much was used last year for all commodities?

Mr. HOPE. Last year approximately $440,000,000 was spent, and the cotton farmers got their share of that.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, every Member of Congress who has been sufficiently interested to keep abreast of what has been happening around here in the last few weeks about farm legislation knows, of course, that a very persistent demand developed in the other body for some assurances that there would be protection for the cotton crop, which seemed to be the crop that was in particular danger. As a result, conferences were held at the White House between gentlemen in the other body and the President, and an agreement was entered into as to what would be done in carrying out a program to protect the cotton crop until Congress could pass appropriate general control legislation.

This amendment was not put on by the Senate Appropriations Committee but was put in on the floor of the Senate by gentlemen interested in the agricultural problem in the Senate and in the Nation, and it seeks to carry out the agreement and make it possible for the President to do what he told the gentlemen would be done with reference to cotton.

There is no reason why other legislation cannot come whenever it is needed for any other particular crop, but cotton is the crop that is in danger now, and that is the reason this item was brought in.

Mr. DOWELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Iowa.

Mr. DOWELL. Has there not been the same demand and have there not been conferences with reference to other products of the farm? That is, they have appeared before the committee and before those who will act upon the question, and these people represented products just as important as cotton.

Mr. WOODRUM. If there were such conferences, they did not materialize and they did not get as far as this.

Mr. DOWELL. That is just what we are complaining of.

Mr. WOODRUM. Just because other projects equally worthy are not included is no reason for turning down a worthy project. The gentleman knows what the attitude of the President has been; that is, he would not go ahead with this until farm legislation was passed; but in order to take care of the situation this was worked out.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, coming from the State of Iowa, which stands first in the production of food in the United States, I not only was surprised but amazed to find we are going to have undue preference given to a commodity which does not deteriorate rapidly—cotton. When you drive

through the South you see bales of cotton as large as a wardrobe trunk or a piano box out in the yard and sometimes the bales remain there a year or 2 years until they can be sold or stored, with practically no loss. Grain, especially corn, on the other hand, is a bulky commodity and more difficult to preserve. It is expensive to keep because it molds, dries out, and if held the storage charges are excessive. We have had a very abundant production of grain in the Mississippi Valley, but just because Members at the other end of this building did not get up and speak—not only speak but insist on grain loans for their people—is no reason why we in this body should forego that duty. I would feel that I was disloyal to my people if I did not protest against this discrimination.

The Committee on Agriculture has jurisdiction over this subject, over farm legislation. We were told in a resolution which was adopted yesterday that we would have a farm program for all major farm products and we agreed to such a plan. After we agree to the resolution this slick proposition is brought in here to prefer one commodity, which is not in dire need so far as storage and preservation is concerned. It is unfair to bring in a proposal to prefer one farm commodity above all others, when on yesterday in good faith we were assured that all these different activities would come up to the trough at the same time. I am not against cotton, but I am for corn.

Mr. SNELL. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from New York.

Mr. SNELL. Is there any greater emergency confronting the cotton producer, who can sell cotton at 11½ cents a pound, than there is confronting the dairy farmer who is producing milk for $1.40 or $1.45 a hundred?

Mr. THURSTON. Certainly not, and the Members should know this provision will allow the cotton farmers to obtain 12 cents a pound, whereas the current market on cotton is somewhere under 10 cents—20 percent above the market. What a fine thing it would be for the Iowa farmer, or any other farmer, if he could sell his wheat, corn, and dairy products for 20 to 25 percent above the fair market value.

Mr. Speaker, this proposal is unfair, it is unsound; and if the administration leaders in charge of this program will keep faith with the House, they will do what they stated they would do yesterday when the resolution mentioned was agreed to. They will have all of these major agricultural industries come up to the committee which has jurisdiction over the subject matter and see that all at the same time are afforded equal consideration.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. If this proposal goes through, it will be the biggest steal that has ever been put over on American agriculture. It will segregate one crop of farmers in the United States and leave all of the other farmers, the dairy farmers, rice farmers, grain farmers, and the others, out on a limb, with no chance to get legislation, because you are enacting farm legislation for one large group of farmers and taking $130,000,000 out of the Treasury to subsidize them, while not giving the other farmers who need help the proper consideration they should have at this or any other time.

Mr. THURSTON. Mr. Speaker, we are being subjected here to a very clever piece of political highjacking. We were assured recently this subject matter in its entirety would be brought up, and after that resolution was almost unanimously adopted, one group comes in here and, not through the proper legislative committee, but through an appropriation committee, seeks to place on this bill a rider which has not been given consideration by the Committee on Agriculture, which committee in the past has been responsive to the needs of agriculture.

Mr. STEFAN. Will the gentleman yield?

Mr. THURSTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. All Members from the corn, dairy, and other farming districts, when they go back home, with this piece of discriminatory legislation passed, will have a lot of explaining to do.

Mr. THURSTON. Yes; and also we did not take care of their interests. Under the rules, this conference report cannot be amended. Our only recourse will be to vote down the report, send it back to conference; then corn, wheat, and dairy products can be included.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Speaker, this amendment should be voted down.

The funds available under section 32 are derived from 30 percent of the customs receipts which were set aside for the use of the Secretary of Agriculture to remove surplus agricultural commodities from the domestic market by diversion to relief channels, industrial uses, or subsidized exports. This fund is also available for payments under the domestic-allotment plan. Approximately $100,000,000 a year is derived from customs receipts for this fund, which was to be available to meet emergency conditions when price-depressing surpluses occur with respect to any agricultural commodity. The Secretary now has the authority to allocate these funds for any of the above-mentioned purposes whenever such allocation can be justified.

This Senate amendment would set aside $65,000,000 of the funds available under section 32 in each of the fiscal years 1938 and 1939 for the benefit of cotton. In other words, approximately 65 percent of this fund, which is for the benefit of all agricultural commodities, would be earmarked to pay cotton producers not exceeding 3 cents a pound, which is intended to be the difference between 12 cents a pound and the average price at which the cotton is sold.

The Secretary has the authority under the existing law to make payments to the cotton farmers as well as producers of other commodities without the necessity of this discriminatory amendment.

Furthermore, there is no reason why we should incorporate legislation in an appropriation bill. It is a poor policy. Had this amendment been offered in the House a point of order would have been raised against it. If you are going to let the other body incorporate legislative amendments affecting policy on appropriation bills and condone the action by adopting the amendments, you will be plagued from now on with future amendments from the other body tacked on appropriation bills. Such matters of policy should be given consideration in the legislative committee.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. Is it not a fact that this amendment is an attempt to write a farm bill for the cotton farmers?

Mr. COFFEE of Nebraska. That is the effect of this amendment which provides for the payment of not to exceed 3 cents a pound as a subsidy to cotton producers under the domestic allotment provisions of section 32 of the Agricultural Adjustment Act. I am not arguing whether or not this should be done. I contend that if it is done other commodities should also be given equal treatment, and no legislation affecting policy for any agricultural commodity should be accepted on an appropriation bill. So long as this fund has been specifically set aside for all commodities, it should not be raided in this manner. There are commodities other than cotton which are in distress today.

An erroneous impression prevails with respect to the importance of one commodity as compared with the importance of others. Let me read this excerpt from the very able speech delivered recently in the House by the chairman of the Committee on Agriculture, Mr. JONES, in which he sets out the values of the various commodities:

First, dairy products, $1,796,000,000; second, corn, $1,556,000,000; third, hogs, $1,107,000,000; fourth, cottonseed and cotton lint, $979,000,000; fifth, hay, $870,000,000; sixth, cattle and calves, $868,000,000; seventh, wheat, $638,000,000.

Are you going to earmark 65 percent of this fund which is now available to all commodities and set it aside for cotton? This fund is used not only for the commodities I have just mentioned but has been used advantageously during the last 2 years to aid the producers of dairy and poultry products, cattle, wheat, citrus fruits, potatoes, and various other commodities, as well as cotton. In other words, if this fund is left available, it can be used for all commodities, and the Secretary, without the adoption of this amendment, can do for cotton what is intended in this amendment if such is justified.

Mr. EICHER. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Iowa.

Mr. EICHER. Is it not likely, from the way the markets are acting now, that before Congress meets again the corn farmers of the Nation will need a subsidy just as badly as the cotton farmer seems to need it now?

Mr. COFFEE of Nebraska. The gentleman is correct. The corn farmer should be entitled to equal consideration. When farm legislation is presented to this House it should be reported by the Committee on Agriculture, the committee which is vested with the authority and duty to consider legislation on agricultural matters. Such legislation should not come in on an appropriation bill, with no consideration having been given to it by the committee charged with that responsibility.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Does the gentleman realize that of all the agricultural commodities the one concerning which there is now the greatest distress and the most need is cotton. The price of cotton is lower than it has been in 4 years and is going down each day. This amendment is just a temporary measure to relieve the cotton situation. Does not the gentleman know that if wheat or corn should occupy the same position that cotton does now, those of us from the cotton States would certainly try to help them and give them temporary relief and the same treatment we are asking for cotton?

Mr. COFFEE of Nebraska. I recognize that, and I am anxious to help the cotton farmer, but I do not want this special fund, which is set aside for the benefit of all commodities, raided for the special benefit of only one commodity. The Secretary of Agriculture has been very generous in the allocations for cotton from this fund.

I urge you to vote this amendment down, so as to preserve this fund for the benefit of all commodities.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, may I call the attention of the Members of the House to a joker in this bill, and I call it to the attention of the distinguished chairman of the subcommittee. This 3 cents is not a loan, but a subsidy. You get the 3-cent subsidy if cotton is 3 cents below 12 cents or if it is 3 cents above 12 cents, on the 1937 cotton crop. Read this amendment before you vote on it. This is the language:

> Such payments to any producer shall be at a rate per pound equal to the difference between 12 cents per pound and the average price of seven-eighths Middling cotton, on the 10 designated spot cotton markets on the dates of sale of such cotton.

If the cotton farmer holds his 1937 crop of cotton until June 1939 and he can hold it that long, and if during that period the situation improves so that cotton sells in June 1939, or at any prior date, at 15 cents a pound, it means that under this amendment the cotton farmer will be paid the difference between 12 cents and 15 cents, or a total of 18 cents a pound, when the 3-cent subsidy is added to the 15-cent market price.

I admit that was not the intention of the distinguished gentleman of the other body who wrote this amendment, but I do say, however, it shows the inadvisability of the Appropriations Committee trying to write an agricultural bill over there. [Applause.]

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. If the gentleman from Texas wants to dispute the accuracy of the statement in any respect, I will be glad to yield to him.

Mr. LUTHER A. JOHNSON. I would like to ask the gentleman a question, if he will permit.

Mr. BOILEAU. If it is on this point, I yield.

Mr. LUTHER A. JOHNSON. The language that the gentleman quotes is practically the same language that was used in connection with the stabilization of the cotton crop in 1935, and that cost the Government very little money.

Mr. BOILEAU. I submit to the gentleman that this language is very clear and anybody who can read the English language can see that if a farmer has 1937 cotton and has the means to hold that cotton, and if our agricultural program as referred to in this bill should bring the price of cotton up to 15 cents a pound on the spot market, undoubtedly, under the provisions of this bill, in addition to the 15 cents, he would get a 3-cent subsidy.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. I wish to say to the gentleman that his statement is absolutely correct; and with reference to the statement of the gentleman from Texas about the language of this amendment being the same as the language used in 1935, I may say that that brings up the further point that cotton received approximately $45,000,000 out of this same fund in 1935.

Mr. BOILEAU. I thank the gentleman for his contribution.

The gentleman from Virginia [Mr. WOODRUM] said that we have been talking about this matter for weeks in the newspapers. We have not been talking about this matter. We have been talking about loans, and that is all you have seen in the newspapers. You never heard anything about a subsidy, but here you have a direct subsidy that brings the price up as high as 18 cents with the spot market at 15 cents, and this is a 3-cent subsidy. I submit we have not been talking about such a subsidy for 3 weeks. This is something new and something the Committee on Agriculture would not have written into a bill.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I do not think anyone in the Chamber who has served with me during recent times, or years ago, would ever charge me with being for a thing simply because it would benefit the corner of the United States in which I live. [Applause.] I am interested in cotton, of course, from a selfish standpoint, but I am also interested in cotton from a broader standpoint, I trust.

Cotton, in the years gone by, has been used to balance our trade with the trade of the world. I stand before you today and say that within the last 90 days, with a tremendous crop in prospect, cotton has already fallen $15 a bale. If loans, or subsidies, or whatever you want to call them, like we had in 1935 or 1936, are not inaugurated, we may expect to see cotton lose at least $30 a bale, which will mean that it is not worth gathering out of the field, which, in turn, will mean that the millions of dollars that would go into the cotton-producing sections, if we get this legislation to stabilize the price of cotton, will not flow into the channels of commerce in the United States.

Next year, in all probability, a great many of those people would be on relief in the cotton sections, and also the people who could not sell the products of their toil in the cities would again be tramping the streets looking for employment, for the simple reason that these millions of people in the Southland, in the cotton-producing sections of the country, would not have any money with which to buy. In other words, their buying power would be absolutely destroyed.

Let me say to the corn people, to the wheat people, to the tobacco people, to the people who represent those who labor in the factories in the cities, that a measure that is not unsound—and I do not think this one is—that is presented here to give buying power to the people on the farms or people in the towns, has had my vote during the time I have been called upon to vote, since I have been a Member of the Congress of the United States.

Mr. KELLER and Mr. JONES rose.

Mr. RAYBURN. If I yield to the gentleman from Texas I must yield to the gentleman from Illinois, as he rose first. I prefer very much not to yield, but I will yield to the gentleman from Illinois.

Mr. KELLER. Is not the same thing the gentleman has said about cotton prices also true of corn prices?

Mr. RAYBURN. If the proposition were made for corn that can be and has been made for cotton, I would be standing here making the same argument for corn that I am making for cotton.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. JONES. It so happens that I wrote the provisions of section 32 with my own hands and with the assistance of the committee. The provisions of section 32 are available for corn and available for wheat or any of the other major commodities. The only reason this is needed is the fact that so small a percentage of cotton goes into the domestic market. In other words, section 32 is a fund that is available for adjustment payments in an emergency on any crop on that part that goes into domestic consumption. Corn is practically all consumed in this country, so no legislation is needed for corn. Any of these funds are available for corn just the same without legislation. They are also available for wheat, because most of the wheat goes into domestic consumption.

The funds would be available for cotton, but they would be only available on that part that goes into the domestic market, which is between 40 and 50 percent. Therefore, in order to make it fully applicable to cotton, this enlarging provision or some such provision would have to be made. I prefer a general provision, but, as a matter of fact, it would have only been window dressing, because these funds are all available for corn or for wheat or any of them that come under the emergency. Eighty-five percent of the corn produced never crosses a county line. So when the proposition is presented that this is purely a cotton thing, it is not. Section 32 applies to all farm commodities.

Also the Commodity Credit Corporation may make loans in an emergency on any crop. It has funds available for that purpose.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. RAYBURN] has expired.

Mr. WOODRUM. Mr. Speaker, I yield the gentleman from Texas 2 additional minutes.

Mr. RAYBURN. I thank my colleague for his very enlightening statement. Following up exactly what I said when I arose, that cotton was the one American crop that went into export trade, less than one-half the cotton that is raised in the United States is consumed in the United States, and corn, wheat, and these other products, as was so well said by my colleague from Texas [Mr. JONES], do not present the same problem that cotton presents.

I do bespeak my friends from the Wheat Belt, from the Corn Belt, from the Sugar Belt, from the dairy sections, that they go along with us.

Let me say to our dairying friends as I said to some of my friends from Wisconsin a few years ago: You people from the great dairying sections should certainly want to keep us in the cotton business and out of the dairying business. We can pasture our cattle for 11 months and a half in the year. We do not have to have expensive barns to put them in. Our pastures are green for 10 months in the year. Our cattle do not have to have as much feed as yours. Force us out of the cotton business and into the dairy business, which is so easy for us to go into, and we create a problem for the dairying sections of the country the like of which they have never known.

Let me repeat that if this proposition were for any other agricultural product, if it were for any class of people in the United States going into the millions, I would be here on this floor making the same remarks that I am making to you now. [Applause.]

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD], the Speaker of the House. [Applause, the Members rising.]

Mr. BANKHEAD. As all Members of the House are aware, it has not been my custom since I have had the honor of being the Speaker of this House, except on very very rare occasions, to undertake to inject my observations or my judgment into matters of general debate upon the floor of the House, and I have thought very seriously about the propriety of my undertaking to say a word in connection with the pending issue. I have only summoned the fortitude and the decision to do it, my friends, simply because I feel that there may be possibly some misconceptions with reference to the urgent necessity for the people of my section of the country to have this authorization for a loan on their forthcoming production of cotton, and possibly to dissipate some misapprehension that may have been engendered in the House with reference to whether this was not undertaking to do a partial and particular thing for the cotton producers of the country.

Let me say this to you in the utmost candor and good faith, my friends from all sections of the country: I feel that if this present administration of ours has had one great all-embracing object with reference to its policies and to its recommendations it has been to undertake to secure stability as far as possible, and living prices for the agricultural producers of America regardless of the section from which they come. [Applause.]

I imagine that I know our problems down in my section of the country better than I know yours in the wheat country and in the corn country. Just a few years ago—it has not been a long time—the producers of cotton in the South found their product hammered down by virtue of successive annual overproductions to 4½ or 5 cents a pound, which meant absolute starvation to the men, women, and children on 2,000,000 farms in America. Your wheat went down to 26 cents and your corn down to 10 in some sections of the country, and your livestock almost to the disappearing point. This administration with our cooperation in all of these programs has brought up our agricultural situation to a status of some reasonable degree of prosperity, not where it yet should go.

Here is the dilemma now of the people down in my country. Remember, they are farmers just like your farmers, regardless of what they raise. The crop is growing and they are going to gather it. It is apparent that they have another one of the surpluses that could not be knocked out by virtue of a decision of the Supreme Court of the United States invalidating the Agricultural Adjustment Act and the Bankhead Cotton Act, but there they are waiting to gather the crops and take them to market. On the money they get they will have to depend all this winter for food, and clothes, and shoes, and books for the children, because it is their only cash crop. And here is a proposition that would make it possible for this administration to make them a loan on this cotton, that would give them a decent price—not much, but a decent price.

Now, listen to me, gentlemen. I do not want to make any unfair appeal to you, I am just trying to present the picture of a great segment, one-third of the farmers of the United States of America. That is our desperate dilemma for them.

If corn comes on with a big crop, as apparently you are going to have, and the price begins to go down, as has been explained by the gentleman from Texas, this administration—you know it—will not hesitate to make advances or loans on your surplus corn crop. If wheat gets in the same

situation, you know, you wheat producers, the interest that the President has in sustaining the price of wheat and giving the wheat producers a decent price on their product. You know that they will not hesitate to make advances out of funds that are now available under that law for those purposes.

But cotton, as explained by the gentleman from Texas, is in a peculiar posture under the law; and upon reflection—and some things have been said here that possibly might lead to intimations not directly involved in this issue.

I want you men if such imputations have found any lodgment in your mind to cast them aside and consider the merits of this issue and this issue alone. Do not deprive the cotton producer of his opportunity, not to get an exorbitant price, not anything like the price he ought to get for this year's crop, but just a decent living cost of production, and that is all it amounts to. [Applause.]

Mr. Speaker, I hope the motion will be agreed to. [Applause.]

Mr. WOODRUM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 157, noes 93.

Mr. ANDRESEN of Minnesota and Mr. HOPE demanded the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 201, nays 127, not voting 102, as follows:

[Roll No. 152]

YEAS—201

Aleshire	Doughton	Leavy	Reece, Tenn.
Allen, Pa.	Doxey	Lesinski	Richards
Arnold	Drew, Pa.	Lewis, Colo.	Robertson
Atkinson	Driver	Ludlow	Robinson, Utah
Barden	Eckert	McClellan	Rogers, Okla.
Barry	Farley	McCormack	Romjue
Beam	Ferguson	McFarlane	Ryan
Bigelow	Flannagan	McGehee	Sadowski
Bland	Flannery	McGranery	Sanders
Bloom	Fletcher	McGrath	Schaefer, Ill.
Boehne	Ford, Miss.	McMillan	Schuetz
Boland, Pa.	Frey, Pa.	McReynolds	Scott
Boren	Fuller	McSweeney	Shannon
Boylan, N. Y.	Gambrill	Mahon, S. C.	Sheppard
Brooks	Garrett	Mahon, Tex.	Smith, Va.
Brown	Gearhart	Mansfield	Somers, N. Y.
Buck	Gingery	Martin, Colo.	South
Burch	Goldsborough	Massingale	Sparkman
Byrne	Green	Maverick	Spence
Caldwell	Greever	May	Starnes
Cannon, Mo.	Gregory	Mead	Steagall
Cartwright	Griffith	Miller	Sumners, Tex.
Casey, Mass.	Griswold	Mills	Swope
Clark, Idaho	Hamilton	Mitchell, Tenn.	Tarver
Clark, N. C.	Hancock, N. C.	Mosier, Ohio	Taylor, Tenn.
Claypool	Hart	Mouton	Terry
Cochran	Harter	Murdock, Ariz.	Thom
Colden	Healey	Murdock, Utah	Thomas, Tex.
Cole, Md.	Hendricks	Nichols	Thomason, Tex.
Collins	Hill, Okla.	Norton	Transue
Colmer	Honeyman	O'Brien, Mich.	Turner
Cooley	Hook	O'Connor, Mont.	Umstead
Cooper	Imhoff	O'Connor, N. Y.	Vinson, Fred M.
Costello	Izac	O'Leary	Vinson, Ga.
Cox	Jarman	O'Neill, N. J.	Voorhis
Cravens	Jenckes, Ind.	Owen	Walter
Creal	Johnson, Luther A.	Pace	Warren
Crosby	Johnson, Lyndon	Palmisano	Weaver
Crowe	Johnson, Okla.	Parsons	Wene
Cullen	Jones	Patrick	Whelchel
Cummings	Keller	Patton	White, Idaho
Daly	Kelly, Ill.	Pearson	Whittington
Deen	Kelly, N. Y.	Peterson, Fla.	Wilcox
Dempsey	Kennedy, Md.	Peterson, Ga.	Williams
DeMuth	Keogh	Pettengill	Wolverton
DeRouen	Kitchens	Poage	Woodrum
Dies	Kniffin	Polk	Zimmerman
Disney	Kocialkowski	Rabaut	The Speaker
Dixon	Lanham	Ramspeck	
Dockweiler	Larrabee	Rankin	
Dorsey	Lea	Rayburn	

NAYS—127

Allen, Ill.	Andrews	Biermann	Carlson
Amlie	Arends	Bolleau	Carter
Anderson, Mo.	Beiter	Bradley	Case, S. Dak.
Andresen, Minn.	Bernard	Burdick	Church
Citron	Harrington	McLaughlin	Rutherford
Clason	Havenner	McLean	Sacks
Coffee, Nebr.	Hennings	Mapes	Sauthoff
Coffee, Wash.	Hildebrandt	Martin, Mass.	Schneider, Wis.
Crawford	Hill, Wash.	Mason	Seger
Crosser	Holmes	Merritt	Shafer, Mich.
Crowther	Hope	Michener	Shanley
Dirksen	Houston	Millard	Short
Dowell	Hull	Mitchell, Ill.	Simpson
Eaton	Hunter	Moser, Pa.	Smith, Conn.
Eberharter	Jacobsen	Mott	Snell
Edmiston	Jarrett	O'Brien, Ill.	Stefan
Eicher	Jenkins, Ohio	O'Connell, Mont.	Sutphin
Ellenbogen	Johnson, Minn.	O'Connell, R. I.	Taber
Engel	Kee	O'Day	Thompson, Ill.
Englebright	Kenney	Oliver	Thurston
Fitzgerald	Kinzer	O'Malley	Tinkham
Fieger	Kvale	Patterson	Towey
Forand	Lambertson	Phillips	Treadway
Gehrmann	Lamneck	Pierce	Vincent, B. M.
Gildea	Lanzetta	Powers	Wadsworth
Gray, Ind.	Lemke	Randolph	Wearin
Gray, Pa.	Lewis, Md.	Reed, Ill.	Wigglesworth
Guyer	Long	Rees, Kans.	Withrow
Gwynne	Lord	Rich	Wolcott
Halleck	Luce	Rigney	Wood
Hancock, N. Y.	Luckey, Nebr.	Robsion, Ky.	Woodruff
Harlan	Luecke, Mich.	Rogers, Mass.	

NOT VOTING—102

Allen, Del.	Dondero	Johnson, W. Va.	Reilly
Allen, La.	Douglas	Kennedy, N. Y.	Sabath
Ashbrook	Drewry, Va.	Kerr	Schulte
Bacon	Duncan	Kirwan	Scrugham
Bates	Dunn	Kleberg	Secrest
Bell	Elliott	Knutson	Sirovich
Binderup	Evans	Kopplemann	Smith, Maine
Boyer	Faddis	Kramer	Smith, Wash.
Boykin	Fernandez	Lambeth	Smith, W. Va.
Brewster	Fish	Lucas	Snyder, Pa.
Buckler, Minn.	Fitzpatrick	McAndrews	Stack
Buckley, N. Y.	Ford, Calif.	McGroarty	Sullivan
Bulwinkle	Fries, Ill.	McKeough	Sweeney
Cannon, Wis.	Fulmer	Maas	Taylor, Colo.
Celler	Gasque	Magnuson	Taylor, S. C.
Champion	Gavagan	Maloney	Teigan
Chandler	Gifford	Meeks	Thomas, N. J.
Chapman	Gilchrist	Nelson	Tobey
Cluett	Greenwood	O'Neal, Ky.	Tolan
Cole, N. Y.	Haines	O'Toole	Wallgren
Culkin	Hartley	Patman	Welch
Curley	Higgins	Pfeifer	West
Delaney	Hill, Ala.	Plumley	White, Ohio
Dickstein	Hobbs	Quinn	Wolfenden
Dingell	Hoffman	Ramsay	
Ditter	Jenks, N. H.	Reed, N. Y.	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BANKHEAD, and he answered "aye."

So the motion was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Smith of West Virginia (for) with Mr. Reed of New York (against).
Mr. Hobbs (for) with Mr. Hoffman (against).
Mr. Smith of Washington (for) with Mr. Fish (against).
Mr. Fulmer (for) with Mr. Reilly (against).
Mr. Patman (for) with Mr. Smith of Maine (against).
Mr. Kerr (for) with Mr. Bacon (against).
Mr. Taylor of South Carolina (for) with Mr. Cluett (against).
Mr. Hill of Alabama (for) with Mr. Ditter (against).
Mr. Maloney (for) with Mr. Gifford (against).
Mr. Gasque (for) with Mr. Knutson (against).
Mr. Fernandez (for) with Mr. Thomas of New Jersey (against).
Mr. Owen (for) with Mr. Wolfenden (against).
Mr. Bulwinkle (for) with Mr. Cole of New York (against).
Mr. Boykin (for) with Mr. Douglas (against).
Mr. Allen of Louisiana (for) with Mr. Tobey (against).
Mr. Chandler (for) with Mr. Bates (against).
Mr. O'Neal of Kentucky (for) with Mr. Dondero (against).
Mr. West (for) with Mr. Hartley (against).
Mr. Buckley of New York (for) with Mr. White of Ohio (against).
Mr. Sullivan (for) with Mr. Jenks of New Hampshire (against).

General pairs:

Mr. Taylor of Colorado with Mr. Plumley.
Mr. Sweeney with Mr. Welch.
Mr. Kleberg with Mr. Gilchrist.
Mr. McAndrews with Mr. Maas.
Mr. Nelson with Mr. Culkin.
Mr. Greenwood with Mr. Brewster.
Mr. Drewry with Mr. Teigan.
Mr. Gavagan with Mr. Buckler.
Mr. Snyder of Pennsylvania with Mr. Lambeth.
Mr. Bell with Mr. Schulte.
Mr. Kennedy of New York with Mr. Haines.
Mr. Wallgren with Mr. Tolan.
Mr. Delaney with Mr. Binderup.
Mr. Fries with Mr. Johnson of West Virginia.
Mr. Pfeifer with Mr. Meeks.
Mr. Ford of California with Mr. Stack.

Mr. Lucas with Mr. Higgins.
Mr. Celler with Mr. Allen of Delaware.
Mr. O'Toole with Mr. Boyer.
Mr. Duncan with Mr. Kirwan.
Mr. Scrugham with Mr. McKeogh.
Mr. Fitzpatrick with Mr. Chapman.
Mr. Kramer with Mr. Evans.
Mr. Magnuson with Mr. Ramsay.
Mr. Dingell with Mr. Secrest.
Mr. Curley with Mr. Champion.
Mr. Dickstein with Mr. Elliott.
Mr. Faddis with Mr. Sabath.

Mr. BIERMANN changed his vote from "yea" to "nay."

Mr. O'CONNOR of Montana, Mr. ALLEN of Pennsylvania, Mr. MARTIN of Colorado, Mr. MCCORMACK, and Mr. BIGELOW changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the motion was agreed to was laid on the table.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 26, after line 23, insert the following:
"Yosemite National Park, Calif.: For the acquisition of certain lands, including expenses incidental thereto, as set forth in the act of Congress approved July 9, 1937 (Public, No. 195, 75th Cong.), there is hereby made available, not to exceed $2,005,000 of the unexpended balance of the appropriation contained in the Emergency Relief Appropriation Act of 1935, heretofore earmarked thereunder for that purpose, notwithstanding the reappropriating provisions with respect to such unexpended balance in section 1 of the Emergency Relief Appropriation Act of 1937."

Mr. WOODRUM. Mr. Speaker, I move that the House recede and concur in the Senate amendment and I yield 5 minutes to the gentleman from California [Mr. ENGLEBRIGHT].

Mr. ENGLEBRIGHT. Mr. Speaker, I am opposing this motion for a number of reasons. When the legislation pertaining to the purchase of the land set out in this amendment was pending before the House of Representatives and before the Committee on the Public Lands, it was represented and the legislation so stated, that no money would be taken from the general fund of the Treasury of the United States.

We were informed that emergency funds would not be used. Yet this amendment proposes to take $2,000,000 from the emergency relief funds of 1937 to purchase some 7,000 acres of land to be added to the Yosemite Valley.

Mr. Speaker, the acquisition of these lands will close and destroy industries and will take 1,000 men from the industrial pay rolls. It will wipe out a pay roll of $1,000,000 a year. It will destroy $10,000,000 of invested capital and in addition thereto it will sacrifice $2,000,000 of emergency relief funds.

Permit me to read to the House a statement made by the chairman of the Public Lands Committee, that took place in connection with a discussion on this bill.

Mr. DOWELL, of Iowa, asked:

I am asking the gentleman where this money comes from.

The gentleman stated it did not come out of the relief funds appropriated by Congress.

Mr. DEROUEN. No. It was money to be used for an emergency. It was money set aside for land purchases for addition to forests and national parks. No new appropriations will be required.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. ENGLEBRIGHT. I yield to the gentleman from California.

Mr. COLDEN. Is it not a fact the sugar pines are 300 or 400 years old, and if destroyed, can never be replaced? This is one of the finest groves on the Pacific coast.

Mr. ENGLEBRIGHT. The gentleman's statement is only partly correct. There are 2,400,000 acres of similar lands in the State of California. There are 100 square miles of similar lands in the Yosemite National Park. There are thousands of acres of sugar pine in the forest reserves on the west side of Yosemite Park which can be added to the park without additional expenditure. All this means is the payment to a lumber company of $2,000,000 of emergency relief funds; in order to pay bankers now holding mortgages and bonded indebtedness on these lands.

Mr. COLDEN. Is it not a fact this forest is on one of the main entrances to the Yosemite National Park, and the forests of which the gentleman speaks are not so located?

Mr. ENGLEBRIGHT. The gentleman is in error again. No main highway runs through the lands under discussion, with the exception of a small corner of the tract and such lands have already been purchased by the State of California to protect the road.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ENGLEBRIGHT. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman states there are 7,000,000 acres of land in this purchase?

Mr. ENGLEBRIGHT. Seven thousand acres.

Mr. RICH. Since the park is so large, what is the object of adding these 7,000 acres at a cost of $2,000,000?

Mr. ENGLEBRIGHT. This appropriation will give bankers their money immediately. This is to be done at the expense of relief funds, at a time when millions of men are out of employment in this Nation and when every dollar should be made available for the protection of the unemployed in this country.

Mr. RICH. This is another steal of $2,000,000, then, by some defunct organization which wants the Federal Government to save its hide?

Mr. ENGLEBRIGHT. The Senate committee refused to place this appropriation in the bill, but an amendment was inserted on the floor of the Senate. I hope the House will not agree to the amendment.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I realize it is exceedingly difficult in these last hours of the session to have matters given the careful consideration which they receive in the early part of the session, before we are all tired out.

Here is the main point about this amendment: Are we going to take $2,000,000 out of the relief appropriation to buy land in a forest for a national park? That is the issue. Is it not time we ceased to dip into relief funds for other purposes? Is it not time we appropriated our money for specific purposes and ceased deceiving ourselves by telling ourselves we are not taking money out of the Treasury, when we are taking it out of the relief fund and thus getting the fund in a situation where it must be replenished? Can we not begin even at this late date in the session to have an orderly government and an orderly method of appropriation, and can we not cease to use for something else funds appropriated for relief?

Regardless of whether this item is right or wrong, it ought not to be put through in this way. If we are going to appropriate money to buy lands for a park, we ought to appropriate money for that purpose directly out of the Treasury and not make a reappropriation out of the relief appropriation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Whose idea was it to hook this amendment onto the bill after it left the House of Representatives?

Mr. TABER. Oh, I suppose the Senate put it in, but that does not make any difference. The principle is right here. Are we going to dig into the relief appropriation for the purpose of buying land for a park and then have the relief appropriation so reduced next winter that it will not take care of relief? [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, let me say, in the first place, this amendment does not take any money away from relief that was intended for relief. This is a part of the unexpended balances of the 1937 act, and is not a part of the $1,500,000,000 which Congress has appropriated for 1938.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. In just a moment. Let me state the proposition, and then I will yield to the gentleman.

This is a part of the unexpended balances, but they were earmarked for this purpose before the relief bill was taken up. They were not figured in the unexpended balances which Congress meant to make available for relief. If this were an original proposition, I would join with the gentleman in stating that relief funds should not be used for this kind of a proposition. I do not believe it should ever have been done. However, this money was allocated for the purchase of this land out of the relief funds of 1937; and except for a technicality in drawing the authorization to purchase these lands, which passed both the House and the Senate, this legislation would not have been necessary.

I yield now to the gentleman from New York.

Mr. TABER. The relief item had expired prior to the passage of this authorization act, and we had appropriated this particular unexpended balance for relief in the relief bill along with the $1,500,000,000.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. SCOTT. If this money is not used to buy this land, what happens to it?

Mr. WOODRUM. It stays in the Treasury allocated for this purpose.

Mr. SCOTT. It is not used for relief purposes?

Mr. WOODRUM. No.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman states this money is part of the general fund and will come out of the Treasury. I want the gentleman or any other Member of the House to show how you are going to get anything out of the Treasury when there is nothing in it. If you will look at the Treasury statement you will see you are $36,951,871,573.40 in the red. We have no money in the Treasury, so how are you going to get it out?

Mr. WOODRUM. I may say to the gentleman I know of but one way to get it out, and that is to take the "Rich" manufacturing company, which has made more money in the last year or two than it has ever made before, and increase its taxes a little bit.

Mr. RICH. I wish the Rich manufacturing company could be able to pay all the debts of the Government, but you are not only going to break the Rich manufacturing company, but you are going to break every manufacturer in this country; you are going to break every farmer; you are going to break every laborer; and you are going to break everybody if you do not stop this ruthless expenditure of Government funds.

Mr. DOWELL. Mr. Speaker, will the gentleman yield.

Mr. WOODRUM. I yield to the gentleman from Iowa.

Mr. DOWELL. On the question of whether or not this money was appropriated for relief in the general relief bill, as I recall, the gentleman stood on the floor when that bill was before the House and added this amount to the amount then under consideration and stated that this was reappropriated for relief. If that be true, this money comes directly out of relief funds appropriated at this session.

Mr. WOODRUM. No; I do not think this money was part of the $223,000,000 that was reappropriated for relief.

Mr. DOWELL. As I recall, the gentleman stated on the floor here that there would be that much additional to the amount named for relief in the bill.

Mr. WOODRUM. Does the gentleman mean to say I referred to this project?

Mr. DOWELL. Not to the project, but to the amount of money reappropriated.

Mr. WOODRUM. That amount was $223,000,000.

Mr. DOWELL. Yes; and it was reappropriated.

Mr. WOODRUM. Mr. Speaker, let me make this statement: No matter where the money comes from, this is one of the most valuable sugar-pine forests in America today. It cannot be duplicated, and this House could not do a better thing, no matter where we may get the money, than to buy this land and preserve these trees. If these trees were destroyed, as they are about to be, they could never be duplicated in the lifetime of any of us.

Mr. Speaker, I move the previous question on the motion to recede and concur in the Senate amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 165, noes 63.

So the motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 52: Page 42, after line 8, insert:
"Interparliamentary Union: The unexpended balance of the appropriation for the Interparliamentary Union for the expenses of the American Group of the Interparliamentary Union made in the Department of State Appropriation Act, 1937, is hereby made available for the same purposes for the fiscal year 1938. The certificate of the president and executive secretary of the American Group of the Interparliamentary Union shall hereafter be final and conclusive upon the accounting officers in the auditing of all accounts of the American Group of the Interparliamentary Union."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur in the Senate amendment, and yield 1 minute to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a reappropriation of some unexpended balances of funds for the Interparliamentary Union, a congressional and senatorial junket to Europe. I do not know just how much it is, but it amounts to about $10,000. I do not believe in this kind of thing. The appropriation is not authorized by law and I hope the motion will be defeated.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider was laid on the table.

PUBLIC AIRPORT IN VICINITY OF NATIONAL CAPITAL

Mr. WILCOX. Mr. Speaker, by direction of the Committee on Military Affairs I ask unanimous consent for the immediate consideration of the bill (S. 2838) to establish a public airport in the vicinity of the National Capital.

The Clerk read the title of the bill.

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, may I inquire if this is the bill authorizing about $4,000,000 for an airport for the District of Columbia?

Mr. WILCOX. Yes.

Mr. SMITH of Virginia. May I ask if the Committee on Military Affairs has given full consideration to this bill and held hearings upon it?

Mr. WILCOX. I was not present, but it is my understanding that the Committee on Military Affairs held very brief hearings on it in the early part of this week and, probably, considered at the same time previous hearings which had been held by the Committee on Naval Affairs.

Mr. SMITH of Virginia. I object, Mr. Speaker.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by a clerk, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chip-

pewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 5846. An act for the relief of Carolina Maldonado;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.; and

H. Con. Res. 24. Concurrent resolution requesting the President to prepare and submit to Congress a plan for development of resources and commerce of Alaska.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the House bills of the Senate of the following titles:

S. 707. An act for the relief of Lucille McClure;

S. 1637. An act for the relief of Mrs. Charles T. Warner;

S. 1640. An act for the relief of Harry Bryan and Alda Duffield Mullins, and others; and

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 1965. An act for the relief of James A. Lyons;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes; and

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939 in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes.

EMPLOYMENT OF HARRY W. BLAIR

Mr. MURDOCK of Utah. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1431) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

The Clerk read the bill, as follows:

Be it enacted, etc., That the employment of Harry W. Blair as an attorney or counselor specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the conduct of legal proceedings appertaining to claims in behalf of Osage Indians for the recovery of royalties on oil produced from tribal lands, including all proceedings therein and any other case or proceeding, appellate or otherwise, that may arise out of or pertain to the right of said Indians to royalties on oil produced from tribal lands, shall not be construed to be employment within the meaning of sections 109 and 113 of the Criminal Code of the United States, as amended (U. S. C., title 18, secs. 198 and 203), or section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99).

The SPEAKER. Is a second demanded?

Mr. MICHENER. Mr. Speaker, I demand a second.

Mr. MURDOCK of Utah. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER. May the Chair inquire whether it would be possible to get an agreement to limit debate to 10 minutes on the side?

Mr. MICHENER. Mr. Speaker, I think 20 minutes on the side will be necessary.

The SPEAKER. The gentleman from Utah [Mr. MURDOCK] is recognized for 20 minutes and the gentleman from Michigan [Mr. MICHENER] for 20 minutes.

Mr. MURDOCK of Utah. Mr. Speaker, this bill provides for the employment by the Attorney General of the United States of a former Assistant Attorney General, Harry W. Blair, of Missouri, as special counsel to represent the United States in certain oil claims in behalf of the Government, and also as guardian of the Osage Indians. The facts in the case are these: Mr. Blair, while he was Assistant to the Attorney General, handled most of the work in connection with these claims, and thereby became very familiar with the facts and also with the law in the case. After doing a lot of preparation work and getting the cases and the claims ready for trial he resigned as Assistant Attorney General and the work was turned over to special counsel. In the winter of 1935–36 special counsel resigned, and Mr. Blair had also resigned. The Attorney General of the United States now requests that he be permitted to employ Mr. Blair as special counsel, and that three statutes which are applicable to employees of the Government be not applicable to Mr. Blair by reason of his employment in these particular cases.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. SHORT. I want to say for the benefit of the Members of the House that Mr. Blair comes from my district, and, although he belongs to a different political faith, he is a very fine gentleman, a good lawyer, and, in my opinion, he would well earn the fee that is granted him by the provisions of this act.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. PETTENGILL. Will the gentleman state how much money this man is to receive as special counsel?

Mr. MURDOCK of Utah. The fee is limited to a maximum of $10,000 per annum.

Mr. SHORT. These cases involve vast sums of money.

Mr. MURDOCK of Utah. Millions and millions of dollars.

Mr. ROMJUE. Will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. ROMJUE. They have entered into no contract, but the Government desired to employ this gentleman because of his experience and his qualifications and his knowledge of these cases.

Mr. PETTENGILL. How much is it going to cost the Government?

Mr. ROMJUE. That will be a matter that will be decided between the Attorney General and the counsel.

Mr. MURDOCK of Utah. Mr. Speaker, I do not yield for a colloquy between my colleagues.

Mr. PETTENGILL. Is the gentleman prepared to tell this House how much, in his judgment, it will cost the Government?

Mr. MURDOCK of Utah. I am prepared to say that it will cost this Government no more than a reasonable fee on the amount that is recovered by way of a judgment in these cases, with a maximum of $10,000 per annum.

Mr. PETTENGILL. A million dollars?

Mr. MURDOCK of Utah. Well, I do not think it will be a million dollars; but I have full confidence in the Attorney General to limit it to a reasonable fee under the maximum.

Mr. ANDERSON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. ANDERSON of Missouri. This procedure is not new. They have been doing it for years. The Republicans did it and the Democrats have done it.

Mr. MURDOCK of Utah. There are many precedents for this. In the Teapot Dome case, where special counsel was employed, millions of dollars were recovered for the United States Government and the fee was not considered exorbitant that was granted to counsel in that case.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. MAPES. Will the gentleman explain why it is necessary to pass this particular bill? The Attorney General now has the right, which he exercises, to appoint special assistants. A few days ago there was a list of the special assistants appointed by the Attorney General printed in the proceedings of the RECORD of the Senate, including, I believe, some 120 persons receiving compensation up as high as $9,000 a year.

Mr. MURDOCK of Utah. I do not think I have time to go into all that.

Mr. MAPES. Why is it necessary to pass this particuiar bill to apply to this particular person?

Mr. MURDOCK of Utah. For the very reason that it would be necessary, as a good business proposition in the gentleman's business, to get the most competent counsel, thoroughly familiar with the facts and the law, to handle his case. That is the answer.

Mr. MAPES. As a matter of fact, it is proposed, is it not, to pay this gentleman more than the law now authorizes to other special assistants?

Mr. MURDOCK of Utah. There is no law which authorizes or fixes the fees in cases of this kind, but the maximum is $10,000 per annum.

Mr. COCHRAN. Oh, yes; there is.

Mr. MURDOCK of Utah. If there is, then I am not familiar with it, except as to the maximum as stated above.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. Yes; I yield to the chairman of the committee.

Mr. SUMNERS of Texas. May I state to my colleague and to the Members of the House—and I do not think I can be mistaken about it—$10,000 a year is the limit; it could not be higher under a contract in circumstances of this sort. If I am wrong, I hope the gentleman from Michigan will correct me. I think the House is getting confused on that point anyhow. Ten thousand dollars is the limit that can be paid by the Attorney General to this man as a special prosecutor.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. COCHRAN. I can confirm that by reason of the fact that the law provides that annually the Attorney General of the United States must send to the Speaker of the House a list of those paid from this appropriation. The list is referred to the committee of which I am chairman. Very few men have ever received $10,000. On the contrary, the average salary is around $5,500 or $6,000. I am sure my activities warrant me in saying I know something about Indian cases. In this instance Mr. Blair handled these very cases for several years; he knows the cases. If anybody else is required to handle the cases it will take him months and months to familiarize himself with the cases. This is a matter that will benefit only the Indians.

Mr. MURDOCK of Utah. That is true. The primary thing involved in this bill is simply this: The law as it now stands provides that when a man resigns from employment with the Attorney General's office he cannot within a period of 2 years from the date of his resignation take any cases against the Government involving claims pending at the time he served as an Assistant Attorney General. All this bill does is to provide that the 2 years shall begin to run from the date that Mr. Blair resigned as Assistant Attorney General and shall not be continued by reason of this special employment.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. CANNON of Missouri. This resolution has the support of the Department of Justice.

Mr. MURDOCK of Utah. It does; it comes at the request of the Department of Justice and was reported to the House by a large majority of the Committee on the Judiciary.

Mr. Speaker, I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, I think I can explain this so we shall know what the situation is.

In the first place, so far as the salary is concerned, the limit fixed by law is $10,000 per annum. The amount to be paid is discretionary, but the committee was advised that this would cost $10,000 a year. The committee was advised further that the case would last for not less than 4 years and not more than 6 years; that it was a job running over a period of from 4 to 6 years, with a maximum possible fee to this man of $10,000 a year.

What is the purpose of employing this man? This man was a practicing attorney, I think, in the district of our friend from Missouri [Mr. SHORT], at Joplin, Mo. He came to the Department of Justice as an Assistant Attorney General in charge of abstract work—title work. My recollection is that his salary was either $8,500 or $9,000 as a full-time employee. After he had been here a while and had become familiar with the work in the Department he resigned and accepted this outside employment.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MURDOCK of Utah. Is it not a fact that after Mr. Blair resigned from the Attorney General's office Mr. Richberg was appointed to handle these cases? Mr. Richberg later on found for some reason——

Mr. MICHENER. That is immaterial if it is the fact.

Mr. MURDOCK of Utah. It is very material.

Mr. MICHENER. Why is it material?

Mr. MURDOCK of Utah. For the reason that when Mr. Blair resigned he did not resign for the purpose of taking this special assignment. After Mr. Richberg refused to go on with the cases, then the Attorney General made the request that Mr. Blair come in.

Mr. MICHENER. If that be true, there seems to be a misunderstanding, and the proof before the committee was entirely misunderstood.

Mr. MURDOCK of Utah. Those are the facts.

Mr. MICHENER. We were told that this man handled these cases; that he is the one man in the country who is familiar with the cases; and that he has been with these cases from their beginning.

Mr. MURDOCK of Utah. That is true.

Mr. MICHENER. We were told that because of his familiarity it now becomes necessary to employ him; and that is the only justification, the only reason given at all why this particular man should be employed. It is my judgment that this man, like many others, came down here and was given a pretty good full-time job at $8,500 or $9,000 for a man who was practicing law in my friend's district in Missouri. But after he was here a little while he resigned, and it now seems necessary to reemploy him to handle one case at $10,000 a year over a period of 4 to 6 years, and he can be assured that he has that one client on which to practice law in Washington in addition to his other business.

If this was a new thing, it would be different. Possibly some of you gentlemen do not understand the situation.

There grew up here in Washington a few years ago the custom of men coming to Washington, going into the various departments—especially the Internal Revenue Department and the Attorney General's office—and becoming familiar with pending cases. In other words, those men had the benefit of the Government files. They knew of the pending cases. They knew more about some men's income than the

men themselves. They knew more about the cases in the Attorney General's Department, especially in the Land Department, than anybody else.

Those men would retire from the service as soon as they got the information and open up a law office in Washington. They could and did send out letters to people throughout the country reading like this:

I have been associated with a certain office. I am familiar with the file in your case. You have a rebate coming. If proper suit is brought you could get a rebate on your tax return. If you will employ me on a 50–50 basis I can be of assistance. No results—no pay.

This condition existed and was discussed on the floor and, because of that condition, the Congress of the United States enacted a law providing that no one occupying one of these confidential positions with the Government could accept a case against the Government until after the expiration of 2 years from the time he left the Government service. In other words, when he severed his connection with the Department he could not bring a suit against the Government of the United States or practice law before the departments for a period of 2 years.

In this specific case Mr. Blair was employed in the Department of Justice and resigned. What this bill does and the only thing it does is to prevent the period of 2 years running against him from the date he resigned from the Department as provided by law. In other words, he resigned, we will say, on January 1 and would be prevented from accepting employment against the Government for the next 2 years. Under the law this period of 2 years will run after his $10,000-a-year special employment ceases. This bill waives the law so far as his present employment is concerned.

If this is a good law, then it should be enforced. The Department of Justice or any other department should not establish the precedent of violating a law by giving preference. This has become a custom of late. Yes; a precedent has been established, but we must not follow that precedent. The first precedent was on April 14, 1934, when the same thing happened in the same Department, and it has happened five times since. This is the sixth time.

I say the time has arrived when we should either repeal the law and let these men who come down to Washington to accept these Government positions and profit by all the experience they get in the Department, then go out and bring suits against the Federal Government, or else we should enforce the law. We should not train men and then let them resign and be employed at higher salaries as special counsel. That is all there is to this case.

This bill was introduced in February. It is not anything new. It should not be called up here for consideration in the closing hours of the session. No rule has been obtained for its consideration, and, of course, the Rules Committee would not grant a rule for the consideration of such a bill. The Speaker has refused to recognize anyone to call it up under suspension of the rules until now. An effort was made to call the bill up by unanimous consent. It has been on the calendar right along. We have been in session since 10 o'clock this morning and it is now 6 o'clock. The House is not in any condition to transact any business other than the settlement of pending matters before the House adjourns.

Why is this brought in? Possibly there is a lot of heat. This man wants the job. I do not know whether he is in the gallery or not. I do know that the man who appeared before the committee is the man who wants the job. The Attorney General did not appear, and he is the one primarily interested.

I admire my friends the Members from Missouri. They are all on their feet trying to get me to yield. They have undoubtedly been impressed with the belief that the Government might cease to function if the law of the land was not waived in behalf of their constituent.

Mr. SHORT. The Attorney General wants this man.

Mr. MICHENER. Oh, yes; the Attorney General has written a letter, or someone in his office has written a letter.

Mr. SHORT. The gentleman has the letter from the Attorney General to the Speaker——

Mr. MICHENER. Yes. A rather unusual occurrence. Mr. Blair and not the Attorney General appeared before the committee.

Mr. SHORT. Which states because of his experience and his intimate knowledge of the case he should have the job.

Mr. MICHENER. Yes; because of his experience and intimate knowledge, because he had charge of these cases in the Department, the Attorney General will have difficulty in finding someone to carry on. I do not doubt but that if Harry Blair died this minute the Government would go on without him, and I do not doubt but that the Attorney General would be able to find able counsel without violating the statutes of the United States or without coming to the Congress and asking for a special enabling act to permit him to hire any one man in all the United States to do this particular work for these Indians.

If anyone wants to ask questions, I yield.

Mr. RICH. Is this a legal question?

Mr. MICHENER. Yes; there is a law against it.

Mr. RICH. It sounds illegal to me.

Mr. ROMJUE. May I call the attention of the gentleman and of the committee to the fact that the gentleman argues the case on the premise that lawyers go out of service with the Government and take cases against the Government. This case presents an entirely different angle. This is a case where a man wants to be employed by the Government and the Attorney General recommends it.

May I say further that I cannot recall a single instance where the Attorney General of the United States requested the employment of a man that such authority has not been granted. Go back to the time of the Teapot Dome investigation. Senator Pomerene was specially employed under the same kind of proceeding.

Mr. MICHENER. No; the gentleman is entirely wrong. The case of Senator Pomerene did not require any special legislation of this type.

Mr. JENKINS of Ohio. Coolidge appointed him.

Mr. MICHENER. It does not matter who appointed him. Yes; he was appointed in the Coolidge administration.

Mr. ROMJUE. He was appointed by the Attorney General over a good deal of protest.

Mr. JENKINS of Ohio. He was appointed in spite of the Attorney General.

Mr. MICHENER. I may say to the gentleman that if he were familiar with that investigation he would know that Calvin Coolidge appointed Senator Pomerene against the advice of the Attorney General at that time; but that has nothing to do with this case. Of course, this bill will pass. The whip has cracked, and enough of the faithful are on the floor. This indispensable lawyer from Joplin can accept this annual fee for 4 or 6 years, and during most of the time may engage a legal practice against the Government. It is wrong, and it should not be.

Mr. ROMJUE. Yes; but the gentleman must remember that members of the gentleman's party in the United States Senate did everything they could to prevent the Teapot Dome scandal investigation.

Mr. MURDOCK of Utah. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I am very much surprised to hear the gentleman from Michigan making the argument he does in view of the language carried on page 2 of the bill. What does page 2 state? First, go back to line 3 on page 1, reading "that the appointment of Harry W. Blair", and now turn over to page 2, "shall not be construed to be employment within the meaning" of the sections mentioned.

There is the United States Code. I just looked up the sections which are referred to in the bill, and which are the sections to which the gentleman referred. Under the terms of this bill, Mr. Blair cannot accept appointment under those sections. That is plain. It cannot be disputed. The Government is fully protected by the bill.

Mr. MICHENER rose.

Mr. COCHRAN. Now, just a minute. I think you will admit I know something about Indian cases. The gentleman knows I have been interested in Indian claims for a number of years. This is not a claim against the United States, but an effort of the United States to recover some money for the Osage Indians. Our treaty provides the United States must handle such matters for the Indians. This man was an assistant attorney general in charge of that division, and has handled this case for several years. If you bring in a man from the outside to take his place, how long is it going to take him to familiarize himself with the facts in the case? There is the situation entirely. This is a competent lawyer who understands the law, and the Indians will benefit if this bill passes. I repeat what I said a minute ago, that under the law there is a limitation upon what he can receive. Judge Sumners has confirmed that statement.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Missouri.

Mr. SHORT. It should be borne in mind that Mr. Blair under the terms of this act is taking a case not against the Government but representing the Government to carry out an obligation the Government must carry out under the treaty.

Mr. COCHRAN. For the Osage Indians. As I said, our treaty requires the Attorney General to represent them.

Mr. SHORT. Exactly.

Mr. COCHRAN. And it is solely to help the Osage Indians to recover money.

Mr. RICH. For whom; for the Indians or the Government?

Mr. SHORT. One of the best recommendations is that he comes from the Ozarks.

Mr. COCHRAN. Answering the gentleman from Pennsylvania, I repeat what I said several times—it is to recover money for the Osage Indians.

Mr. MICHENER. Mr. Speaker, I shall take a minute to reply to my good friend, the gentleman from Missouri [Mr. COCHRAN]. The gentleman quotes the law correctly, because the purpose of this bill, as the gentleman in charge of the bill will appreciate, is to do just what the gentleman from Missouri stated, that is, to exempt Mr. Blair from the operation of those statutes.

Mr. COCHRAN. No; just the opposite. Page 2 states, "shall not be construed to be employment within the meaning of" the sections mentioned.

Mr. MICHENER. I do not yield further.

Mr. COCHRAN. The sections mentioned deal with suits against the United States. This is not a suit against the United States.

Mr. MICHENER. He is exempted from the operation of that law. That is the purpose of this bill.

Attention was called to the fact that this is a suit in behalf of the Government. Remember that this bill authorizes the employment of this man to carry on a particular suit in behalf of the Indians or in behalf of the Government. The law prevents him from taking other cases against the Government for a period of 2 years. I do not want to change that law.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield the floor, Mr. Speaker.

Mr. MURDOCK of Utah. Mr. Speaker, I yield to the gentleman from Texas [Mr. SUMNERS] such time as he may desire.

Mr. SUMNERS of Texas. Mr. Speaker, I am going to see if I can aid the House in understanding the question the House is going to vote on in a moment or two.

This is the proposition as it presents itself to us. It does not make any difference whether you like the Attorney General or do not like the Attorney General; he is the man we have hired to take care of our law business. This is proposition no. 1.

The Attorney General comes to the Congress and says, "I have a lawsuit out here and am trying to protect the interests of these Osage Indians, and there is a man who is familiar with the suit, a man by the name of Blair, who had charge of it, and I believe he is the best man to represent the Government." Now, what are the facts? The facts are, he is familiar with the matter, and there is no dispute about it. Blair knows this case. There is also no dispute about the fact there are millions of dollars involved, and there is no dispute about the fact that the man we have hired to take care of our law business has asked us to give him a chance to hire the best man, in his judgment, to represent us. This is the concrete, definite proposition involved.

Now, what would you do if you had a lawyer hired to represent you, and he came to you and said, "You have me hired, and I have the responsibility of winning your case; here is a man I want to hire to help me"? What would you do about it? You would hire him, of course.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. KELLER. Does this abrogate a statute?

Mr. SUMNERS of Texas. No; it does not abrogate a statute, but let me make this explanation. Frequently, we have found when a man is hired in a particular case we have to waive the general statute with reference to general employments. In other words, when you hire a good lawyer, inasmuch as the Federal Government has so much law business, you cannot get a good lawyer, ordinarily, to take such a case unless you exempt him from the provisions of the statute applicable to attorneys who are engaged in the business generally for the Government.

Mr. KELLER. What I am getting at is that this does, unquestionably, change the statute in relation to this man.

Mr. SUMNERS of Texas. Yes.

Mr. KELLER. And it is establishing a precedent, is it not?

Mr. SUMNERS of Texas. I do not know whether you would say it is establishing a precedent or not. We have done this many times.

Mr. KELLER. Then the gentleman is willing to change a precedent when he thinks it is good policy?

Mr. SUMNERS of Texas. Yes; of course.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. COCHRAN. Under the treaty, the Government of the United States must sue for the Indians, and that is the only reason the Government is in this case.

Mr. SUMNERS of Texas. That is right. I do not know that I have anything further to say. I believe this is all there is to it.

The SPEAKER pro tempore (Mr. BLAND). The question is on the suspension of the rules and pasasge of the bill.

The question was taken; and there were on a division (demanded by Mr. MICHENER)—ayes 113, noes 18.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ESTATE OF JOHN F. HACKFELD

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BEITER, Mr. O'MALLEY, and Mr. CLASON.

EXTENSION OF REMARKS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Philadelphia Co. for Guaranteeing Mortgages, indictments, and to insert certain letters and excerpts from committee hearings and documents.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SURVEYS FOR RUN-OFF AND WATER-FLOW RETARDATION ON RIO GRANDE AND PECOS RIVERS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2688) to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. TABER. Reserving the right to object, this is a proposition to survey?

Mr. DEMPSEY. Yes.

Mr. TABER. What is the expense?

Mr. DEMPSEY. There is no expense that has not already been provided for. It comes under the Flood Control Act.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to cause preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds, including all tributaries, of the Rio Grande and Pecos Rivers, above the point of their confluence, in the same manner and to the same extent as is provided for those localities named in section 6 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; the cost thereof to be paid from appropriations heretofore or hereafter made for the purpose of carrying out the provisions of such section.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all members of the Committee on Appropriations may have the right to extend their own remarks in the RECORD and include certain tables prepared by themselves.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

POLICE COURT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2909) to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the court established by section 1 of the act of June 17, 1870 (16 Stat. 153), entitled "An act to establish a police court for the District of Columbia, and for other purposes", shall hereafter be known as the city court of the District of Columbia: *Provided*, That nothing in this act shall affect the jurisdiction or function of the court.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PETTENGILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PETTENGILL. Under the general permission heretofore granted to Members of Congress to extend their own remarks in the RECORD during this session and the week following, is it permissible to include speeches of anybody else other than a Member of Congress?

The SPEAKER. The Chair is of the opinion that it is not permissible.

Mr. PETTENGILL. A further parliamentary inquiry, Mr. Speaker. Would it be in order for me to register a permanent standing objection for this session of Congress against the inclusion in the CONGRESSIONAL RECORD of a radio speech made last night by the junior Senator from Pennsylvania?

The SPEAKER. Has a request been made to include it?

Mr. PETTENGILL. No such request has been made as yet.

The SPEAKER. The Chair is of the opinion that the gentleman could not lodge any permanent and abiding objection unless it is presented to the Chair.

Mr. PETTENGILL. If it is offered, I will object.

The SPEAKER. The gentleman, of course, would have to be present under such contingencies to protect his rights.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent that I may extend my own remarks in the RECORD and include therein an editorial from my home paper.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a statement on monetary problems by Mr. Siegfried, of Los Angeles.

The SPEAKER. Without objection it is so ordered.

There was no objection.

FLOODS IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 494.

The SPEAKER. The Chair regrets that the Chair cannot recognize the gentlewoman for that purpose at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, all New England feels very bitterly because this Congress is adjourning without taking any action on the compacts agreed to by the New England States in an effort to secure flood control. This afternoon other flood-control bills were enacted. Why should New England be discriminated against? Judge CLAYSON, of Massachusetts, is a member of the Flood Control Committee, and Governor TOBEY, of New Hampshire, is also a member of the Flood Control Committee, and they have worked very hard to secure the passage of the resolution approving these compacts. And I have been fighting steadily for flood control in the Merrimac and Connecticut Valleys. Mr. Speaker, the people of New England are living in terror of another flood like the one we had in 1936.

I believe this administration will sorely regret the fact that it has not helped New England, whose need is so great.

We are having an extremely hot summer. We are likely to have a very cold winter. If we have a cold winter and the ice in the lakes and rivers thaws and comes down we shall have a worse flood than we had before. Mr. Speaker, I have appealed to the White House about it, and I talked to the White House only today in an effort to secure action.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Russell Watson, of the city of New York, addressed to Mr. Sam Weismann.

The SPEAKER. Is there objection?

There was no objection.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at the point just prior to the passage of Senate Concurrent Resolution 18.

The SPEAKER. Is there objection?

There was no objection.

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein data on the Westport River Dam.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a story of the legislation in favor of Puerto Rico.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I wish I had more and plenty of time in which to answer the statement of the gentlewoman from Massachusetts [Mrs. ROGERS]. In the opinion of some of the Members of this House from parts of New England, I refer particularly to Connecticut, the New England compacts referred to by the gentlewoman from Massachusetts, with all due respect to her—and I know she conscientiously believes in them—are an attempted steal by the power people. [Applause.] We think that for 999 years they are trying to take the birthright of the people of New England away from them. We are against the compacts. [Applause.]

[Here the gavel fell.]

LEAVE OF ABSENCE TO HOMESTEAD SETTLERS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2888) granting a leave of absence to settlers of homestead lands during the year 1937, with Senate amendments, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, after line 3, insert:

"SEC. 3. There is hereby authorized to be appropriated an amount equal to the amount of the unpaid balance of principal and interest which the Secretary of the Interior may find to be due on homestead and other entries or purchases on opened lands of the Coeur d'Alene, Cheyenne River, Colville, Fort Berthold, Fort Peck, Pine Ridge, Rosebud, Shoshone, and Standing Rock Reservations, and the Chippewa lands in Minnesota opened in accordance with the act of January 14, 1889 (25 Stat. L. 642), on the date of the enactment of this act, less an amount equal to the amount of payments made on such homestead entries after the enactment of this act and before the appropriation herein authorized has been made. Such an amount when appropriated shall be placed to the credit of the Indian tribes of such reservations in the Treasury of the United States, and shall be available upon the recommendation of the Indian tribe or tribes concerned for making permanent improvements on lands of the Indians, including the development of irrigation and the granting of aid to individual Indians in establishing permanent homes, and for the purchase of lands on said reservations from individual Indians or from white owners, in the discretion of the Secretary of the Interior, and under such regulations as he may prescribe. Title to any land so purchased shall be taken in the name of the United States in trust for the respective Indian tribes and such lands shall not be allotted in severalty."

Page 3, after line 3, insert:

"SEC. 4. The provisions of this act shall in no way affect the liability of entrymen or purchasers on such opened lands in the said Indian reservations to complete payments on their entries. Any payments made by said homesteaders after the appropriation authorized by this act has been made shall be covered into the general fund of the Treasury of the United States. If any entry or purchase shall be relinquished or canceled on which the United States shall have advanced payments to the Indians of the reservation involved, said payments shall be reimbursed to the United States out of any funds on deposit in the Treasury of the United States to the credit of the said Indians."

Page 3, line 4, strike out "3", and insert "5."

Page 3, line 7, strike out "this", and insert "his."

Page 3, line 11, strike out "this", and insert "his."

Amend the title so as to read: "An act to grant relief to homesteaders and purchasers of public and ceded Indian lands and to authorize advance of amounts due on delinquent homestead entries on certain Indian reservations."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

The title of the bill was amended.

ADDITIONAL JUDGE FOR SOUTHERN DISTRICT OF OHIO

Mr. O'BRIEN of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2010) to authorize the appointment of an additional judge for southern district of Ohio.

The Clerk read the title of the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That the President hereby is authorized to appoint by and with the advice and consent of the Senate one district judge for the southern district of Ohio in addition to those now authorized by law. Said additional judge shall be entitled to receive the same salary payable in the same manner as is now provided for district judges in said district. This additional district judge shall reside within said district and shall be subject to the general provisions of law relating to district judges of the United States.

SEC. 2. This act shall take effect immediately upon the approval thereof by the President of the United States.

Mr. MICHENER. Mr. Speaker, I demand a second.

By unanimous consent a second was considered as ordered.

Mr. O'BRIEN of Michigan. Mr. Speaker, this bill would provide an additional Federal judge for the southern district of Ohio. Thirty years ago, in 1907, the Congress of the United States provided a second judge for this southern district of Ohio. Since then no judge has been added to this district. On the other hand within this 30-year period there has been a tremendous increase in the business and Federal litigation in that district. Let me give you this illustration: In the 3 years from 1933 to the end of the fiscal year 1936 the number of civil cases in that district increased from 525 to 961, exclusive of bankruptcy cases; in other words, within this time the business of the district almost doubled. Remember, in this connection, that during this whole 30-year period there has been no change in the number of judges.

Another fact illustrating the need for an additional judge in this district is that at the end of the fiscal year 1936, 2,860 cases remained on the docket, although the judges have been doing their work assiduously as is shown by the record. In that same year they disposed of approximately an equal number of cases. So, just taking the business that the court there must handle and the inadequate facilities for handling it, we have a picture which shows a conspicuous and crying need for an additional Federal judge.

Let me state this further fact, taking into consideration all of the districts in the United States where they have just two Federal judges, there are only two in which there is an amount of litigation equal to that handled in the southern district of Ohio. This district stands out amongst the districts of the United States as needing an additional Federal judge.

In the southern district of Ohio are three large and growing cities, Columbus, Dayton, and Cincinnati.

The first two-named cities have a resident Federal judge.

The city of Cincinnati, having a population within the city limits of one-half million, and in the metropolitan area of 700,000, has no resident Federal judge. It is the only city in the United States of the same or similar population that has no resident Federal judge. People residing in Cincinnati having business in that court must travel to a resident judge either 50 miles to Dayton or approximately 100 miles to Columbus.

Another fact which I wish to lay before the House is that the city of Cincinnati is located near the State lines of Kentucky and Indiana and on account of that location there is a stimulus to interstate commerce and to the kind of business that results in an increase of Federal litigation. So that I think a clear picture of the facts there show a plain need for an additional Federal judge in the southern district of Ohio in order to take care of the business of the courts efficiently and provide fairly for the people who reside in that district that have business with the courts.

The Attorney General of the United States has expressed his recommendation in support of this additional Federal judge. The House Judiciary Committee carefully considered the matter through a subcommittee and through the full committee and have favorably reported the bill.

Mr. McSWEENEY. Will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Ohio.

Mr. McSWEENEY. We of Ohio want to thank the gentleman for his very able presentation of a great need in southern Ohio. May I call the gentleman's attention to the fact that the metropolitan area of Cincinnati because so much of the population lives across the Indiana-Kentucky State line does not definitely show the amount of business and the corporate set-up of the great metropolitan area of Cincinnati. I feel that the people of Indiana and Kentucky will realize that many of their citizens have business in Cincinnati, which would naturally be the domicile of their legal operations.

Mr. O'BRIEN of Michigan. I thank the gentleman.

Mr. DIXON. Will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Ohio.

Mr. DIXON. Mr. Speaker, this is the second time I have addressed you from the Well of the House. I am asking this special privilege simply because Cincinnati, being one of the greatest cities of the whole United States, one of the best taxpaying cities in the whole United States, is asking for a resident judge.

We in Cincinnati are proud of everything that is American. Cincinnati is one of the proudest American cities in the United States, and I am going to ask my colleagues to give us this judge. I am sure the city of Cincinnati will always do what it can in the way of paying its compliments to the great Congress of the United States.

[Here the gavel fell.]

Mr. O'BRIEN of Michigan. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Michigan [Mr. MICHENER] is recognized for 20 minutes.

Mr. MICHENER. Mr. Speaker, the length of time I take on this measure depends upon the order in the House.

Mr. SUMNERS of Texas. Will the gentleman ield?

Mr. MICHENER. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. We are getting to the closing hours of the session and we are anxious to expedite these matters. I hope we may remember this and proceed in order.

Mr. MICHENER. Mr. Speaker, in reference to this bill I take the position that we have a Judicial Council and the Attorney General of the United States—agencies which the Congress set up and created—to recommend when and where Federal judges are needed. Wherever and whenever these agencies so recommend, then it is my position as a member of the Judiciary Committee that I go along with these recommendations in every case. My colleagues know that. I opposed an additional judge in my own district at one time because there was no recommendation of the council. I am opposing one now in my own circuit and the gentleman who is the author of the bill I am sure will not call it up for consideration under existing conditions. Why? Because the Judicial Council has not made the recommendation. Some of you do not know what that is.

A few years ago, when the Republicans were in power, we had a lot of these political judges proposed. We had Senators who wanted judges and we had Congressmen who wanted judges. The Congress set up what we thought was a nonpartisan judicial tribunal, composed first of the presiding judge of each circuit in the United States and the Attorney General of the United States, acting as a sort of adviser. They meet in Washington in September each year and canvass the situation existing in the respective circuits and districts. When they report the necessity or the desirability for a new judge, your committee always favorably reports it. I am sorry to say that sometimes of late, when pressure is brought to bear, whether it be political pressure or whatnot, we report bills such as this without that kind of recommendation.

Mr. Speaker, this judicial council meets in September. This judge cannot be appointed before the Congress adjourns. We are going to be back here in January, if not before. The judge could not function anyway before that time. If the proper authority recommends it, I believe we should have the judge. But you are losing no time. There is not any question about that.

There were two reasons suggested to the Committee for this judge, one by Senator BULKLEY and the other by Mr. Keenan, Assistant Attorney General. The Senator's reason was based largely on the fact that Cincinnati, as a city, does not have a judge. Well, now, Cincinnati does not, but the reason is that when a judge was appointed for that district he just did not happen to reside there. He resides 65 miles away at Dayton.

My good friend the gentleman from Michigan, Mr. O'BRIEN, made a splendid presentation of this matter. I understand it was his maiden speech and I applaud him. He presented every fact that could be presented, as well as a lot of conclusions. With many of those conclusions I do not agree. He called our particular attention to the number of cases and the increase in the last 3 or 4 years, or since 1933, as well as to the number of cases not disposed of.

Do not forget there are two judges in this district now. Our former colleague, Mel Underwood, is one of the new judges. He does not live in Cincinnati. This same Senator might have taken care of Cincinnati when he was named. They did not have a judge there but he was appointed. He lives up in Columbus. He is a good man and he is doing well. Judge Hough, his predecessor, was sick for 2 or 3 years and the cases have accumulated. Judge Underwood is cleaning up the calendar, and if you leave Judge Underwood alone, President Roosevelt's theory will be carried out that we should not have judges where we do not need them, that there should be a reassignment as far as judges are concerned, and that they should be assigned where they are needed and where they can do the work, regardless of what some local community may want in the way of having a resident judge. The calendar is being cleaned up. Let this matter stand until January and then if the Attorney General of the United States and the council believe there should be such a judgeship created, there will be no question about it in this House, I am sure. But why rush this through now? Why wait until the last minute, just before we adjourn? We are staying here just because we are waiting on some conference reports. If those reports were in here, this bill would not be here. I believe these bills are important enough that they should not be brought in at this hour, when two-thirds of the Members have gone home, when the Members are not in the city. Let us not create any more judgeships until the committee, which you have established during the last week to survey this matter during the coming summer, under the lead of the gentleman from Texas [Mr. SUMNERS], our splendid chairman, brings in to you next January, or in that session of Congress, a recommendation as to where we need judges, as was so well suggested by the gentleman from Texas the other day. It may develop when this careful study is made that some of these places may not need judges. Let us not appoint another judge when we do not know whether or not we need him, just because somebody wants a resident judge.

You might think there was no judge in Cincinnati at all. There are more terms of court held in Cincinnati than in any other city in that judicial district. One of the judges a~e there much of the time. The fact the judge lives 65 miles away and goes home week ends does not entitle the city to another judge simply because that city has a certain population.

You cannot judge these matters by the number of cases and you cannot go by population. The State of Arizona, with a population of about 60,000, has two Federal judges, you gave it another one last year. All these judges are not needed, and the creation of the additional judgeship was not recommended by the counsel. However, in a time like this you put it through. Now, are you going to create another judgeship when there is no reason for it and when there is no necessity for it?

As far as cases are concerned, when my good friend, the gentleman from Michigan [Mr. O'BRIEN] has been on the Committee on the Judiciary as long as I have, he will learn

that cases do not mean anything. There are some courts in the country which last year had hundreds of cases on the calendar, but some of these cases were draft-evader cases arising from the World War which will never be tried, and the cases are carried along on the calendar because they may be helpful if it is desired to get another Federal judge. Some of the cases are deportation cases, which will never be tried, yet they are recorded as part of the business of the court.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes; I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman suggests we wait until January and then bring in a bill for a judgeship. What is going to be done with the congested court calendar in the meantime?

Mr. MICHENER. This proposed judge cannot be appointed and confirmed at this session of Congress anyway. He could be of no service before January. I am not going to refer to the political fight in Ohio about this appointment. I do not live in Ohio. I have reference to any controversy among the majority party. The Republicans have nothing to say about who the appointees are. The only question the Congress should consider is the necessity for this new $10,000 a year judge and the additional expense of his necessary assistants and staff.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I happen to live in this judicial district. Before coming to Congress I had considerable practice before the Federal judges in that district. In answer to the argument made by the distinguished Member from Michigan, let me say that if the docket in this district was so congested through Judge Hough's having been sick for about 2 years, why did not the Attorney General and the Judicial Council so state when they met in September of 1936 or 1935? Last September they passed that situation over and made no recommendations concerning it. If there was such an urgent need why has it not been shown before this time—the last 5 minutes of this session of Congress?

The docket is not congested to the extent that it was when Judge Underwood took the bench last year. Judge Underwood has cleaned up more than half the cases which were on his docket. In another year Judge Underwood will be out of the woods as far as that docket is concerned.

Measured by the work done in some other districts, it may be that there is more work in that district than in some others, but why the sudden notion. I think it can be ascribed to the desire of someone to build up his political fences at the expense of the Federal Treasury. The fact the other judge is located in Dayton and not in Cincinnati does not mean anything.

Every other Federal judge as far back as I can remember was located in Cincinnati, and it was time to let one be appointed from Dayton.

Mr. Speaker, I repeat this bill may be justified from the standpoint of need, but it is not justified until the Judicial Council states a new judgeship is necessary. This is one of the reasons I am against the bill: I have several other reasons—why was not this bill introduced by some Congressman? There are about 35 counties in Ohio in this judicial district. No one appealed to a Congressman to introduce this bill; why not? Why must this come to us from the Senate? We in Ohio have two Senators, as do all other States, and it so happens that one of our Senators is located in the north and the other in the south. The Senator who lives in the southern part of the State did not introduce this bill. Why was he not asked to do it by the lawyers and those personally interested? This bill was introduced by the Senator from the northern part of the State, where they have five or six Federal judges. For what reason was the bill introduced? That is my chief objection. This bill has been introduced to reward someone for faithful political service rendered and to be rendered.

I think I can say to the Members from Ohio with considerable certainty that the man who is going to get this place has already been selected, and not a single one of you has been consulted. There are 8 to 10 of you, but not a single one of you has been consulted. Why do you not stand up as a Congressman representing respectable constituencies and demand your rights and demand recognition for the splendid lawyers in your districts? That is what I am doing. Of course, being a Republican, I cannot expect the recognition that you can expect. I am demanding consideration for the fine Democrats in my district. I have the finest Democrats in the world in my district.

Mr. HARLAN. Mr. Speaker, will the gentleman yield at this point?

Mr. JENKINS. Not now.

Why are you permitting someone from way up on the Lakes to come down to southern Ohio and pick a judge for you? Now, how do I know this judge has been picked? Let me tell you about the testimony before this great Judiciary Committee. Testimony was given by this representative of the Attorney General, Joe Keenan, and all you Democrats know him, because he has been to see you about a good many things. He is the gum-shoe man that you all know. He it was who appeared before the Judiciary Committee and he tells the Judiciary Committee he will guarantee that this judge will come from one certain county. Who elected him? Nobody! Then why do you allow him to tell you who will be appointed? Apparently he is the agent designated to "pack" the district court. This appointment should be open and above board. No packing should be permitted.

Mr. Speaker, I do not believe in this kind of business. There was in my office today a fine Democrat from this judicial district, a candidate for this place, from one of the rural counties. He is a man of respectability. He has the endorsement of the members of the Democratic executive committee, as well as the Democratic central committee of more than half of the counties in the district. But what is that going to avail him? I told him this morning, "My good friend, you might as well go back home, because this job has been promised." It has been promised by the representative of the Attorney General; and to whom? To a man who has a political obligation due him and this is the way they are going to pay it. The people will not be considered; the many fine lawyers who support the Democratic tickets are to be pushed aside. It is not right; it is not fair, and if you persist in it you will rue the day.

This proposition can wait until next January. Let us allow it to go over until that time. Then these Democratic Congressmen can get together, pick us a judge, and whoever they pick will be satisfactory to me. A hand-picked judge will not suit our people. Mr. Keenan might select the judges for the northern district but we would prefer that the good Democrats in the southern district make their own selections for our district. [Applause.]

Mr. O'BRIEN of Michigan. Mr. Speaker, I just want to add a few words. I laid before the House in my first statement the real facts and merits involved in this case, and I am surprised that gentlemen on the other side have based their arguments on something entirely apart from the business before the House. I did not give any ancient statistics about draft evaders or anything of that sort. In the years from 1933 to 1936, there was an increase in civil cases from 525 to 961, and at the end of last year there were 2,860 cases left on the docket of the court.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. O'BRIEN of Michigan. In just a moment.

This is not a case, as stated by my colleague from Michigan, of a Congressman trying to get a judge. I do not live in the State of Ohio. This matter is being presented impartially, on account of the merits in the case as it was laid before the House Committee on the Judiciary. It has been recommended by the Attorney General of the United States and his letter is attached to the report filed in this case.

Furthermore, the House Judiciary Committee has approved it by an almost unanimous vote.

The gentleman from Ohio suggests that we should wait until a certain council of judges tells us we should pass such legislation, but the matter of providing Federal judges for our courts is a prerogative of the legislative branch of the Government. This is our function and we have no constitutional right to abrogate our functions with respect to providing judges for our Federal judiciary. [Applause.]

The SPEAKER pro tempore (Mr. McCORMACK). The question is on the suspension of the rules and the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. The gentleman already has that permission.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein certain letters from various organizations on legislative matters and my replies thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. The gentleman already has that permission.

Mr. LEA. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a copy of the food and drug bill as recommended by the subcommittee of the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein certain evidence I placed before the Rules Committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation, which the Clerk read:

Hon. WILLIAM B. BANKHEAD,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Patents.

Very truly yours,

GRAHAM A. BARDEN.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

The SPEAKER. Pursuant to Public Resolution 64, Seventy-fifth Congress, the Chair appoints as members of the General Anthony Wayne Memorial Commission the following Members of the House:

Mr. JAMES I. FARLEY, of Indiana; Mr. FRANK C. KNIFFIN, of Ohio, and Mr. JESSE P. WOLCOTT, of Michigan.

JOINT COMMITTEE ON HAWAII

The SPEAKER. Pursuant to Senate Concurrent Resolution 18 the Chair appoints as members of the Joint Committee on Hawaii the following Members:

Mr. GREEN, of Florida; Mr. RANKIN, of Mississippi; Mr. CROWE, of Indiana; Mr. PARSONS, of Illinois; Mr. DEMPSEY, of New Mexico; Mr. NICHOLS, of Oklahoma; Mr. SNELL, of New York; Mr. MARTIN of Massachusetts; Mr. HOPE of Kansas; Mr. JONES of Texas; Mr. VINSON of Georgia; Mr. KERR, of North Carolina; and Mr. KING, the Delegate from Hawaii.

AIRPORT FOR THE NATIONAL CAPITAL

Mr. MAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2838) to establish a public airport in the vicinity of the National Capital.

The Clerk read the bill, as follows:

Be it enacted, etc., That a public airport for the purposes of the United States and the District of Columbia shall be developed by and under the control and jurisdiction of the Secretary of War on a site south of the road leading from Camp Springs to Meadows, in Prince Georges County, Md., which has been selected and recommended by the "District of Columbia Airport Commission" under authority of the act of April 21, 1936 (49 Stat. 1236), entitled "An act to establish a commercial airport for the District of Columbia."

The Secretary of War is authorized and empowered to acquire by purchase, or condemnation under and in accordance with the provisions of the act entitled "An act to authorize condemnation of land for sites of public buildings, and for other purposes", approved August 1, 1888, as amended (U. S. C., title 40, sec. 257), an area not exceeding 2,500 acres of land on which to locate this public airport. Any land or property now belonging to the Government of the United States, or any department thereof, which may be included in the site selected is hereby transferred to the jurisdiction of the Secretary of War, so that it will be available for airport purposes.

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,286,250 for the acquisition of land and the development of the airport contemplated herein, including the clearing of land, grading, construction of runways, construction and installation of buildings and appurtenances thereto, including interior facilities, fixed, movable and office equipment, necessary services, roads, water supply, sewers, sewage disposal, connections to gas and electric mains, purchase and installation of telephone and radio equipment, and similar improvements, and procurement of transportation incident thereto, without reference to sections 1136 and 3734, Revised Statutes (U. S. C., title 10, sec. 1339; title 40, sec. 267), including general overhead expenses of transportation, engineering, supplies, inspection and supervision, travel connected therewith, and such services as may be necessary in the offices of the Secretary of War; and the engagement by contract or otherwise without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as the Secretary of War may determine, of the services of architects or firms or corporations thereof and other technical and professional personnel as may be necessary; to remain available until expended.

When, in the opinion of the Secretary of War, the development of the said airport shall have been completed as contemplated within the amount of funds provided in this act, he shall transfer all property, control, and jurisdiction thereover to the Secretary of Commerce, who is hereby empowered to maintain and operate said airport, notwithstanding the provisions of section 5 of the Air Commerce Act of May 20, 1926 (U. S. C., title 49, sec. 175).

The Secretary of Commerce shall, with due regard to existing law and the functions of other Government departments, make reasonable regulations and establish charges, fees, and tolls for the use of such airport; fix penalties for the violation of said regulations; and establish liens to enforce payment of said charges, fees, and tolls.

The landing area of said airport shall be reserved wholly for the use of the public and shall not be leased for public or private purposes but shall be maintained and operated as a public landing field for the use of private and Federal aircraft, including aircraft of organized passenger and freight lines, under such regulations and charges as the Secretary of Commerce may prescribe. Space in public buildings and space on the airport for the erection of hangars and other service buildings may be leased under such regulations as the Secretary of Commerce may prescribe. All departments and agencies of the United States operating aircraft shall have free use of the airport and, subject to the consent and approval of the Secretary of Commerce, may erect and install thereon such structures and improvements as the heads of such departments and agencies deem advisable.

There is authorized to be appropriated annually so much as may be necessary for the operation and maintenance of the airport, including compensation of employees, repairs and accessories, purchase of supplies and materials, and the care, installation, maintenance, repair, and operation of utilities and services. All moneys received from the operation of said airport shall be turned into the Treasury as miscellaneous receipts.

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000 for the construction by the Secretary of Agriculture of an express highway from the airport provided for herein to a bridge over the Anacostia River, including the acquisition of land for the right-of-way, construction costs, engineering, supplies, inspection and supervision, and such services as may be necessary in the offices of the Secretary of Agriculture: *Provided*, That in addition to the amount herein appropriated the Secretary of Agriculture may enter into contracts for these purposes to an additional amount not in excess of $500,000, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment thereof. The route and design of this express highway within the District of Columbia and the determination of which bridge over the Anacostia River shall be the terminus of the highway shall be as recommended by the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

The SPEAKER. Is a second demanded?

Mr. SCOTT. Mr. Speaker, I demand a second.

Mr. TABER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. TABER. Mr. Speaker, I withdraw the point of order.

STILL FURTHER MESSAGE FROM THE SENATE

A still further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill and concurrent resolutions of the House of the following titles:

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico;

H. Con. Res. 25. Concurrent resolution providing for the sine die adjournment, first session, Seventy-fifth Congress; and

H. Con. Res. 26. Concurrent resolution authorizing the President of the Senate and the Speaker of the House to sign any enrolled bills or joint resolutions passed by the two Houses which were duly examined by the Committee on Enrolled Bills of each House.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 189

Resolved, That a committee of two Senators be appointed by the President of the Senate to join a similar committee appointed by the House of Representatives to wait upon the President of the United States and inform him that the two Houses, having completed the business of the present session, are ready to adjourn unless the President has some further communication to make to them.

The message also announced that in compliance with the foregoing resolution the Chair had appointed as said committee on the part of the Senate Mr. BARKLEY and Mr. AUSTIN.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 703. An act for the relief of John T. Armstrong;

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes;

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes;

S. 2188. An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984–988), relating to Indian lands in Arizona.

S. 2299. An act for the relief of M. M. Twichel; and

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8245) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes."

AIRPORT FOR THE NATIONAL CAPITAL

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to withdraw the demand for a second, on the understanding that I will be yielded time.

The SPEAKER. Is there objection?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2773. An act to authorize the issuance of an unrestricted patent to Judson M. Grimmet; to the Committee on the Public Lands.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 449. An act for the relief of Earl Hill;

H. R. 595. An act for the relief of Mada Landtiser.

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1093. An act for the relief of Cleveland L. Short;

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 2888. An act to grant relief to homesteaders and purchasers of public and ceded Indian lands and to authorize advance of amounts due on delinquent homestead entries on certain Indian reservations;

H. R. 3493. An act to amend section 76 of the Judicial Code with respect to the terms of the United States district Court at Tallahassee, Fla.;

H. R. 3551. An act for the relief of Hans Everson;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 4688. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 5495. An act for the relief of Anne E. Felix;

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 5846. An act for the relief of Carolina Maldonado;

H. R. 5975. An act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 6208. An act to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia;

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods;

H. R. 6468. An act to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.;

H. R. 7646. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936;

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes;

H. R. 7709. An act to incorporate the American Chemical Society;

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence;

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico; and

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport; and

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 46. An act for the relief of Ernest S. Frazier;

S. 53. An act for the relief of the Perkins-Campbell Co.;

S. 57. An act extending the benefits of the Emergency Officers' Retirement Act to Walter Conner;

S. 180. An act for the relief of Lula G. Sutton and others;

S. 703. An act for the relief of John T. Armstrong;

S. 707. An act for the relief of Lucille McClure;

S. 772. An act for the relief of F. P. Delahanty;

S. 869. An act for the relief of John A. Flagg;

S. 886. An act for the relief of L. J. Powers;

S. 937. An act for the relief of Harry W. Dubiske;

S. 1052. An act to provide for the further development of cooperative agricultural extension work;

S. 1075. An act to establish the Pipestone National Monument in the State of Minnesota;

S. 1226. An act to amend the act of May 3, 1935, relating to the promotion of safety on the highways of the District of Columbia;

S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes;

S. 1402. An act for the relief of P. S. Everest;

S. 1431. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 1438. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1457. An act for the relief of Samuel Richard Mann;

S. 1548. An act for the relief of William A. Devine;

S. 1567. An act authorizing the conservation, production, exploitation, and sale of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, authorizing the acquisition, by purchase or otherwise, by the United States of properties for the production of helium gas, and for other purposes;

S. 1637. An act for the relief of Mrs. Charles T. Warner;

S. 1640. An act for the relief of Harry Byran and Alda Duffield Mullins, and others;

S. 1685. An act to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes;

S. 1722. An act to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy; to encourage and develop native activity in all branches of the reindeer industry; and for other purposes;

S. 1764. An act for the relief of Ruth Gaskins;

S. 1810. An act for the relief of Carl E. Padgett.

S. 1865. An act for the relief of Mrs. Cliff Snider and W. M. Jordan;

S. 1965. An act for the relief of James A. Lyons;

S. 2010. An act to authorize the appointment of an additional judge for southern district of Ohio;

S. 2026. An act to provide for the addition of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes;

S. 2093. An act for the relief of George H. Stahl and Henry A. Behrens;

S. 2146. An act to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the city of Perth Amboy, N. J.", approved July 23, 1935;

S. 2152. An act for the relief of Sue F. Melton;

S. 2154. An act for the relief of Hattie Tolbert.

S. 2159. An act for the relief of George R. Slate;

S. 2188. An act to amend section 3 of the act of June 18, 1934 (48 Stat. 984-988), relating to Indian lands in Arizona;

S. 2229. An act to permit Members of Congress to enter into agreements under agricultural programs;

S. 2241. An act for the relief of W. G. Adams;

S. 2258. An act to authorize a modification of the project for the control of floods in Lowell Creek, Alaska;

S. 2262. An act for the relief of Park B. Brandon and Robert G. Teer;

S. 2299. An act for the relief of M. M. Twichel;

S. 2301. An act for the relief of Lois H. Anthony and Albert J. E. Shay;

S. 2317. An act for the relief of Robert L. Summers;

S. 2374. An act for the relief of F. A. Gross and others;

S. 2455. An act to amend the Merchant Marine Act, 1936 (act of June 29, 1936, ch. 858; 49 Stat. 1985);

S. 2476. An act for the relief of R. F. Lassly;

S. 2487. An act for the relief of Leah P. Rice;

S. 2514. An act for the relief of Harry A. Garfield, Cyrus Garnsey, Jr., James H. Allport, and Frank E. Harkness;

S. 2578. An act to authorize the Secretary of Commerce to continue the existing system of classification and pay of positions of lighthouse keepers;

S. 2619. An act to amend paragraph (1) of section 22 of the Interstate Commerce Act, as amended;

S. 2670. An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes;

S. 2688. An act to provide for preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention on the watersheds of the Rio Grande and Pecos Rivers;

S. 2699. An act for the relief of Max D. Ordmann;

S. 2705. An act to provide for the taking of a census of partial employment, unemployment, and occupations, and for other purposes;

S. 2761. An act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State;

S. 2774. An act to authorize the Secretary of the Interior to relinquish in favor of the Blackfeet Tribe of the Blackfeet Indian Reservation, Mont., the interest in certain land acquired by the United States under the Federal reclamation laws;

S. 2849. An act to prohibit certain agreements fixing fees or compensation in receivership, bankruptcy, or reorganization proceedings, to prohibit the appointment of certain persons as receiver or trustee, and for other purposes;

S. 2863. An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes;

S. 2866. An act for the relief of Vincent Ford;

S. 2909. An act to amend an act of Congress approved June 17, 1870, entitled "An act to establish a police court of the District of Columbia, and for other purposes;"

S. 2912. An act to authorize the city of Ketchikan, Alaska, to issue bonds for street improvements, and for other purposes;

S. J. Res. 135. Joint resolution to amend the public resolution approved June 5, 1936, entitled "Joint resolution authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes";

S. J. Res. 166. Joint resolution providing for participation by the United States in the Pan American Exposition to be held in Tampa, Fla., in the year 1939, in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and for other purposes;

S. J. Res. 186. Joint resolution providing for the participation of the United States in the continuing international exposition to be known as Pacific Mercado, to be held in the city of Los Angeles, Calif., commencing in the year 1940, and in the year 1942 commemorating the landing of Cabrillo, and for other reasons; and

S. J. Res. 207. Joint resolution expressing the views of the Congress as to a program for the relief and benefit of agriculture.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 195. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 345. An act for the relief of Genevieve E. Daley;

H. R. 449. An act for the relief of Earl Hill;

H. R. 459. An act for the relief of the Derby Oil Co.;

H. R. 518. An act for the relief of Rosolino Zamito and Maria Zamito;

H. R. 595. An act for the relief of Mada Landtiser;

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion;

H. R. 1858. An act for the relief of Charles E. Names;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 2192. An act for the relief of Paul and A. B. Johnson;

H. R. 2195. An act for the relief of Oliver Z. Hoge;

H. R. 2215. An act for the relief of Gallup's, Inc.;

H. R. 2339. An act for the relief of Orba Caress;

H. R. 2451. An act for the relief of Jerome H. Howard;

H. R. 2455. An act for the relief of Bertha L. Frank;

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws;

H. R. 2641. An act for the relief of John Stevens and the estate of Fred Hausauer, Jr.;

H. R. 2649. An act for the relief of Elva T. Shuey;

H. R. 2657. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired;

H. R. 2702. An act to permit grand-jury extensions to be ordered by any district judge.

H. R. 2860. An act for the relief of Walter W. Johnston.

H. R. 2994. An act for the relief of Lamar Snipes and Luther S. Snipes;

H. R. 3058. An act for the relief of former employees of the Federal Subsistence Homesteads Corporations;

H. R. 3276. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc.;

H. R. 3372. An act for the relief of Luke Francis Brennan;

H. R. 3551. An act for the relief of Hans Everson;

H. R. 4257. An act for the relief of H. A. Montgomery;

H. R. 4291. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes.

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4506. An act for the relief of Norman E. Sherman and Banks W. Smith;

H. R. 4583. An act for the relief of Arthur T. Worley;

H. R. 4622. An act for the relief of Henry Clay Gibson;

H. R. 4688. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 4875. An act for the relief of Paul H. Norboe;

H. R. 4936. An act for the relief of Charlotte Sweeney, a minor; Howard Sweeney, a minor; William Hintz; and Martha Hintz;

H. R. 5112. An act for the relief of Frank Lee Borney;

H. R. 5161. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 5417. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes;

H. R. 5568. An act for the relief of Maj. William W. McCaw;

H. R. 5787. An act granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes;

H. R. 5900. An act to amend the bank-robbery statute to include burglary and larceny;

H. R. 5975. An act establishing per-diem payments in lieu of compensation and expenses for members of Klamath business committee and official Klamath delegates to Washington;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6208. An act to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia;

H. R. 6135. An act for the relief of R. E. Rainer, R. H. Alderman, and John Harmon;

H. R. 6155. An act for the relief of Sadie N. Pike and Edward W. Pike;

H. R. 6271. An act conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming;

H. R. 6316. An act for the relief of Helen Niehaus;

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods;

H. R. 6469. An act conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno;

H. R. 6747. An act to amend section 3 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez;

H. R. 7458. An act for the relief of John E. T. Clark;

H. R. 7531. An act to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes;

H. R. 7561. An act to amend the act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes", approved March 24, 1934;

H. R. 7618. An act relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon;

H. R. 7645. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes;

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.;

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 8081. An act authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments;

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.;

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes; and

H. J. Res. 437. Joint resolution relative to determination and payment of certain claims against the Government of Mexico.

ORDER OF BUSINESS

The SPEAKER. The Chair thinks it is entirely proper to state at this juncture that the Senate of the United States having adjourned sine die, under the concurrent resolution adopted, it would be entirely nugatory for the House to take any further action to night upon any bill or any other legislative proposition, for the reason that the Senate, having adjourned sine die, it would be impossible for any message to be received by the Senate with reference to any action taken by the House.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. The bill providing for an additional judge for the southern district of Ohio passed the House a few minutes ago. It passed the House after the Senate had adjourned sine die. That was the inquiry I was going to submit a few moments ago.

The SPEAKER. The Chair has no information as to whether or not the bill referred to by the gentleman from Michigan was received by the Senate and acted upon before its adjournment.

Mr. MICHENER. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. If that bill were not received by the Senate through message from the House and acted upon by the Senate, the bill would be delayed until the next session, would it not?

The SPEAKER. That is not a matter that the House can decide. That would be a matter that the Senate of the United States should decide.

REPORT OF THE COMMITTEE TO NOTIFY THE PRESIDENT

Mr. RAYBURN. Mr. Speaker, your committee appointed to join the committee of the Senate to inform the President that the Congress was ready to adjourn and ask him if he had any further communications to make to the Congress, has performed that duty.

The President has directed us to say that he has no further communication to make to the Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes. [Applause.]

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, and Members of the House on both sides of the aisle, we are about to adjourn an historic session of the Congress of the United States. I have the privilege of extending my remarks in the RECORD. This I shall do, but as a preface to that I want to say in defense of the House of Representatives of the Seventy-fifth Congress against all enemies foreign and domestic [laughter and applause] that this has been one of the working Congresses in which I have served, and that when anybody, foreign or domestic, says that this session of Congress has been a sit-down Congress, that it has not worked and that it has not enacted a great program of legislation, they either are ignorant of the facts, or they want to distort them.

I shall extend my remarks in the RECORD by placing in the RECORD the bills, major and otherwise, that have been passed by this session of the Congress, and I feel confident that those who read them will find that it is an imposing record.

Before I take my seat, Mr. Speaker, to you, sir, I want to express my deep thanks for your courtesy, for your cooperation, for your sympathy.

For more than 20 years you and I have been bosom friends, but in the last few months there has been added to that a deep respect of you as a man, of your great ability, of your patriotism; and I think that I speak the minds and the hearts of the Members of this House on both sides of the aisle when I say that your record thus far and the record that you will make in the future will mark you as one of the outstanding and one of the great Speakers of this House. [Applause, the Members rising.]

And to you my friends on my right and on my left, to the minority leader who has been kind and fine, outstanding, and protecting the interests of his party and carrying out his conception of protecting the interests of the country, he has been cooperative and he has been fine; to the chairman of every committee on my right, and to the members of those committees who have been so kind and fine, willing to consult with me at all times on their problems, and give me their fine cooperation, I thank you.

My service in this body with its wonderful associations is one of the grand things that I shall remember as long as I live, either in public life or in retirement, which I hope for sometime pretty soon down on the farm in the great State of Texas, when this fitful fever is over and I can pillow my head upon grass, or feathers, or whatever it is, in Texas. For 24½ years I have been here. Every year of my life my esteem of the Congress and the Members who compose it has risen. I love this place. It is a part and parcel of my life.

And to every one of you, as you go forth from here, I wish that you may enjoy a vacation filled with happiness and peace. God bless you and keep you every one. [Applause, the Members rising.]

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Chair lays before the House the following very gracious message from the President of the United States.

The Clerk read as follows:

The honorable THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, WASHINGTON, D. C.:

MY DEAR MR. SPEAKER: Before the adjournment of the Congress will you be good enough to extend to the Members of the House of Representatives my regards and good wishes?

I hope that during the coming months all of you will have a pleasant and a happy vacation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *August 21, 1937.*

ADJOURNMENT SINE DIE

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. In pursuance of the provisions of House Concurrent Resolution No. 25, I declare the first session of the Seventy-fifth Congress adjourned without day.

BILLS PRESENTED TO THE PRESIDENT SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on August 23, 1937, present to the President for his approval bills of the House of the following titles:

H. R. 1093. An act for the relief of Cleveland L. Short;

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 2888. An act to grant relief to homesteaders and purchasers of public and ceded Indian lands and to authorize advance of amounts due on delinquent homestead entries on certain Indian reservations;

H. R. 3493. An act to amend section 76 of the Judicial Code with respect to the terms of the United States district court at Tallahassee, Fla.;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4399. An act authorizing payment for certain lands appropriated by the United States, and for other purposes;

H. R. 4539. An act authorizing a per-capita payment of $25 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 5495. An act for the relief of Anne E. Felix;

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 5846. An act for the relief of Carolina Maldonado;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 6468. An act to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pennsylvania;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.;

H. R. 7646. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; and

H. R. 7709. An act to incorporate the American Chemical Society;

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepunxent Bay in Worchester County, Md., at Ocean City, Md., to replace a bridge already in existence;

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico;

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 7985. An act to promote air commerce by providing for the enlargement of Washington Airport.

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes;

APPROVAL OF HOUSE BILLS AND JOINT RESOLUTIONS SUBSEQUENT TO SINE DIE ADJOURNMENT

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fifth Congress, notified the Clerk of the House of Representatives that he had approved acts and joint resolutions of the House, as follows:

On August 20, 1937:

H. R. 827. An act for the relief of Fred P. Halbert.

On August 21, 1937:

H. R. 2014. An act to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934;

H. R. 4489. An act for the relief of Stella Van Dewerker;

H. R. 7127. An act authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 14 to May 21, 1938;

H. R. 7430. An act for the relief of Mary Lucia Haven; and

H. J. Res. 385. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held October 11 to 16, 1937, inclusive.

On August 23, 1937:

H. R. 4291. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 4582. An act to amend the act approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind;

H. R. 6208. An act to amend an act of Congress entitled "An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia", approved June 22, 1936, by changing the times provided therein for holding the United States district court at various places now fixed by law in the State of West Virginia;

H. R. 7849. An act authorizing State Highway Commission of Arkansas and State Highway Commission of Mississippi to construct, maintain, and operate a toll bridge across the Mississippi River at or near Lake Village, Chicot County, Ark., and to a place at or near Greenville, Washington County, Miss.; and

H. R. 8167. An act to extend the times for commencing and completing the construction of a bridge across the Delaware River between the village of Barryville, N. Y., and the village of Shohola, Pa.

On August 24, 1937:

H. R. 2260. An act to provide for intervention by the United States, direct appeals to the Supreme Court of the United States, and regulation of the issuance of injunctions, in certain cases involving the constitutionality of acts of Congress, and for other purposes;

H. R. 2702. An act to permit grand-jury extensions to be ordered by any district judge;

H. R. 3426. An act for the relief of Rose McGirr;

H. R. 5900. An act to amend the bank-robbery statute to include burglary and larceny;

H. R. 5417. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes; and

H. R. 8174. An act to make available to each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936.

On August 25, 1937:

H. R. 345. An act for the relief of Genevieve E. Daley;

H. R. 449. An act for the relief of Earl Hill;

H. R. 595. An act for the relief of Mada Landtiser;

H. R. 2192. An act for the relief of Paul and A. B. Johnson;

H. R. 2657. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, David Bolger, Cleve B. Farran, James Johnson, and Hans Terkelsen, retired, to chief boilermaker, retired;

H. R. 2994. An act for the relief of Lamar Snipes and Luther S. Snipes;

H. R. 3276. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claim of the Delaware Bay Shipbuilding Co., Inc.;

H. R. 3493. An act to amend section 76 of the Judicial Code with respect to the terms of the United States district court at Tallahassee, Fla.;

H. R. 3551. An act for the relief of Hans Everson;

H. R. 4506. An act for the relief of Norman E. Sherman and Banks W. Smith;

H. R. 4583. An act for the relief of Arthur T. Worley;

H. R. 4622. An act for the relief of Henry Clay Gibson;

H. R. 4688. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during the hurricane in Samoa on January 15, 1931;

H. R. 4689. An act to provide an additional sum for the payment of claims under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931", approved January 21, 1936 (49 Stat. 2212);

H. R. 4875. An act for the relief of Paul H. Norboe;

H. R. 4936. An act for the relief of Charlotte Sweeney, a minor; Howard Sweeney, a minor; William Hintz; and Martha Hintz;

H. R. 5112. An act for the relief of Frank Lee Borney;

H. R. 5495. An act for the relief of Anne E. Felix;

H. R. 5787. An act granting pensions and increases of pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes;

H. R. 5846. An act for the relief of Carolina Maldonado;

H. R. 6155. An act for the relief of Sadie N. Pike and Edward W. Pike;

H. R. 6316. An act for the relief of Helen Niehaus;

H. R. 6468. An act to authorize the cancelation of deportation proceedings in the case of John Grinwood Taylor;

H. R. 6563. An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes;

H. R. 6996. An act for the relief of Ragsdale & Knauss;

H. R. 7531. An act to afford protection of pension benefits to peacetime veterans placed on the pension rolls after March 19, 1933, and for other purposes;

H. R. 7709. An act to incorporate the American Chemical Society;

H. R. 7806. An act authorizing the State Roads Commission of the State of Maryland to construct, maintain, and operate a free highway bridge across Sinepuxent Bay in Worcester County, Md., at Ocean City, Md., to replace a bridge already in existence;

H. R. 7867. An act to amend section 11 of the act of Congress approved July 10, 1890 (26 Stat., ch. 664), relating to the admission into the Union of the State of Wyoming;

H. R. 7950. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H. R. 8081. An act authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments;

H. R. 8245. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1937, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1938, and for other purposes;

H. J. Res. 437. Joint resolution relative to determination and payment of certain claims against the Government of Mexico;

On August 26, 1937:

H. R. 195. An act to convey certain lands to Clackamas County, Oreg., for public-park purposes;

H. R. 459. An act for the relief of the Derby Oil Co.;

H. R. 518. An act for the relief of Rosolino Zamito and Maria Zamito;

H. R. 1609. An act to credit laborers in the Postal Service with any fractional part of a year's substitute service toward promotion;

H. R. 1858. An act for the relief of Charles E. Names;

H. R. 1972. An act giving superintendents at classified post-office stations credit for substitutes serving under them;

H. R. 2195. An act for the relief of Oliver Z. Hoge;

H. R. 2215. An act for the relief of Gallup's, Inc.;

H. R. 2229. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 2339. An act for the relief of Orba Caress;

H. R. 2451. An act for the relief of Jerome H. Howard;

H. R. 2455. An act for the relief of Bertha L. Frank;

H. R. 2512. An act to authorize an appropriation for the construction of small reservoirs under the Federal reclamation laws;

H. R. 2641. An act for the relief of John Stevens and the estate of Fred Hausauer, Jr.;

H. R. 3372. An act for the relief of Luke Francis Brennan;

H. R. 3988. An act to amend the act entitled "An act conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935;

H. R. 4257. An act for the relief of H. A. Montgomery;

H. R. 4277. An act to provide for the extension of certain prospecting permits, and for other purposes;

H. R. 4402. An act to continue in effect a certain lease for the quarters of the post office at Grover, N. C., and for other purposes;

H. R. 4567. An act for the relief of Alden H. Baker;

H. R. 5161. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 5568. An act for the relief of Maj. William W. McCaw;

H. R. 6135. An act for the relief of R. E. Rainer, R. H. Alderman, and John Harmon;

H. R. 6271. An act conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claims of George Perdue, O. B. Ross, Sadie Washington, and the estate of Larry W. Fleming;

H. R. 6338. An act to fulfill certain treaty obligations with respect to water levels of the Lake of the Woods;

H. R. 6469. An act conferring jurisdiction upon the United States District Court for the State of Massachusetts to hear, determine, and render judgment upon the claim of Anthony Caramagno;

H. R. 6747. An act to amend section 3 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", increasing borrowing margin of municipality of Mayaguez;

H. R. 6893. An act for the relief of Henry T. Sharp, Hilliard B. Atkins, and Theodore S. Meekins;

H. R. 7051. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes;

H. R. 7210. An act to authorize an exchange of lands at the New Cumberland General Depot, Pa.;

H. R. 7458. An act for the relief of John E. T. Clark;

H. R. 7587. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the Lon D. Worsham Co.;

H. R. 7645. An act to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; and

H. R. 8234. An act to provide revenue, equalize taxation, prevent tax evasion and avoidance, and for other purposes.

On August 28, 1937:

H. R. 615. An act for the relief of Margaret Voorhees, a minor;

H. R. 1481. An act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets;

H. R. 3058. An act for the relief of former employees of the Federal Subsistence Homesteads Corporations;

H. R. 5594. An act to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.;

H. R. 5976. An act authorizing the establishment of a revolving loan fund for the Klamath Indians, Oregon, and for other purposes;

H. R. 6042. An act making further provision with respect to the funds of the Metlakahtla Indians of Alaska;

H. R. 7618. An act relating to the revested Oregon & California Railroad and reconveyed Coos Bay Wagon Road grant lands situated in the State of Oregon;

H. R. 7646. An act to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 22, 1936; and

H. R. 7908. An act to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico.

On August 31, 1937:

H. R. 2649. An act for the relief of Elva T. Shuey;

H. R. 6682. An act for the relief of the Merchants National Bank & Trust Co., the First National Bank & Trust Co., and the Vicksburg Infirmary, all of Vicksburg, Miss.; and

H. R. 7649. An act relating to certain lands within the boundaries of the Crow Reservation, Mont.

On September 1, 1937:

H. R. 7667. An act to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

DISAPPROVAL OF HOUSE BILLS AND RESOLUTIONS SUBSEQUENT TO SINE DIE ADJOURNMENT

The President of the United States, subsequent to the final adjournment of the first session of the Seventy-fifth Congress, transmitted to the Clerk of the House of Representatives a list of House bills and House joint resolutions disapproved by him, with his reasons for such action, as follows:

On August 25, 1937:

COMPLETE INDEPENDENCE OF THE PHILIPPINE ISLANDS

H. R. 7561. "An act to amend the act entitled 'An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes', approved March 24, 1934."

I have withheld approval of this act for the reasons given in the following memorandum filed by the Secretary of War:

The repeal of the last sentence of section 8 (a) (1) of the act referred to would stop the immigration into Hawaii of Philippine workers for Hawaiian industries under the exceptional conditions provided for their entry by the act as it now stands. It would also subject such workers desiring to enter Hawaii to the quota and other restrictive provisions of the immigration laws. In this connection it is understood that there is no present need of immigration from any source into Hawaii, and that Hawaii has had no occasion to take advantage of the provision of section 8 (a) (1) of the Independence Act. However, it is suggested that since that act establishes the basis of the Philippine-American relations during the Commonwealth period, as fixed by our statutes and accepted by the Philippine people, a unilateral modification of the Independence Act, particularly one canceling a privilege accorded Philippine citizens by the act, made without obtaining the formal concurrence of the Philippine authorities, might offend the Philippine people. Moreover, it would seem desirable, for the present at least, that any change in the act should await the report and recommendations of the joint preparatory committee of American and Philippine experts now studying Philippine affairs, including the question of immigration.

FRANKLIN D. ROOSEVELT.

On August 26, 1937.

CHANGING THE DESIGNATION OF CERTAIN AVENUES IN THE MALL, DISTRICT OF COLUMBIA

H. J. Res. 171. I have withheld approval of House Joint Resolution No. 171, entitled "Joint resolution for the designation of certain streets or avenues in the Mall as Ohio, Missouri, Oklahoma, and Maine Avenues."

The purpose of House Joint Resolution 171 is to name the four avenues in the Mall running parallel to each other east and west in honor of the States of Ohio, Missouri, Oklahoma, and Maine. These avenues in the past were designated as drives and named after the first four Presidents. They were designated Washington, Jefferson, Adams, and Madison Drives and signs erected.

There are several considerations which move me to withhold my approval of House Joint Resolution 171.

The naming of these Mall roads as avenues would result in a complete change in the policy established by Thomas Jefferson when the city was laid out by L'Enfant. Jefferson named the diagonal avenues after the Thirteen Original States and the rectangular streets were lettered and numbered. Moreover, the Mall drives are in no sense city streets but are park roads, none of which has ever been given State names. The National Capital Park and Planning Commission felt that it would be more appropriate to name the Mall drives after the first four Presidents whose names are so closely associated with the Constitution and the Declaration of Independence, already memorialized by the act of Congress in so naming the two avenues bounding the Mall.

I suggest that the States of Ohio, Missouri, Oklahoma, and Maine be honored by changing the names of certain diagonal highways in the District of Columbia as follows:

For Ohio Avenue, rename Concord Avenue and Riggs Road.

For Oklahoma Avenue, rename Benning Road or Nichols Avenue.

For Maine Avenue, rename Reno Road.

For Missouri Avenue, rename Linnean Avenue.

Under this set-up the two States of Maine and Missouri would be paired as they were in the Mall, a relationship which the congressional representatives from those States thought important to perpetuate. As alternatives for Maine and Missouri Avenues, I also suggest that Water Street might be renamed Maine Avenue and that Potomac Avenue could be renamed Missouri Avenue. The surveyor of the District of Columbia has been contacted and sees no objection to a change in these existing street names.

For the reasons which I have set out herein I am convinced that House Joint Resolution No. 171 should not become law.

FRANKLIN D. ROOSEVELT.

On August 30, 1937:

WALTER W. JOHNSTON

H. R. 2860. I am withholding my approval of bill H. R. 2860, entitled "An act for the relief of Walter W. Johnston."

The bill authorizes and directs the Secretary of the Treasury to pay to Walter W. Johnston, out of any money in the Treasury not otherwise appropriated, the sum of $5,495 for personal services claimed to have been rendered to the United States Shipping Board Emergency Fleet Corporation and for the use of appliances personally owned and operated by him in connection with the launching of ships for the United States Shipping Board Emergency Fleet Corporation for carrying on the war.

The record in this case shows that the claimant was fully compensated for his personal services and for the use of his devices for launching ships, by virtue of a decision of the Court of Claims rendered on April 30, 1930, wherein it was determined that the fair and reasonable compensation for the services rendered by the claimant in this connection was $20,000, and that he had received approximately $5,495 to apply on his compensation. The court therefore rendered a judgment in favor of the claimant in the sum of $14,505, which judgment was paid by the United States on September 6, 1930.

In the light of the record in this case, which discloses that the claim of Walter W. Johnston has been fully litigated and a judgment had and paid for the fair and reasonable value of the services rendered, I do not feel justified in approving this bill.

FRANKLIN D. ROOSEVELT.

RED LAKE BAND OF CHIPPEWA INDIANS IN MINNESOTA

H. R. 4539 would authorize a per-capita payment of $25 to the members of the Red Lake Band of Chippewa Indians in Minnesota from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

The Acting Secretary of the Interior advises that (a) a large number of the old people are being provided for under the Social Security Act; (b) that employment opportunities are plentiful for able-bodied Indians in road and emergency conservation work; (c) that to provide labor to conduct timber operations on the reservation it was necessary to discontinue some of the emergency relief activities; and (d) that the proposed payment would reduce the capital of this tribe to such a point that future timber operations may be seriously handicapped.

For these reasons I am withholding approval of H. R. 4539.

FRANKLIN D. ROOSEVELT.

On August 31, 1937:

CLEVELAND L. SHORT

H. R. 1093. I have withheld my approval from H. R. 1093, "An act for the relief of Cleveland L. Short."

This measure would authorize and direct the Secretary of the Treasury to pay to Cleveland L. Short the sum of $1,572.50 in full settlement of all claims against the United States for permanent injuries sustained by him on June 14, 1909, while employed by the Isthmian Canal Commission.

The compensation law in effect at the time Mr. Short was injured provided that, in the event of injury resulting from hazardous employment, the employee would be entitled to receive for a year thereafter the same rate of pay as if he continued to be employed, unless, in the opinion of the Secretary of Commerce and Labor, the employee could return to work sooner.

The record in this case shows that Mr. Short was incapacitated for 45½ days; that he returned to work after that period; and that, in accordance with the provisions of the then-existing law, he received benefits of $227.50 to cover his lost time.

The present bill provides for paying the employee the difference between $227.50 and his rate of pay for a full year, or an additional payment of $1,572.50.

Apparently this is the first bill of this kind; and if this were the only case of a full year's compensation to a Federal employee who returned to work after a disability that existed for only a portion of the year, I would have no hesitancy whatever in approving the bill, particularly in view of the fact that the employee lost a foot in the accident. But there are hundreds of cases of employees who sustained injuries during the period from May 30, 1908, to September 7, 1916, and who returned to work after varying periods of disability of less than 1 year without receiving a full year's compensation on account of such disabilities.

I therefore feel that the enactment of this bill would create a precedent which might result in numerous claims for additional compensation by others who were injured and who have received the benefits to which they were entitled under the law.

For these reasons I withhold approval of the bill.

FRANKLIN D. ROOSEVELT.

AUTHORIZING ADVANCE OF AMOUNTS DUE ON DELINQUENT HOMESTEAD ENTRIES ON CERTAIN INDIAN RESERVATIONS

H. R. 2888 is a bill to grant relief to homesteaders and purchasers of public and ceded Indian lands and to authorize advance of amounts due on delinquent homestead entries on certain Indian reservations.

Sections 1 and 2 thereof authorize the granting of leave of absence and exemption from payment of installments on the purchase price of their land to homestead settlers and entrymen who, because of economic conditions, find it necessary during the calendar year 1937 to leave their homesteads to seek employment. Section 5 would permit any entryman or purchaser of ceded Indian land to relinquish a portion of his entry or purchase so that the payments on the whole of such entry or purchase will be sufficient to complete payment on the lands retained. To these three sections I have no serious objection, in view of the previous extensions that have been granted by the Congress.

But I am unable to find any satisfactory basis for approving sections 3 and 4 of the bill. These two sections provide for the advance payment to the Indians from the general fund of the Treasury of the indebtedness of entrymen and purchasers of ceded Indian land. With the opening of these ceded Indian lands to entry, the United States accepted no responsibility to purchase or find purchasers for such lands, but acted only as a trustee to sell the lands and pay over the proceeds to the Indians. The delinquency that has occurred on the part of entrymen and purchasers in making their payments on these lands constitutes no justification for the proposed shifting from the Indians to the Government of the burden of waiting for the completion of the payments. The fact of the delinquency indicates, indeed, that this is simply the transfer of bad debts from one payee to another.

I would have no objection to the enactment of legislation that would provide for the cancelation of these entries and for the reversion of the lands to the Indians for their own use.

For the foregoing reasons I am withholding approval of H. R. 2888.

FRANKLIN D. ROOSEVELT.

the Bankhead-Jones Act to Puerto Rico.

Congress in so naming the two avenues bounding the Mall.

UINTAH, WHITE RIVER, AND UNCOMPAHGRE BANDS OF UTE INDIANS

H. R. 4399. I am withholding approval of H. R. 4399, authorizing an appropriation of $860,098.75 for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians for 36,223 acres of land, comprising a portion of a total area of 1,010,000 acres ceded to the Government by the Ute Indians and added to the Uintah National Forest in 1905. The Indians have been compensated for 973,777 acres of this ceded land, at $1.25 per acre, in the amount of $1,217,-221.25, under the act of February 13, 1931.

As to the area of 36,223 acres, which contains certain deposits of coal, that act directed the Secretary of the Interior to ascertain the value thereof and report his findings to Congress; and in accordance therewith the Secretary reported to Congress on July 20, 1931, that the value of this area, as appraised by the United States Geological Survey, was $62,165.75.

The amount of compensation proposed in the pending bill is the amount of an appraisal made in 1910, with respect to which the Director of the Geological Survey, in a letter to the Commissioner of Indian Affairs on January 21, 1937, states, in part, as follows:

> Such values represent, in fact, nothing more than the worth of the coal therein for purposes of immediate development. * * * As they were designed to prevent the speculative purchase and withholding from development of Federally owned coal lands, those values represent present worth only as of the date commercial development of the coal involved becomes commercially feasible. For the coal acreage here involved such date has not yet arrived and was even more remote in 1905 than at present. It is, in fact, still so far in the future as to be subject only to conjecture, with some room for doubt that it will ever arrive. * * * For the administrative purpose for which they were made, the valuations placed upon the coal acreage on the basis of Lupton's findings (appraisal of 1910) are fair and reasonable, though they are exorbitant and excessive to the point of absurdity as a measure of the present worth of the coal rights involved to the Federal Government or to any other possible purchaser.

After careful consideration of the record in this case, I am unable to reach the conclusion that the payment authorized by this bill is justified.

FRANKLIN D. ROOSEVELT.

KLAMATH BUSINESS COMMITTEE AND OFFICIAL DELEGATES

H. R. 5975 authorizes the establishment of per-diem payments in lieu of compensation and expenses for members of the Klamath business committee and official Klamath delegates to Washington.

The legislation is objectionable because (a) the amount to be expended in any one year is unlimited; (b) there is no restriction on the number of delegates to be chosen to represent the tribe in Washington at any one time; (c) representatives of the tribe could visit Washington at will; and (d) the tribal representatives could stay in Washington for an unlimited period.

Regardless of the fact that tribal funds are involved, the Secretary of the Interior or the Commissioner of Indian Affairs should have authority to determine the size of a delegation, and to limit the visit to a period of time necessary to complete the business in hand. Without administrative control large sums of Klamath tribal funds could be wasted by maintaining a delegation at the seat of government at times when the presence of such a delegation is wholly unnecessary.

For these reasons I am withholding approval of H. R. 5975.

FRANKLIN D. ROOSEVELT.

On September 2, 1937:

WASHINGTON, D. C., AIRPORT

H. R. 7985. I am withholding approval of H. R. 7985, an act to provide for the enlargement of the so-called Washington-Hoover Airport because of the complete futility of the act.

I am compelled to do this with deep regret, because the failure to provide for an adequate airport may lead to serious accidents before one can be built.

This is a subject which has been studied, reported on, and discussed for years. The most recent study was by an airport commission this year. Three Members of the Senate, three Members of the House of Representatives, and three members appointed by the President to study all possible airfield sites—48 in number—reduced this number to 8 for further study, then to 3, and finally recommended a permanent airport on high ground at Camp Springs, Md. The principal objection to the Camp Springs site was that it was 9 miles from the center of the hotel and business district. It was located, however, on high ground not subject to river fogs.

The second choice of this commission was the Gravelly Point site, where a field adequate in size could be built, principally by the pump-and-fill method, only a short distance south of the present airport. The principal objection to the Gravelly Point site was that it was on comparatively rare occasions subject to river fogs, an objection which applies almost equally to the Washington-Hoover Airport.

Only one member of the commission favored the Washington-Hoover Field, although the evidence against it from all the experts who appeared before the commission was very strong. The Washington-Hoover Field is subject to fogs and, under the proposed bill, even with a small addition of 53 acres taken from Department of Agriculture land, would still leave this field as one of the poorest fields in the entire Nation for large planes carrying passengers and mail. This is a simple fact.

Furthermore, the bill provides for the closing of an important highway leading into the heart of the National Capital and for the lease of Government land for 50 years to a private corporation. The principal aviation field of the National Capital should not be owned or controlled by any private corporation. This in itself is sufficient justification for disapproval of the bill.

It is my thought that because of the importance of air traffic to and from the District of Columbia the Government of the United States could well afford two fields. After careful consideration I am of the belief that the Gravelly Point site should be developed for use in all good weather when they are no river fogs or bad flying conditions. This site is within 10 minutes of the center of Washington. It could be used by the large transport planes on probably 80 percent of all flying days.

At the same time I believe that the Government should develop an additional field on high land not subject to fogs. Such a field, either at Camp Springs or at some similar site, could be made ready in a very few months of work and would be used during the comparatively small number of days when the Gravelly Point site is unsafe because of river fogs.

I shall ask the Congress, immediately upon their reconvening, to take up this matter as quickly as possible.

Further, I am asking the Secretary of Commerce, until such time as a high, level field can be made available, to close the Washington-Hoover Airport to all planes whenever, in the judgment of the Bureau of Air Commerce, landing on or taking off from that field is unsafe.

If the Congress provides for a high, level field in the early part of its next session, there is no reason why such a field cannot be made available, at least for emergency use, within a comparatively short time.

Such a field, however, would of necessity be 9 or 10 miles from the center of the District, and I hope that the Congress will also see fit to develop the Gravelly Point site, which would, of course, require 2 or 3 years to complete.

FRANKLIN D. ROOSEVELT.

EXECUTIVE COMMUNICATIONS, ETC.

814. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Interior, transmitting the draft of a bill relating to the tribal and individual affairs of the Osage Indians in Oklahoma, was taken from the Speaker's table and referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BELL: Select Committee to Investigate Old-Age Pension Plans, and Organizations. House Report 1, Part II. Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 7277. A bill to amend an act entitled "An act to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States", approved September 3, 1935; with amendment (Rept. No. 1636). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 2890. A bill fixing annual compensation for postmasters of the fourth class; with amendment (Rept. No. 1640). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEEN: Committee on War Claims. H. R. 5006. A bill for the relief of DeWitt F. McLaurine; with amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5781. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HENDRICKS: A bill (H. R. 8320) to transfer all functions of the Interstate Commerce Commission relating to air mail and air-mail contracts to the Postmaster General; to the Committee on the Post Office and Post Roads.

By Mr. CROSSER: A bill (H. R. 8321) to amend an act approved February 6, 1905, being chapter 453, Fifty-eighth Congress, third session, to provide for the more efficient administration of civil government in the Philippine Islands, and for other purposes; to the Committee on Insular Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 8322) authorizing the prosecution of work in Clearwater Harbor, Fla.; to the Committee on Rivers and Harbors.

By Mr. LEWIS of Maryland: A bill (H. R. 8323) to amend the National Firearms Act by extending its provisions to revolvers and pistols of caliber .32 or over; to the Committee on Ways and Means.

By Mr. PETERSON of Florida: A bill (H. R. 8324) providing for the establishment of terms of District Court of the United States for the Southern District of Florida at Fort Myers, Fla.; to the Committee on the Judiciary.

By Mrs. JENCKES of Indiana: A bill (H. R. 8325) to amend the act entitled "An act to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain employees in the legislative and judicial branches of the Government", approved July 13, 1937; to the Committee on the Civil Service.

By Mr. TEIGAN: A bill (H. R. 8326) providing for Government ownership of the Federal Reserve banks, amending the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. PARSONS: A bill (H. R. 8327) to promote interstate and foreign commerce, to improve the navigability of the Lakes-to-the-Gulf waterway, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CARTER: A bill (H. R. 8328) providing for the collection of moneys due the United States Government from defaulting foreign nations; to the Committee on Foreign Affairs.

By Mr. McFARLANE. Resolution (H. Res. 341) creating a select committee of the House of Representatives to investigate the Bureau of Internal Revenue; to the Committee on Rules.

By Mr. BACON: Resolution (H. Res. 342) authorizing the Speaker to appoint a committee of seven Members of the House of Representatives to investigate the allegations and charges that a lobby and influences inimical to the public interest and impartial administration of the Federal Communications Commission exists in radio broadcasting; to the Committee on Rules.

By Mr. SHANNON: Resolution (H. Res. 343) requesting the Architect of the Capitol to prepare and submit a plan and estimate of cost of installation of an adequate system of passenger transportation between the Capitol and House Office Buildings; to the Committee on Accounts.

By Mr. BOREN: Joint resolution (H. J. Res. 496) proposing an amendment to the Constitution to provide fixed terms of office for judges of the Supreme Court and inferior courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BERNARD: Joint resolution (H. J. Res. 497) to provide for the appointment of a Commission to study and recommend to the Congress of the United States plans for the final settlement of the political status of Puerto Rico; to the Committee on Insular Affairs.

By Mr. CHURCH: Concurrent resolution (H. Con. Res. 27) requesting that the Liberty Bell at Philadelphia be rung on September 17 to commemorate the one hundred and fiftieth anniversary of the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GREEN: A bill (H. R. 8329) for the relief of Ira W. Pinholster, Jr.; to the Committee on Claims.

Also, a bill (H. R. 8330) for the relief of Ira W. Pinholster, Jr.; to the Committee on the Post Office and Post Roads.

By Mr. HAMILTON: A bill (H. R. 8331) for the relief of Sarah Elizabeth Elliott, widow of Joseph Elliott, deceased; to the Committee on Claims.

By Mr. HULL: A bill (H. R. 8332) for the relief of Mike A. Breslin; to the Committee on Claims.

By Mr. MAVERICK: A bill (H. R. 8333) for the relief of Virgil Kuehl, a minor; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3313. By Mr. SADOWSKI: A petition of the Women's Auxiliaries, International Union United Automobile Workers of America, opposing equal rights amendment to the United States Constitution, which was referred to the Committee on the Judiciary.